



PUBLIC RI REPORT

2021 PILOT

UBS Asset Management

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About this report

The PRI Reporting Framework helps to build a common language and industry standard for reporting responsible investment activities. **Public RI Reports** provide accountability and transparency on signatories' responsible investment activities and support dialogue within signatories' organisations, as well as with their clients, beneficiaries and other stakeholders.

This **Public RI Report** is an export of the signatory's responses to the PRI Reporting Framework during the 2021 reporting period. It includes the signatory's responses to mandatory indicators, as well as responses to voluntary indicators that the signatory has agreed to make public.

The information is presented exactly as it was reported. Where an indicator offered a multiple-choice response, all options that were available to select from are included for context. While presenting the information verbatim results in lengthy reports, the approach is informed by signatory feedback that signatories prefer that the PRI does not summarise the information.

Context

In consultation with signatories, between 2018 and 2020 the PRI extensively reviewed the Reporting and Assessment processes and set the ambitious objective of launching in 2021 a completely new investor Reporting Framework, together with a new reporting tool.

We ran the new investor Reporting and Assessment process as a pilot in its first year, and such process included providing additional opportunities for signatories to provide feedback on the Reporting Framework, the online reporting tool and the resulting reports. The feedback from this pilot phase has been, and is continuing to be analysed, in order to identify any improvements that can be included in future reporting cycles.

PRI disclaimer

This document presents information reported directly by signatories in the 2021 reporting cycle. This information has not been audited by the PRI or any other party acting on its behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented.

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

Table of Contents

Module/Indicator	Page
Senior Leadership Statement (SLS)	4
Organisational Overview (OO)	8
Investment and Stewardship Policy (ISP)	36
Listed Equity (LE)	98
Fixed Income (FI)	129
Real Estate (RE)	150
Infrastructure (INF)	164

Senior Leadership Statement (SLS)

Senior leadership statement

Our commitment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	
SLS 1 S1	CORE	N/A	N/A	PUBLIC	Our commitment	GENERAL

- o **Why does your organisation engage in responsible investment?**
- o **What is your organisation's overall approach to responsible investment?**
- o **What are the main differences between your organisation's approach to responsible investment in its ESG practice and in other practices, across asset classes?**

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

Our firm's common vision on the integration of ESG material factors in investment decisions, index constructions in the case of index strategies, and stewardship are set out in our SI policy. As a large scale asset manager, we provide traditional, alternative, real estate, infrastructure and private equity investment solutions to private clients, financial intermediaries and institutional investors worldwide. With several investment areas and a range of strategies within each, the approach to ESG issues necessarily varies by product type and, to some extent, across countries/regions according to local regulations, market customs and client needs.

Across our traditional active businesses, ESG is fully integrated. Within index equities and fixed Income, we have extensive experience and expertise in incorporating sustainability factors in index funds and rules-based strategies. Our Real Estate and Private Markets business incorporates SI into all of their investment processes and will be among the first managers to offer funds that promote sustainability under the EU Sustainable Finance Disclosure Regulation. Within the multi-asset business, different methodologies of ESG assessment are combined into one portfolio, making it challenging to create one overarching profile of the ESG characteristics. We integrate sustainability where possible, leveraging best practices. Our multi-manager funds, traditional and alternative, include aspects of ESG into the manager due diligence process and use SI topics for new product development.

Investment teams drive ESG integration within their investment processes and engagement activities linked to value drivers. Portfolio managers and analysts have access to a variety of ESG data, internal and external. They are supported by the SI team, a global team of sustainability experts dedicated to research, stewardship (proxy voting and engagement activity), SI reporting, and product innovation.

Annual overview

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S2	CORE	N/A	N/A	PUBLIC	Annual overview	GENERAL

- o **Discuss your organisation’s progress during the reporting year on the responsible investment issue you consider most relevant or material to your organisation or its assets.**
- o **Reflect on your performance with respect to your organisation’s responsible investment objectives and targets during the reporting year. This might involve e.g. outlining your single most important achievement, or describing your general progress, on topics such as the following:**
 - o **refinement of ESG analysis and incorporation**
 - o **stewardship activities with investees and/or with policy makers**
 - o **collaborative engagements**
 - o **attainment of responsible investment certifications and/or awards**

Notwithstanding the considerable challenges brought about by the COVID-19 pandemic in 2020, we continue to regard the long-term threats posed by climate change as one of the most serious investment risks facing our clients and their beneficiaries. During 2020 we delivered on our commitment made at the WEF annual meeting in Davos at the start of the year to provide clients with a range of investment products across asset classes which can help them transition their assets towards a lower carbon future. Building on our innovative Climate Aware methodology we launched new climate investment strategies across both active and passive equity and fixed income six months later. By December 2020, AuM across our climate strategies had risen five-fold to over USD15bn, representing a significant contribution of capital towards the efforts to generate positive climate outcomes. This commitment was underscored at the end of the year when we became a founding signatory to the Net Zero Asset Managers initiative.

We remain committed to the Climate Action 100+ investors coalition, leading on eight collaborative engagements and participating in a further 29 during 2020. Our own three year thematic climate engagement program concluded at the end of 2020, with good progress against our engagement objectives being recorded in over half of all cases. We will be publishing a full review of the program in mid-2021. With regard to our climate stewardship activities, we were very gratified to be ranked in the ‘A’ band by Influence Map in 2020. During the year, our ongoing climate commitment was further strengthened in the alternatives space, with the launch of our an environmentally focused long short hedge fund strategy.

We are also committed to furthering the advancement of SI, particularly through our advocacy activities. As a firm, it is our ambition to support the development of regulatory standards and guidelines globally and employ progressive and innovative solutions to meet those standards. During 2020, we engaged on a range of topics with a focus on sustainable investing (SI), in addition to participating in several working groups and initiatives aimed at enhancing standard setting, both on emerging and consolidated ESG topics. These included various legislative initiatives under the EU's Action Plan on Sustainable Finance as well as proposals by the US Department of Labor (DOL) for US pension plans on SI and proxy voting. UBS also provided input to the Swiss State Secretariat for International Finance (SIF) on the future Swiss sustainable finance framework and in Hong Kong, rules by the Securities and Futures Commission (SFC) on climate risk management. In response to the COVID-19 pandemic, we contributed to regional and international policymakers’ reviews of the March 2020 market constraints as a result of the pandemic. It is our view that asset managers and the markets have a key contribution to make to the COVID-19 recovery and we support approaches which facilitate this, including the role that specific funds play in the economy, and a recovery in line with SI objectives.

Next steps

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S3	CORE	N/A	N/A	PUBLIC	Next steps	GENERAL

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

We regard strong stewardship as one of the most critical ways of helping corporates transition their business models to a more sustainable future. We are broadening our thematic stewardship activities to cover Human rights, Biodiversity, Health and well-being and the Circular Economy, while expanding our existing climate engagement activities. We aim to ensure that 70% of our new product launches are sustainability focus or impact strategies. Client strategic engagement and partnerships will be enhanced by providing ESG analytics and sustainability outcomes reporting for all investment strategies, and we are committed to supporting SI knowledge through education, thought leadership and advocacy.

Endorsement

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
SLS 1 S4	CORE	N/A	N/A	PUBLIC	Endorsement	GENERAL

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

Name Michael Baldinger

Position Head, Sustainable and Impact Investing Team

Organisation's name UBS Asset Management

● This endorsement is for the Senior Leadership Statement only and is not an endorsement of the information reported by UBS Asset Management in the various modules of the Reporting Framework. The Senior Leadership Statement is simply provided as a general overview of UBS Asset Management's responsible investment approach. The Senior Leadership Statement does not constitute advice and should not be relied upon as such, and is not a substitute for the skill, judgement and experience of any third parties, their management, employees, advisors and/or clients when making investment and other business decisions.

Organisational Overview (OO)

Organisational information

Categorisation

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 1	CORE	Signatory category	Multiple, see guidance	PUBLIC	Categorisation	GENERAL

Select the type that best describes your organisation or the services you provide.

(O) Fund management

(1) This is our only (or primary) type

(P) Fund of funds, manager of managers or sub-advised products

(2) This is an additional (secondary) type

Subsidiary information

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

Does your organisation have subsidiaries that are also PRI signatories in their own right?

(A) Yes

(B) No

Reporting year

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 3	CORE	N/A	N/A	PUBLIC	Reporting year	GENERAL

Indicate the year-end date for your reporting year.

	Month	Day	Year
Reporting year end date:	December	31	2020

Assets under management

All asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 4	CORE	OO 4.1, OO 4.2	N/A	PUBLIC	All asset classes	GENERAL

What were your total assets under management (AUM) at the end of the indicated reporting year? Provide the amount in USD.

(A) AUM of your organisation, including subsidiaries US\$ 1,092,170,176,957.00

(B) AUM of subsidiaries that are PRI signatories in their own right and excluded from this submission US\$ 0.00

(C) AUM subject to execution, advisory, custody, or research advisory only US\$ 24,065,834,961.00

Asset breakdown

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

Provide a percentage breakdown of your total assets under management at the end of your indicated reporting year.

Percentage of AUM

(A) Listed equity – internal 10-50%

(B) Listed equity – external 0.0%

(C) Fixed income – internal 10-50%

(D) Fixed income – external 0.0%

(E) Private equity – internal 0.0%

(F) Private equity – external 0-10%

(G) Real estate – internal 0-10%

(H) Real estate – external 0-10%

(I) Infrastructure – internal 0-10%

(J) Infrastructure – external 0-10%

(K) Hedge funds – internal 0-10%

(L) Hedge funds – external 0-10%

(M) Forestry – internal 0.0%

(N) Forestry – external 0.0%

(O) Farmland – internal 0-10%

(P) Farmland – external 0.0%

(Q) Other – internal, please specify:

multi-asset 10-50%

(R) Other – external, please specify: 0.0%

(S) Off-balance sheet – internal 0-10%

(T) Off-balance sheet – external 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.1	CORE	OO 5	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

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

	(3) Private equity	(4) Real estate	(5) Infrastructure	(6) Hedge funds
(A) Segregated mandate(s)	50-75%	>75%	50-75%	>75%
(B) Pooled fund(s) or pooled investment(s)	10-50%	10-50%	10-50%	10-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 LE	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your listed equity assets.

(A) Internal allocation

(1) Passive equity 50-75%

(2) Active – quantitative 0-10%

(3) Active – fundamental 10-50%

(4) Investment trusts (REITs and similar publicly quoted vehicles) 0.0%

(5) Other, please specify: 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 FI	CORE	OO 5, OO 5.1	Multiple, see guidance	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your fixed income assets.

(A) Internal allocation

(1) Passive – SSA 10-50%

(2) Passive – corporate 10-50%

(3) Passive – securitised 0-10%

(4) Active – SSA 10-50%

(5) Active – corporate 10-50%

(6) Active – securitised 0-10%

(7) Private debt 0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 PE	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your private equity assets.

	(B) External allocation – segregated	(C) External allocation – pooled
(1) Venture capital	0.0%	10-50%
(2) Growth capital	0.0%	10-50%
(3) (Leveraged) buyout	0.0%	10-50%
(4) Distressed, turnaround or special situations	0.0%	0-10%
(5) Secondaries	0.0%	0.0%
(6) Other, please specify:	>75%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 RE	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your real estate assets.

	(A) Internal allocation	(B) External allocation – segregated	(C) External allocation – pooled
(1) Retail	10-50%	0-10%	0-10%

(2) Office	10-50%	10-50%	10-50%
(3) Industrial	10-50%	10-50%	10-50%
(4) Residential	10-50%	10-50%	10-50%
(5) Hotel	0-10%	0-10%	0.0%
(6) Lodging, leisure and recreation	0.0%	0.0%	0.0%
(7) Education	0.0%	0.0%	0.0%
(8) Technology/science	0.0%	0.0%	0.0%
(9) Healthcare	0.0%	0.0%	0.0%
(10) Mixed use	0.0%	0.0%	0.0%
(11) Other, please specify:	0-10%	10-50%	10-50%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 INF	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your infrastructure assets.

	(A) Internal allocation	(B) External allocation – segregated	(C) External allocation – pooled
(1) Data infrastructure	10-50%	0.0%	0-10%
(2) Energy and water resources	0.0%	0.0%	10-50%
(3) Environmental services	0-10%	0.0%	0-10%
(4) Network utilities	10-50%	0.0%	10-50%
(5) Power generation (excl. renewables)	10-50%	0.0%	10-50%

(6) Renewable power	10-50%	0.0%	10-50%
(7) Social infrastructure	0.0%	0.0%	0-10%
(8) Transport	10-50%	0.0%	10-50%
(9) Other, please specify:	0.0%	>75%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 HF	CORE	OO 5, OO 5.1	OO 9 HF, OO 10	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your hedge fund assets.

	(A) Internal allocation	(B) External allocation – segregated	(C) External allocation – pooled
(1) Multi strategy	0.0%	>75%	>75%
(2) Long/short equity	0.0%	0-10%	10-50%
(3) Long/short credit	0.0%	0-10%	10-50%
(4) Distressed, special situations and event-driven fundamental	0-10%	0.0%	0.0%
(5) Structured credit	0.0%	0.0%	0.0%
(6) Global macro	0.0%	0.0%	0.0%
(7) Commodity trading advisor	0.0%	0.0%	0.0%
(8) Other, please specify:	>75%	0-10%	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 5.2 OBS	CORE	OO 5, OO 5.1	N/A	PUBLIC	Asset breakdown	GENERAL

Provide a further breakdown of your off-balance sheet assets.

	(1) Money market	(2) Derivatives	(3) Cash, cash equivalents or overlays
(A) Internal allocation	>75%	0.0%	0.0%

ESG strategies

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 LE	CORE	OO 5.2 LE	OO 6.1 LE, LE 13	PUBLIC	Listed equity	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active listed equity?

Percentage out of total internally managed active listed equity:

(A) Screening alone	0.0%
(B) Thematic alone	0.0%
(C) Integration alone	0.0%
(D) Screening and integration	>75%
(E) Thematic and integration	0.0%
(F) Screening and thematic	0.0%
(G) All three strategies combined	0-25%
(H) None	0.0%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 LE	CORE	OO 6 LE	LE 8	PUBLIC	Listed equity	1

What type of screening is applied to your internally managed active listed equity assets?

Percentage coverage out of your total listed equities where screening strategy is applied

(A) Positive/best-in-class screening only 0.0%

(B) Negative screening only >75%

(C) A combination of positive/best-in-class and negative screening 0-25%

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 FI	CORE	OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	1

Which ESG incorporation strategy and/or combination of strategies do you apply to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Screening alone	0.0%	0.0%	0.0%
(B) Thematic alone	0.0%	0.0%	0.0%
(C) Integration alone	0.0%	0.0%	0.0%
(D) Screening and integration	>75%	>75%	>75%
(E) Thematic and integration	0.0%	0.0%	0.0%

(F) Screening and thematic	0.0%	0.0%	0.0%
(G) All three strategies combined	0.0%	0.0%	0.0%
(H) None	0.0%	0.0%	0-25%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6.1 FI	CORE	OO 6 FI	N/A	PUBLIC	Fixed income	1

What type of screening is applied to your internally managed active fixed income?

	(1) Fixed income – SSA	(2) Fixed income – corporate	(3) Fixed income – securitised
(A) Positive/best-in-class screening only	0.0%	0.0%	0.0%
(B) Negative screening only	0.0%	0.0%	0.0%
(C) A combination of positive/best-in-class and negative screening	>75%	>75%	>75%

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 6 HF	CORE	OO 5	HF 10	PUBLIC	Hedge funds	1

Do you conduct negative screening on your hedge fund assets?

- (A) Yes
- (B) No

Externally managed assets

Captive relationships

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 7	CORE	OO 5	Multiple, see guidance	PUBLIC	Captive relationships	GENERAL

Does your organisation have a captive relationship with some or all of its external investment managers?

- (A) Yes
- (B) No

Investment consultants

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 8	CORE	OO 5	SAM 1	PUBLIC	Investment consultants	GENERAL

Does your organisation engage investment consultants in the selection, appointment or monitoring of your external investment managers?

- (A) Yes
- (B) No

Stewardship

Listed equity

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 LE	CORE	OO 5, OO 5.2 LE	Multiple, see guidance	PUBLIC	Listed equity	2

Does your organisation conduct stewardship activities for your listed equity assets?

	(1) Engagement on listed equity – active	(2) Engagement on listed equity – passive	(3) (Proxy) voting on listed equity – active	(4) (Proxy) voting on listed equity – passive
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Fixed income

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 FI	CORE	OO 5, OO 5.2 FI	Multiple, see guidance	PUBLIC	Fixed income	2

Does your organisation conduct stewardship activities for your fixed income assets?

	(1) Passive – SSA	(2) Passive – corporate	(3) Passive – securitised	(4) Active – SSA	(5) Active – corporate	(6) Active – securitised
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We did not conduct this stewardship activity for this strategy/asset type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Private equity, real estate and infrastructure

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 ALT	CORE	OO 5	Multiple, see guidance	PUBLIC	Private equity, real estate and infrastructure	2

Does your organisation conduct stewardship activities in the following asset classes?

	(1) Private equity	(2) Real estate	(3) Infrastructure
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(B) Through external managers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct stewardship activities for this asset class	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Hedge funds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 9 HF	CORE	OO 5, OO 5.2 HF	Multiple, see guidance	PUBLIC	Hedge funds	2

Does your organisation conduct stewardship activities for your hedge fund assets?

	(1) Engagement	(2) (Proxy) voting
(A) Through service providers	<input type="checkbox"/>	<input type="checkbox"/>
(B) Through external managers	<input type="checkbox"/>	<input type="checkbox"/>
(C) Through internal staff	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Collaboratively	<input type="checkbox"/>	<input type="checkbox"/>
(E) We did not conduct this stewardship activity	<input type="checkbox"/>	<input type="checkbox"/>

ESG incorporation

Internally managed assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 10	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Internally managed assets	1

For each internally managed asset class, select whether or not you incorporate ESG into your investment decisions.

	(1) ESG incorporated into investment decisions	(2) ESG not incorporated into investment decisions
(A) Listed equity – passive	<input checked="" type="radio"/>	<input type="radio"/>

(B) Listed equity – active – quantitative	<input checked="" type="radio"/>	<input type="radio"/>
(C) Listed equity – active – fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(F) Fixed income – SSA	<input checked="" type="radio"/>	<input type="radio"/>
(G) Fixed income – corporate	<input checked="" type="radio"/>	<input type="radio"/>
(H) Fixed income – securitised	<input checked="" type="radio"/>	<input type="radio"/>
(K) Real estate	<input checked="" type="radio"/>	<input type="radio"/>
(L) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(P) Hedge funds - Distressed, special situations and event driven fundamental	<input checked="" type="radio"/>	<input type="radio"/>
(T) Hedge funds - Other	<input checked="" type="radio"/>	<input type="radio"/>
(V) Farmland	<input checked="" type="radio"/>	<input type="radio"/>
(W) Other [as specified]	<input checked="" type="radio"/>	<input type="radio"/>
(X) Off-balance sheet	<input checked="" type="radio"/>	<input type="radio"/>

External manager selection

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 11	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager selection	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager selection. Your response should refer to the selection of the external managers who managed the relevant asset classes during the reporting year, regardless of when such selection took place.

	(1) ESG incorporated into external manager selection	(2) ESG not incorporated into external manager selection
(E) Private equity	<input type="radio"/>	<input checked="" type="radio"/>
(F) Real estate	<input type="radio"/>	<input checked="" type="radio"/>
(G) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>

External manager appointment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 12	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager appointment	1

For each externally managed asset class, select whether or not you incorporate ESG into external manager appointment. Your response should refer to the appointment of the external managers who managed the relevant asset classes during the reporting year, regardless of when their appointment took place.

	(1) ESG incorporated into external manager appointment	(2) ESG not incorporated into external manager appointment
(E) Private equity	<input type="radio"/>	<input checked="" type="radio"/>
(F) Real estate	<input type="radio"/>	<input checked="" type="radio"/>

(G) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>

External manager monitoring

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 13	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	External manager monitoring	1

For each externally managed asset class, select whether or not you incorporated ESG into external manager monitoring during the reporting year.

	(1) ESG incorporated into external manager monitoring	(2) ESG not incorporated into external manager monitoring
(E) Private equity	<input type="radio"/>	<input checked="" type="radio"/>
(F) Real estate	<input type="radio"/>	<input checked="" type="radio"/>
(G) Infrastructure	<input type="radio"/>	<input checked="" type="radio"/>
(H) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>

Voluntary reporting

Voluntary modules

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 14	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Voluntary modules	GENERAL

The following modules are voluntary to report on in the separate PRI asset class modules as they account for less than 10% of your total AUM and are under USD 10 billion. Please select if you wish to voluntarily report on the module.

	(1) Yes, report on the module	(2) No, opt out of reporting on the module
(H) Infrastructure	<input checked="" type="radio"/>	<input type="radio"/>
(I) Hedge funds	<input type="radio"/>	<input checked="" type="radio"/>

The following modules are mandatory to report on as they account for 10% or more of your total AUM or are over USD 10 billion. The ISP (Investment and Stewardship Policy) module is always applicable for reporting.

	(1) Yes, report on the module
ISP: Investment and Stewardship Policy	<input checked="" type="radio"/>
(A) Listed equity	<input checked="" type="radio"/>
(B) Fixed income – SSA	<input checked="" type="radio"/>
(C) Fixed income – corporate	<input checked="" type="radio"/>
(D) Fixed income – securitised	<input checked="" type="radio"/>
(G) Real estate	<input checked="" type="radio"/>

ESG/sustainability funds and products

Labelling and marketing

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16	CORE	Multiple, see guidance	Multiple, see guidance	PUBLIC	Labelling and marketing	GENERAL

What percentage of your assets under management in each asset class are ESG/sustainability marketed funds or products, and/or ESG/RI certified or labelled assets? Percentage figures can be rounded to the nearest 5% and should combine internally and externally managed assets.

