SFDR information

UBS Manage SI,
UBS Manage SI Advanced,
UBS Manage SI Premium,
UBS Manage Premium [Platinum SI]

Product disclosure in accordance with Art. 10(1)(c) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

Legal Entity Identifier:

- UBS SWITZERLAND AG - 549300WOIFUSNYH0FL22
- UBS EUROPE SE - 5299007QVIQ7IO64NX37

This document provides regulatory information in relation to Art. 11 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR").

This document applies to all UBS Manage SI, UBS Manage SI Advanced, UBS Manage SI Premium, UBS Manage Premium [Platinum SI], risk profiles, reference currencies and the chosen investment strategy.

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Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Environmental and/or social characteristics (E/S characteristics)

Does this financial product have a sustainable investment objective?

Yes	No
☐ It will make a minimum of **sustainable investments with an environmental objective:** ___%	☒ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 30% of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☒ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☒ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective: ___%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

Your sustainable portfolio promotes environmental, social and governance (ESG) characteristics such as, climate change, water, pollution and waste management, gender-related matters and governance. This is done by selecting instruments that aim to finance sustainable economic developments and environmental projects by engaging companies to improve their performance on sustainability issues and opportunities, and investments that support businesses generating positive outcomes for people and planet.

Your portfolio follows a dedicated fund selection process that integrates sustainability criteria into investment analysis. As part of this, we:

- identify fund strategies that follow specific sustainable investing (SI) approaches with intentional sustainability benefits and
- evaluate and rate the extent to which any fund strategy incorporates sustainability considerations.

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Sustainable indicators measure how the environmental or social characteristics promoted by the financial product are attained.

"Traditional": Targets market-rate risk-adjusted returns, but with no explicit sustainability intention. Manages sustainability and all risks to investment performance. May use sustainability-related tools or data but these do not drive the strategy.

SI Approach

"Align": strategies that predominantly invest in issuers and assets demonstrating better operational sustainability and/or climate transition performance relative to peers.

"Progress": strategies that predominantly invest in issuers and assets with demonstrated potential to show improved sustainability and/or climate transition performance over time.

"Solve": strategies that predominantly invest in issuers and assets providing solutions to sustainability and/or climate transition challenges.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The following practices are used as sustainability indicators for your portfolio:

Funds

All underlying funds are assessed with regards to their sustainability intentionality. The assessment is based on an internal sustainable investing framework ("SI Approach"), which indicates the extent to which fund managers are considering sustainability aspects in their investment decisions, from security evaluation and selection to portfolio construction (for detailed information refer to the left). It is a top-down assessment of the manager's philosophy and process, and hence a reflection of intentionality rather than outcome. For your sustainable portfolio, we consider only funds that follow "Align", "Progress", "Solve" investment approach, according to UBS methodology or combination of those. As an exception, cash-like instruments used for hedging purposes can be classified as "Traditional".

Additionally, all the invested funds fulfill the requirements of art. 8 or 9 SFDR.

Single Securities

UBS uses a proprietary scoring methodology for the selection of single securities for your portfolio, based on sustainability data from recognized external data providers. When stocks and bonds have been selected for your portfolio, they follow a selection approach that produces scores from zero to ten for each of the six sustainability topics (climate change, water, pollution and waste, products and services, people, governance). After weighting the six sustainability topics based on their importance per industry, only the top 20% ranked securities within the relevant investment universe (e.g. global or emerging markets, depending on the strategy) are eligible for your portfolio. From this initial set, companies ranking in the bottom 20% for Governance score are subsequently excluded. For selecting structured products UBS applies the same approach, except for structured products with non-linear pay-off and those used for liquidity or hedging purposes (such as currency trades). UBS ensures that the structured products are issued by a firm that demonstrates better sustainability performance compared to peers.

Since your portfolio is actively managed, no reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by your portfolio.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The objectives of the sustainable investments in your portfolio are to contribute to or align with one or more sustainability topics such as, climate change, water, pollution and waste management, reduced inequalities, gender-related matters, and governance. They also support the UN Sustainable Development Goals to achieve positive environmental and social changes.

This contribution is realized by investing in instruments which follow one of the SI strategies defined by UBS. The list of the SI strategies can be found under the question "What investment strategy does this financial product follow?"

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Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption, and anti-bribery matters.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

For funds, as part of the due diligence and selection process, UBS checks if there are processes in place by the underlying funds to ensure that the sustainable investments do not cause significant harm to any environmental or social sustainable investment objective. For single securities (if applicable) this is ensured via excluding issuers with adverse impacts.

