Glide Path Score

Disclosure pursuant to Annex III, point 1 of the Regulation (EU) 2024/3005 of 27 November 2024 on the transparency and integrity of Environmental, Social and Governance (ESG) rating activities ("the Regulation").

Rating Product Disclosures

Objective and Scope

As specified in Annex III, point 1, letter f of the Regulation.

The objective of the Glide Path Score is to provide a forward-looking climate transition alignment indicator within the UBS Climate Aware framework. It estimates the probability that a company will meet the CO_2 reduction trajectory implied by the International Energy Agency Net Zero by 2050 scenario (consistent with UN Intergovernmental Panel on Climate Change (IPCC) 1.5°C pathways). The rating is used to tilt portfolios toward companies more aligned with industry decarbonisation targets. The model is not designed as an expected-return or alpha signal.

The rating covers climate transition risk, assessing the extent to which a company may be exposed to adverse impacts arising from the transition to a low-carbon economy, including from misalignment with internationally recognised decarbonisation pathways.

The rating assesses the issuer's climate-related environmental impacts by evaluating its contribution to greenhouse-gas emissions and its decarbonisation trajectory over time. This is measured primarily through greenhouse-gas emissions, including Scope 1 and Scope 2 emissions for all covered issuers, and Scope 3 emissions where material or defined for selected industries.

The score reflects whether the issuer's emissions (in absolute terms and intensity) are declining faster or slower than scenario-aligned industry targets, indicating the extent of the issuer's contribution to climate change.

<u>Materiality dimensions:</u>

The methodology underlying the climate-transition alignment score is not designed as a double-materiality assessment under the EU framework. While the methodology uses indicators that are relevant to both transition risk and environmental impact as part of the UBS Climate Aware framework, it does not separately explicitly assess or quantify risk and impact materiality, nor does it assign explicit weights to these dimensions.

The Glide Path Score is not based on materiality dimensions other than climate transition alignment.

ESG Factors and Aggregation

As specified in Annex III, point 1, letters g and h of the Regulation.

The assessment covers Environmental (E) factors related to climate transition, including greenhouse gas emissions and selected transition indicators. These environmental indicators are aggregated into a single climate-transition alignment score. Social (S) and Governance (G) factors are not covered or aggregated under this methodology.

The Glide Path Score is a climate transition alignment metric focusing on environmental factors related to the transition to a low-carbon economy. The rating covers specific issues associated with climate transition alignment, including:

- the extent to which a company's greenhouse gas emissions trajectory is aligned with recognised decarbonisation pathways;
- exposure to climate transition risk arising from misalignment with industry decarbonisation targets;
- the company's contribution to climate-related environmental impacts, as reflected in its emissions profile and decarbonisation progress;
- forward-looking transition indicators, including company emissions disclosures, climate target setting (i.e., Science Based Targets initiative commitments).

Specification of Topics Covered

As specified in Annex III, point 1, letter i of the Regulation.

At a high level, the Glide Path Score's environmental factors correspond broadly to ESRS E1 (Climate change), but only from a financial risk and transition-alignment perspective and not as a formal ESRS double-materiality assessment or ESRS reporting framework. Social and governance factors are not covered by the Glide Path Score and therefore do not correspond to the ESRS social or governance topical standards.

Absolute or Relative Approach

As specified in Annex III, point 1, letter j of the Regulation.

The Glide Path Score is expressed as a relative, peer-comparable measure.

International Agreements Considered

As specified in Annex III, point 1, letters o and p of the Regulation.

The Glide Path Score is explicitly linked to the Paris-aligned transition objective via the International Energy Agency (IEA) Net Zero by 2050 scenario and UN Intergovernmental Panel on Climate Change 1.5°C-consistent pathways used to define industry decarbonisation trajectories.

The Glide Path Score assesses the alignment of a company's climate-transition commitments with recognised climate transition objectives, by estimating the probability of meeting IEA-derived targets that reflect the goals of international climate agreements. It also reflects progress over time, indicating whether a company is on track in its transition journey.

General Methodological Disclosures

Overview of Rating Methodologies

As specified in Annex III, point 1, letter a of the Regulation.

Methodology title and scope:

Glide Path Score within the UBS Climate Aware framework.

The methodology applies to equity and fixed income securities within the underlying benchmark universe, in industries mapped to International Energy Agency sectors.

Time horizon:

The Glide Path Score is reviewed and recalculated on an ongoing basis as updated underlying data becomes available, in line with the recurring update cycles of the external data providers. The ongoing update cycle ensures that the Glide Path Score remains valid until the next update.

Supporting models and assumptions:

The Glide Path Score is supported by the International Energy Agency net zero pathway model and external data sources, including company emissions data, climate scenario pathways, and publicly available sustainability and climate target information, such as data from the Science Based Targets initiative.