	Percentage
(A) Listed equity – passive	>75%
(B) Listed equity – active	>75%
(C) Fixed income – passive	>75%
(D) Fixed income – active	>75%
(F) Real estate	>75%
(G) Infrastructure	>75%
(H) Hedge funds	>75%
(J) Farmland	>75%
(K) Other	>75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 16.1	CORE	OO 16	ISP 52	PUBLIC	Labelling and marketing	GENERAL

What percentage of your total assets (per asset class) carry a formal ESG/RI certification or label? Percentage figures can be rounded to the nearest 5%.

Coverage of ESG/RI certification or label:

(A) Listed equity 0.0%

(B) Fixed income 0.0%

(D) Real estate >75%

(E) Infrastructure 50-75%

(F) Hedge funds 0.0%

(H) Farmland 0.0%

(I) Other 0.0%

Climate investments

Asset breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 17	CORE	N/A	N/A	PUBLIC	Asset breakdown	GENERAL

What percentage of your assets under management is in targeted low-carbon or climate-resilient investments?

0-25%

Other asset breakdowns

Geographical breakdown

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 18	CORE	Multiple, see guidance	N/A	PUBLIC	Geographical breakdown	GENERAL

What is the geographical breakdown of your organisation's assets under management by investment destination (i.e. where the investments are located)?

	(1) Listed equity	(2) Fixed income – SSA	(3) Fixed income – corporate	(4) Fixed income – securitised
(A) Developed	>75%	>75%	>75%	0.0%
(B) Emerging	0-25%	0-25%	0-25%	0.0%
(C) Frontier	0.0%	0.0%	0.0%	0.0%
(D) Other	0.0%	0-25%	0.0%	>75%

	(6) Private equity	(7) Real estate	(8) Infrastructure	(9) Hedge funds
(A) Developed	>75%	>75%	>75%	>75%

(B) Emerging	0-25%	0.0%	0-25%	0-25%
(C) Frontier	0.0%	0.0%	0.0%	0.0%
(D) Other	0.0%	0.0%	0.0%	0.0%

Management by PRI signatories

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 19	CORE	OO 5	N/A	PUBLIC	Management by PRI signatories	GENERAL

What approximate percentage (+/-5%) of your externally managed assets are managed by PRI signatories?

50-75%

Fixed income constraints

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 20	CORE	OO 5.2 FI	OO 20.1	PUBLIC	Fixed income constraints	GENERAL

What percentage of your fixed income assets are subject to constraints? The constraints may be regulatory requirements, credit quality restrictions, currency constraints or similar.

Internal and external fixed income assets subject to constraints

(A) Fixed income – SSA	>75%
(B) Fixed income – corporate	>75%
(C) Fixed income – securitised	>75%

Real estate: Building type

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 24	CORE	OO 5	RE 1, RE 9, RE 10	PUBLIC	Real estate: Building type	GENERAL

What is the percentage breakdown of your direct physical real estate assets by strategy?

Percentage total of direct physical real estate AUM

(A) Standing investments >75%

(B) New construction 0-25%

(C) Major renovation 0-25%

Infrastructure: Strategy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 30	CORE	OO 5	N/A	PUBLIC	Infrastructure: Strategy	GENERAL

What is the percentage breakdown of your organisation's internally managed infrastructure assets by investment strategy?

Percentage of total internally managed infrastructure AUM

(A) Core >75%

(B) Value added 0-25%

(C) Opportunistic 0.0%

Infrastructure: Type of asset

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 31	CORE	OO 5	INF 1	PUBLIC	Infrastructure: Type of asset	GENERAL

What is the percentage breakdown of your infrastructure assets by strategy?

Percentage of total internally managed infrastructure AUM

(A) Standing investments/operating assets >75%

(B) New construction 0-25%

(C) Major renovation 0.0%

Context and explanation

ESG in other asset classes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
OO 34	CORE	Multiple, see guidance	N/A	PUBLIC	ESG in other asset classes	1

Describe how you incorporate ESG into the following asset classes.

Description

(B) Farmland – internal

Farmland - Internal

Our portfolios are enrolled in the Leading Harvest Farmland Management Standard, a newly developed ESG standard for farmland portfolios designed to optimize sustainable farmland management as part of a comprehensive assurance program. The Standard identifies sustainable farming practices based on 13 Principles, 13 Objectives, 33 Performance Measures and 71 Indicators. It addresses economic, environmental, social and governance issues and includes measures to efficiently use water, agricultural chemicals and energy to grow crops for useful agricultural products; minimize waste; and conserve soils, water resources and biodiversity.

It also takes into consideration the well-being of farmland tenants, employees, contract management company employees, contract farm labor and local communities. The Standard is designed to grow with agricultural operation over time, providing a framework for continuous improvement. Through the Standard's sound auditing assurance, we can confidently make claims to the market that our farm operation are achieving lasting outcomes for our clients, the communities in which we operate and growing a healthier future for generations to come..

(C) Other – internal

Multi-manager - Internal

Our due diligence process to appoint external managers incorporates qualitative and quantitative assessment. Our due diligence questionnaires ask for external managers' considerations of ESG risk in their research, portfolio construction and portfolio management process. Our Multi-Manager Solutions (MMS) team reviews and assesses managers' answers to these questions related to the specific mandates / funds we consider using the external managers for.

For mandates that are not sustainable-focused, we look for managers who do take ESG risk into consideration, but also alongside with other factors such as valuation, competition, as part of their investment decision making process, to achieve out-performance of a traditional benchmark, such as MSCI World Equity Index.

In evaluating sustainable focused strategies, the MMS team pays particular attention in its assessment of the managers' invested resources in the area of ESG, sustainable and impact investing. For example, does the firm have a team of research and investment personnel dedicated to ESG, sustainable and impact investing? What is the pedigree of the relevant investment personnel? What are the analytical and research tools used to assess companies' ESG risk, and what is the investment process to take into account of these risks in portfolio construction to deliver to the expected sustainability outcome?

Quantitatively, the MMS team will evaluate the ESG, sustainability and impact characteristics of the manager's portfolio, in addition to the standard quantitative assessment such as active risk, composition of active risk, and performance analytics compared to traditional benchmarks.

ESG, sustainability and impact characteristics will include, but not limited to, portfolio's overall ESG score compared to traditional benchmarks, carbon footprint and operational efficiency, natural resource utilization, pollution and waste management, etc. The MMS team will compare the manager's self-reported sustainability profile with UBS AM's sustainability framework, where appropriate, to gain additional perspective of the manager's ability to deliver to its stated sustainable objectives..

OO 35	CORE	Multiple, see guidance	N/A	PUBLIC	ESG not incorporated	1, 2
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(R) Externally managed: Private equity

The Portfolio Manager takes ESG integration into account when allocating to underlying strategies, including target funds. For underlying strategies managed by UBS-AM, the Portfolio Manager identifies ESG integrated assets resulting from the ESG integration research process described in the UBS-AM SI Policy. For externally managed strategies, ESG integrated assets are identified via the third party manager research process.

(S) Externally managed: Real estate

The Portfolio Manager takes ESG integration into account when allocating to underlying strategies, including target funds. For underlying strategies managed by UBS-AM, the Portfolio Manager identifies ESG integrated assets resulting from the ESG integration research process described in the UBS-AM SI Policy. For externally managed strategies, ESG integrated assets are identified via the third party manager research process.

(T) Externally managed: Infrastructure

The Portfolio Manager takes ESG integration into account when allocating to underlying strategies, including target funds. For underlying strategies managed by UBS-AM, the Portfolio Manager identifies ESG integrated assets resulting from the ESG integration research process described in the UBS-AM SI Policy. For externally managed strategies, ESG integrated assets are identified via the third party manager research process.

(U) Externally managed: Hedge funds

The Portfolio Manager takes ESG integration into account when allocating to underlying strategies, including target funds. For underlying strategies managed by UBS-AM, the Portfolio Manager identifies ESG integrated assets resulting from the ESG integration research process described in the UBS-AM SI Policy. For externally managed strategies, ESG integrated assets are identified via the third party manager research process.

ISP 1	CORE	N/A	ISP 1.1, ISP 1.2	PUBLIC	Responsible investment policy	1
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○ (B) No, we do not have a policy covering our approach to responsible investment

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.1	CORE	ISP 1	Multiple, see guidance	PUBLIC	Responsible investment policy	1

What elements does your responsible investment policy cover? The responsible investment elements may be set out in one or multiple standalone guidelines, or they may be part of a broader investment policy.

- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors
- (E) Approach to stewardship
- (F) Approach to sustainability outcomes
- (G) Approach to exclusions
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented
- (I) Definition of responsible investment and how it relates to our fiduciary duty
- (J) Definition of responsible investment and how it relates to our investment objectives
- (K) Responsible investment governance structure
- (L) Internal reporting and verification related to responsible investment
- (M) External reporting related to responsible investment
- (N) Managing conflicts of interest related to responsible investment
- (O) Other responsible investment aspects not listed here, please specify:
External Commitments and codes to which we are a signatory

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 1.2	PLUS	ISP 1	N/A	PUBLIC	Responsible investment policy	1

What mechanisms do you have in place to ensure that your policies are implemented in an aligned and consistent way across the organisation?

UBS's goal is to be the financial provider of choice for clients wishing to mobilize capital towards the achievement of the United Nation's Sustainable Development Goals (SDGs) and the orderly transition to a low carbon economy (the Paris Agreement). We work towards this goal by integrating sustainability into our mainstream offerings, through new and innovative financial products with a positive effect on the environment and society, and by advising clients on their philanthropy. And it is through the management of environmental and social risks, the management of our environmental footprint and our sustainability disclosure that we continue to set standards in the industry.

Our cross-divisional organization, UBS in Society, focuses our firm on this direction. UBS in Society is committed to making UBS a force for driving positive change in society and the environment for future generations. It will do so by focusing our firm on creating long term positive impact for clients, employees, investors and society. The Corporate Culture and Responsibility Committee (CCRC) supports the UBS Board of Directors in its duties to safeguard and advance the Group's reputation for responsible and sustainable conduct. It approves and monitors UBS in Society's overall strategy and annual objectives, reviews that the UBS in Society constitutional document is relevant and up to date, and oversees the program's annual management review.

The Group CEO supervises the execution of the UBS in Society strategy and annual objectives. The Group CEO also informs the Group Executive Board (GEB) and Corporate Culture and Responsibility Committee (CCRC) about UBS in Society updates as appropriate.

Our commitment is implemented through a firm-wide management system steered by defined measurable objectives. Their achievement is reviewed on a semi-annual basis by the Head of UBS in Society, and on an annual basis by the Corporate Culture and Responsibility Committee.

Progress made in implementing UBS in Society's strategy, commitment, and objectives is reported as part of UBS's annual reporting. This reporting is reviewed and assured externally according to the requirements of the Global Reporting Initiative's (GRI) sustainability reporting guideline. We also regularly report on the implementation of our climate strategy and follow the recommendations provided by the Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) and externally verify our greenhouse gas reporting according to ISO 14064.

Further information relating to these activities can be found in the Constitutional Document of UBS in Society and the most recent UBS Sustainability Report.

At UBS Asset Management (UBS-AM), the Sustainable and Impact Investing (SI) team is responsible for the strategy and implementation of sustainable investing. The Head of the SI team:

- Has overall responsibility for the SI strategy of UBS-AM.
- Is a member of the UBS in Society Steering Committee. The committee ensures firm-wide execution of the UBS in Society strategy.
- Is responsible for overseeing the implementation of UBS-AM's SI strategy, and reports into the UBS-AM Executive Committee, chaired by Suni Harford, President, UBS-AM.
- Is a member of the UBS Group AG Sustainable Finance Committee

ISP 2	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	6
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<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

- <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (D) Guidelines on governance factors. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (E) Approach to stewardship. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (F) Approach to sustainability outcomes. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (G) Approach to exclusions. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (H) Asset class-specific guidelines that describe how ESG incorporation is implemented. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (I) Definition of responsible investment and how it relates to our fiduciary duty. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (J) Definition of responsible investment and how it relates to our investment objectives. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (K) Responsible investment governance structure. Add link(s):**
 - <https://www.ubs.com/global/en/ubs-society/our-stories/2021/banking-on-sustainability.html>
- (L) Internal reporting and verification related to responsible investment. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (M) External reporting related to responsible investment. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (N) Managing conflicts of interest related to responsible investment. Add link(s):**
 - <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (O) Other responsible investment aspects [as specified] Add link(s):**
 - External Commitments and codes to which we are a signatory
- (P) Our responsible investment policy elements are not publicly available

ISP 3	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1
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- (A) Overall approach to responsible investment
- (B) Guidelines on environmental factors
- (C) Guidelines on social factors
- (D) Guidelines on governance factors

>75%

ISP 4	CORE	ISP 1.1	N/A	PUBLIC	Responsible investment policy	1
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(C) Exclusions based on screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact)

ISP 5	CORE	Multiple, see guidance	N/A	PUBLIC	Responsible investment policy	1
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(A) Listed Equity >75%

(B) Fixed Income >75%

(D) Real Estate >75%

(E) Infrastructure >75%

(F) Hedge Funds >75%

ISP 6	CORE	N/A	ISP 8	PUBLIC	Governance	1
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Head of the UBS Asset Management SI Team

(E) Head of department, please specify department:

(F) None of the above roles have oversight and accountability for responsible investment

ISP 7	CORE	N/A	ISP 8	PUBLIC	Governance	1
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-
- (D) Other chief-level staff [as specified]
-
-
-
-
- (I) Investor relations
- (J) External managers or service providers
- (K) Other role, please specify:
- (L) Other role, please specify:
- (M) We do not have roles with responsibility for implementing responsible investment.

ISP 8	CORE	ISP 6, ISP 7	ISP 8.1, ISP 8.2	PUBLIC	People and capabilities	General
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(A) Objective for ESG incorporation in investment activities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Objective for contributing to the development of the organisation's ESG incorporation approach	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment [as specified]

(F) Other objective related to responsible investment [as specified]

(G) No formal objectives for responsible investment exist for this role

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(E) Other objective related to responsible investment [as specified]

(F) Other objective related to responsible investment [as specified]

(G) No formal objectives for responsible investment exist for this role

The UBS Board of Directors is responsible for setting our firm’s values and standards to ensure that the Group’s obligations to our stakeholders are met. The Board of Director’s Corporate Culture and Responsibility Committee (CCRC) is the body primarily responsible for corporate culture, responsibility and sustainability. The CCRC oversees our sustainability strategy and activities.

ISP 8.1 PLUS ISP 8 N/A PUBLIC People and capabilities General

In 2019, KPIs focused on sustainability integration were implemented for investment analysts and portfolio managers throughout active equities and fixed income. These incentives were established to ensure the successful implementation of the sustainable investment integration strategy both in relation to research and dialogue with investee companies. Members of the SI Research and Stewardship team, have specific KPIs included in their performance assessment frameworks related to conducting ESG research and engagement dialogue with companies from their sector or regional coverage.

ISP 8.2 CORE ISP 8 N/A PUBLIC People and capabilities General

(E) Other objective related to responsible investment (as specified in ISP 8 option E)

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

(A) Objective for ESG incorporation in investment activities

(B) Objective for contributing to the development of the organisation's ESG incorporation approach

(C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

(D) Objective for ESG performance

- (A) Objective for ESG incorporation in investment activities
- (B) Objective for contributing to the development of the organisation's ESG incorporation approach
- (C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)
- (D) Objective for ESG performance

- (A) Objective for ESG incorporation in investment activities
- (B) Objective for contributing to the development of the organisation's ESG incorporation approach
- (C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)
- (D) Objective for ESG performance

- (A) Objective on ESG incorporation in investment activities
- (B) Objective for contributing to the development of the organisation's ESG incorporation approach
- (C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)

- (A) Objective for ESG incorporation in investment activities
- (B) Objective for contributing to the development of the organisation's ESG incorporation approach
- (C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)
- (A) Objective for ESG incorporation in investment activities
- (B) Objective for contributing to the development of the organisation's ESG incorporation approach
- (C) Objective for contributing to the organisation's stewardship activities (e.g. through sharing findings from continuous ESG research or investment decisions)
- (G) We have not linked any RI objectives to variable compensation

ISP 9 CORE N/A N/A PUBLIC People and capabilities General

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- (B) Bi-annually
- (C) Annually
- (D) Less frequently than annually
- (E) On an ad hoc basis
- (F) We do not have a process for assessing the responsible investment capabilities and training needs among our investment professionals

ISP 10	CORE	N/A	ISP 10.1	PUBLIC	Strategic asset allocation	1
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- (A) We incorporate ESG factors into calculations for expected risks and returns of asset classes
- (B) We specifically incorporate physical, transition and regulatory changes related to climate change into calculations for expected risks and returns of asset classes
- (C) No, we do not incorporate ESG considerations into our strategic asset allocation
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ISP 11	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship policy	2
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- (A) Listed equity >75%
- (B) Fixed income >75%
- (C) Private equity >75%
- (D) Real estate >75%
- (E) Infrastructure >75%
- (F) Hedge funds >75%

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12	CORE	ISP 1.1	ISP 12.1	PUBLIC	Stewardship policy	2

Which elements does your organisation's stewardship policy cover? The policy may be a standalone guideline or part of a wider RI policy.

- (A) Key stewardship objectives
- (B) Prioritisation approach of ESG factors and their link to engagement issues and targets
- (C) Prioritisation approach depending on entity (e.g. company or government)
- (D) Specific approach to climate-related risks and opportunities
- (E) Stewardship tool usage across the organisation, including which, if any, tools are out of scope and when and how different tools are used and by whom (e.g. specialist teams, investment teams, service providers, external investment managers or similar)
- (F) Stewardship tool usage for specific internal teams (e.g. specialist teams, investment teams or similar)
- (G) Stewardship tool usage for specific external teams (e.g. service providers, external investment managers or similar)
- (H) Approach to collaboration on stewardship
- (I) Escalation strategies
- (J) Conflicts of interest
- (K) Details on how the stewardship policy is implemented and which elements are mandatory, including how and when the policy can be overruled
- (L) How stewardship efforts and results should be communicated across the organisation to feed into investment decision-making and vice versa
- (M) None of the above elements are captured in our stewardship policy

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 12.1	PLUS	ISP 12	N/A	PUBLIC	Stewardship policy	2

Describe any additional details related to your stewardship policy elements or your overall stewardship approach.

It is our fiduciary duty to monitor companies' ESG performance, engage with management on identified risks and opportunities and vote consistently at shareholder meetings. Stewardship is embedded in our SI approach as our SI policy highlights. We take an active and holistic approach to stewardship through a clear and structured program that fully aligns with clients' investment beliefs, policies and requirements. It encompasses the integration of ESG factors into four inter-dependent activities: – Investment decision making; – Engagement with corporate management; – Exercise of shareholders rights; and – Advocacy with policy makers and standard setters. When exercising our shareholder rights through proxy voting we act in accordance with our corporate governance principles, which are underpinned by two fundamental objectives: – To act in the best financial interests of our clients to enhance the long-term value of their investments. – To promote best practice in the boardroom. As an investment advisor, we have a strong commercial interest in ensuring that those companies which we invest in on behalf of our clients are successful. In our view, that starts with the Board of Directors.

ISP 13	CORE	ISP 1.1	N/A	PUBLIC	Stewardship policy implementation	2
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- (B) It describes default actions that can be overridden (e.g. by investment teams for certain portfolios)
- (C) It creates permission for taking certain measures that are otherwise exceptional
- (D) We have not developed a uniform approach to applying our stewardship policy

ISP 15	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship objectives	2
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(A) Maximise the risk–return profile of individual investments	○	○	○	○	○	○
(B) Maximise overall returns across the portfolio	○	○	○	○	○	○
(C) Maximise overall value to beneficiaries/clients	●	●	●	●	●	●
(D) Contribute to shaping specific sustainability outcomes (i.e. deliver impact)	○	○	○	○	○	○

ISP 16	CORE	Multiple, see guidance	N/A	PUBLIC	Stewardship prioritisation	2
(A) The size of our holdings in the entity or the size of the asset, portfolio company and/or property	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The materiality of ESG factors on financial and/or operational performance	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Specific ESG factors with systemic influence (e.g. climate or human rights)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The ESG rating of the entity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) The adequacy of public disclosure on ESG factors/performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) Specific ESG factors based on input from clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(G) Specific ESG factors based on input from beneficiaries	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(H) Other criteria to prioritise engagement targets, please specify:

(I) We do not prioritise our engagement targets

ISP 17 PLUS Multiple, see guidance N/A PUBLIC Stewardship methods 2

(A) Internal resources (e.g. stewardship team, investment team, ESG team or staff) 1

(B) External investment managers, third-party operators and/or external property managers (if applicable) We do not use this method

(C) External paid services or initiatives other than investment managers, third-party operators and/or external property managers (paid beyond a membership fee) We do not use this method

(D) Informal or unstructured collaborations with peers We do not use this method

(E) Formal collaborative engagements (e.g. PRI-coordinated collaborative engagements, Climate Action 100+, the Initiative Climat International (iCI) or similar) 2

ISP 18	CORE	Multiple, see guidance	ISP 18.1	PUBLIC	Collaborative stewardship	2
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- (B) We collaborate when our individual stewardship efforts have been unsuccessful or are likely to be unsuccessful, i.e. as an escalation tool
- (C) We collaborate in situations where doing so would minimise resource cost to our organisation
- (D) We do not have a default position but collaborate on a case-by-case basis
- (E) We generally do not join collaborative stewardship efforts

ISP 18.1	PLUS	ISP 18	N/A	PUBLIC	Collaborative stewardship	2
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Where we believe the effectiveness of engagement and the chance of success can be increased, we're 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 while allowing 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 collaboration. Therefore, at the outset, we must try 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 – We, as an investment firm, have the resources to effectively contribute to the research of, and dialogue with, selected companies. We assess the outcomes of the collaborative engagements we participate in by using the same criteria we apply to our individual engagements. These assessments focus on progress against agreed engagement objectives. 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 to advance standard setting on key ESG strategic issues for UBS-AM. We assess the effectiveness of these initiatives through the quality of final deliverables and alignment with our internal positions.