How have the indicators for adverse impacts on sustainability factors been taken into account?

UBS integrates selected Principle Adverse Impact (PAI) indicators, based on data availability and alignment to UBS Manage SI sustainable objectives, in its investment decision making process.

Funds

As part of the due diligence and selection process, UBS checks if there are processes undertaken by the underlying funds to consider the indicators for adverse impacts on sustainability factors. Investment managers of the underlying funds are required to provide information as to whether the fund considers principal adverse impacts on sustainability factors, including contraventions of UN Global Compact principles. In addition, investment managers are required to share information on their exclusion policies, i.e. whether exposure to controversial business activities such as weapons, tobacco, gambling and adult entertainment etc., may lead to exclusion of such companies/issuers from the portfolio.

Single securities (if applicable)

In accordance with the SFDR, all mandatory PAI indicators are considered. Specific tests are applied to the following indicators:

- 1.3 Greenhouse gas (GHG) intensity of investee companies
- 1.4 Exposure to companies active in the fossil fuel sector
- 1.7 Activities negatively affecting biodiversity-sensitive areas
- 1.10 Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises
- 1.13 Board gender diversity, exposure to controversial weapons
- 1.14 Exposure to controversial weapons (anti- personnel mines, cluster munitions, chemical weapons and biological weapons)
- 1.15 GHG intensity of sovereigns
- 1.16 Investee countries subject to social violations
- 2.14 Share of investments in investee companies without a biodiversity protection policy

By applying the above tests, the remaining mandatory PAI indicators are also indirectly considered, through proxies and best-effort data sourcing methodologies:

- 1.1 GHG emissions
- 1.2 Carbon footprint
- 1.5 Share of non-renewable energy consumption and production
- 1.6 Energy consumption intensity per high impact climate sector
- 1.8 Emissions to water
- 1.9 Hazardous waste and radioactive waste ratio
- 1.11 Lack of processes to monitor compliance with UNGC and OECD Guidelines
- 1.12 Unadjusted gender pay gap

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Information on taking into account PAIs on sustainability factors is also available in the dedicated SFDR section of the annual Asset Statement. Further details are available at: www.ubs.com/dnsh

Depending on a PAI, securities are excluded from the proportion of sustainable investments if issuers are involved in any activities with adverse impacts or if their involvement exceeds pre-defined thresholds.

How are the sustainable investments aligned with the "OECD Guidelines for Multinational Enterprises" and the "UN Guiding Principles on Business and Human Rights"? Details:

International frameworks such as the UN Global Compact the "UN Guiding Principles on Business and Human Rights" as well as the "OECD Guidelines for Multinational Enterprises" address rules of environmental and social conduct for companies to act upon responsibly worldwide. UBS takes these guidelines into account in its investment selection process.

Funds

As part of the due diligence and selection process, UBS checks if there are processes undertaken by the underlying funds to align sustainable investments with the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

Single securities

As part of our SI methodology, we exclude controversial business activities (e.g., weapons) as well as high severity environmental, social, and governance-related incidents that may negatively impact stakeholders, the environment, or the company's operations. Examples of such incidents could include bribery or damage to the environment, when the company is directly responsible for such misconducts (e.g., oil-spills). UBS also excludes companies violating OECD Guidelines for Multinational Enterprises" and "UN Guiding Principles on Business and Human Rights".

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do no significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

Yes.

Funds

UBS invests in underlying funds which typically have a minimum proportion of sustainable investments, and therefore considers principal adverse impact on sustainability factors. As part of the due diligence and selection process, UBS checks if there are processes undertaken by the underlying fund to consider principal adverse impacts on sustainability factors, such as exclusions of controversial weapons or contraventions of UN Global Compact principles. In addition, investment managers

must share information on their exclusion policies, i.e. whether exposure to controversial business activities such as weapons, tobacco, gambling and adult entertainment etc., may lead to exclusion of such companies/issuers from the portfolio.