Assumptions underlying the Glide Path Score are embedded within the model design and are applied consistently across companies and sectors. The models incorporate forward-looking assumptions, including the estimation of a company's likelihood of meeting net-zero targets based on its distance from relevant International Energy Agency sector decarbonisation pathways.

Data quality measures:

Data is subject to centralised quality controls and oversight, and ongoing consistency checks to ensure the data is reliable, auditable, and aligned across the firm.

Rating system and interpretation of the score:

The Glide Path Score ranking system is based on continuous score with a clear ordering. The final Glide Path Score of a company is relative to its peers in the same industry, ranked and then rescaled on a score spectrum between 1 and 100. Higher scores indicate stronger alignment and higher estimated probability of meeting the relevant International Energy Agency industry decarbonisation target (IEA Net Zero by 2050), while lower scores indicate weaker alignment.

Methodology updates:
The most recent update of the methodology is documented in the UBS Climate Aware Model documentation dated 22 October 2025 (version 5.9).

The update introduced enhancements to better reflect current climate transition expectations. These included aligning the assessment with the Net Zero by 2050 scenario developed by the International Energy Agency, expanding the use of publicly available climate target information, and incorporating additional forward-looking elements to better capture companies' transition progress.

Industry Classification

As specified in Annex III, point 1, letter b of the Regulation.

Industry classification is taken from standard benchmark and index provider taxonomies, including MSCI Global Industry Classification Standard (GICS) for MSCI benchmarks and FTSE Industry Classification Benchmark (ICB) for FTSE benchmarks, then mapped to International Energy Agency sector pathways within the model.

Classification systems referenced:

- MSCI Global Industry Classification Standard (for MSCI benchmarks): https://www.msci.com/our-solutions/indexes/gics
- FTSE Industry Classification Benchmark (for FTSE benchmarks): https://www.lseg.com/en/ftse-russell/industry-classification-benchmark-icb

Data Sources and Processes

As specified in Annex III, point 1, letter c of the Regulation.

Engagement with issuers forms part of the UBS Stewardship approach, a dedicated climate engagement programme in place since 2018. The programme focuses on high-emitting and carbon-intensive sectors. Engagement activities seek to assess issuers' climate transition commitments, governance, and progress over time.

Insights and outcomes from issuer engagement are incorporated into the Glide Path Score through sentiment-based multipliers, which adjust the score to reflect qualitative evidence gathered through engagement.

UBS also uses data provided by vendors, who source data from publicly available sources, or from company disclosures. The data is updated periodically in line with provider update cycles. The data vendors may source data from sustainability statements under Corporate Sustainability Reporting Directive or disclosures under Sustainable Finance Disclosure Regulation.

Scientific Evidence Basis

As specified in Annex III, point 1, letter e of the Regulation.

The Glide Path Score methodology is based on scientific evidence within the meaning of the internally adopted definition (i.e. relevant, verifiable and methodologically robust data, research or analysis grounded in internationally recognised scientific or science-based frameworks developed or endorsed by authoritative international or intergovernmental bodies, or recognised standard-setting initiatives), as it relies on externally developed, science-based climate scenario frameworks that provide reference industry decarbonisation pathways, developed by authoritative international and intergovernmental bodies such as the International Energy Agency and the United Nations Intergovernmental Panel on Climate Change. Relevant scientific evidence is identified through a process of selecting such widely recognised and authoritative frameworks, based on their scientific credibility, global acceptance and relevance to climate transition assessment, and is subject to internal model governance, including review and validation processes.

Artificial Intelligence

As specified in Annex III, point 1, letter k of the Regulation.

AI isn't involved in the Glide Path Score calculation process, hence AI-specific limitations are currently not applicable.

Limitations in data sources, methodologies and information

Limitations in Data Sources

As specified in Annex III, point 1, letter m of the Regulation.

Limitations in the Glide Path Score calculation process may include limitations in availability and consistency of emission data. Emission disclosures are not compulsory for companies under the present regulatory framework, resulting in potential limited data availability and coverage for respective metrics. The investment framework acknowledges that carbon data availability is incomplete and depends partly on company disclosure.

Portions of emissions data, especially in Scope 3, may not be fully available. Moreover, data gaps may be filled in by data provider estimates, which may impact data consistency.

Limitations in Information Availability

As specified in Annex III, point 1, letter q of the Regulation.

Limitations affecting the completeness, timeliness and accuracy of the Glide Path Score include carbon data lags, which may result in data delays of approximately 1 to 1.5 years. Differences between providers are more pronounced for non-disclosed and estimated data, particularly for Scope 3 emissions, which may limit data accuracy and increase uncertainty.