ISP 19	PLUS	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2
(A) Collaboratively engaging the entity with other investors	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input checked="" type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input checked="" type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(H) We did not use any escalation measures during the reporting year. Please explain why below	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>

ISP 20	CORE	Multiple, see guidance	N/A	PUBLIC	Escalation strategies	2
(A) Collaboratively engaging the entity with other investors	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(B) Filing/co-filing/submitting a shareholder resolution or proposal	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(C) Publicly engaging the entity (e.g. open letter)	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(D) Voting against the re-election of one or more board directors	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(E) Voting against the chair of the board of directors	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(F) Voting against the annual financial report	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(G) Divesting or implementing an exit strategy	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>
(H) We do not have any restrictions on the escalation measures we can use	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>

ISP 21	PLUS	Multiple, see guidance	N/A	PUBLIC	Alignment and effectiveness	2
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We regard the stewardship of our clients' assets as a core element of our fiduciary responsibilities. For this reason, and in order to maximize the economic value of our clients' investments, UBS-AM's Executive Committee has established the UBS-AM Stewardship Committee. Its role is to provide support to the UBS-AM Executive Committee with regards to all stewardship activities. The Committee is formed under the authority of the Head of Investments, who is accountable to the President of UBS-AM. The Committee is governed by a specific Terms of Reference. This outlines its scope, roles, responsibilities and delegations, as well as reporting and escalation of the Committee's operations to the President of Asset Management and wider UBS business group. The Committee is the executive forum for all relevant legal entities of the traditional business of UBS-AM globally. The stewardship governance structure ensures alignment of our voting and engagement activities with our Stewardship Policy across strategies. It is also supports the imperative for us to send a clear message to companies based on all our holdings across both passive and active positions. The Committee meets on a quarterly basis, with ad-hoc meetings when necessary. It is chaired by the Head of Investments, and its membership comprises: Head of Active Equities, Head of Systematic and Index Investing, Head of Global Institutional Client Coverage, Head of Sustainable and Impact Investing and Head of SI Research. The Stewardship Committee is responsible for: – Oversight of our stewardship strategy across ESG topics – Reviewing and approving our Proxy Voting Policy annually, including any updates as required and / or changes to scope of country coverage – Reviewing and approving membership of any organization or collaborative efforts with other investors in relation to ESG/Stewardship – Approving all proposed proxy voting decisions which deviate from UBS Proxy Voting Policy guidelines – Reviewing and determining voting decisions where a consensus has not been reached among our portfolio management teams – Reviewing and approving requests to participate in the filing of a shareholder resolution – Reviewing and approving requests to escalate our engagement activities through letters to the Board, AGM statement and/or public communications

ISP 22	PLUS	Multiple, see guidance	N/A	PUBLIC	Stewardship examples	2
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(A) Example 1

b) Collaborative

c) Both managing ESG risks and delivering outcomes

(B) Example 2

b) Collaborative

c) Both managing ESG risks and delivering outcomes

(C) Example 3

a) Internally (or service provider) led

c) Both managing ESG risks and delivering outcomes

(A) Example 1

ESG topics addressed: Strategy and business model, capital management, transparency and disclosure, environmental management and climate change

Eni UBS-AM has been engaging with the company within Climate Action 100+ as a lead investor together with another investment manager since 2018. The dialogue with management has focused on: – The company’s decarbonization strategy, – Capital expenditure in fossil fuels extraction and renewables, scenario analysis, GHG emissions reduction targets, – The link of executive remuneration with climate goals and – Lobbying activities in support of the Paris Agreement. We have interacted with the CEO, CFO, the chair of the remuneration committee, the sustainability and the IR department.

As part of the dialogue, we have submitted an AGM statement for the board’s consideration to acknowledge the progress made and encourage the company to keep its commitments, even during the challenging times of the COVID-19 pandemic. Outcomes and next steps At the beginning of 2020, the company announced new ambitious targets, including an 80% reduction in net scope 1, 2 and 3 emissions by 2050, with reference to the entire life-cycle of the energy products sold and a 55% reduction in emission intensity compared to 2018. This is in addition to previous commitments to achieve net-zero carbon footprint by 2030 for scope 1 and 2 emissions from upstream activities and net-zero carbon footprint for total scope 1 and 2 emissions by 2040.

During the year, the long-term incentive plan of the company has also been modified to include a new ESG objective with a 35% weight. The company has also published its principles to define the company's public policy positions on climate change and assess its participation in trade associations. Finally, the company has reviewed its oil and gas price assumptions and defined a flexible decline in oil production from 2025 together with ramping up its commitments in renewables and the circular economy..

Takeda Pharmaceutical Company
We took the lead in engaging with Takeda on their Access to Medicine (AtM) Strategy, as part of the Access to Medicine Foundation's collaborative engagement initiative. The foundation launched a long-term engagement project and publishes index results every two years. This index is a building block for tracking pharmaceutical company progress towards SDG 3 by 2030. We identified the following issues for engagement:

- The expansion of their equitable pricing strategies
- Project specific access plans for late-stage projects
- Enhancing transparency in relation to filling for market approvals
- Impact measurement conducted, including the integration of Shire within their Access to Medicine strategy, following Takeda's acquisition of the company in 2019.

ESG topics addressed: Community impact and human rights, strategy and business model, transparency and disclosure

(B) Example 2

We have held two meetings with the company to progress the engagement. The first took place at our offices in London while the second meeting took place over the phone (considering COVID-19 travel restrictions). We met with eight company representatives including ESG experts, the corporate secretary and other individuals involved in the Access to Medicine strategy. We had a positive dialogue with the team and are confident that Takeda continues to progress in its strategy to access to medicines.

Outcomes and next steps
Takeda has progressed on all engagement areas.

It covers a large number of innovative medicines with its equity pricing strategies, having launched an initiative to ensure a systematic process is used for all late-stage projects to provide access plans and enhancements in relation to filing market approvals; noting that this is taking more time than they would have liked, considering the Shire integration. We were also pleased to learn about the company's collaboration with Duke University to create an Access to Health Impact Measurement Framework. This model is being designed not just to measure the direct impact to patients but also to monitor the difference programs are making to the healthcare system more broadly. Takeda is seeking to set an industry standard and is collaborating with peers and governments in doing so. The company has disclosed that in 2019, 125,000 patients were supported with treatments to improve and extend lives, 4,000+ healthcare providers were trained and 1.1 million patients screened, as part of Takeda's holistic Access to Medicine approach..

Rio Tinto
Controversy emerged at Rio Tinto in the middle of 2020 when the company's Australian iron ore mining activities resulted in the destruction of cultural heritage at Juukan Gorge. We have spoken with the company directly and as part of a multi-investor engagement.

(C) Example 3

Community impact and human rights, environmental management and climate change

Rio Tinto's board review and an Australian parliamentary inquiry demonstrates a lack of coordination between internal parties on mining activity and the presence of cultural heritage. The structure of teams addressing key social themes, and weaknesses in stakeholder management contributed to the incident.

Outcomes and next steps
 Rio Tinto has responded with action, including a review all of its mine sites, placing cultural heritage into its line management controls, implementing a new Integrated Heritage Management Plan, and establishing a centralized Social Performance function.

It is also reviewing its existing agreements with Traditional Owners and Indigenous Peoples and is embarking on a process of updating the language where needed. We will continue to engage with Rio Tinto on its response to this incident, its management of cultural heritage across the company, and its work on a ensuring a more inclusive management of its activities..

ISP 23	CORE	N/A	Multiple, see guidance	PUBLIC	Engaging policymakers	2
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(C) We do not engage with policymakers directly or indirectly

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 23.1	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers	2

What methods do you, or the external investment managers or service providers acting on your behalf, use to engage with policymakers for a more sustainable financial system?

(A) We participate in "sign-on" letters on ESG policy topics. Describe:

As part of our engagement with the South Korea Electric Power Corp in 2020 we have co-signed a private letter to the board of the company, a public letter to the South Korean Ministry of Economy and Finance (a major shareholder in the company) and a media article to express our concerns.

(B) We respond to policy consultations on ESG policy topics. Describe:

Our goal is to promote best practice industry standards by contributing to the development of regulatory standards and guidelines and employing progressive and innovative solutions to meet those standards.

(C) We provide technical input on ESG policy change. Describe:

UBS-AM is part of the UK Investment Association (IA) Working Group on climate change.

(D) We proactively engage financial regulators on financial regulatory topics regarding ESG integration, stewardship, disclosure or similar. Describe:

As a large scale global asset manager we have a role to play in representing the views of the investment community on matters of policy and standards generally. Given the speed with which regulation and policy is developing in many parts of the world, we regard dialogue with policy makers and standard setters as part of our fiduciary role, which allows us to do the best by our clients and represent their interests. UBS AM has a well-established dedicated policy team which leads the firm's global engagement with policymakers and standard setters directly and through our trade associations (such as the IA and EFAMA).

(E) We proactively engage regulators and policymakers on other policy topics. Describe:

As a large scale global asset manager we have a role to play in representing the views of the investment community on matters of policy and standards generally. Given the speed with which regulation and policy is developing in many parts of the world, we regard dialogue with policy makers and standard setters as part of our fiduciary role, which allows us to do the best by our clients and represent their interests. UBS AM has a well-established dedicated policy team which leads the firm's global engagement with policymakers and standard setters directly and through our trade associations (such as the IA and EFAMA).

(F) Other methods used to engage with policymakers. Describe:

Additional updates on our work with standard setters and other investors can be found in our 2020 Stewardship Report.



UBS Asset Management has a well-established dedicated policy team which leads AM's global engagement with policymakers (referred to as 'Regulatory Intelligence').

At UBS, we also benefit from Group wide governance (which includes our other divisions, Wealth Management and Investment Banking). UBS has an internal committee, the Sustainable Finance Regulatory Policy Network (Network), which coordinates the Group's sustainability related discussions that are on the regulatory policy agenda. The Network formulates the positions that we take, as a Group, to our policy and industry engagements that relate to political and regulatory matters. The Network is chaired by UBS's Head of Sustainability Regulatory Strategy. Asset Management is represented by the Head of Sustainable & Impact Investing and the Head of Regulatory Intelligence.

The Network reports to the UBS in Society Steering Committee, the Sustainable Finance Steering Committee and the Global Environmental and Social Risk Committee. In turn, these committees may escalate to the Global Executive Board (GEB), the Group CEO or the Corporate Culture and Responsibility Committee. The Sustainable Finance Steering Committee is chaired by the Group CEO's Senior Sustainable Finance Advisor.

The AM CEO sponsors sustainability topics at the GEB (and meets with policy makers including, recently, Mark Carney promoting net zero initiatives for COP 26). Other governance processes within the AM division are managed by the Regulatory Intelligence team. Our policy priorities are identified annually and sustainability is a top priority. Our policy positions represent AM and the wider group view. Regulatory Intelligence is responsible for maintaining relationships with appropriate third parties for policy activities which includes determining which trade associations to engage with. Periodically, reports are made on our policy activities to appropriate bodies including the Network, the AM Regulatory Board and other relevant committees.

- (B) No, we do not have these governance processes in place. Please explain why not:

ISP 24	CORE	ISP 23	ISP 24.1	PUBLIC	Engaging policymakers – Policies	2
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● In conjunction with the governance processes described above, our policy work on sustainable finance is guided by AM's and the Group's overall sustainable investment policy and other relevant policies. For example, Asset Management has adopted a Sustainable Investment Policy which sets out our approach to sustainability in investments and an Adverse Impacts Statement which sets out the extent to which adverse impacts are considered. At Group level, we have an Environmental and Social Risks Policy which also guides our approach.

○ (B) No, we do not a policy(ies) in place. Please explain why not:

ISP 24.1	CORE	ISP 24	N/A	PUBLIC	Engaging policymakers – Policies	2
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● https://www.ubs.com/global/en/ubs-society/our-documents/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/innergrid_1976054452_651975952/xcol1/teaser/linklist/link.0396290292.file/bGluay9wYXRoPS9jb250ZW50L2RhbS91YnMvZ2xvYmFsL3Vicy1zb2NpZXR5LzIwMjAvdWJzLXN1c3RhaW5hYmlsaXR5LXJlcG9ydC0yMDIwLnBkZg==/ubs-sustainability-report-2020.pdf__

○ (B) No, we do not publicly disclose this policy(ies)

ISP 25	CORE	ISP 23	N/A	PUBLIC	Engaging policymakers – Transparency	2
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https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability/_jcr_content/mainpar/toplevelgrid_1264519/col2/linklist_copy/link_1396582543.0205066422.file/bGluy9wYXR0PS9jb250ZW50L2RhbS9hc3NldH MvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtemVwb3J0LTA0LTIwMjAucGRm/esg-stewardship-report-04-2020.pdf

https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability/_jcr_content/mainpar/toplevelgrid_1264519/col2/linklist_copy/link_1396582543.0205066422.file/bGluy9wYXR0PS9jb250ZW50L2RhbS9hc3NldH MvYW0vZ2xvYmFsL2luc2lnaHRzL3N1c3RhaW5hYmxlLWFuZC1pbXBhY3QtaW52ZXN0aW5nL2RvYy9lc2ctc3Rld2FyZHN0aXAtemVwb3J0LTA0LTIwMjAucGRm/esg-stewardship-report-04-2020.pdf

- (C) No, we did not publicly disclose our policy engagements activities during the reporting year. Explain why:
- (D) Not applicable, we did not conduct policy engagement activities

ISP 26 CORE N/A N/A PUBLIC Public support General



Please refer to the Climate Strategy Document founds here: <https://www.ubs.com/global/en/ubs-society/our-documents.html>

- (B) No, we currently do not publicly support the Paris Agreement

ISP 27 CORE N/A N/A PUBLIC Public support General



Please refer to the Climate Strategy document, found here: <https://www.ubs.com/global/en/ubs-society/our-documents.html>

- (B) No, we currently do not publicly support the TCFD

ISP 28

CORE

N/A

N/A

PUBLIC

Governance

General



Our climate strategy is overseen by the Board of Directors' (BoD) Corporate Culture and Responsibility Committee (CCRC), as embedded in the Organization Regulations of UBS Group AG. Within the parameters set by the CCRC, the UBS in Society Steering Committee ensures firm-wide execution of the climate strategy while our firm's climate-related risk appetite is set at the Group Executive Board level. In joint meetings, the BoD's CCRC and Risk Committee regularly and critically review the assessments and steps taken by these management bodies toward executing our climate strategy. The CCRC approves UBS's annual climate-related objectives and oversees the progressive alignment of our climate disclosure with the TCFD recommendations. These annual plans and objectives are managed as part of our ISO 14001-certified environmental management system (EMS), with defined management accountabilities across the firm. The EMS helps us to systematically reduce environmental risks, seize market opportunities and continuously improve our environmental and climate performance and resource efficiency.



The physical and transition risks from a changing climate contribute to a structural change across economies and therefore affect banks and the financial sector as a whole. In order to protect our clients' and our own assets from climate-related risks, we continue to drive the integration of climate-related risk into our standard risk management framework. UBS manages climate risks in our own operations, balance sheet, client assets and supply chain. We are embedding climate risk into the UBS risk appetite framework and operational risk appetite statement. In 2020, we further integrated climate risk in risk identification, management stress testing methodology and reporting processes across the organization. We have consistently reduced our exposure to carbon-related assets and continued our multi-year efforts to develop methodologies that enable more robust and transparent disclosure of climate metrics. This work will continue our efforts to ensure we are prepared to respond to increased regulatory requirements on climate risk, are aligning our disclosure with the TCFD recommendations and collaborate within the industry to close gaps. In 2020, we also refined our ability to estimate the firm's vulnerability to climate-related risks using forward-looking scenario-based approaches, and developed a climate transition risk heatmap.

UBS-AM's Sustainable and Impact Investing ("SI") Management Committee is responsible for oversight of UBS-AM's Sustainable Investment policy, of which climate considerations are an integral part. . Michael Baldinger, Head of the SI Team, chairs the UBS-AM SI Management Committee, which has influence across the research, investment and client coverage business segments and oversees the implementation of our Sustainable Investing policy. Members of the SI Management Committee include senior representatives from each of the main investment capabilities as well as from key client servicing regions. The Committee reports into the UBS-AM Executive Committee, chaired by Suni Harford, President, UBS-AM.

In addition, Michael Baldinger is a member of UBS' Sustainability Operating Committee, which is responsible for steering the overall UBS Group SI strategy. The Committee reports into the Corporate Culture and Responsibility Committee, chaired by Axel A. Weber, Chairman, UBS AG.

The UBS-AM SI team has responsibility for the implementation of our Sustainable Investing policy and procedures and annually reviews our responsible investment objectives and establishes goals for the coming year.



Among our client groups, awareness of sustainability is rapidly growing. Sustainability is also helping to define our role in society, our corporate strategy and how we think about financial solutions overall.

Over recent years, clients have been making a shift in favor of investments that focus on, or more actively take into account, material environmental, social and governance (ESG) factors. This shift is not isolated to individual institutional investors and private clients – corporate clients are transforming their operations to aim for ESG best practice and aligning their business models to the UN Sustainable Development Goals (SDGs). The COVID-19 crisis has accelerated and solidified this trend by highlighting the consequences of not addressing challenges we are well aware of (such as climate change or social inequalities) as well as the interconnectedness of our world.

Our own research provides evidence of this shift. A global UBS Asset Management survey of 600 institutional investors found that European asset owner respondents predict that systemic environmental factors (i.e., climate crisis, biodiversity loss, etc.) will, in the next five years, be more material to their investments than financial factors.¹ Another survey showed that, among Swiss institutional investors, 49% of respondents have already invested sustainably, and out of these, two-thirds plan to increase their share of sustainable investing (SI).² In a UBS Investment Bank survey, 68% of corporate clients are considering or currently revising their sustainability strategy. And 70% stated they are considering including ESG targets as part of their compensation framework.³ In our Personal & Corporate Banking business, the newly introduced sustainability-linked loans are experiencing strong demand. And in the private wealth space, the majority of our clients believe SI will become the norm in the next decade.⁴

In terms of actual market movements, as of December 2020, global assets in sustainable funds had risen from around USD 600 billion at the end of 2018 to more than USD 1.65 trillion.⁵ If current growth rates persist, ESG mutual fund assets in the US alone are projected to grow from just over USD 150 billion at the end of 2019 to more than USD 300 billion at the end of 2021.⁶ In Europe, ESG assets under management are predicted to triple between 2019 and 2025, to reach EUR 5.5 trillion.⁷

Client surveys not only gather evidence to support trends, they also tell us what is most important to our clients, which helps us ensure we support them in the right way.

To help in understanding trends, we share our knowledge and shed light on challenges that resonate strongly with our clients. We publish regular white papers on challenges and opportunities within SI, review key sustainability developments and provide associated investment solutions across public and private markets. Our research and insights have a strong sustainable component, but venture beyond pure sustainability considerations.

1 Survey conducted in June 2019 among 600 institutional clients (ESG: Do you or Don't you, UBS Asset Management and Responsible Investor)

2 Survey conducted in August 2020 among 110 Swiss institutional investors

3 Survey conducted in October 2020 among 160 Investment Bank clients

4 UBS Investor Watch on the Year Ahead, November 2019.

5 Morningstar: Global Sustainable Fund Flows: Q4 2020 in Review

6 "ESG: Transforming asset management and fund distribution." Broadridge, September 2020

7 "2022 The growth opportunity of the century. Are you ready for the ESG change?," PwC, October 2020



As a global financial institution, it's our responsibility to help clients navigate the transition to a low-carbon economy. We help our clients assess, manage and protect their assets from climate-related risks by offering innovative products and services in investment, financing and research. In 2020, we launched a suite of new strategies based on our award-winning passive equity Climate Aware strategy. It includes both active and passive equity and fixed income approaches. They help clients reduce their portfolios' carbon footprint in line with their sustainability goals while meeting their financial objectives. Our SI analysts also work with portfolio managers to assess and manage climate-related risks where these are material to the investment case, using climate-related information to understand the consequences for company business model, revenues, costs and capital requirements.

In addition, UBS-AM has developed the capability for portfolio managers to examine the carbon footprint of their portfolios and compare the relative carbon footprints of their company holdings to that of the benchmark. We can calculate the carbon footprint of the majority of our equity portfolios based on greenhouse gas (GHG) emissions data from a third-party data provider (MSCI).

We engage with companies we invest in to discuss approaches to mitigating climate-related risk. We actively vote on shareholder resolutions to improve transparency and disclosure around climate-related reporting. Specifically in the context of our Climate Aware strategy, we have implemented an engagement program with 49 oil and gas companies as well as utilities companies underweighted in the strategy, aimed at improving disclosure and performance alignment with the TCFD recommendations. Results of the quantitative and qualitative assessments included in the fund methodology are shared with investee companies, aiding the verification of company performance. It also means we can collect feedback, explicitly communicate objectives for change in corporate practices and further enhance the model used to inform the under-/ overweights in the strategy.