Single Securities

At present, several (but not all) Principal Adverse Impact (PAI) indicators are integrated in the UBS CIO sustainability scores methodology for issuers, where sustainability data from the best-in-class data providers is sourced and systematically processed to calculate a score for six sustainability topics. These topics include (i) Climate Change, (ii) Water, (iii) Pollution and Waste, (iv) People, (v) Governance and (vi) Products and Services. The score of a topic, ranges from zero to ten, (zero demonstrating weak performance and ten demonstrating a strong performance in a given topic). The selection of PAI indicators corresponds to the environmental and social topics UBS focuses on as part of the scoring methodology and screening process. The following UBS sustainability topic scores integrate PAI indicators, in addition to other indicators:

Climate change. The Climate Change topic score identifies companies that manage their carbon intensity and use energy effectively and transparently. The following PAI indicators are considered as part of the Climate Change score:

- "GHG Emissions (tCO2e)" which is used to calculate the carbon intensity
- "Renewable energy consumptions", and
- "Renewable energy use"

Water. The Water topic score identifies companies that manage their water consumption efficiently and transparently. The following PAI indicator is considered as part of the Water score:

- "Water consumption (m3)" is used to calculate water intensity which is integrated in the Water topic.

Pollution & waste. The Pollution & Waste topic score identifies companies that have good environmental policies and systems, reduce packaging, recycle materials, manage hazardous waste, and limit toxic emissions. The following PAI indicator is considered as part of the Pollution and Waste score:

- "Hazardous products" which demonstrates if products with important human health or environmental concerns account for company's total revenues.

For the topics People and Governance, the UBS SI methodology is applied but no PAI indicators are considered. The People topic score identifies companies that retain, develop, and promote wellbeing among their employees, encourage diversity and promote human rights across their operations. The Governance topic score identifies companies that are fair and transparent on issues such as executive pay, board independence, tax and anti-corruption.

In addition to the scoring methodology, the following PAI indicators are considered in the screening of companies for controversial business activities or/and sustainability-related incidents which might lead to exclusions of companies from the sustainable share of a portfolio:

- Violations of UN Global Compact principles through a number of underlying indicators related to the individual principles on human and labor rights, and the environment, rather than a single pass/fail indicator
- Land use and biodiversity negative impact
- Exposure to controversial weapons

Furthermore, the screening also considers:

- Controversial business activities: adult entertainment, alcohol, gambling, genetically modified organisms, nuclear power, thermal coal, tobacco, as well as
- Issuers with severe sustainability-related incidents.

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UBS is continuously reviewing the sustainability data landscape and assessing the possibility to onboard further indicators. Information on consideration of PAIs on sustainability factors is also available in the annual asset statement.

The **investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

What investment strategy does this financial product follow?

The portfolio construction for your SI portfolio is based on the risk/return profile that you have chosen. Sustainability characteristics are key drivers, but not the only drivers of investment decisions. Your portfolio incorporates material ESG information into the fundamental analysis of assets and investments to ensure relevant risk and performance factors are considered. This involves understanding how fund managers and companies handle ESG risks that could entail significant costs or capture opportunities arising from major sustainability-related themes and trends. SI discretionary mandates are constructed using SI strategies defined by UBS (excluding liquidity and certain structured products).

SI strategies currently include:

- Align: strategies that predominantly invest in issuers and assets demonstrating better operational sustainability and/or climate transition performance relative to peers.
- Align – (Emerging Market) Issuers: equities or bonds of (Emerging Market) issuers demonstrating better operational sustainability and/or climate transition performance relative to peers, according to GWM methodology.
- Progress: strategies that predominantly invest in issuers and assets with demonstrated potential to show improved sustainability and/or climate transition performance over time.
- Progress – Engagement (i): strategies where fund managers actively engage with issuers with the aim of driving progress on sustainability and/or climate transition related topics. This solution is an impact investment.
- Solve: strategies that predominantly invest in issuers and assets providing solutions to sustainability and/or climate transition challenges.
- Solve – Emerging market finance: strategies that predominantly comprise fixed income and currency solutions to provide private funding in emerging markets and support the efforts of development finance institutions.
- Solve – Thematic bonds: strategies that invest predominantly in bonds that finance environmental and/or social projects and activities, as well as a transition process toward stronger sustainability credentials (include green, social, sustainable and sustainability-linked bonds).
- Solve – Multilateral development bank bond (i): strategies that invest predominantly in bonds issued by multilateral development banks (MDB), such as the World Bank, directly or via managed solutions. Proceeds are directed with the intent to generate positive environmental and/or social impact through development finance. This solution is an impact investment.
- Solve – Thematic multilateral development bank bond (i): bonds issued by MDB, such as the World Bank, that finance environmental and/or social projects and activities, as well as a transition process toward stronger sustainability credentials (include green, social, sustainable, and sustainability-linked MDB bonds). This solution is an impact investment.
- Solve – Issuers: equities of issuers that provide solutions to sustainability and/or climate transition challenges, according to GWM methodology.