Moreover, corporate actions, such as stock splits, corporate mergers and acquisitions, as well as identifier changes, including changes to companies' ISIN and SEDOL, can affect Glide Path Score mapping and coverage. Hence, corporate changes are being monitored via data quality checks.

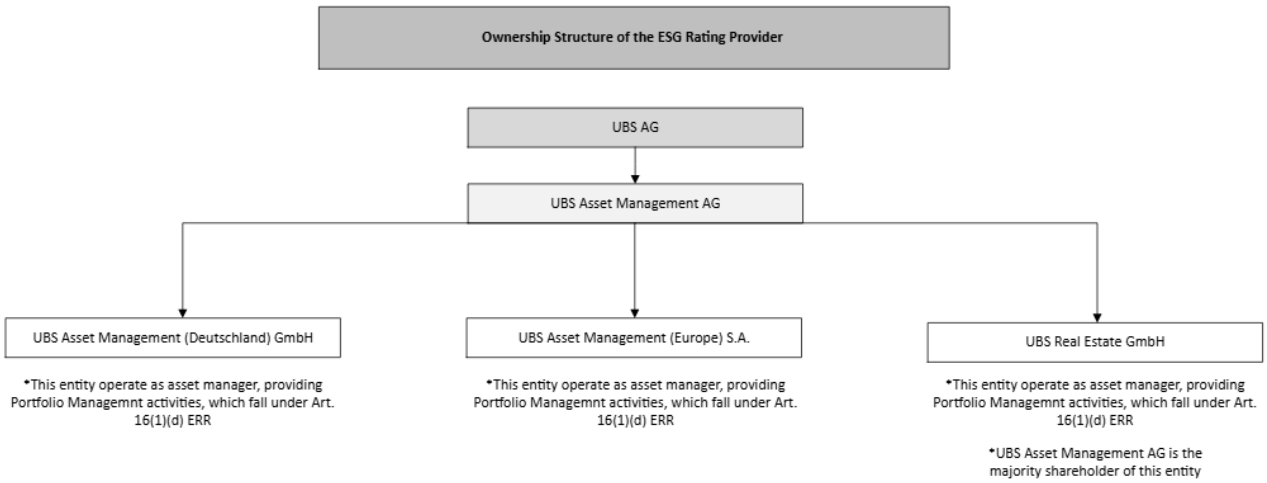
The Glide Path Score uses assumptions to map benchmark industry classifications to International Energy Agency sector pathways. Additionally, emissions intensity target uses global emissions-to-GDP trajectory (−3.1% annualised for 2020–2030) as a proxy due to limited sector-specific intensity pathways. Missing emissions data are forward filled, while issuers without sufficient history are excluded from glidepath scoring.

Organisational Disclosures

Ownership Structure

As specified in Annex III, point 1, letter d of the Regulation.

UBS Asset Management is part of UBS Group.
The schematic structure chart outlines its parent and subsidiaries and indicates whether relevant entities perform activities referred to in Article 16(1) or services referred to in Article 16(6) of the Regulation:



Fee Criteria

As specified in Annex III, point 1, letter l of the Regulation.

No fees are charged for the Glide Path Score, as it is a rating incorporated within selected products and services as an integral component of the companies' sustainable investment framework.

Risks of Conflict of Interest

As specified in Annex III, point 1, letter n of the Regulation.

UBS Asset Management has established a comprehensive framework to identify, prevent, escalate and manage actual, potential and perceived conflicts of interest, in accordance with the UBS Global Conflicts of Interest Policy and its fiduciary duty to act in the best interests of clients.

Conflicts of interest in the context of ESG ratings may arise where UBS, its employees, or its business activities have competing interests, incentives, or relationships that could compromise, or be perceived to compromise, the independence, objectivity, or integrity of ESG rating methodologies, processes, or outputs. Such conflicts may be actual, potential, or perceived, and may arise from overlapping business activities and organisational structures within UBS, for example, where the same entity provides investment management, advisory, or product structuring services. They may also arise from commercial incentives, client relationships, performance objectives, or reputational considerations. They may occur across the ESG rating lifecycle, including data selection, methodology design, rating determination, and the use of ratings in investment processes, product development, and marketing or client communications.

Conflicts of interest are identified through business activities, and controls are implemented to prevent or mitigate such conflicts. These include governance frameworks, processes and procedures, clearly defined roles and responsibilities, and review and challenge by control functions. Where conflicts are identified, they are assessed and, as appropriate, mitigated, managed and/or disclosed, and documented through governed internal processes designed to prevent adverse impacts on clients or the integrity of investment processes.

Where appropriate, conflicts are escalated to ensure that decisions remain aligned with client interests and are disclosed in accordance with applicable laws and regulations.