- In 2020, we continued our multi-year efforts to develop methodologies that enable more robust and transparent disclosure of climate metrics. This includes the development of a novel transition risk heatmap methodology, improved granularity and accuracy of climate-sensitive sectors and carbon-related assets disclosure and expansion of the weighted carbon intensity metric. The climate-sensitive inventory now applies to sectors captured by the transition risk heatmap. Following the enhanced methodology, our exposure to climate-sensitive sectors has remained relatively static – lending to high-risk sectors has been reduced and lending to low-risk sectors has increased. UBS exposure to carbon-related assets was revised to analyze underlying commodities in our commodity trade finance business. We have recalculated all previous years' exposure figures using the enhanced approach. In 2020, we have again reduced our exposure to high-carbon sectors (as defined by the TCFD and those rated higher risk on the heatmap) to 1.9%, down from 2.3 % in 2019 (and 2.8% in 2018). The weighted carbon intensity of our Climate Aware strategies went down to 68.2 tonnes carbon dioxide equivalent (CO₂e) per USD million of revenue (from 74.5 tonnes in 2019). This is 51% less when compared against the weighted carbon intensity of the composite benchmark. Climate-related sustainable investments increased to USD 160.8 billion, up from USD 108 billion in the previous year. At the end of 2020, we reached our goal of using 100% renewable energy and reduced our firm's own GHG emissions by 79% compared to baseline year 2004. Please refer to p.41 of the UBS Sustainability Report 2020 for an overview of UBS Group's climate-related metrics 2020. The UBS Sustainability Report 2020 is available via the following link: https://www.ubs.com/global/en/ubs-society/our-documents/_jcr_content/mainpar/toplevelgrid/col1/tabteaser/innergrid_1976054452_651975952/xcol1/teaser/linklist/link.0396290292.file/bGluay9wYXRoPS9jb250ZW50L2RhbS91YnMvZ2xvYmFsL3Vic1zb2NpZXR5LzIwMjAvdWJzLXN1c3RhaW5hYmlsaXR5LXJlcG9ydC0yMDIwLnBkZg==/ubs-sustainability-report-2020.pdf

- The transition to a low-carbon economy poses both risks and opportunities for the economy and our clients. As such we believed we have a fiduciary duty to address those issues. With regard to current progress on climate action, there is a recognized climate finance and investment gap to meet the low-carbon transition targets. We also see a clear investor appetite for directing capital toward a low-carbon future.

Our climate strategy underpins our commitment to support our clients in preparing for an increasingly carbon-constrained world. It underlines our commitment to the Sustainable Development Goals (SDGs) on climate action and on affordable and clean energy as well as the Paris Agreement. These key commitments are embedded in the Principles for Responsible Banking (PRB). This global framework specifies the role of banks in supporting a sustainable future and scaling up their contribution to the achievement of both the SDGs and the Paris Agreement.

We have reported on our climate strategy aligned with TCFD recommendations since 2017. We are committed to aligning our climate disclosure within the five-year pathway outlined by the TCFD (until end of 2022) and to collaborating within the industry to close gaps.

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We publicly support international, collaborative action against climate change. Our Chairman is a signatory to the European Financial Services Round Table's statement in support of a strong, ambitious response to climate change. Our Group CEO is a member of the Alliance of CEO Climate Leaders, an informal network of CEOs convened by the World Economic Forum and committed to climate action. We also continue to support the TCFD development with formal representation in the Task Force since 2016.

Our climate-related achievements have been widely recognized by external experts. CDP, which runs a global disclosure system that enables companies, cities, states and regions to measure and manage their environmental impacts, awarded UBS with Leadership status and a Climate A List rating. In 2020, UBS participated in the Global Association of Risk Professionals (GARP) Climate Risk Survey and was recognized amongst the firms that are currently providing leading practice in climate financial risk management.

In 2020 as part of the UNEP FI TCFD phase II project for banks UBS further developed of climate scenarios, in line with the range of reference scenarios published by the Network for Greening the Financial System (NGFS), progressed development of a heatmap methodology and pilot tested the credit analysis methodology on our oil and gas portfolio and physical risk analysis on our real estate mortgage portfolio. In addition between 2019 and 2020, as part of the Paris Agreement Capital Transition Assessment (PACTA) UBS tested the alignment of its corporate lending portfolios with Paris Agreement benchmarks and conducted PACTA 2020 climate alignment test, studying the climate alignment of Swiss mortgages, direct real estate investments and listed investments portfolios.

(H) The board or the equivalent function does not exercise oversight over climate-related risks and opportunities

ISP 29	CORE	N/A	N/A	PUBLIC	Governance	General
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The Corporate Culture and Responsibility Committee (CCRC)¹ supports the UBS Board of Directors in its duties to safeguard and advance the Group's reputation for responsible and sustainable conduct. It approves and monitors UBS in Society's (UBS in S) overall strategy and annual objectives, governance, and oversees the program's annual management review. The Group CEO² supervises the execution of the UBS in S strategy and annual objectives. The Group CEO also informs the Group Executive Board (GEB) and Corporate Culture and Responsibility Committee (CCRC) about UBS in S updates as appropriate. The Head UBS in S is UBS's senior level representative for environmental and sustainability issues. Nominated by the Group CEO, they chair the UBS in S Steering Committee, are a member of the Global Environmental Social Risk Committee, and a permanent guest to the CCRC. They develop the UBS in S strategy, leads in its execution, and submits annual objectives to the Group CEO. The UBS in S Steering Committee (SC) ensures firm-wide execution of the UBS in S strategy across business divisions, functions and regions. The Committee is chaired by the Head UBS in S and comprises divisional, regional, and Group COO EC members as well as UBS in S EC members. SC members are responsible to define and implement the sustainability strategy of their BA / Function (and to allocate resources accordingly) in line with the UBS in S strategy. The Global Environmental & Social Risk Committee³ defines an ESR framework and independent controls that align UBS's environmental and social risk appetite with that of UBS in S. It is chaired by the Group Chief Risk Officer, who is responsible for the development and implementation of principles and appropriate independent control frameworks for environmental and social risks within UBS. ¹ Responsibilities and authority of the CCRC are defined in Annex B of the Organization Regulations of UBS Group AG ² As set out in the Group Functions Business Regulations ³ As set out in the Global Environmental and Social Risk Committee Terms of Reference

In 2020, we further integrated climate risk in risk identification, management stress testing methodology and reporting processes across the organization. We have consistently reduced our exposure to carbon-related assets and continued our multi-year efforts to develop methodologies that enable more robust and transparent disclosure of climate metrics, to ensure we are prepared to respond to increased regulatory requirements on climate risk, and are aligning our disclosure with the TCFD recommendations and collaborate within the industry to close gaps.

We have performed both top-down balance sheet stress testing (across the firm), as well as targeted, bottom-up analysis of specific sector exposures covering short-, mid-, and long-term time horizons. These suggested no immediate threat to UBS's balance sheet. However, we identified methodological challenges ranging from the suitability of climate scenarios for banking risk modelling to data availability.

The CCRC approves our annual climate-related objectives and oversees the progressive alignment of our climate disclosure with the TCFD recommendations. These annual plans and objectives are managed as part of our ISO 14001-certified environmental management system (EMS), with defined management accountabilities across the firm. The EMS helps us systematically reduce environmental risks, seize market opportunities and continuously improve our environmental and climate performance and resource efficiency.

To inform the further development of our climate risk management strategy, we have piloted a transition risk heatmap, developed in collaboration with the UNEP FI TCFD working group, taking a materiality-driven approach to further inform our climate risk management strategy. Furthermore, we have been one of the pilot banks testing the PACTA methodology, studying the alignment of select climate-sensitive sectors in our corporate credit portfolio with Paris Agreement benchmarks. Both pilots promote industry learning and have provided guidance for disclosing climate-related risks and opportunities in line with the TCFD recommendations



See details in the UBS Sustainability Report.



We actively engage in education and awareness raising for employees, staff, clients and our local communities on corporate responsibility and sustainability topics and issues. Through employee onboarding, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments.

Better understanding of our firm's sustainability goals and actions is promoted through a wide range of training and awareness-raising activities as well as in our performance management process. For example, in 2020, a specialist training program on environmental and human rights topics (including sustainable finance) was provided to approximately 20,263 employees in front-office and support functions who deal directly with related aspects in every-day business processes.

Our compensation philosophy is to align the interests of our employees with those of our investors and clients. Our Total Reward Principles establish a framework that balances sustainable performance while supporting our growth ambitions, sound governance and appropriate risk-taking, with a focus on conduct and sound risk management practices.

In the performance award pool funding, ESG is reflected through the assessment of risks, such as legal, compliance, reputational and operational risks. Therefore, ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved, but how they were achieved. Achievements versus ESG-related goals are reflected in the qualitative performance assessment and affect the final compensation decision. Our peer-leading position in all workforce- and culture-related criteria in the Dow Jones Sustainability Index underlines our dedication and achievements.



Engagement and voting on climate issues represent one of the most important ways in which we address climate change risks in our portfolios. We believe that to be successful and realize positive change a climate engagement strategy must be focused, oriented around a material framework relevant for both companies and investors, and collaborative in nature.

To create the most effective dialogue within our thematic engagement program on climate change, we have developed a climate materiality assessment and framework to facilitate research and climate engagement dialogue across nine impacted sectors, including the two in focus, oil & gas and utilities. This framework, around which our engagement goals are oriented, is both financially material and well understood by corporate management teams. Specifically, we defined our objectives around the TCFD. We then conducted a detailed scorecard analysis for each company in the focus list in order to identify the most relevant areas of potential improvement, focusing on the core elements of the TCFD.

To maximize both the coherence and effectiveness of our engagements, we pursued our climate engagement strategy through collaboration with other asset owners and asset managers. Specifically, UBS-AM is currently participating in 29 coalitions of investors within the investor initiative Climate Action 100+ (CA100+), leading eight of these groups across regions.

This activity is overseen by UBS-AM'S stewardship committee. Our stewardship governance structure ensures alignment of our voting and engagement activities with our Stewardship Policy across strategies. The Committee meets on a quarterly basis, with ad-hoc meetings when necessary. It is chaired by the Head of Investments, and its membership comprises: Head of Active Equities, Head of Systematic and Index Investing, Head of Global Institutional Client Coverage, Head of Sustainable and Impact Investing and Head of SI Research.

(F) Our management does not have responsibility for assessing and managing climate-related risks and opportunities

ISP 30 CORE N/A Multiple, see guidance PUBLIC Strategy General

- Financial risks associated with climate are considered across all invested asset classes, i.e., equity, fixed income, real estate and infrastructure.
- UBS AM has looked at oil & gas, electric utilities and mining especially from the perspective of stranded assets. This includes our thermal coal exclusion, ESG integration and our engagement activity.
- Raising climate risk issues in dialogue with senior management represents one of the most important mechanisms for translating the integration of climate risks into action with companies. To this end, we are conducting a strategic engagement program with companies in those sectors which have the greatest impact on climate. More specifically, since 2018, we have engaged with 509 companies in the energy and utilities sectors, representing 27% of the total emissions of the FTSE developed world Index.
To create the most effective dialogue within our thematic engagement program on climate change, we have developed a climate materiality assessment and framework to facilitate research and climate engagement dialogue across nine impacted sectors, including the two in focus, oil & gas and utilities.
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- (G) Other climate-related risks and opportunities identified. Specify:
- (H) We have not identified specific climate-related risks and opportunities within our organisation's investment time horizon

ISP 30.1	CORE	ISP 30	N/A	PUBLIC	Strategy	General
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(A) Specific financial risks in different asset classes [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(B) Specific sectors and/or assets that are at risk of being stranded [as specified]	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
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(C) Assets with exposure to direct physical climate risk [as specified]

(D) Assets with exposure to indirect physical climate risk [as specified]

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]

(A) Specific financial risks in different asset classes [as specified]

(B) Specific sectors and/or assets that are at risk of being stranded [as specified]

(C) Assets with exposure to direct physical climate risk [as specified]

(D) Assets with exposure to indirect physical climate risk [as specified]

(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios [as specified]

(F) Specific sectors and/or assets that contribute significantly to achieving our climate goals [as specified]



Climate risks and opportunities have influenced UBS's products and services strategy in the short term (0-3 years) and will continue to influence the strategy in the mid-and long term (3 and 10, 10-80 years). In 2018 and 2019, UBS climate strategy, in response to new banking climate regulation and emerging climate-related risk, was discussed by the Board of Director's Services Risk Committee. UBS climate strategy is now a regular agenda item for the joint meeting of BoD Risk Committee and Corporate Culture and Responsibility Committee (CCRC). 2020 has seen the creation of the cross-firm Sustainable Finance Committee which aims to address commercial aspects of sustainable finance and placing additional emphasis on sustainable finance client solutions across the group. We support our clients' efforts to assess, manage and protect them from climate-related risks by offering innovative products and services in investment, financing and research. We mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation and in supporting the transition to a low-carbon economy as corporate advisor, and/or with our lending capacity. In 2019, our climate-related sustainable investments rose to \$108 billion from \$87.5 billion at the end of 2018, and the deal value in equity and debt capital market services, and in financial advisory services, related to climate change mitigation and adaptation, rose to \$87.2 billion, from \$56.5 billion in 2018.



We seek to protect our assets by limiting our risk appetite for carbon-related assets and by estimating our firm's vulnerability to climate-related risks using scenario-based stress testing approaches and other forward-looking portfolio analyses. We have reduced carbon-related assets on our balance sheet to 0.8% or USD 1.9 billion as of 31 December 2019, down from 1.6% at the end of 2018 and 2.8% at the end of 2017. In 2018, UBS took a strategic decision to not finance any new coal-fired projects globally, while only financing coal-fired operators that have a strategy to reduce coal dependency along a Paris aligned pathway. This was a substantial strategic decision based upon a scenario-based review of our power portfolio. AM has implemented an engagement program with 50 companies from oil and gas and utilities sectors and we voted on 44 climate-related shareholder resolutions during 2019.



In order to manage our own, and our clients', risk derived from both the physical and transition risks associated with climate change, we have been using scenario-based approaches since 2014. We have performed both top-down balance sheet stress testing (across the firm), as well as targeted, bottom-up analysis of specific sector exposures (in real estate, utilities, and oil & gas) in short (0-3yrs), mid-(3-10 yrs), and long-term horizons (10-80 yrs). Our initial (2014) top-down approach consisted of a scenario-based stress test to assess UBS's balance sheet vulnerability across the firm.

Leveraging our existing firm-wide top-down stress testing methodology, we developed a climate change scenario (which assumes that severe weather events result in governments around the world agreeing to implement carbon pricing mechanisms to assess the impact on financial assets, operational income and physical assets). The scenario anticipated that these mechanisms will prompt a shift away from coal and other fossil fuels to cleaner alternatives and adversely impact markets and gross domestic product. The results showed moderate financial impact in line with other stress scenarios, such as those that foresee an oil shock. Our subsequent (2015) bottom-up analyses of oil and gas utilities as well as electric utilities loan portfolios consisted of a forward-looking analysis to assess impacts of a long-term low fossil fuel price scenario resulting from policies promoting greater use of renewables, enhancing efficiency standards and limiting emissions. We calculated the impact this scenario would have on company probability of default and aggregated company-level results at the portfolio level to assess changes to expected loss. We also assessed the vulnerability of loan portfolios secured by real estate in Switzerland and the US to physical risk by mapping the location of collateral in over 6,000 postal code areas against Swiss Re's CatNet tool, which aggregates a large dataset of observed natural hazards such as wildfire, river and pluvial flooding and tropical cyclones. In 2017, based on historic academic precipitation observations, we conducted Drought stress test (Natural Capital Finance Alliance tool) on UBS's energy portfolio. From both top-down and bottom-up approaches, our internal stress tests suggested no immediate threat to UBS's balance sheet. However, we identified methodological challenges ranging from the suitability of climate scenarios for banking risk modelling to data availability.



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(E) Specific sectors and/or assets that are likely to benefit under a range of climate scenarios. Specify:

In 2020, the Investment Bank provided equity or debt capital market services for a total deal value of USD 69.8 billion, or acted as financial advisor for a total deal value of USD 29.1 billion, to clients that contribute to climate change mitigation and adaptation. The methodology behind these numbers consists first in identifying clients who, through the products and services they offer, work to mitigate the effects of global climate change and help to adapt to changing climate impacts.

(G) Other climate-related risks and opportunities identified, please specify:

(H) We have not identified specific climate-related risks and opportunities beyond our organisation's investment time horizon

ISP 32 PLUS N/A N/A PUBLIC Strategy General

As one of the world's largest managers of private and institutional wealth, UBS is keen to help develop solutions in this regard, building on our successful and, in many cases, pioneering work aimed at mobilizing private and institutional capital toward the SDGs. This includes investments that facilitate climate change mitigation and adaptation, notably through our Climate Aware suite of strategies.

Our climate aware framework is built on the methodology that underlies AM's Climate Aware strategy. The main characteristics of the framework are:

- Portfolio mitigation: lowering investment exposures to carbon risk
- Portfolio adaptation: increasing investment exposure to climate-related innovation and solutions
- Portfolio transition: aligning portfolios to an investor's chosen climate glidepath

Portfolio mitigation Based on our experience, maintaining a balance between required investment returns and minimizing climate risks works most effectively when investors integrate climate change considerations into a diversified portfolio. Similar to ESG integration, this is an important element in understanding the specific effects of climate change. As the TCFD has highlighted, these can be viewed as regulatory, market, technology and physical risks. How they play out at the level of markets, industry sectors and individual issuers depends on an interplay of:

regulation; commercial considerations; and impact of technology on business models, revenues, costs and capital requirements.

Integrating these three aspects puts the focus on the most material issues relating to the reduction of emissions generated by the most carbon-intensive sectors. It also leads to a deeper and more investment-relevant understanding of the physical risks.

Portfolio adaptation

Supporting a low-carbon future translates into investing in, and funding of, new technologies and solutions. The key investment areas relate to GHG emissions reduction, energy transition, and energy efficiency. They include companies that manufacture and deploy these technologies as well as the infrastructure and services that make them achievable at scale. There are a variety of developments in business structure, asset ownership, supply chains and delivery models that may be deployed as part of the climate change transition. It is also important to recognize that there are different kinds of investors that are better-placed for certain kinds of investments. Venture capital, private equity, real estate, public equity and public fixed income all have different appetites for technology risk.

Portfolio transition

It is important for investors to understand the difference between where they are now and the possibilities of the climate transition. Scenario analysis is emerging as a response to the uncertainties of climate change. Engagement, meanwhile, provides an opportunity for investors to encourage good corporate practice and, together with voting, keep management accountable for the actions needed to keep pace with the climate transition. It also allows investors to understand the investment dynamics in individual sectors and countries and determine the overall direction of travel. By applying the tools of scenario analysis and engagement, investors are better able to manage the transition to a climate-smart future.

ISP 33	CORE	N/A	ISP 33.1	PUBLIC	Strategy: Scenario analysis	General
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International Energy Agency (IEA), World Energy Outlook, Beyond 2-Degrees Scenario, Sustainable Development Scenario, New Policies Scenario, Current Policies Scenario, Integrated assessment modeling (IAM) climate scenarios (based on NGFS scenarios)

(E) We do not use scenario analysis to assess climate-related investment risks and opportunities

ISP 33.1 PLUS ISP 33 N/A PUBLIC Strategy: Scenario analysis General

We have been using scenario-based approaches since 2014 to assess our exposure to physical and transition risks stemming from climate change. These early in-house scenario analyses have been followed by a series of assessments performed through industry collaborations in order to harmonize approaches in addressing identified methodological and data gaps. In 2018, UBS began a multi-year collaboration with a peer group of up to 35 banks, the UNEP FI, the IAMC, and risk consultancies Oliver Wyman and Acclimatise. Now entering its third iteration, our objective is to develop analytical tools to help banks define and disclose climate-related risks and opportunities, as recommended by the TCFD. This includes developing and standardizing how we quantify climate-related risks, addressing data gaps in the process, including Paris-aligned scenarios, and further refining scenario-based stress-testing methodologies. These advancements aim for banks to more robustly identify and disclose exposure to climate-related risks and opportunities. In 2020, UBS pilot tested the methodology on its 2020 oil and gas (O&G) portfolio. This time, testing against a range of 1.5°C pathways, including an orderly and immediate transition, a disorderly and delayed transition, and a disorderly transition that assumed low reliance on carbon dioxide removals (CDR). The scenarios were developed in partnership with the IAMC and were also the basis for the reference scenarios issued by the Network for Greening the Financial System (NGFS).

- (B) An abrupt transition consistent with the Inevitable Policy Response
- (C) A failure to transition, based on a 4°C or higher scenario
- (D) Other climate scenario

ISP 34 PLUS ISP 30 N/A PUBLIC Risk management General

- (A) Internal carbon pricing. Describe:
 - (B) Hot spot analysis. Describe:
 - (C) Sensitivity analysis. Describe:
 - (D) TCFD reporting requirements on external investment managers where we have externally managed assets. Describe:
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To create the most effective dialogue within our thematic engagement program on climate change, we have developed a climate materiality assessment and framework to facilitate research and climate engagement dialogue across nine impacted sectors, including the two in focus, oil & gas and utilities. This framework, around which our engagement goals are oriented, is both financially material and well understood by corporate management teams. Specifically, we defined our objectives around the Taskforce on Climate-related Financial Disclosure (TCFD), an internationally recognized framework for both companies and investors to assess the impact of climate change on business strategy and to report on these impacts in traditional financial disclosures. We then conducted a detailed scorecard analysis for each company in the focus list in order to identify the most relevant areas of potential improvement, focusing on the core elements of the TCFD. These are: – Governance of climate change – Risk management – Strategy and policy – Metrics and performance – Targets – Lobbying activities – Overall level of disclosure

- (F) Other risk management processes in place, please describe:
- (G) We do not have any risk management processes in place to identify and assess climate-related risks

ISP 35	PLUS	Multiple, see guidance	N/A	PUBLIC	Risk management	General
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Engagement and voting on climate issues represent one of the most important ways in which we address climate change risks in our portfolios. For active strategies, engagement can inform our forward-looking fundamental understanding of the steps companies' management teams are taking to address climate change in their business models and risk management systems. For passive investments, corporate dialogue can address large negative externalities that impact the environment, the wider economy, and thereby index returns in the long term. We believe that to be successful and realize positive change a climate engagement strategy must be focused, oriented around a material framework relevant for both companies and investors, and collaborative in nature.

Raising climate risk issues in dialogue with senior management represents one of the most important mechanisms for translating the integration of climate risks into action with companies. To this end, we are conducting a strategic engagement program with companies in those sectors which have the greatest impact on climate. More specifically, since 2018, we have engaged with 509 companies in the energy and utilities sectors, representing 27% of the total emissions of the FTSE developed world Index.