- Multiple approaches: strategies that incorporate several approaches in the portfolio construction and investment process (for example, Align and Progress, or across multiple asset classes).

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

For your sustainable portfolio, UBS only selects funds that follow "Align", "Progress", "Solve", investment approach according to the UBS methodology, or a combination of these (multiple approaches). As an exception, cash-like instruments used for hedging purposes are not required to be follow these approaches (i.e., considered 'Traditional').. All funds must fulfill the requirements of disclosure under Art. 8 or 9 SFDR.

Where relevant, UBS selects only single securities that follow SI strategies, as described above (excluding liquidity and certain structured products). The stated SI selection criteria ensures that the environmental and social characteristics are met.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

There is no commitment to a minimum rate to reduce the scope of the considered investments prior to the application of the investment strategy.

Funds

As part of the investment strategy, UBS has reduced the investment fund universe by including only funds that follow "Align", "Progress", "Solve" investment approaches, or a combination of those (except of cash-like funds for hedging purposes considered 'Traditional'). Hence, we exclude funds focused on traditional investing with only limited sustainability consideration.

Single Securities

UBS has reduced the scope of investments by excluding those investments that do not focus on sustainability matters and obtained a low SI score calculated in line with UBS's SI scoring methodology, i.e., they do not belong to the top-scored investments or because they do not meet certain criteria such as strong governance and/or are involved in controversial business activities and sustainability-related incidents.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Funds

For your portfolio, UBS selects funds that fulfill the requirements of disclosing under Art. 8 or Art. 9 of SFDR (excluding liquidity) for which adherence to good governance is a regulatory requirement.

Single Securities

Good corporate governance is a key driver of sustainable performance and is therefore embedded in UBS investment strategy. Assessment of good governance includes consideration of management structures, employee relations, remuneration of staff and tax compliance. UBS relies on an external provider's data and excludes companies which cause, contribute or are linked to violations of those 4 pillars in a material

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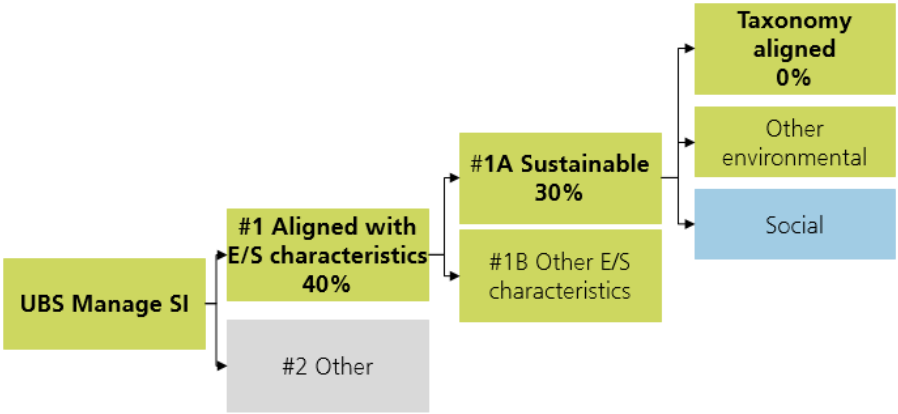
manner. In addition, good governance is supported by assessing whether companies adhere to minimum standards as defined by the ten principles of the United Nations Global Compact Principles. Access to high-quality data necessary for assessing sustainability-related matters may be limited. Please note that, in the absence of available data about governance, the issuer will be deemed to have passed the "good governance" test, as there is no evidence indicating non-compliance.

What is the asset allocation planned for this financial product?

In your portfolio, all investments (excluding liquidity) meet the internal UBS SI selection criteria and are aligned with the UBS SI methodology.

SFDR requires to report on pre-defined categories (see flow-chart below). Since the data and regulatory framework are still evolving, only conservative minimum values can be provided at present. These values are based on aggregating underlying instrument data.

Asset allocation describes the share of investments in specific assets.



Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g., for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

#1 Aligned with E/S characteristics includes the investments used to attain the environmental or social characteristics promoted by this financial product. For SI discretionary mandates this is calculated based on the underlying instruments data.

