UBS Blended ESG 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 UBS Blended ESG Score is to represent a more balanced assessment of the sustainability profile assigned to an issuer by integrating two or more independent ESG assessments, rather than relying on a single methodology. The Score reflects the issuer's exposure to and management of material ESG risks and opportunities, not impacts.

The risks assessed include:

- Environmental risks: Exposure to climate change, carbon transition risks, water scarcity, pollution, and waste management challenges. For example, vulnerability to stricter emissions regulations or physical climate risks impacting operations.
- Social risks: Related to labour practices, diversity and inclusion, health and safety, and community relations. For example, potential reputational damage or operational disruption due to poor labour standards or workplace safety issues.
- Governance risks: Arising from weak corporate governance, unethical practices, corruption, and lack of transparency. For example, increased legal and compliance risks due to inadequate governance structures.

The UBS Blended ESG Score does not assess environmental or social impacts. The methodology evaluates sustainability profiles based on the MSCI ESG Score methodology and the UBS Global Wealth Management (GWM) Sustainability Scores for corporate, agency and supranational issuers, and based on MSCI ESG Score methodology and MSCI SDG Country Index Score by UNSDSN for sovereign issuers.

The UBS Blended ESG Score does not apply the double materiality principle; therefore, impact materiality and impact-based metrics are not within scope. The methodology assesses financially material ESG risks and opportunities only.

ESG Factors and Aggregation

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

The UBS Blended ESG Score reflects an issuer's exposure to and management of key environmental, social and governance (ESG) risks and opportunities.

Scope of E, S and G factors:

- Environmental factors comprise, where relevant, climate change, emissions, resource use, and environmental impacts such as pollution and waste.
- Social factors comprise labour practices, workforce diversity, health and safety, and stakeholder or community relations.
- Governance factors comprise board structure and oversight, remuneration practices, business conduct, and transparency.

The score covers a broad range of ESG factors, as explained above, rather than focusing on a specific issue.

Materiality dimensions and aggregation approach:

The UBS Blended ESG Score combines the MSCI ESG Scores and the UBS GWM Sustainability Scores or MSCI SDG Country Index Score by UNSDSN, depending on the issuer, as explained above. The underlying scores are based on materiality driven frameworks used by the score providers, whereby ESG factors are assessed and combined according to their relevance to the issuer's financial profile and sector characteristics. This means that not all factors contribute equally, and the composition of relevant ESG factors may differ across industries. Notwithstanding these differences, all factors are ultimately subject to aggregation within the overall assessment.

Weighting approach:

The Blended ESG Score does not apply a fixed or equal weighting across Environmental, Social and Governance pillars. The UBS Blended ESG Score combines two respective underlying issuer-level scores. The underlying scores apply weighting in accordance with the respective providers' methodologies, which prioritize factors based on their assessed financial materiality. Accordingly, E, S and G factor weights differ by issuer and industry and are not standardized.

Specification of Topics Covered

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

At a high level, the UBS Blended ESG Score's environmental factors correspond broadly to ESRS E1 (Climate change), E2 (Pollution), E3 (Water and marine resources), and E5 (Circular economy); its social factors correspond broadly to ESRS S1 (Own workforce), S2 (Workers in the value chain), S3 (Affected communities), and S4 (Consumers and end-users); and its governance factors correspond broadly to ESRS G1 (Business conduct).

The UBS Blended ESG Score therefore covers a broad set of sustainability matters reflected in the ESRS topical standards, but only from a financial risk perspective and not as a formal ESRS double-materiality assessment or ESRS reporting framework.

Absolute or Relative Approach

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

The UBS Blended ESG Score is expressed on a 0–10 scale, reflecting an issuer's sustainability profile relative-to-industry.

The score combines the MSCI ESG Score and the UBS GWM Sustainability Scores for corporate, agency and supranational issuers. For sovereign issuers, the UBS Blended ESG Score combines the MSCI ESG Score for countries and MSCI SDG Country Index Score by UNSDSN.

For corporates, agencies and supranationals, the MSCI ESG Score reflects an issuer's sustainability profile relative to its industry peers, meaning that the underlying assessment is industry adjusted. The UBS GWM Sustainability Scores are calculated as an absolute issuer-level score, which is subsequently adjusted relative to the relevant industry.

For sovereigns, the MSCI ESG Score assesses whether a country's economic, social and political structures create ESG-related risks. The Score defines sovereign ESG risks as environmental, social or governance-related issues that could impact the long-term sustainability of a country's economy. The MSCI SDG Country Index Score measures countries' progress toward United Nations Sustainable Development Goals (UN SDGs). It is constructed to be comparable across countries and is often used for relative benchmarking and ranking.