Our dialogue with management is complemented by our voting decisions on climate issues. We are generally supportive of climate change resolutions that are reasonable, referring to the TCFD recommendations and aligned with long-term shareholder interest. In line with this, we are supportive of proposals that request:

environmental policies in line with the recommendations of the TCFD framework

– Reporting on the financial and physical risks of climate change on the company’s operations, and/or its response to rising regulatory, competitive, and public pressure to significantly reduce greenhouse gas emissions

– Good governance and risk management of climate change

– Short-, medium- and long-term targets to guide ambition on decarbonization actions

– An effective strategy for addressing key climate change issues and appropriate metrics for links between climate change targets and executive remuneration

In addition to supporting shareholder resolutions on climate, we also use our vote to express discontent at companies which fail to demonstrate adequate progress. We will generally vote against the chair of the board of companies we have engaged with for more than two years without seeing progress on climate change. We see our votes against management as a means to call for greater attention and action. As explained in the proxy voting statistics section, in 2020, we voted against the election of the chair or another board member of four companies in our focus list because of lack of progress on engagement focused on climate change.

(E) In the asset class benchmark selection process. Describe:

Climate-related risks are assessed as part of our overall integration process. We have conducted a materiality analysis of climate risks across industries, and climate change issues are included in the overall analysis process for ESG integration.

(G) Other investment process(es). Describe:

(H) We are not tracking and managing climate-related risks in specific investment processes

ISP 36	PLUS	N/A	N/A	PUBLIC	Risk management	General
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UBS has an Environmental and Social Risk Policy to identify and manage potential adverse impacts to the environment and to human rights, as well as the associated environmental and social risks our clients' and our own assets are exposed to, including climate-related risks. The Policy sets out requirements and standards for identification, assessment, approval, escalation, monitoring and reporting of environmental and social risks including climate-related risks. It specifies roles and responsibilities in client onboarding, transaction due diligence, product development and investment decision processes, and supply chain management:

- The Business (1st line of defense) identifies the risks and refers them to the ESR unit
- The ESR unit (2nd line of defense) determines whether the referrals are in accordance with the firm's ESR standards and risk appetite.

In order to protect our clients' and our own assets from climate-related risks, we continue to drive the integration of climate-related risk into our standard risk management framework. UBS manages climate risks in our own operations, balance sheet, client assets and supply chain. We are embedding climate risk into the UBS risk appetite framework and operational risk appetite statement. In 2020, we further integrated climate risk in risk identification, management stress testing methodology and reporting processes across the organization.

UBS has “provided leading practice in climate financial risk management” (to quote the Global Association of Risk Professionals (GARP) Climate Risk Survey 2020) by, among other achievements, disclosing the exposure to climate sensitive sectors since 2019. The 2020 disclosure on ‘UBS corporate lending to climate-sensitive sectors’ covers banking products across the Investment Bank and Personal & Corporate Banking divisions (page 13 of Our climate strategy) In 2020, UBS piloted a transition risk heatmap, developed in collaboration with the UNEP FI TCFD working group. The heatmap enables UBS to take a materiality-driven approach to further inform its climate risk management strategy by:

- Helping to identify concentrations of exposure with high climate risk vulnerability, which, in turn, enables resource prioritization for detailed bottom-up risk analysis;
- Supporting a client-centric strategy that prioritizes clients who may benefit from UBS products and services in support of their transition strategies; and by
- providing decision-useful information in internal reports to executive and board leadership and external disclosure to stakeholders.

The next steps for UBS are to pilot the physical risk heatmap methodology, also developed with the UNEP FI TCFD working group, and to examine the applicability of the heatmap methodology in other traditional risk categories. Climate scenario/risk analysis is a novel area of research, and we expect the methodologies, tools and data availability to evolve and improve over time.

ESG objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance assessment and compensation decisions. At the beginning of the year, objectives related to Group, business divisions, Pillars, Principles and Behaviors are set. ESG-related objectives have been embedded in our Pillars and Principles since they were established in 2011. This long-term focus on ESG topics is reflected in the achievements outlined above. To maintain the focus on these important ESG topics, our Group CEO and other GEB members have specific ESG-aligned goals under Pillars and Principles, including governance and risk management, talent management and diversity, client satisfaction, and corporate responsibility. These include goals for reducing our carbon footprint and corporate waste, as well as for progressing our philanthropic efforts. Therefore, achievements versus ESG-related goals are part of the qualitative performance assessments and affect final compensation decisions. In the performance award pool funding, ESG is reflected through the qualitative assessment of legal, compliance, reputational and operational risks, as well as regulatory compliance. Therefore, ESG is taken into consideration when the Compensation Committee assesses not only what results were achieved but also how they were achieved.

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(F) Climate risks are included in the enterprise risk management system. Describe:

UBS manages climate risks in our own operations, balance sheet, client assets and supply chain. We are embedding climate risk into the UBS risk appetite framework and operational risk appetite statement. In 2020, we further integrated climate risk in risk identification and reporting processes across the organization. In 2020, we further integrated climate risk in risk identification, measurement and reporting. We increased the coverage of accounts with carbon calculation allowing comparison of fund carbon exposure to benchmark exposure to identify material climate risk. We started analyzing climate scenario analysis and climate stress testing to enhance the current risk management tools. We are also looking at using additional risk metrics to complement carbon metrics information. UBS also uses forward looking climate data points to derive carbon footprint trends and temperature implied metrics principally for its Climate Aware Product.

(H) Processes for identifying, assessing and managing climate-related risks are not integrated into our overall risk management

Metrics and targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37	PLUS	N/A	ISP 37.1	PUBLIC	Metrics and targets	General

Have you set any organisation-wide targets on climate change?

- (A) Reducing carbon intensity of portfolios
- (B) Reducing exposure to assets with significant climate transition risks
- (C) Investing in low-carbon, energy-efficient climate adaptation opportunities in different asset classes
- (D) Aligning entire group-wide portfolio with net zero
- (E) Other target, please specify:
- (F) No, we have not set any climate-related targets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 37.1	PLUS	ISP 37	N/A	PUBLIC	Metrics and targets	General

Provide more details about your climate change target(s).

	(1) Absolute- or intensity-based	(2) The timeframe over which the target applies: Years [Enter a value between 1 and 100]
(A) Reducing carbon intensity of portfolios	(1) Absolute-Based	30
	(3) Baseline year [between 1900–2020]	(4) Baseline amount
(A) Reducing carbon intensity of portfolios	2020	end-2019
	(5) Target date dd/mm/yyyy	(6) Target value/amount
(A) Reducing carbon intensity of portfolios	31/12/2050	net zero
	(7) Interim targets or KPIs used to assess progress against the target	(8) Other details

(A) Reducing carbon intensity of portfolios			2030 50% reductions versus 2019		see all commitments of the net zero alliance
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ISP 38	PLUS	N/A	ISP 38.1	PUBLIC	Metrics and targets: Transition risk	General
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(H) Other metrics, please specify:

(I) No, we have not identified any climate-related metrics for transition risk monitoring

ISP 38.1	PLUS	ISP 38	N/A	PUBLIC	Metrics and targets: Transition risk	General
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(A) Total carbon emissions	(2) for the majority of our assets	This metric demonstrates the total CO2 emissions exposure of the portfolios	Tons of CO2
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(B) Carbon footprint	(2) for the majority of our assets	This metrics demonstrates the CO2 emissions / amount invested	Tons of CO2 / enterprise value
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(C) Carbon intensity	(2) for the majority of our assets	This metric demonstrates the carbon efficiency of companies in the portfolio.	CO2 emissions / revenue
(D) Weighted average carbon intensity	(2) for the majority of our assets	This metrics examines the average carbon efficiency vs. a benchmark.	CO2 emissions of portfolio determined by weight of holdings, compared to carbon intensity of the benchmark.
(E) Implied temperature warming	(2) for the majority of our assets	This metric determines the alignment of a portfolio with a temperature warming scenario	Weighted average temperature alignment of the entire portfolio.

ISP 39 PLUS N/A ISP 39.1 PUBLIC Metrics and targets: Physical risk General

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- (C) Other metrics, please specify:
- (D) Other metrics, please specify:
- (E) We have not identified any metrics for physical risk monitoring

Sustainability outcomes

Set policies on sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 40	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Where is your approach to sustainability outcomes set out? Your policy/guideline may be a standalone document or part of a wider responsible investment policy.

- (A) Our approach to sustainability outcomes is set out in our responsible investment policy
- (B) Our approach to sustainability outcomes is set out in our exclusion policy
- (C) Our approach to sustainability outcomes is set out in our stewardship policy
- (D) Our approach to sustainability outcomes is set out in asset class-specific investment guidelines
- (E) Our approach to sustainability outcomes is set out in separate guidelines on specific outcomes (e.g. the SDGs, climate or human rights)

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 41	CORE	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

Which global or regionally recognised frameworks do your policies and guidelines on sustainability outcomes refer to?

- (A) The SDG goals and targets
- (B) The Paris Agreement
- (C) The UN Guiding Principles on Business and Human Rights
- (D) The OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors
- (E) Other frameworks, please specify:
 - UN Principles for Responsible Banking
- (F) Other frameworks, please specify:

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 42	PLUS	ISP 1.1	N/A	PUBLIC	Set policies on sustainability outcomes	1, 2

What are the main reasons that your organisation has established policies or guidelines on sustainability outcomes? Select a maximum of three options.

- (A) Because we understand which potential financial risks and opportunities are likely to exist in (and during the transition to) an SDG-aligned world
- (B) Because we see it as a way to identify opportunities, such as through changes to business models, across supply chains and through new and expanded products and services
- (C) Because we want to prepare for and respond to legal and regulatory developments, including those that may lead to stranded assets
- (D) Because we want to protect our reputation and licence-to-operate (i.e. the trust of beneficiaries, clients and other stakeholders), particularly in the event of negative sustainability outcomes from investments
- (E) Because we want to meet institutional commitments on global goals (including those based on client or beneficiaries' preferences), and communicate on progress towards meeting those objectives
- (F) Because we consider materiality over longer time horizons to include transition risks, tail risks, financial system risks and similar
- (G) Because we want to minimise negative sustainability outcomes and increase positive sustainability outcomes of investments

Identify sustainability outcomes

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 43	CORE	N/A	Multiple, see guidance	PUBLIC	Identify sustainability outcomes	1

Has your organisation identified the intended and unintended sustainability outcomes from any of its activities?

- (A) No, we have not identified the sustainability outcomes from our activities
- (B) Yes, we have identified one or more sustainability outcomes from some or all of our activities

ISP 44	CORE	ISP 43	ISP 44.1	PUBLIC	Identify sustainability outcomes	1
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- (F) Other taxonomies (e.g. similar to the EU Taxonomy), please specify:
- (G) Other framework/tool, please specify:
- (H) Other framework/tool, please specify:
- (I) Other framework/tool, please specify:

ISP 44.1	CORE	ISP 44	N/A	PUBLIC	Identify sustainability outcomes	1
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- (B) At the economic activity level
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- (G) Other level(s), please specify:
- (H) We do not track at what level(s) our sustainability outcomes were identified

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 45	CORE	ISP 43	SO 1	PUBLIC	Identify sustainability outcomes	1

How has your organisation determined your most important sustainability outcome objectives?

- (A) Identifying sustainability outcomes that are closely linked to our core investment activities
- (B) Consulting with key clients and/or beneficiaries to align with their priorities
- (C) Assessing the potential severity (e.g. probability and amplitude) of specific negative outcomes over different timeframes
- (D) Focusing on the potential for systemic impacts (e.g. due to high level of interconnectedness with other global challenges)
- (E) Evaluating the potential for certain outcome objectives to act as a catalyst/enabler to achieve a broad range of goals (e.g. gender or education)
- (F) Analysing the input from different stakeholders (e.g. affected communities, civil society or similar)
- (G) Understanding the geographical relevance of specific sustainability outcome objectives
- (H) Other method, please specify:
- (I) We have not yet determined our most important sustainability outcome objectives

Transparency & Confidence-Building Measures

Information disclosed – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 46	CORE	OO 16	N/A	PUBLIC	Information disclosed – ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets, what information about your ESG approach do you (or the external investment managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance

- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – Passive ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 47	CORE	Multiple, see guidance	N/A	PUBLIC	Information disclosed – Passive ESG assets	6

For the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets that are passive listed equity and/or passive fixed income, how do you communicate changes in their ESG benchmark selection and construction?

- (A) We disclose details that would allow external parties to replicate or test the ESG index or benchmark
- (B) We disclose the main sources of ESG data, broad ESG assumptions and how this is used to develop ESG passive portfolios
- (C) We disclose a full list of all changes to methodologies
- (D) We disclose any changes that we deem significant to the methodology
- (E) We do not communicate changes to methodologies for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets that use ESG indices/benchmarks

Client reporting – ESG assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 48	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – ESG assets	6

What ESG information is included in your client reporting for the majority of your ESG/sustainability marketed funds or products, and/or your ESG/RI certified or labelled assets?

- (A) Qualitative analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents, where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our ESG/sustainability marketed funds or products, and/or our ESG/RI certified or labelled assets

Information disclosed – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 49	CORE	N/A	N/A	PUBLIC	Information disclosed – All assets	6

For the majority of your total assets under management, what information about your ESG approach do you (or the external managers/service providers acting on your behalf) include in material shared with clients, beneficiaries and/or the public? The material may be marketing material, information targeted towards existing or prospective clients or information for beneficiaries.

- (A) A commitment to responsible investment (e.g. that we are a PRI signatory)
- (B) Industry-specific and asset class-specific standards that we align with (e.g. TCFD, or GRESB for property and infrastructure)
- (C) Our responsible investment policy (at minimum a summary of our high-level approach)
- (D) A description of our investment process and how ESG is considered
- (E) ESG objectives of individual funds
- (F) Information about the ESG benchmark(s) that we use to measure fund performance
- (G) Our stewardship approach
- (H) A description of the ESG criteria applied (e.g. sectors, products, activities, ratings and similar)
- (I) The thresholds for the ESG criteria applied in our investment decisions or universe construction
- (J) A list of our main investments and holdings
- (K) ESG case study/example from existing fund(s)
- (L) We do not include our approach to ESG in material shared with clients/beneficiaries/the public for the majority of our assets under management

Client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 50	CORE	Multiple, see guidance	N/A	PUBLIC	Client reporting – All assets	6

What ESG information is included in your client reporting for the majority of your assets under management?

- (A) Qualitative ESG analysis, descriptive examples or case studies
- (B) Quantitative analysis or key performance indicators (KPIs) related to ESG performance
- (C) Progress on our sustainability outcome objectives
- (D) Stewardship results
- (E) Information on ESG incidents where applicable
- (F) Analysis of ESG contribution to portfolio financial performance
- (G) We do not include ESG information in client reporting for the majority of our assets under management

Frequency of client reporting – All assets

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 51	CORE	Multiple, see guidance	N/A	PUBLIC	Frequency of client reporting – All assets	6

For the majority of each asset class, how frequently do you report ESG-related information to your clients?

(A) Listed equity	(1) Quarterly
(B) Fixed income	(1) Quarterly
(D) Real estate	(1) Quarterly
(E) Infrastructure	(1) Quarterly
(F) Hedge funds	(4) On an ad hoc basis or upon request

Confidence-building measures

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
ISP 52	CORE	OO 16.1	Multiple, see guidance	PUBLIC	Confidence-building measures	6

What verification has your organisation had regarding the information you have provided in your PRI Transparency Report this year?

- (A) We received third-party independent assurance of selected processes and/or data related to our responsible investment processes, which resulted in a formal assurance conclusion
- (B) We conducted a third-party readiness review and are making changes to our internal controls/governance or processes to be able to conduct an external assurance next year
- (C) The internal audit function team performed an independent audit of selected processes/and or data related to our responsible investment processes reported in this PRI report
- (D) Our board, CEO, other C-level equivalent and/or investment committee has signed off on our PRI report
- (E) Some or all of our funds have been audited as part of the certification process against a sustainable investment/RI label
- (F) We conducted an external ESG audit of our ESG/sustainability marketed funds or products (excluding ESG/RI certified or labelled assets)

- (G) We conducted an external ESG audit of our holdings to check that our funds comply with our RI policy (e.g. exclusion list or investee companies in portfolio above certain ESG rating)
- (H) We conducted an external ESG audit of our holdings as part of risk management, engagement identification or investment decision-making
-
- (J) None of the above

ISP 53	CORE	ISP 52, OO 14	N/A	PUBLIC	Confidence-building measures	6
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|---------------------------------------|------------------|
| (A) Investment and stewardship policy | (2) Data assured |
| (C) Listed equity | (2) Data assured |
| (D) Fixed income | (2) Data assured |
| (F) Real estate | (2) Data assured |
| (G) Infrastructure | (2) Data assured |

ISP 54	CORE	ISP 52	ISP 54.1	PUBLIC	Confidence-building measures	6
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- (A) PAS 7341:2020
- (B) ISAE 3000 and national standards based on this
- (C) Dutch Standard 3810N (Assurance engagements regarding sustainability reports)
- (D) RevR6 (Assurance of Sustainability)
- (E) IDW AsS 821 (Assurance Standard for the Audit or Review of Reports on Sustainability Issues)
- (F) Accountability AA1000 Assurance Standard (AA1000AS)
- (G) IFC performance standards
- (H) SSAE 18 and SOC 1
- Global Reporting Initiative

- (J) Invest Europe Handbook of Professional Standards
- (K) ISAE 3402
- (L) AAF 01/06
- (M) AAF 01/06 Stewardship Supplement
- (N) ISO 26000 Social Responsibility
- (O) ASAE 3410 Assurance Engagements on Greenhouse Gas Statements
- (P) PCAF
- (Q) NGRS audit framework (National Greenhouse and Energy Reporting)
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- (S) Other greenhouse gas emissions assurance standard, please specify:
- (T) None of the above

ISP 54.1	PLUS	ISP 54	N/A	PUBLIC	Confidence-building measures	6
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File uploaded: https://priassociation.eu.qualtrics.com/ControlPanel/File.php?F=F_1GyuF8lsTLC4EBC

ISP 55	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6
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The EY Assurance Statement can be found under the following link: <https://www.ubs.com/global/en/ubs-society/our-documents.html>

ISP 56	CORE	OO 14, ISP 52	N/A	PUBLIC	Confidence-building measures	6
(A) Investment and stewardship policy					(3) Processes and related data assured	
(C) Listed equity					(3) Processes and related data assured	
(D) Fixed income					(3) Processes and related data assured	
(F) Real estate					(3) Processes and related data assured	
(G) Infrastructure					(1) Processes assured	
ISP 57	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6

In relation to our Stewardship activities, as well as the Stewardship Committee's oversight, we regularly review our stewardship approach. A detailed internal audit was performed in 2019 to ensure our practices were conducted in our clients' interests. Agreed policies and procedures were found to be appropriately implemented. The same exercise will be conducted in 2022.

ISP 58	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6
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(A) Board and/or trustees (4) report not reviewed

(B) Chief-level staff (e.g. Chief Executive Officer (CEO), Chief Investment Officer (CIO) or Chief Operating Officer (COO)) (4) report not reviewed

(C) Investment committee (4) report not reviewed

(D) Other chief-level staff, please specify:
NA (4) report not reviewed

(E) Head of department, please specify:
Head of SI Team (1) the entire report

(F) Compliance/risk management team (1) the entire report

(G) Legal team (4) report not reviewed

(H) RI/ ESG team (1) the entire report

(I) Investment teams (1) the entire report

ISP 59	CORE	ISP 52	N/A	PUBLIC	Confidence-building measures	6
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- (A) Commodity type label (e.g. BCI)
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- (C) Austrian Ecolabel (UZ49)
- (D) B Corporation
- (E) BREEAM
- (F) CBI Climate Bonds Standard
- (G) EU Ecolabel
- (H) EU Green Bond Standard
- (I) Febelfin label (Belgium)
- (J) FNG-Siegel Ecolabel (Germany, Austria and Switzerland)
- (K) Greenfin label (France)
- (L) ICMA Green Bond Principles
- (M) Le label ISR (French government SRI label)
- (N) Luxflag Climate Finance
- (O) Luxflag Environment
- (P) Luxflag ESG
- (Q) Luxflag Green Bond
- (R) Luxflag Microfinance
- (S) National stewardship code (e.g. UK or Japan), please specify:
- (T) Nordic Swan Ecolabel
- (U) Other SRI label based on EUROSIF SRI Transparency Code (e.g. Novethic), please specify:
- (V) People's Bank of China green bond guidelines
- (W) RIAA (Australia)
- (X) Towards Sustainability label (Belgium)
- (Y) Other, please specify:

ISP 60	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6
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GRESB Real Estate and Infrastructure Assessments can be found here: <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

ISP 62	PLUS	ISP 52	N/A	PUBLIC	Confidence-building measures	6
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We regard the stewardship of our clients' assets as a core element of our fiduciary responsibilities. For this reason, and in order to maximize the economic value of our clients' investments, UBS-AM's Executive Committee has established the UBS-AM Stewardship Committee. Its role is to provide support to the UBS-AM Executive Committee with regards to all stewardship activities. The Committee is formed under the authority of the Head of Investments, who is accountable to the President of UBS-AM. The Committee is governed by a specific Terms of Reference. This outlines its scope, roles, responsibilities and delegations, as well as reporting and escalation of the Committee's operations to the President of Asset Management and wider UBS business group. The Committee is the executive forum for all relevant legal entities of the traditional business of UBS-AM globally.

The stewardship governance structure ensures alignment of our voting and engagement activities with our Stewardship Policy across strategies. It is also supports the imperative for us to send a clear message to companies based on all our holdings across both passive and active positions.

The Committee meets on a quarterly basis, with ad-hoc meetings when necessary. It is chaired by the Head of Investments, and its membership comprises: Head of Active Equities, Head of Systematic and Index Investing, Head of Global Institutional Client Coverage, Head of Sustainable and Impact Investing and Head of SI Research.