#2 Other includes the remaining investments (e.g., liquidity, certain structured products and non-SI expressly requested instruments (ERI)) of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category #1 Aligned with E/S characteristics covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives based on underlying instruments data. At least 30% of your portfolio met the stricter criteria of sustainable investments. This includes any SI expressly requested instrument investments (if any).

The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives are generally not used to pursue the environmental, social and governance objectives of your portfolio.

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safety and waste management rules

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

Your portfolio does not take into account the EU criteria for environmentally sustainable economic activities, as defined under the Taxonomy Regulation (EU) 2020/852. As such, there is no commitment to have any proportion of taxonomy-aligned investments.

Please note that investments that are not recognised as aligned with EU Taxonomy are not necessarily environmentally harmful or unsustainable.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☒ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective- see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

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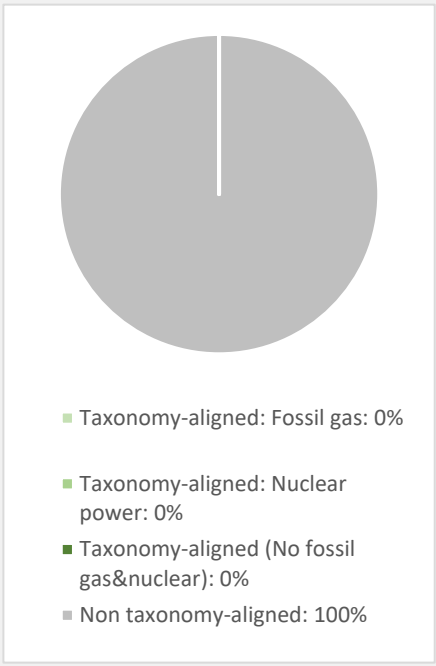
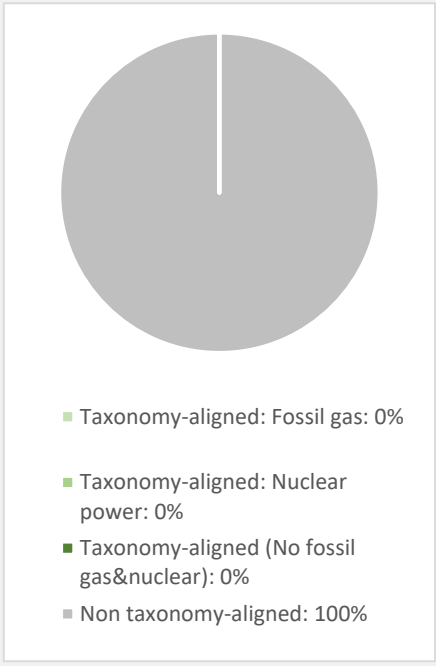
The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

1. Taxonomy-alignment of investments **including sovereign bonds***



2. Taxonomy-alignment of investments **excluding sovereign bonds***



* *For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.
Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

There is no commitment to a minimum proportion of investments on transitional and enabling activities.

are sustainable investments with an environmental objective that **do not take into account the criteria** for

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

Your portfolio invests at least 30% in sustainable investments (#1A). It may be a combination of sustainable investments with an environmental objective (not aligned with the EU taxonomy due to low data availability) and a social objective, but the exact composition may fluctuate.

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environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

Your portfolio invests at least 30% in sustainable investments (#1A). It may be a combination of sustainable investments with an environmental objective and a social objective, but the exact composition may fluctuate.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

The investments included under the "Others" section of your portfolio mainly include liquidity, certain structured products (used for liquidity or hedging purposes) and non-SI expressly requested instrument investments (if any).

Single Securities

Your portfolio is safeguarded through constant monitoring of these investments including exclusions of:

- Issuers exceeding certain revenue threshold from controversial businesses (adult entertainment, alcohol, gambling, genetically modified organisms, thermal coal, tobacco, weapons); and
- sanctioned countries from the investment universe.

Funds

As part of the due diligence and selection process, UBS checks if there are processes undertaken by the underlying fund to consider exclusions of controversial weapons or contraventions of UN Global Compact principles. In addition, investment managers are required to share information on their exclusion policies, i.e. whether exposure to controversial business activities such as weapons, tobacco, gambling and adult entertainment etc., may lead to exclusion of such companies/issuers from the portfolio.

Where can I find more product specific information online?

More product specific information can be found on the website: www.ubs.com/sfdr