Accordingly, the UBS Blended ESG Score is a relative score.

International Agreements Considered

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

The UBS Blended ESG Score methodology does not take into account the objectives, targets or commitments of the Paris Agreement and other major international agreements.

General Methodological Disclosures

Overview of Rating Methodologies

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

The UBS Blended ESG Score methodology applies to issuers only.

The UBS Blended ESG Score is updated monthly. The rating is therefore considered valid until the next monthly data refresh.

Supporting models and assumptions:

The UBS Blended ESG Score relies on the underlying methodologies of MSCI ESG Ratings and UBS GWM Sustainability Scores; each applying sector specific materiality criteria and topic level indicators as well as MSCI SDG Country Index Score by UNSDSN (for sovereigns only). The Blended ESG Score is calculated by normalising and combining these inputs. Key assumptions include that ESG factors represent financially material risks and opportunities, and that sector relevance drives weighting across topics.

Data quality measures:

Data used in the score undergoes provider-level validation, periodic reviews, and automated consistency checks. UBS performs additional monitoring to ensure completeness and reliability of inputs received from external ESG data providers.

Forward / backward-looking nature:

The UBS Blended ESG Score incorporates both backward-looking and forward-looking elements, depending on the underlying topic and specific indicators used, as some metrics reflect historical performance while others capture anticipated or emerging ESG risks and opportunities.

Rating system and categories:

The UBS Blended ESG Score is expressed as a continuous numerical score, where higher values indicate stronger sustainability profile. The UBS Blended ESG Score leverages a normalized rating on a 0–10 scale, where 10 indicates the best sustainability profile.

Interpretation of the score (absolute and relative dimensions):

The UBS Blended ESG score is a relative score which accounts for sector differences in sustainability profile compared to the industry. Relative scores support the signal for portfolio construction by helping portfolio managers identify which issuers manage ESG risks better or worse than similar companies.

Relative benchmarking framework:

The assessment of ESG factors is conducted on a sector specific or country specific basis, depending on the issuer. The differences in ESG risk exposure across industries or countries' progress towards achieving UN SDGs. As a result, issuers are evaluated relative to industry peer groups or other countries. Comparisons across sectors should be understood in the context of differing sustainability profiles.

The UBS Blended ESG Score should therefore be understood as a continuous ESG risk management indicator at an issuer level.

Methodology updates:

The UBS Blended ESG Score methodology was most recently updated in March 2026. The update removed Sustainalytics as an underlying data provider and incorporated the MSCI SDG

Country Index Score by UNSDSN only for sovereign issuers. No other structural changes were introduced to the UBS Blended ESG Score framework as part of this update.

Industry Classification

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

The UBS Blended ESG Score relies on the industry classification systems applied by each underlying data provider. MSCI uses the Global Industry Classification Standard (GICS) for the industry adjusted ESG ratings applied to corporate and agency issuers.

UBS Wealth Management uses its own proprietary industry classification framework, aligned to its UBS GWM Sustainability Scores methodology.

The Blended ESG Score therefore reflects a combination of both classification systems as used by the respective underlying providers.

The UBS Blended ESG Score underlying methodologies apply the Sustainability Accounting Standards Board (SASB) Industry Classification System (SICS), last updated April 2024, and Materiality Map for UBS GWM Sustainability Scores and MSCI ESG Ratings use GICS, last updated August 2024, for industry-adjusted benchmarking.

Official documentation links provided in methodology:

- MSCI GICS documentation: https://www.msci.com/our-solutions/indexes/gics

This link provides official details on sector and industry segmentation standards.

- SASB Materiality Map documentation: https://sasb.org/standards/materiality-map/

This link offers the official framework for determining sector-specific ESG materiality, note that the UBS GWM Sustainability Scores use SASB as a foundation and adapted based on guidance from sector analysts.

Data Sources and Processes

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

The UBS Blended ESG Score is derived from ESG scores provided by third parties[1]. These providers source ESG-related information from publicly available disclosures, and they may source data from sustainability statements prepared under the Corporate Sustainability Reporting Directive (CSRD) and disclosures made under the Sustainable Finance Disclosure Regulation (SFDR), as well as other public and non-public sources, in accordance with their respective methodologies.

UBS does not conduct engagement activities with issuers as part of producing the UBS Blended ESG Score and hence, does not incorporate issuer feedback into the scoring process.

[1] Third party in this context means parties outside UBS AM, namely MSCI and UBS GWM.

Scientific Evidence Basis

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

The UBS Blended ESG Score methodology is not 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), and it does not include a dedicated process for identifying or selecting scientific evidence.

The score is instead derived from component scores provided by MSCI and UBS GWM and relies on their respective methodologies, calculations, assumptions and data inputs.