The Stewardship Committee is responsible for:

- Oversight of our stewardship strategy across ESG topics
- Reviewing and approving our Proxy Voting Policy annually, including any updates as required and / or changes to scope of country coverage
- Reviewing and approving membership of any organization or collaborative efforts with other investors in relation to ESG/Stewardship
- Approving all proposed proxy voting decisions which deviate from UBS Proxy Voting Policy guidelines
- Reviewing and determining

LE 1	CORE	OO 10	LE 1.1	PUBLIC	Materiality analysis	1
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(A) Yes, we have a formal process to identify material ESG factors for all of our assets



(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets



(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets



(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion



(E) No, we do not have a formal process to identify material ESG factors



LE 1.1	CORE	LE 1	N/A	PUBLIC	Materiality analysis	1
(A) The investment process incorporates material governance factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The investment process incorporates material environmental and social factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The investment process incorporates material ESG factors beyond our organisation's typical investment time horizon			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The investment process incorporates the effect of material ESG factors on revenues and business operations			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
LE 2	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1
(A) We monitor long-term ESG trends for all assets			<input type="radio"/>		<input type="radio"/>	<input type="radio"/>

(B) We monitor long-term ESG trends for the majority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(C) We monitor long-term ESG trends for a minority of assets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
(D) We do not continuously monitor long-term ESG trends in our investment process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

LE 3 CORE OO 10 LE 3.1 PUBLIC ESG incorporation 1

(A) We incorporate governance-related risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate environmental and social risks into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) ESG risk is incorporated into financial modelling and equity valuations at the discretion of individual investment decision-makers, and we do not track this process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(E) We do not incorporate ESG risks into our financial modelling and equity valuations	□	□	□
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LE 3.1	CORE	LE 3	N/A	PUBLIC	ESG incorporation	1
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(A) We incorporate governance-related risks into financial modelling and equity valuations	(1) in all cases
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(B) We incorporate environmental and social risks into financial modelling and equity valuations	(1) in all cases
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(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	(1) in all cases
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(A) We incorporate governance-related risks into financial modelling and equity valuations	(1) in all cases
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(B) We incorporate environmental and social risks into financial modelling and equity valuations	(1) in all cases
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(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations	(1) in all cases
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(A) We incorporate governance-related risks into financial modelling and equity valuations	(1) in all cases
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(B) We incorporate environmental and social risks into financial modelling and equity valuations	(1) in all cases
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(C) We incorporate environmental and social risks related to companies' supply chains into financial modelling and equity valuations (1) in all cases

LE 4	CORE	OO 10	LE 4.1	PUBLIC	Assessing ESG performance	1
(A) We incorporate information on current performance across a range of ESG metrics			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) We incorporate information on historical performance across a range of ESG metrics			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) We do not incorporate ESG factors when assessing the ESG performance of companies in our financial modelling or equity valuation			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

LE 4.1	CORE	LE 4	N/A	PUBLIC	Assessing ESG performance	1
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(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

(B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases

(C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases

(D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

(A) We incorporate information on current performance across a range of ESG metrics (1) in all cases

- (B) We incorporate information on historical performance across a range of ESG metrics (1) in all cases
- (C) We incorporate information enabling performance comparison within a selected peer group across a range of ESG metrics (1) in all cases
- (D) We incorporate information on ESG metrics that may impact or influence future corporate revenues and/or profitability (1) in all cases

LE 5	PLUS	OO 10	N/A	PUBLIC	ESG incorporation in portfolio construction	1
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One of UBS-AM's largest strategies employing our rigorous process of ESG risk assessment, analysis and engagement is the Global Equity Concentrated Alpha Strategy. Integral to this strategy, managed by the Global Equity Concentrated Alpha team, is a three circle assessment which combines fundamental qualitative and quantitative signals. Among its aims are the limitation of downside through risk assessment and the optimization of upside opportunities through engagement.

The UBS ESG Risk Dashboard, a proprietary ESG monitoring tool, serves as the starting point for ESG integration. The Dashboard allows equity analysts to quickly identify companies with significant ESG risks via the "UBS ESG Risk Signal". This clear, actionable signal serves as starting point for more in-depth analysis of the underlying sources of these risks and the links to their investment cases. The ESG Risk Signal combines data points from a number of reputable external research sources based on a proprietary methodology. It provides a structured, holistic view of ESG risks across four different dimensions, allowing for industry relative comparisons (expressed via the UBS ESG Consensus Score) as well as the identification of outliers. If one or more pillars fail thresholds set, the issuer is flagged for severe ESG risks by the signal.

For companies that are flagged as high risk the team will collaborate with the UBS-AM Sustainable Research team to understand in more detail the severity of the issue and the ESG risks involved. For a new idea, a stock that flags as high risk is unlikely to be a suitable candidate for the portfolio. However, the team may still invest in the stock if the independent analysis of UBS-AM Sustainable Research team shows that the ESG score is not a true reflection of its ESG profile or if the company demonstrates the willingness and the ability to take meaningful measures to improve. In the event that the ESG profile of a company deteriorates, depending on the analysis and the nature of the sustainability risks, the team will decide whether to sell or to keep the position and engage with the company where possible. At any point in time, ESG related issues can be brought to the team's attention via other types of information sources e.g. in the form of an analyst insight or a news flow. This can prompt the team to take action even before changes in the ESG scores take place.

Through the three circle assessment, the team gains levels of conviction and a good understanding of the potential upside and downside risk of any stock. Exposures to individual securities will depend on the risk vs. reward, liquidity, volatility of cash flows and ESG characteristics. All else equal, a company with a stronger or an improving ESG profile will warrant a larger weight in the portfolio. The team also regularly reviews their reasons for holding a stock. They may reduce the weighting or sell a stock if it has diminishing support from their independent information sources and risk/reward has shifted towards the downside, including on ESG.

The team firmly believes that monitoring, engaging and, where necessary, intervening on matters that may affect the long-term value of investee companies is part of their overall stewardship of their client's assets. This relates to both financial and non-financial metrics including ESG factors. It is generally strong governance that drives corporate behaviour. Engagements are prioritised and undertaken dependent on the circumstances and the issues to be discussed. Where the team has identified an issue with the strategic direction of the company, performance of management or remuneration, they will seek to discuss concerns with the company early in order to minimise the potential loss of shareholder value. However, successful engagement is often not a one-time discussion and can come in various forms, from information gathering to change in company practices. Hence, its effectiveness can often only be judged over a period of time.

LE 6	CORE	OO 10	LE 6.1	PUBLIC	ESG incorporation in portfolio construction	1
(A) The selection of individual assets within our portfolio is influenced by ESG factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other expressions of conviction (please specify below)			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>

LE 6.1	CORE	LE 6	N/A	PUBLIC	ESG incorporation in portfolio construction	1
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(A) The selection of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (2) in the majority of cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (2) in the majority of cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (3) in a minority of cases

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

(A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases

(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

LE 7 PLUS OO 10 N/A PUBLIC ESG incorporation in portfolio construction 1

(A) Example 1:

Within Systematic and Index Investments, we have extensive experience and expertise in incorporating sustainability factors in index funds and rules-based strategies, alongside three pillars: replicating third party indices, constructing custom indices in collaboration with clients, consultants, and index providers, and constructing proprietary rules-based strategies. We have carried out and continue to carry out in-depth research and analysis on efficient implementation of ESG factors in rules-based strategies, with specific focus on climate change-related factors. In early 2017, following extensive quantitative and sustainability research, we launched a Climate Aware rules-based fund in the UK that utilizes our proprietary investment model incorporating a range of qualitative and quantitative climate-related metrics. We subsequently launched a Swiss-domiciled Climate Aware fund and Irish-domicile Climate Aware Tax Transparent fund. The UBS Climate Aware Equity strategy aims to address climate change as a systemic risk and to capitalize on the long-term transition to a low GHG emissions economy by investing more in companies at the heart of this transition, as well as those adapting their operating models. The strategy does not exclude stocks, but instead pursues an active voting and engagement policy with companies that most need to adapt their business models in order to meet globally agreed climate change goals. The Climate Aware strategy applies positive and negative 'tilts' related to climate change aspects, while aiming to deliver returns broadly in line with the underlying market cap weighted global equity index. Our research process comprises four core elements which form a multi-dimensional set of metrics that guide the portfolio construction towards a set of exposures that aim to reflect the transition to a low GHG emission economy and the 2°C scenario.

Our approach is innovative - it is both forward looking and uses a probabilistic framework to capture the inherent uncertainty surrounding carbon data. Our process/model comprises the below four components: 1. Glide path probability: We build a quantitative model that compares the company's carbon footprint trend with the required emission reduction implied by the 2C scenario. This approach allows us to estimate the probability that the company will achieve those glide path targets. 2. Qualitative overlay: We improve the estimates of our quantitative model with a qualitative framework that incorporates information about the company: • whether carbon emission is reported under the Carbon Disclosure Program (CDP) • the company's disclosure related to implementation of policies, objectives and/or initiatives related to carbon efficiency This qualitative data allows us to make a more robust estimate of a company's commitment to carbon reduction. This step is designed to mitigate carbon data quality and reporting issues by introducing related supplemental information on a firm's stated policy. 3.

Current carbon intensity and renewable energy: This relates to current information about direct and indirect carbon footprint (measured as intensity levels). Furthermore, in order to partially capture the substitution of energy sources under the 2C scenario by clean energy providers, they incorporate information related to both the production of renewable energy and companies offering technology to that sector. 4. Fossil fuel reserves and energy produced: This element allows the underweighting of companies generating electricity from coal-fired power stations. We also allow the portfolio to reduce exposure to companies that currently hold proven reserves in coal, oil and gas. We have further established a Climate Aware Advisory Group, to oversee the implementation, structure and progress of the UBS Climate Aware Strategy as well as to review results from our Climate engagement program. This group comprises representatives from UBS-AM and external representatives from clients invested into the strategy. This group meets quarterly to review action points from the previous meetings, and to ensure that the strategy continues to meet its target objectives. Formal minutes are recorded and actions followed up..

(B) Example 2:

Within Systematic and Index Investments, we have extensive experience and expertise in incorporating sustainability factors in index funds and rules-based strategies, alongside three pillars: replicating third party indices, constructing custom indices in collaboration with clients, consultants, and index providers, and constructing proprietary rules-based strategies. We have carried out and continue to carry out in-depth research and analysis on efficient implementation of ESG factors in rules-based strategies, with specific focus on climate change-related factors. As an example, we have highlighted below the different steps involved in the construction process of two ESG tilted equity portfolios that we manage on behalf of a European institutional investor.

Construction process of ESG-tilted portfolios

- MSCI index and ESG data enters our benchmark system Panacea via index vendor RIMES. The index and ESG data then enters our portfolio management system (POP).
- Data is validated via a three-stage check.

An initial check is conducted on receipt of the index data to our Benchmark system Panacea. A second check is run as we process the applicable ESG/SRI factors. Here we check coverage for each metric, changes of data with respect to the previous update and corporate actions. A final data check is performed as the data is entered into our Portfolio Optimisation Platform.

- If we suspect data inaccuracies, we first investigate the matter internally and with our index vendors and if we determine that the suspected inaccuracy stems from the index provider, we escalate the matter with them.

We have strong relationships with all major index providers, including MSCI, FTSE Russell, S&P Dow Jones, and intellectual properties firms such as Research Affiliates, and maintain regular dialogue on index related topics, including latest index research, developments, index consultations, and index cost.

- We use a quantitative process to manipulate the data and calculate the SRI factors/tilts, which then automatically uploads the factors/tilts to POP.
- Using POP, we then run the optimisation process based on the specified parameters and constraints, as follows:
 - An improvement of the overall (weighted average) MSCI ESG score of both the Emerging Markets and Developed Equity portfolios versus their respective benchmark by 1.5 points
 - A structural reduction of the carbon footprint of each portfolio versus its respective benchmark by 20%
 - A structural improvement of the overall Social score of the Emerging Markets Equity portfolio vs. its respective benchmark by 10%
 - A structural improvement of the MSCI ESG scores on Labor Management and Health & Safety of the Developed Markets Equity portfolio versus its respective benchmark each by 10%
 - Exclusions: client exclusions applied
 - Stock +/- 0.75%
 - Sector +/- 2%
 - Industry +/- 2%
 - Country +/- 1%
- Should the underlying data be unavailable from the index providers, our optimisation process will take a conservative approach using the latest available data or rebalance the portfolio such that the missing points do not change the profile of the portfolio significantly.
- After the optimization in POP, the data is validated by our data management group and loaded in POP as the ESG tilted model portfolio to be tracked by your index equity portfolio management team using the same proven investment process and rigorous risk control as we do in managing standard market cap weighted indices..

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 8	CORE	OO 6.1 LE	N/A	PUBLIC	ESG risk management	1

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

- (A) We have an independent committee that oversees the screening implementation process, but only for our ESG/sustainability labelled funds that are subject to negative exclusionary screening
- (B) We have an independent committee that oversees the screening implementation process for all of our listed equity assets that are subject to negative exclusionary screening
- (C) We have an independent committee that verifies that we have correctly implemented pre-trade checks in our internal systems to ensure no execution is possible without their pre-clearance
- (D) Other, please specify:
- (E) We do not have compliance processes in place to ensure that we meet our stated negative exclusionary screens

Post-investment phase

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
LE 9	CORE	OO 10	N/A	PUBLIC	ESG risk management	1

Do your regular reviews incorporate ESG risks?

	(1) Passive equity	(2) Active – quantitative	(3) Active – fundamental
(A) Our regular reviews include quantitative information on material ESG risks specific to individual listed equities	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews

LE 10 CORE OO 10 N/A PUBLIC ESG risk management 1

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

(E) Other

(F) We currently do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

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LE 11 PLUS OO 10 N/A PUBLIC Performance monitoring 1

(A) Example from your active listed equity:

At UBS Asset Management, the assessment of ESG issues is oriented around the UBS ESG Material Issues framework developed by our Sustainable Investment (SI) research analyst team. Sustainability covers a wide range of topics, so financial analysts and portfolio managers need to focus their attention on a set of key factors that could affect a company's financial performance. Our materiality framework identifies the three to five most financially relevant factors per sector that can impact the investment thesis and credit recommendation across 32 different industry sectors.

This helps analysts focus on those sustainability factors most likely to influence investment returns.

Those listed below include the top five ESG criteria across the 32 sectors:

- Environmental: carbon emissions, air quality, toxic emissions & waste, bio-diversity & land use, and water stress
- Social: product safety & quality, labour management, development & culture, privacy & data security, and supply chain
- Governance: business ethics, competitive behaviour, management of the legal & regulatory environment, critical incident risk management, and systemic risk management

The following topics are deemed to have material impacts on the value of investee companies:

- Corporate Governance: a key issue for all corporates reflecting the relationship between the company and investors. Good corporate governance ensures that the interests of shareholders are reflected in the management of the company.
- Human Capital Management and Labour Standards: a key issue for all corporates reflecting the relationship between the company and employees.

Good human capital management ensures that employees are constructively managed, attracted and retained, provided with development opportunities, and reflect societal trends in diversity and inclusion.

- Climate change: a material issue for companies in high carbon intensity value chains. The need for companies to meet increasing demands for decarbonisation has the potential to disrupt business models, impact revenues and costs, and reshape capital allocation as well as competitive position and regulatory costs..

(B) Example from your passive listed equity:

We apply ESG related customisation not only on segregated mandates, but also construct new indices capturing specific themes/factors to be used as benchmarks for our pooled funds and ETFs. As a result of our in-depth research in the sustainable indexing space, we have been instrumental in the development of MSCI SRI indices 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.

The index comprises the top 100 stocks globally with the highest gender equality score, as defined by Equileap: companies are ranked on 35 points according to 19 gender criteria. The 19 criteria are grouped in 4 categories: Gender balance in leadership & workforce, Equal compensation & work life balance, Policies promoting gender equality, Commitment to transparency and accountability.

The index construction involves the following steps:

- Liquidity filter: stocks with a 3-month ADV below USD 5 million are removed.
- Securities screening for involvement in controversial activities:
 - o Coal extraction and power generation: exclude companies which derive more than 50% of their revenue
 - o Controversial Businesses: exclude companies which have more than 50% revenue exposure to Gambling, Tobacco Products or Weapon Industry (both Military and Controversial Weapons)
 - o Norms Based Research: exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines)
- An additional screen based on the data from the Gender Data Provider is performed in order to screen out companies which have engaged in known unethical business practices in the last 2 years.
- All remaining stocks are then ranked according to the Equileap Gender Diversity Score, which is calculated based on 19 gender criteria. In cases where securities have the same score, these are sorted according to their full market capitalization.
- Stock selection: first, the top 30 US listed shares are included in the index, regardless of the Gender Score.

Then the next highest scoring US stocks will be added, but only if they have a score of at least 14, up to maximum 50 US stocks in total. Lastly the highest scoring companies from the rest of the world will be added to total 100 stocks in the index composition, ensuring that no country is represented by more than 10 securities.

- On the annual rebalancing date in September, all index constituents are weighted in the following way:

o The US listed stocks will account for 50% of the entire index weight. Within the country group each stock will be equally weighted.

o The weights of all the other stocks will be equally weighted to account for the other 50% of the index.

Since the UBS ETF (IE) Global Gender Equality UCITS ETF was launched on 19 December 2017, the Solactive Equileap Global Gender Equality 100 Leaders TR Net Index has performed broadly in line with the global developed equity market, returning a 10.81% annualised return in USD compared to 11.34% for the MSCI World TR Net Index..

LE 12	CORE	OO 10	N/A	PUBLIC	Passive equity	1
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0-25%

LE 13	CORE	OO 6 LE	N/A	PUBLIC	Sharing ESG information with stakeholders	6
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(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation

(B) We publish any changes in ESG screens and share them on a publicly accessible platform such as a website or through fund documentation

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

LE 14	CORE	OO 10	N/A	PUBLIC	Sharing ESG information with stakeholders	6
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(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

1) In all of our regular stakeholder reporting

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

1) In all of our regular stakeholder reporting

(A) Our regular stakeholder reporting includes qualitative examples of engagement and/or ESG incorporation

2) In the majority of our regular stakeholder reporting

(B) Our regular stakeholder reporting includes quantitative ESG engagement data

1) In all of our regular stakeholder reporting

(C) Our regular stakeholder reporting includes quantitative ESG incorporation data

1) In all of our regular stakeholder reporting

LE 15	CORE	OO 9 LE	LE 15.1, LE 16	PUBLIC	Voting policy	2
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<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

- (B) Yes, we have a (proxy) voting policy, but it is not publicly available
- (C) No, we do not have a (proxy) voting policy

LE 15.1	CORE	OO 9 LE, LE 15	N/A	PUBLIC	Voting policy	2
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- | | |
|--|-----------|
| (A) Actively managed listed equity covered by our voting policy | (12) 100% |
| (B) Passively managed listed equity covered by our voting policy | (12) 100% |

LE 16	CORE	LE 15	N/A	PUBLIC	Voting policy	2
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Within our voting policy guidelines we outline our expectations in regards to corporate governance. Strong governance should, in the long term, lead towards both better corporate performance and improved shareholder value. We expect board members of companies in which we have invested to act in the service of the shareholders, view themselves as stewards of the company, exercise good judgment and practice diligent oversight of the management of the company.



Environmental risks may have a significant impact on the reputation and financial stability of a company. It is essential that the Board has robust policies and processes in place to identify and manage such risks. We expect companies to have a strategy for reducing carbon emissions, to be clear about goals, and to report on progress.

- We may vote in favor of proposals put forward by shareholders that seek to promote good corporate citizenship. Such proposals include sustainability disclosure, human capital management, diversity and supply chain's labor standards. We outline specific requirements in regards to board gender diversity.

(D) Our policy is high-level and does not cover specific ESG factors Describe:

LE 18	CORE	OO 9 LE	LE 18.1, LE 18.2	PUBLIC	Security lending policy	2
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<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

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

LE 18.1	CORE	LE 18	N/A	PUBLIC	Security lending policy	2
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- (A) We recall all securities for voting on all ballot items
- (B) We always recall all holdings in a company for voting on ballot items deemed important (e.g. in line with specific criteria)
- (C) We always recall some securities so that we can vote on their ballot items (e.g. in line with specific criteria)
- (D) We maintain some holdings so that we can vote at any time
- (F) We empower our securities lending agent to decide when to recall securities for voting purposes
- (G) Other, please specify:
- (H) We do not recall our securities for voting purposes

LE 18.2 CORE LE 18 N/A PUBLIC Security lending policy 2

- (A) We do not lend out shares of companies that we are engaging with either individually or as a lead or support investor in collaborative engagements
- (B) We do not lend out shares of companies if we own more than a certain percentage of them
- (C) We do not lend out shares of companies in jurisdictions that do not ban naked short selling
- (D) We never lend out all our shares of a company to ensure that we always keep voting rights in-house
- (E) Other, please specify:

LE 19 CORE OO 9 LE N/A PUBLIC Shareholder resolutions 2

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- (B) In the majority of cases, we support resolutions that, if passed, are expected to advance progress on the underlying ESG factors but only if the investee company has not already committed publicly to the action requested in the proposal
- (C) In the majority of cases, we only support shareholder resolutions as an escalation tactic when other avenues for engagement with the investee company have not achieved sufficient progress
- (D) In the majority of cases, we support the recommendations of investee company management by default
- (E) In the majority of cases, we do not vote on shareholder resolutions

LE 20 CORE OO 9 LE N/A PUBLIC Pre-declaration of votes 2

- (A) We pre-declared our voting intentions publicly through the PRI's vote declaration system
- (B) We pre-declared our voting intentions publicly (e.g. through our own website) Link to public disclosure:
- (C) We pre-declared our voting intentions publicly through the PRI's vote declaration system, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain
- (D) We pre-declared our voting intentions publicly, including the rationale for our (proxy) voting decisions where we planned to vote against management proposals or abstain Link to public disclosure:

- (F) We did not privately or publicly communicate our voting intentions
- (G) We did not cast any (proxy) votes during the reporting year

LE 21 CORE OO 9 LE LE 21.1 PUBLIC Voting disclosure post AGM/EGM 2

- <https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>
- (B) Yes, for the majority of (proxy) votes Link:
- (C) Yes, for a minority of (proxy) votes 1) Add link and 2) Explain why you only publicly disclose a minority of (proxy) voting decisions:
- (D) No, we do not publicly report our (proxy) voting decisions Explain why you do not publicly report your (proxy) voting decisions:

LE 21.1	CORE	LE 21	N/A	PUBLIC	Voting disclosure post AGM/EGM	2
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- (A) Within one month of the AGM/EGM
- (B) Within three months of the AGM/EGM
- (C) Within six months of the AGM/EGM
- (D) Within one year of the AGM/EGM
- (E) More than one year after the AGM/EGM

LE 22	CORE	OO 9 LE	LE 22.1	PUBLIC	Voting disclosure post AGM/EGM	2
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- (A) In cases where we voted against management recommendations or abstained, the rationale was provided privately to the company
- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly
- (C) In cases where we voted against management recommendations or abstained, we did not communicate the rationale
- (D) We did not vote against management or abstain

LE 22.1	CORE	LE 22	N/A	PUBLIC	Voting disclosure post AGM/EGM	2
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- (B) In cases where we voted against management recommendations or abstained, the rationale was disclosed publicly (5) >95%

LE 23	CORE	OO 9 LE	LE 23.1	PUBLIC	Voting disclosure post AGM/EGM	2, 5
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(B) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was not disclosed publicly

(C) We did not vote against any shareholder resolution proposed/filed by a PRI signatory

LE 23.1	CORE	LE 23	N/A	PUBLIC	Voting disclosure post AGM/EGM	2, 5
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(A) In cases where we voted against a shareholder resolution proposed/filed by a PRI signatory, the rationale was disclosed publicly (5) >95%

LE 24	PLUS	OO 9 LE	N/A	PUBLIC	Alignment & effectiveness	2
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We constantly review and monitor the quality of services provided to us by third parties, both through daily review of the research received and a due diligence process focused on the compliance of policies, controls and procedures and quality of content. As part of our internal oversight process of our proxy vendor ISS, we will select positions on a random basis to audit that the status of each ballot has been confirmed as executed.

Some barriers remain in place which can restrict the flow of information through the intermediary chain. To help drive improvements to proxy voting processes and increase transparency across the investment chain, we have participated in discussions with regulators and market intermediaries on specific initiatives currently under way to review those barriers, including those led by the DWP (Department for Work and Pensions) and the Law Commission in the UK on intermediated securities.

LE 25	PLUS	OO 9 LE	N/A	PUBLIC	Example	2
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(A) Example 1:

In 2020 we voted on 667 shareholder resolutions which were focused on ESG issues. 50 were related to environmental issues, 171 related to social issues and 400 related to governance issues. Overall, we supported 64% of the total resolutions. In percentage terms, these figures translated to support for: - 88% of shareholder resolutions focused on environmental issues - 68% of shareholder resolutions focused on social issues - 67% focused on governance issues

(B) Example 2:

Climate change is a vital topic for UBS-AM, and we strongly believe it should be embedded in the strategy of any company we invest in. As we consider the board chair to have ultimate responsibility for the definition of company strategy, we have chosen to express our dissent on climate change commitments through a vote against the chair, where we deem the case to be serious and relevant. When the chair was not under election, we voted against a relevant board director. Having strengthened our voting policy in 2020, we elected to vote against the board chair or a board director at the following companies, due to a lack of progress against the objectives for our climate related engagement program:

- Exxon Mobil Corporation,
- Marathon Oil Corporation
- Korea Electric Power Corp
- Power Asset Holdings Limited

(C) Example 3:

Barclays plc – Collaborative engagement leading to voting actions. At the AGM in May, shareholders were presented with 2 resolutions related to the company's climate change strategy. One proposal was put forward by the company, with a further proposal filed by ShareAction. The resolution filed by Barclays outlined an ambition to become a net zero bank by 2050, including the transitioning of its provision of financial services to align with the Paris Agreement. The resolution requisitioned by ShareAction, a UK-based charity focused on responsible investment and co-filed by 11 institutional investors, broadly requested that Barclays commit to phase out the provision of financial services to companies within the energy and utilities sector(s) that are not aligned with the Paris Agreement.

Following extensive direct engagement with both Barclays and ShareAction, and collaborative engagement via the Investor Forum, it was clear that efforts were made by both parties to come to an agreement on the strategy for Barclays in regards to lending practices linked to climate sensitive business activities.

However unfortunately an agreement was not reached and shareholders were therefore required to determine what action they feel is appropriate for Barclays. On balance, we determined that following specific commitments from the company, the ShareAction proposal would not allow Barclays sufficient adaptability and flexibility. We therefore decided to Abstain on the shareholder proposal while supporting the company proposal. While we supported the intent of the ShareAction proposal, we want to allow Barclays the time to sufficiently outline a clear strategy later in 2020, as committed to by the company during our engagement. The company has subsequently published its strategy in regards to financing of companies linked to climate change, and we are reviewing that information ahead of the 2021 AGM..

FI 1	CORE	OO 10	FI 1.1	PUBLIC	Materiality analysis	1
(A) Yes, we have a formal process to identify material ESG factors for all of our assets			<input checked="" type="radio"/>	<input checked="" type="radio"/>		<input checked="" type="radio"/>
(B) Yes, we have a formal process to identify material ESG factors for the majority of our assets			<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
(C) Yes, we have a formal process to identify material ESG factors for a minority of our assets			<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
(D) No, we do not have a formal process. Our investment professionals identify material ESG factors at their own discretion			<input type="radio"/>	<input type="radio"/>		<input type="radio"/>
(E) No, we do not have a formal process to identify material ESG factors			<input type="radio"/>	<input type="radio"/>		<input type="radio"/>

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) Other method of incorporating ESG factors into risk management process, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(E) We do not have a process to incorporate ESG factors into our portfolio risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 2.1 CORE FI 2 N/A PUBLIC ESG risk management 1

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (1) for all of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (1) for all of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (1) for all of our assets

(A) Investment committee members, or the equivalent function/group, have a qualitative ESG veto (3) for a minority of our assets

(B) Companies, sectors, countries and currency are monitored for changes in ESG exposure and for breaches of risk limits (3) for a minority of our assets

(C) Overall exposure to specific ESG factors is measured for our portfolio construction, and sizing or hedging adjustments are made depending on individual issuers' sensitivity to these factors (3) for a minority of our assets

FI 3	CORE	OO 10	FI 3.1	PUBLIC	ESG incorporation in asset valuation	1
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(A) We incorporate it into the forecast of cash flow, revenues and profitability	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
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(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer	<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
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(C) We do not incorporate the evolution of ESG factors into our fixed income asset valuation process	<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
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FI 3.1	CORE	FI 3	N/A	PUBLIC	ESG incorporation in asset valuation	1
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(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

(A) We incorporate it into the forecast of cash flow, revenues and profitability (1) in all cases

(B) We anticipate how the evolution of ESG factors may change the ESG profile of the debt issuer (1) in all cases

FI 4	PLUS	OO 5.2 FI, OO 10	N/A	PUBLIC	Performance monitoring	1
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(A) Example from your active management strategies:

In terms of an example from our active management strategy, we would like to refer to a case concerning the world's largest protein processor and second largest food company, with a well-diversified and global footprint. With a favourable outlook for the US meat industry, better than expected profitability during the pandemic, and after several liability management exercises, refinancing risk was determined as low. Net leverage of 1.6x is lower than industry average, and improving. The animal protein sector is volatile, cyclical and thin-margin business as well as susceptible to sanitary issues or temporary trade bans. Thus the UBS fundamental view (RFR) was determined as bad. In terms of bottoms up analysis, there were corruption controversies, including the appearance of bribery, executive misconduct and anti-competitive practices.

There were minimal disclosure on anti-corruption controls for employees, despite the creation of independent global compliance department, New Code of Conduct & Ethics, and ethics committees after substantial bribery cases. There were also allegations of downplaying and mishandling COVID-19 threats. In terms of relative value analysis, despite improving credit fundamentals, a potential US listing (positive catalyst) and a good performance of its bonds, we prefer staying on the side-lines due to ongoing headline risk related to previous or new anti-trust probes/corruption scandals, other E.S.G. concerns, for example ties to deforestation, as well as inherent volatility and cyclical nature in the meat packing industry. Given these inputs from research, our portfolio management team decided to underweight the name in their portfolios..

(B) Example from your passive management strategies:

An example of our passive management strategy, within the Automobile Manufacturing industry in Germany, touches on various ESG topics including corporate governance, remuneration, strategy and business model. During our annual meeting with the chair in June 2020, we had an opportunity to discuss the company's strategic evolution in the light of the sectors transformational trends, including digitalization and electrification. SI, listed equity and fixed income analysts joined the meeting. Our aim was to understand the firm's ability to reduce complexity and capital intensity and how the supervisory board is overseeing management decision making in that regard.

In anticipation of the chair succession in 2021, we explained our concerns regarding the company's plans under the former CEO to transition into such role, following a cooling off period of only two years. We reiterated our preference for a truly independent successor. Outcomes and next steps: In December, the company announced a new, independent chair candidate who will be up for election at the 2021 AGM. To inform our proxy voting decision making, we plan to continue our engagement as the company is changing leadership at the supervisory board level..

FI 5	CORE	OO 10	FI 5.1	PUBLIC	ESG incorporation in portfolio construction	1
(A) The selection of individual assets within our portfolio is influenced by ESG factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(B) The holding period of individual assets within our portfolio is influenced by ESG factors			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) Other expressions of conviction, please specify below:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(F) The portfolio construction or benchmark selection does not explicitly include the incorporation of ESG factors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FI 5.1	CORE	FI 5	N/A	PUBLIC	ESG incorporation in portfolio construction	1
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(A) The selection of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(B) The holding period of individual assets within our portfolio is influenced by ESG factors	(1) in all cases
(C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors	(1) in all cases
(D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process	(1) in all cases

- (A) The selection of individual assets within our portfolio is influenced by ESG factors (1) in all cases
- (B) The holding period of individual assets within our portfolio is influenced by ESG factors (1) in all cases
- (C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (1) in all cases
- (D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (1) in all cases

- (A) The selection of individual assets within our portfolio is influenced by ESG factors (3) in a minority of cases
- (B) The holding period of individual assets within our portfolio is influenced by ESG factors (3) in a minority of cases
- (C) The portfolio weighting of individual assets within our portfolio or benchmark is influenced by ESG factors (3) in a minority of cases
- (D) The allocation of assets across multi-asset portfolios is influenced by ESG factors through the strategic asset allocation process (3) in a minority of cases

FI 7 CORE OO 10 N/A PUBLIC ESG incorporation in assessment of issuers 1

(A) In the majority of cases, we incorporate material governance-related risks ○ ○ ○

(B) In addition to incorporating governance-related risks, in the majority of cases we also incorporate material environmental and social risks



(C) We do not incorporate material ESG risks for the majority of our credit quality assessments of issuers/borrowers



FI 8

CORE

OO 10

N/A

PUBLIC

ESG performance

1

(A) We use the relative ESG performance of a borrower to adjust the internal credit assessments of borrowers by modifying forecasted financials and future cash flow estimates



(B) We use the relative ESG performance of a borrower to make relative sizing decisions in portfolio construction



(C) We use the relative ESG performance of a borrower to screen for outliers when comparing credit spreads to ESG relative performance within a similar peer group



(D) We consider the ESG performance of a borrower only on a standalone basis and do not compare it within peer groups of other benchmarks

(E) We do not have an internal ESG performance assessment methodology

ESG risk management

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9	CORE	OO 10	FI 9.1	PUBLIC	ESG risk management	1

For your corporate fixed income, does your organisation have a framework that differentiates ESG risks by issuer country and sector?

- (A) Yes, it differentiates ESG risks by country/region (for example, local governance and labour practices)
- (B) Yes, it differentiates ESG risks by sector
- (C) No, we do not have a framework that differentiates ESG risks by issuer country/region and sector

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 9.1	CORE	FI 9	N/A	PUBLIC	ESG risk management	1

For what proportion of your corporate fixed income assets do you apply your framework for differentiating ESG risks by issuer country/sector?

(1) for all of our corporate fixed income assets

(2) for the majority of our corporate fixed income assets

(3) for a minority of our corporate fixed income assets

(A) We differentiate ESG risks by country/region (for example, local governance and labour practices)

(B) We differentiate ESG risks by sector

FI 11	CORE	OO 10	N/A	PUBLIC	Securitised products	1
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-
- (B) We perform ESG analysis that covers the issuer or debtor only
- (C) We perform ESG analysis that covers the underlying collateral or asset pool only
- (D) We do not incorporate ESG factors into the financial analysis of securitised products

FI 12	CORE	OO 10	N/A	PUBLIC	ESG risk management	1
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(A) Our regular reviews include quantitative information on material ESG risks specific to individual fixed income assets	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(B) Our regular reviews include aggregated quantitative information on material ESG risks at a fund level	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(C) Our regular reviews only highlight fund holdings where ESG ratings have changed	<input type="checkbox"/>			<input type="checkbox"/>		<input type="checkbox"/>

(D) We do not conduct regular reviews. Risk reviews of ESG factors are conducted at the discretion of the individual fund manager and vary in frequency

(E) We do not conduct reviews that incorporate ESG risks

FI 13 CORE OO 10 N/A PUBLIC ESG risk management 1

(A) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into all of our investment decisions

(B) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into the majority of our investment decisions

(C) Yes, we have a formal process in place for regularly identifying and incorporating ESG incidents into a minority of our investment decisions

(D) Yes, we have an ad hoc process in place for identifying and incorporating ESG incidents

(E) We do not have a process in place for regularly identifying and incorporating ESG incidents into our investment decision-making

FI 14	CORE	OO 10	N/A	PUBLIC	Time horizons	1
(A) We take into account current risks		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(B) We take into account medium-term risks		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(C) We take into account long-term risks		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>
(D) We do not take into account differing time horizons of holdings and how they may affect ESG factors		<input type="checkbox"/>		<input type="checkbox"/>		<input type="checkbox"/>
FI 15	CORE	OO 10	N/A	PUBLIC	Long-term ESG trend analysis	1
(A) We monitor long-term ESG trends for all of our assets		<input checked="" type="radio"/>		<input checked="" type="radio"/>		<input checked="" type="radio"/>

(B) We monitor long-term ESG trends for the majority of our assets	○	○	○
(C) We monitor long-term ESG trends for a minority of our assets	○	○	○
(D) We do not continuously monitor long-term ESG trends in our investment process	○	○	○

FI 16 CORE OO 5.2 FI, OO 10 N/A PUBLIC Passive 1

0-25%

FI 17 PLUS OO 10 N/A PUBLIC Examples of leading practice 1 to 6

(A) SSA

We believe that Stewardship extends well beyond the remit of listed equity. As a large scale asset manager whose business spans the investment spectrum, stewardship has relevance across all asset classes in which we operate. The purpose of our stewardship activities in fixed income is to address sustainability issues with a material impact on both companies and external stakeholders.

This allows us to address specific issues negatively impacting the financial case and credit profile, broad issues such as climate change with implications across sectors, and questions arising from UNGC controversies. In 2020 we introduced an engagement question into the template that fixed income credit analysts use to conduct their ESG assessments of companies. This template now allows credit analysts to identify possible engagement opportunities through their ESG integration work by highlighting cases where companies are able to make improvements in their performance which can in turn contribute to the investment case.

We foster discussion between credit and equity analysts because we believe this leads to more effective engagement on sustainability issues.

Often, what is material to a fixed income investor from an ESG perspective is also material to an equity investor. We understand there may be differences in perspective, because fixed income investors focus much more on potential downside risks, and corporate governance and time frames play a different role. In this regard, fixed income and equity investors may disagree on capital allocation (especially between share buybacks and debt reduction) as well as in takeovers and, after a credit event, in bankruptcy settlement. We recognize the need for company management to hear both perspectives, while ensuring that agendas are shared and agreed prior to engagement meetings to ensure alignment on key engagement questions..

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(B) Corporate

This allows us to address specific issues negatively impacting the financial case and credit profile, broad issues such as climate change with implications across sectors, and questions arising from UNGC controversies. In 2020 we introduced an engagement question into the template that fixed income credit analysts use to conduct their ESG assessments of companies. This template now allows credit analysts to identify possible engagement opportunities through their ESG integration work by highlighting cases where companies are able to make improvements in their performance which can in turn contribute to the investment case.

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We believe that Stewardship extends well beyond the remit of listed equity. As a large scale asset manager whose business spans the investment spectrum, stewardship has relevance across all asset classes in which we operate. The purpose of our stewardship activities in fixed income is to address sustainability issues with a material impact on both companies and external stakeholders.

(C) Securitised

This allows us to address specific issues negatively impacting the financial case and credit profile, broad issues such as climate change with implications across sectors, and questions arising from UNGC controversies. In 2020 we introduced an engagement question into the template that fixed income credit analysts use to conduct their ESG assessments of companies. This template now allows credit analysts to identify possible engagement opportunities through their ESG integration work by highlighting cases where companies are able to make improvements in their performance which can in turn contribute to the investment case.

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FI 21	CORE	OO 6 FI	N/A	PUBLIC	ESG screens	6
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(A) We publish a list of ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to list of ESG screens:

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

(1) for all of our fixed income assets subject to ESG screens

(B) We publish any changes in ESG screens and share it on a publicly accessible platform such as a website or through fund documentation Voluntary URL link(s) to ESG screen changes:

<https://www.ubs.com/global/en/asset-management/investment-capabilities/sustainability.html>

(1) for all of our fixed income assets subject to ESG screens

(C) We outline any implications of ESG screens, such as deviation from a benchmark or impact on sector weightings, to clients and/or beneficiaries

(1) for all of our fixed income assets subject to ESG screens

FI 22	CORE	OO 9 FI	FI 22.1	PUBLIC	Engaging with issuers/borrowers	2
(A) At the pre-issuance/pre-deal stage			<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
(B) At the pre-investment stage			<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(C) During the holding period			<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(D) At the refinancing stage			<input type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
(E) When issuers/borrowers default			<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
FI 22.1	PLUS	FI 22	N/A	PUBLIC	Engaging with issuers/borrowers	2

(A) Description of engagement approach for all of our fixed income

The purpose of our stewardship activities in fixed income is to address sustainability issues with a material impact on both companies and external stakeholders. This allows us to address specific issues negatively impacting the financial case and credit profile, broad issues such as climate change with implications across sectors, and questions arising from UNGC controversies.

In 2020 we introduced an engagement question into the template that fixed income credit analysts use to conduct their ESG assessments of companies. This template now allows credit analysts to identify possible engagement opportunities through their ESG integration work by highlighting cases where companies are able to make improvements in their performance which can in turn contribute to the investment case.

We foster discussion between credit and equity analysts because we believe this leads to more effective engagement on sustainability issues. Often, what is material to a fixed income investor from an ESG perspective is also material to an equity investor.

We understand there may be differences in perspective, because fixed income investors focus much more on potential downside risks, and corporate governance and time frames play a different role. In this regard, fixed income and equity investors may disagree on capital allocation (especially between share buybacks and debt reduction) as well as in takeovers and, after a credit event, in bankruptcy settlement. We recognize the need for company management to hear both perspectives, while ensuring that agendas are shared and agreed prior to engagement meetings to ensure alignment on key engagement questions..

Sovereign bonds

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
FI 23	CORE	OO 9 FI	N/A	PUBLIC	Sovereign bonds	2

For the majority of your sovereign bond engagements, which non-issuer stakeholders do you engage with to promote your engagement objectives?

- (A) Non-ruling parties
- (B) Originators and primary dealers
- (C) Index and ESG data providers
- (D) Multinational companies/state-owned enterprises (SOEs)
- (E) Supranational organisations
- (F) Credit rating agencies (CRAs)
- (G) Business associations
- (H) Media
- (I) NGOs, think tanks and academics
- (J) Other non-issuer stakeholders, please specify:
- (K) We do not engage with any of the above stakeholders for the majority of our sovereign bond engagements

Real Estate (RE)

Policy

Investment guidelines

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 1	CORE	OO 24, OO 26	N/A	PUBLIC	Investment guidelines	1 to 6

What real estate-specific ESG guidelines are currently covered in your organisation's responsible investment policies?