Artificial Intelligence

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

Artificial Intelligence is currently not used in UBS Blended ESG Score process. If introduced, relevant limitations and risks will be disclosed.

Limitations in data sources, methodologies and information

Limitations in Data Sources

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

Limitations include incomplete or inconsistent data, timeliness issues, and reliance on assumptions or proxy values where data is missing:

Varying and non-standardized sustainability requirements across jurisdictions limit the availability of comparable climate-related disclosures, reducing data consistency and quality. Some issuers may not disclose complete and consistent ESG information, especially for non-mandatory indicators under Corporate Sustainability Reporting Directive (CSRD) or Sustainable Finance Disclosure Regulation (SFDR). Private companies or entities outside major reporting frameworks often provide or disclose limited data.

Missing or inconsistent data may require estimations or proxy values, which can impact data accuracy.

Limitations in Information Availability

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

Information limitations impacting the UBS Blended ESG Score methodology include:

Completeness limitations: Information limited by inconsistent or missing disclosures; estimated data may be used instead.

Timeliness limitations: ESG ratings rely on issuer disclosures, third-party[2] data and estimated data. Third-party data are updated periodically, in line with third-party processes, (e.g. annually or semi-annually). This creates inherent time lags between real-world ESG developments and their reflection in ratings. As a result, updates occur only after new data is reported, processed, and incorporated, meaning recent events - such as controversies or improvements - may not be captured immediately. Consequently, the rating should not be viewed as a real-time assessment and may be less responsive to rapidly evolving ESG risks.

Accuracy limitations: Accuracy may be affected by data availability. Accuracy may also be affected by differences in provider methodologies; this is partly mitigated by normalizing the underlying scores onto a common scale and using inputs from more than one provider, which helps improve comparability and reduces reliance on a single methodology.

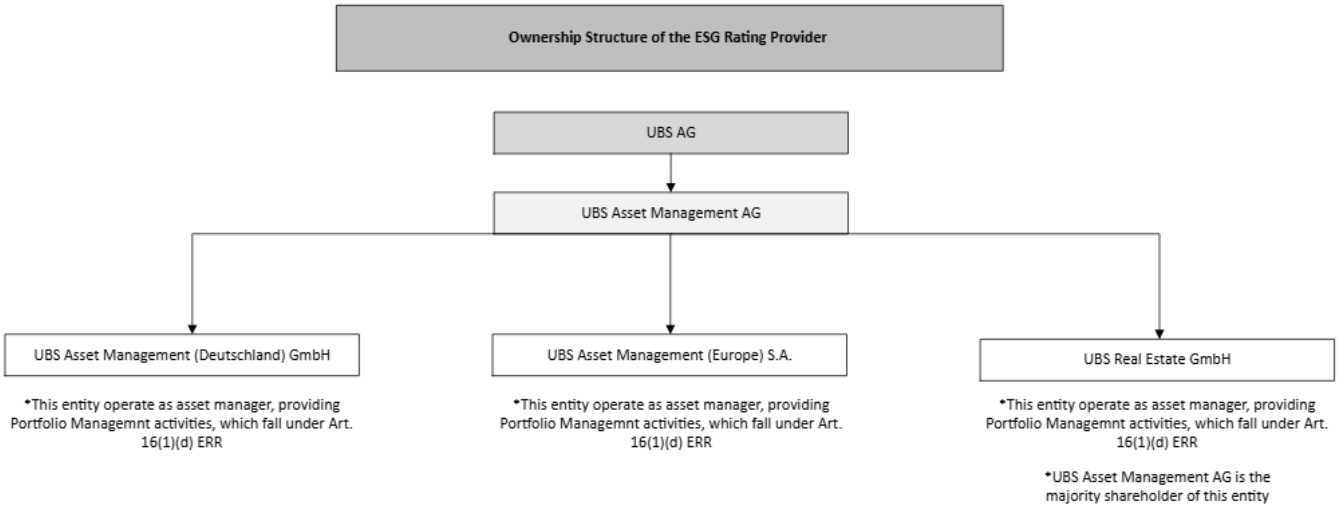
The UBS Blended ESG Score does not apply its own assumptions, proxy reference points or data estimation techniques. Where relevant, such practices are performed by the underlying score providers, whose outputs are used as inputs into the UBS Blended ESG Score methodology. As noted above, key assumptions include that ESG factors represent financially material risks and opportunities, and that sector relevance drives weighting across topics. Data estimation techniques may be used when information is limited due to inconsistent or missing disclosures.

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:



[2] Third party in this context means parties outside UBS AM, namely MSCI and UBS GWM.

Fee Criteria

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

No fees are being charged for UBS Blended ESG Score, as it is a rating incorporated for analytical purposes and 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.