- (A) Guidelines on our ESG approach to real estate depending on use (e.g. retail, education etc.)
- (B) Guidelines on our ESG approach to new construction
- (C) Guidelines on our ESG approach to major renovations
- (D) Guidelines on our ESG approach to standing real estate investments
- (E) Guidelines on our engagement approach related to property managers
- (F) Guidelines on our engagement approach related to tenants
- (G) Guidelines on our engagement approach related to construction contractors
- (H) Guidelines on excluding certain tenants based on responsible investment considerations

(I) Our policies do not cover real estate-specific ESG guidelines

RE 2 CORE N/A N/A PUBLIC Commitments to investors 1, 4

- (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- (B) We added responsible investment commitments in LPAs upon client request
- (C) We added responsible investment commitments in LPAs upon client request
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable as we have never raised funds
- (F) Not applicable as we have not raised funds in the last 5 years

RE 3 CORE N/A RE 3.1 PUBLIC Materiality analysis 1

(A) We assessed materiality at the asset level, as each case is unique

(1) for all of our potential real estate investments

(B) We performed a mix of property type and asset-level materiality analysis

(4) for none of our potential real estate investments

(C) We assessed materiality according to property type only

(4) for none of our potential real estate investments

RE 3.1	CORE	RE 3	N/A	PUBLIC	Materiality analysis	1
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-
- (B) We used SASB to inform our real estate materiality analysis
-
-
- (E) Other, please specify:

RE 4	CORE	N/A	N/A	PUBLIC	Due diligence	1
------	------	-----	-----	--------	---------------	---

- | | |
|---|---|
| (A) ESG factors helped identify risks | (1) for all of our potential real estate investments |
| (B) ESG factors were discussed by the investment committee (or equivalent) | (2) for the majority of our potential real estate investments |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent) | (2) for the majority of our potential real estate investments |
| (D) ESG factors helped identify opportunities for value creation | (2) for the majority of our potential real estate investments |
| (E) ESG factors led to the abandonment of potential investments | (3) for a minority of our potential real estate investments |
| (F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions | (3) for a minority of our potential real estate investments |
| (G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions | (2) for the majority of our potential real estate investments |

- | | |
|--|---|
| (H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions | (3) for a minority of our potential real estate investments |
| (I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions | (2) for the majority of our potential real estate investments |
| (J) Other, please specify:
NA | (4) for none of our potential real estate investments |

RE 5	CORE	N/A	N/A	PUBLIC	Due diligence	1
------	------	-----	-----	--------	---------------	---

- | | |
|--|---|
| (A) We do a high-level/desktop review against an ESG checklist for initial red flags | (1) for all of our potential real estate investments |
| (B) We send detailed ESG questionnaires to target properties | (2) for the majority of our potential real estate investments |
| (C) We hire third-party consultants to do technical due diligence on specific issues | (1) for all of our potential real estate investments |
| (D) We conduct site visits and in-depth interviews with management and personnel | (1) for all of our potential real estate investments |
| (E) We incorporate actions based on the risks and opportunities identified in the due diligence process into our post-investment plans | (1) for all of our potential real estate investments |
| (F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal) | (1) for all of our potential real estate investments |
| (G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal) | (1) for all of our potential real estate investments |

(H) Other, please specify:

NA

(4) for none of our potential real estate investments

Selection, appointment and monitoring of third-party property managers

Selection process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 6	CORE	OO 26	N/A	PUBLIC	Selection process	1, 4

During the reporting year, how did you include ESG factors in all of your selections of external property managers? (If you did not select external property managers during the reporting year, report on the most recent year in which you selected external property managers.)

- (A) We requested information from potential managers on their overall approach to ESG
- (B) We requested track records and examples from potential managers on how they manage ESG factors
- (C) We requested information from potential managers on their engagement process(es) with stakeholders
- (D) We requested documentation from potential managers on their responsible procurement practices (including responsibilities, approach and incentives)
- (E) We requested the assessment of current and planned availability and aggregation of metering data from potential managers
- (F) Other, please specify:
 - ESG criteria are also part of our annual evaluation scorecard of existing property managers
- (G) We did not include ESG factors in our selection of external property managers

RE 7	CORE	OO 26	N/A	PUBLIC	Appointment process	1, 4
					(A) We set dedicated ESG procedures in all relevant property management phases	(1) for all of our external property managers
					(B) We set clear ESG reporting requirements	(1) for all of our external property managers
					(C) We set clear ESG performance targets	(1) for all of our external property managers
					(D) We set incentives related to ESG targets	(4) for none of our external property managers
					(E) We included responsible investment clauses in property management contracts	(1) for all of our external property managers
					(F) Other, please specify: NA	(4) for none of our external property managers
RE 8	CORE	OO 26	N/A	PUBLIC	Monitoring process	1, 4
					(A) We monitor performance against quantitative and/or qualitative environmental targets	(1) for all of our external property managers
					(B) We monitor performance against quantitative and/or qualitative social targets	(3) for a minority of our external property managers

(C) We monitor performance against quantitative and/or qualitative governance targets	(1) for all of our external property managers
(D) We monitor progress reports on engagement with tenants	(2) for the majority of our external property managers
(E) We require formal reporting on an annual basis as a minimum	(2) for the majority of our external property managers
(F) We have regular discussions about ESG factors with all relevant stakeholders	(2) for the majority of our external property managers
(G) We conduct a performance review of key staff based on ESG alignment linked to KPIs and a financial incentive structure	(2) for the majority of our external property managers
(H) We have internal/external parties conduct site visits at least once a year	(2) for the majority of our external property managers
(I) Other, please specify: NA	(4) for none of our external property managers

Construction and development

Construction requirements

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
RE 9	CORE	OO 24	N/A	PUBLIC	Construction requirements	1

What sustainability requirements do you currently have in place for all development projects and major renovations?

- (A) We require the management of waste by diverting construction and demolition materials from disposal
- (B) We require the management of waste by diverting reusable vegetation, rocks and soil from disposal
- (C) We require the minimisation of light pollution to the surrounding community
- (D) We require the minimisation of noise pollution to the surrounding community
- (E) We require the performance of an environmental site assessment
- (F) We require the protection of the air quality during construction
- (G) We require the protection and restoration of the habitat and soils disturbed during construction and/or during previous development

Responsible contractor requirements

(K) We do not have sustainability requirements in place for development projects and major renovations

RE 10	CORE	OO 24	N/A	PUBLIC	Minimum building requirements	1
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(A) We require the implementation of the latest available metering and IoT technology (2) for the majority of our development projects and major renovations

(B) We require that the building be able to obtain a recognised green building certification for new buildings (2) for the majority of our development projects and major renovations

(C) We require the use of certified (or labelled) sustainable building materials (3) for a minority of our development projects and major renovations

(D) We require the installation of renewable energy technologies where feasible (2) for the majority of our development projects and major renovations

(E) We require that development projects and major renovations become net-zero carbon emitters within five years of completion of the construction (3) for a minority of our development projects and major renovations

(F) We require water conservation measures (1) for all development projects and major renovations

(G) We require common occupant health and well-being measures (1) for all development projects and major renovations

(H) Other, please specify:

NA

(4) for none of our development projects and major renovations

RE 11 CORE N/A N/A PUBLIC Monitoring 1

(A) Electricity consumption

(1) for all of our real estate assets

(B) Water consumption

(1) for all of our real estate assets

(C) Waste production

(1) for all of our real estate assets

(A) Electricity consumption

(4) for none of our real estate assets

(B) Water consumption

(4) for none of our real estate assets

(C) Waste production

(4) for none of our real estate assets

RE 12	CORE	N/A	N/A	PUBLIC	Monitoring	1
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(C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)

(D) We did not set targets for the core ESG KPIs that we tracked

(E) We did not set targets as we don't track core ESG KPIs

RE 13	CORE	OO 26	RE 13.1	PUBLIC	Monitoring	1, 2
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(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance	(2) for the majority of our real estate investments
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(B) We implement certified environmental and social management systems across our portfolio	(2) for the majority of our real estate investments
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(C) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	(2) for the majority of our real estate investments
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(D) We hire external verification services to audit performance, systems and procedures	(2) for the majority of our real estate investments
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(E) We collaborate and engage with our external property managers to develop action plans to achieve targets	(2) for the majority of our real estate investments
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(F) We develop minimum health and safety standards	(2) for the majority of our real estate investments
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(G) Other, please specify: NA	(4) for none of our real estate investments
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RE 13.1	PLUS	RE 13	N/A	PUBLIC	Monitoring	1, 2
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(A) Process 1

Measuring minority contractor engagement at the property level.

(B) Process 2

Social Value Measurement.

RE 14	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2
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(A) We develop property-specific ESG action plans based on pre-investment research, due diligence and materiality findings

(1) for all of our real estate investments

(B) We adjust our ESG action plans regularly based on performance monitoring findings

(2) for the majority of our real estate investments

(C) We hire external advisors to provide support with specific ESG value creation opportunities

(2) for the majority of our real estate investments

(D) Other, please specify:

NA

(4) for none of our real estate investments

RE 16	CORE	N/A	N/A	PUBLIC	Monitoring	1
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- (A) All of our real estate assets have obtained an ESG/RI certification or label
-
- (C) A minority of our real estate assets have obtained an ESG/RI certification or label
- (D) None of our real estate assets have obtained an ESG/RI certification or label

RE 17	CORE	OO 26	N/A	PUBLIC	Stewardship	1, 2
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- | | |
|---|---|
| (A) We engage with real estate tenants through organising tenant events focused on increasing sustainability awareness, ESG training and guidance | (2) for the majority of our buildings or properties |
| (B) We engage with real estate tenants on energy and water consumption and/or waste production | (2) for the majority of our buildings or properties |
| (C) We engage with real estate tenants by offering green leases | (2) for the majority of our buildings or properties |
| (D) We engage with real estate tenants through identifying collaboration opportunities that support net-zero targets | (3) for a minority of our buildings or properties |
| (E) We engage with real estate tenants by offering shared financial benefits from equipment upgrades | (2) for the majority of our buildings or properties |
| (F) Other, please specify:
NA | (4) for none of our buildings or properties |

(A) We engage with real estate tenants through organising tenant events focused on increasing sustainability awareness, ESG training and guidance	(2) for the majority of our buildings or properties
(B) We engage with real estate tenants on energy and water consumption and/or waste production	(3) for a minority of our buildings or properties
(C) We engage with real estate tenants by offering green leases	(2) for the majority of our buildings or properties
(D) We engage with real estate tenants through identifying collaboration opportunities that support net-zero targets	(3) for a minority of our buildings or properties
(E) We engage with real estate tenants by offering shared financial benefits from equipment upgrades	(3) for a minority of our buildings or properties
(F) Other, please specify: NA	(4) for none of our buildings or properties

RE 18 CORE N/A N/A PUBLIC Exit 4, 6

(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)	(2) for the majority of our real estate investments
(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD, GRESB)	(2) for the majority of our real estate investments
(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)	(2) for the majority of our real estate investments
(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support)	(3) for a minority of our real estate investments

(E) We shared the outcome of our latest ESG risk assessment on the property(s)

(3) for a minority of our real estate investments

(F) We shared key ESG performance data on the property(s) being sold

(2) for the majority of our real estate investments

(G) Other, please specify:

NA

(4) for none of our real estate investments

RE 19 CORE N/A N/A PUBLIC ESG portfolio information 6

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(G) Other, please specify:

(H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year

INF 1 CORE OO 31, OO 32 N/A PUBLIC Investment guidelines 1 to 6

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(H) Our policies do not cover infrastructure-specific ESG guidelines

INF 2 CORE N/A N/A PUBLIC Commitments to investors 1, 4

- (A) We incorporated responsible investment commitments in LPAs as a standard, default procedure
- (B) We added responsible investment commitments in LPAs upon client request
-
- (D) We did not make any formal responsible investment commitments for the relevant reporting year
- (E) Not applicable as we have never raised funds
- (F) Not applicable as we have not raised funds in the last 5 years

INF 3 CORE N/A INF 3.1 PUBLIC Materiality analysis 1

- (A) We assessed materiality at the asset level, as each case is unique (1) for all of our potential infrastructure investments
- (B) We performed a mix of industry-level and asset-level materiality analysis (4) for none of our potential infrastructure investments
- (C) We assessed materiality at the industry level only (4) for none of our potential infrastructure investments

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 3.1	CORE	INF 3	N/A	PUBLIC	Materiality analysis	1

During the reporting year, what tools, standards and data did you use in your ESG materiality analysis of potential infrastructure investments?

- (A) We used GRI Standards to inform our infrastructure materiality analysis
- (B) We used SASB to inform our infrastructure materiality analysis
- (C) We used GRESB Materiality Assessment (RC7) or similar in our infrastructure materiality analysis
- (D) We used environmental and social factors detailed in the IFC Performance Standards (or other similar standards) in our infrastructure materiality analysis
- (E) We used climate risk disclosures such as the TCFD recommendations (or other climate risk analysis tools) to inform our infrastructure materiality analysis
- (F) We used geopolitical and macro-economic considerations in our infrastructure materiality analysis
- (G) Other, please specify:

Due diligence

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 4	CORE	N/A	N/A	PUBLIC	Due diligence	1

During the reporting year, how did ESG factors affect the selection of your infrastructure investments?

- | | |
|--|---|
| (A) ESG factors helped identify risks | (1) for all of our infrastructure investments selected |
| (B) ESG factors were discussed by the investment committee (or equivalent) | (1) for all of our infrastructure investments selected |
| (C) ESG factors helped identify remedial actions for our 100-day plans (or equivalent) | (1) for all of our infrastructure investments selected |
| (D) ESG factors helped identify opportunities for value creation | (1) for all of our infrastructure investments selected |
| (E) ESG factors led to the abandonment of potential investments | (3) for a minority of our infrastructure investments selected |

- (F) ESG factors impacted investments in terms of price offered and/or paid by having an effect on revenue assumptions (2) for the majority of our infrastructure investments selected
- (G) ESG factors impacted investments in terms of price offered and/or paid by having an effect on CAPEX assumptions (2) for the majority of our infrastructure investments selected
- (H) ESG factors impacted investments in terms of price offered and/or paid by having an effect on OPEX assumptions (2) for the majority of our infrastructure investments selected
- (I) ESG factors impacted investments in terms of price offered and/or paid by having an effect on the cost of capital or discount rate assumptions (2) for the majority of our infrastructure investments selected
- (J) Other, please specify:
NA (4) for none of our infrastructure investments selected

INF 5 CORE N/A N/A PUBLIC Due diligence 1

- (A) We do a high-level/desktop review against an ESG checklist for initial red flags (1) for all of our potential infrastructure investments
- (B) We send detailed ESG questionnaires to target assets (4) for none of our potential infrastructure investments
- (C) We hire third-party consultants to do technical due diligence on specific issues (2) for the majority of our potential infrastructure investments
- (D) We conduct site visits and in-depth interviews with management and personnel (1) for all of our potential infrastructure investments
- (E) We incorporate actions based on the risks and opportunities identified in the due diligence process into the 100-day plan (or equivalent) (1) for all of our potential infrastructure investments

(F) We incorporate ESG due diligence findings in all of our relevant investment process documentation in the same manner as for other key due diligence (e.g. commercial, accounting and legal)

(1) for all of our potential infrastructure investments

(G) Our investment committee (or an equivalent decision-making body) is ultimately responsible for ensuring all ESG due diligence is completed in the same manner as for other key due diligence (e.g. commercial, accounting and legal)

(1) for all of our potential infrastructure investments

(H) Other, please specify:

NA

(4) for none of our potential infrastructure investments

Selection, appointment and monitoring of third-party operators

Selection process

Indicator	Type of indicator	Dependent on	Gateway to	Disclosure	Subsection	PRI Principle
INF 6	CORE	OO 32	N/A	PUBLIC	Selection process	1, 4

During the reporting year, how did you include ESG factors in all of your selections of external operators? (If you did not select external operators during the reporting year, report on the most recent year in which you selected external/third-party infrastructure operators.)

- (A) We requested information from potential operators on their overall approach to ESG
- (B) We requested track records and examples from potential operators on how they manage ESG factors
- (C) We requested information from potential operators on their engagement process(es) with stakeholders
- (D) We requested documentation from potential operators on their responsible procurement and/or contractor practices (including responsibilities, approach and incentives)
- (E) Other, please specify:
- (F) We did not include ESG factors in our selection of external operators

INF 7	CORE	OO 32	N/A	PUBLIC	Appointment process	1, 4
(A) We set clear and detailed expectations for incorporating ESG factors into all relevant elements of infrastructure asset management					(1) for all of our external operators	
(B) We set clear ESG reporting requirements					(1) for all of our external operators	
(C) We set clear ESG performance targets					(1) for all of our external operators	
(D) We set incentives related to ESG targets					(4) for none of our external operators	
(E) Other, please specify: NA					(4) for none of our external operators	

INF 8	CORE	OO 32	N/A	PUBLIC	Monitoring process	1, 4
(A) We monitor performance against quantitative and/or qualitative environmental targets					(1) for all of our external operators	
(B) We monitor performance against quantitative and/or qualitative social targets					(1) for all of our external operators	
(C) We monitor performance against quantitative and/or qualitative governance targets					(1) for all of our external operators	

- (D) We have regular discussions about ESG factors with all relevant stakeholders (1) for all of our external operators
- (E) We conduct a performance review of key staff based on ESG alignment linked to KPIs and a financial incentive structure (4) for none of our external operators
- (F) We have internal/external parties conduct site visits at least once a year (1) for all of our external operators
- (G) Other, please specify: (4) for none of our external operators
 - NA

INF 9 CORE N/A INF 9.1 PUBLIC Monitoring 1

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- (D) We did not track ESG KPIs across our infrastructure investments

INF 9.1 PLUS INF 9 N/A PUBLIC Monitoring 1

- Energy efficiency
- Water usage
-

Water efficiency

- Workplace health and safety
- Human capital management
- Protection/exercise of shareholders' rights
- Engagement and cooperation with stakeholder
- Timely/accurate disclosure
- (I) ESG KPI #9
- (J) ESG KPI #10

INF 10 CORE N/A N/A PUBLIC Monitoring 1

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- (C) We set targets against global benchmarks or thresholds (e.g. on climate change and/or the SDGs)
- (D) We did not set targets for the core ESG KPIs that we track
- (E) We did not set targets as we don't track core ESG KPIs

INF 11 CORE OO 32 INF 11.1 PUBLIC Monitoring 1,2

(A) We use operational-level benchmarks to assess and analyse the performance of assets against sector performance

1/ For all of our infrastructure investments

(B) We implement international best practice standards such as the IFC Performance Standards to guide ongoing assessment and analysis

4/ For none of our infrastructure investments

(C) We implement certified environmental and social management systems across our portfolio	4/ For none of our infrastructure investments
(D) We make sufficient budget available to ensure that the systems and procedures needed to achieve the target are put in place	1/ For all of our infrastructure investments
(E) We hire external verification services to audit performance, systems and procedures	4/ For none of our infrastructure investments
(F) We collaborate and engage with our external operators to develop action plans to achieve targets	1/ For all of our infrastructure investments
(G) We develop minimum health and safety standards	1/ For all of our infrastructure investments
(H) We conduct ongoing engagement with all key stakeholders (e.g. local communities, NGOs, governments and end-users)	4/ For none of our infrastructure investments
(I) Other, please specify: NA	4/ For none of our infrastructure investments

INF 12	CORE	N/A	N/A	PUBLIC	Monitoring	1, 2
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(A) We develop company-specific ESG action plans based on pre-investment research, due diligence and materiality findings	(1) for all of our infrastructure investments
(B) We adjust our ESG action plans regularly based on performance monitoring findings	(1) for all of our infrastructure investments
(C) We hire external advisors to provide support with specific ESG value creation opportunities	(2) for the majority of our infrastructure investments
(D) Other, please specify: NA	(4) for none of our infrastructure investments

INF 13	PLUS	N/A	N/A	PUBLIC	Monitoring	2
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UBS Asset Management and REPM Infrastructure are committed to sustainable investing and managing investments to incorporate ESG considerations at all stages of our funds' lifecycles. As an infrastructure equity investor, managing ESG represents an opportunity in light of the long-term investment horizon of the funds, the significant ownership control and active asset management, and the importance of ESG factors due to the nature of infrastructure assets. The final investment memorandums for prospective assets includes a standard template for screening the ESG aspects of the investment, with a focus on evaluating risks and opportunities. ESG action plans are initially implemented as part of the 100 day action plan. Clearly defined responsibilities and appropriate resources are put in place to execute upon the plans and work with management for continuous improvement over the life of the investment. Monitoring is achieved through regular reporting and board meeting reviews. In accordance with our goals and our commitment to continuous improvement, our latest infrastructure equity fund has been categorized as an Article 8 Fund ("ESG Promotion") under the EU's Sustainable Finance Disclosure Regulation (SFDR). This designation formalizes the strong sustainability positioning of our platform.

INF 14	CORE	N/A	INF 14.1	PUBLIC	Monitoring	1, 2
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|--|--|
| (A) We assign the board responsibility for ESG matters | (1) for all of our infrastructure investments |
| (B) We mandate that material ESG matters are discussed by the board at least once a year | (1) for all of our infrastructure investments |
| (C) We provide training on ESG aspects and management best practices relevant to the asset to C-suite executives only | (4) for none of our infrastructure investments |
| (D) We provide training on ESG aspects and management best practices relevant to the asset to employees (excl. C-suite executives) | (4) for none of our infrastructure investments |
| (E) We support the asset in developing and implementing its ESG strategy | (1) for all of our infrastructure investments |
| (F) We support the asset by finding external ESG expertise (e.g. consultants or auditors) | (2) for the majority of our infrastructure investments |

(G) We share best practices across assets (e.g. educational sessions, implementation of environmental and social management systems)	(4) for none of our infrastructure investments
(H) We include incentives to improve ESG performance in management remuneration schemes	(4) for none of our infrastructure investments
(I) Other, please specify: NA	(4) for none of our infrastructure investments

INF 14.1	PLUS	INF 14	N/A	PUBLIC	Monitoring	1, 2
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(A) Initiative 1	Climate resiliency testing
(B) Initiative 2	Carbon emissions reporting

INF 15	CORE	N/A	N/A	PUBLIC	Exit	4, 6
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(A) We shared our firm's high-level commitment to responsible investment (e.g. that we are a PRI signatory)	(1) for all of our infrastructure investments
(B) We shared a description of what industry and asset class standards our firm aligns with (e.g. TCFD or GRESB)	(1) for all of our infrastructure investments
(C) We shared our firm's responsible investment policy (at minimum, a summary of key aspects and firm-specific approach)	(4) for none of our infrastructure investments

(D) We shared our firm's ESG risk assessment methodology (topics covered, in-house and/or with external support) (4) for none of our infrastructure investments

(E) We shared the outcome of our latest ESG risk assessment on the asset or portfolio company (1) for all of our infrastructure investments

(F) We shared key ESG performance data on the asset or portfolio company being sold (4) for none of our infrastructure investments

(G) Other, please specify:
NA (4) for none of our infrastructure investments

INF 16 CORE N/A N/A PUBLIC ESG portfolio information 6

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- (G) Other, please specify:
- (H) We did not report on core ESG data and targets to our investors or beneficiaries during the reporting year