

# Appendix 4 – Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (unaudited)

## ANNEX IV

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

### Sustainable investment

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

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

**Product name:** UBS (Lux) Money Market SICAV – EUR Sustainable  
**Legal entity identifier:** 549300QNIH7TH24XPR95

## Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?



Yes



No



It made **sustainable investments with an environmental objective:** \_\_\_%

in economic activities that qualify as environmentally sustainable under the EU Taxonomy

in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy



It made **sustainable investments with a social objective:** \_\_\_%



It **promoted Environmental/Social (E/S) characteristics** and while it did while it did not have as its objective a sustainable investment, it had a proportion of 37.80% of sustainable investments

with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy

with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

with a social objective



It promoted E/S characteristics, but **did not make any sustainable investments**



### Sustainability indicators

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

**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The following characteristic was promoted by the financial product:

1) At least 51% of the subfund's investments have a UBS ESG consensus score of between 6 and 10.

The extent to which the environmental and/or social characteristics promoted by this financial product were met is stated in the answer to the question "How did the sustainability indicators perform?" of this annex.

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## ● **How did the sustainability indicators perform?**

Characteristic 1:

- During the reference period, 94.89% of the financial products investments had a UBS ESG consensus score of between 6 and 10.

## ● **...and compared to previous periods?**

**2021/2022:** Characteristic 1:

- During the reference period, 96.30% of the financial products investments had a UBS ESG consensus score of between 6 and 10.

## ● **What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?**

The objectives of the sustainable investments that the financial product partially intends to make is to contribute to the environmental and/or social characteristic(s) promoted by the financial product.

## ● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

The Portfolio Manager applied exclusions to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

The exclusions include thermal coal mining and thermal coal-based energy production & oil sands. UBS Asset Management does not invest in companies involved in controversial weapons i.e. cluster munitions, anti-personnel mines, chemical and biological weapons, or companies in breach of the Treaty on the Non-Proliferation of Nuclear Weapons.

Investments are positively screened according to the environmental and/or social characteristics promoted by the financial product.

### ----- **How were the indicators for adverse impacts on sustainability factors taken into account?**

The Portfolio Manager employs a proprietary ESG Risk Dashboard, the Dashboard allows equity and credit 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.

### ----- **Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:**

Companies violating the United Nations Global Compact (UNGC) principles, who do not demonstrate credible corrective action were excluded from the investment universe.

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



## **How did this financial product consider principal adverse impacts on sustainability factors?**

The Portfolio Manager applied exclusions to the investment universe of the financial product. The link to the Sustainability Exclusion Policy can be found in the main body of the Sales Prospectus.

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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.

Companies violating the United Nations Global Compact (UNGC) principles, which do not demonstrate credible corrective action were excluded from the investment universe.

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

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

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



The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 31 October 2023.

## What were the top investments of this financial product?

Largest Investments	Sector	% Net Assets*	Country
DNB Bank ASA	Banks & credit institutions	4.29	Norway
Nordea Bank Abp	Banks & credit institutions	4.25	Finland
OP Corporate Bank plc	Banks & credit institutions	3.91	Finland
UBS Irl Select Money Market Fund - EUR Sustainable	Investment funds & benefit found	3.84	Ireland
MUFG Bank Ltd	Banks & credit institutions	3.24	Japan
Bundessimmobiliengesellschaft mbH	Real estate	3.23	Austria
Bayerische Landesbank	Banks & credit institutions	3.19	Germany
BNG Bank NV	Banks & credit institutions	2.88	Netherlands
Sumitomo Mitsui Trust Bank Ltd	Banks & credit institutions	2.88	Japan
Procter & Gamble Co	Miscellaneous consumer goods	2.87	United States
Toronto-Dominion Bank	Banks & credit institutions	2.86	Canada
ABN AMRO Bank NV	Banks & credit institutions	2.86	Netherlands
Allianz SE	Insurance companies	2.85	Germany
Swedbank AB	Banks & credit institutions	2.85	Sweden
Credit Agricole SA	Banks & credit institutions	2.85	France

\*Minor differences with “Statement of Investments in Securities” might occur due to rounding and valuation differences in production systems.

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## What was the proportion of sustainability-related investments?

As per the end of the reference period the proportion of sustainability-related investments of the financial product was 37.80%.

### Asset allocation

describes the share of investments in specific assets.

### What was the asset allocation?

The proportions of investments of the financial product were calculated as per the end of the reference period, which is: 31 October 2023.

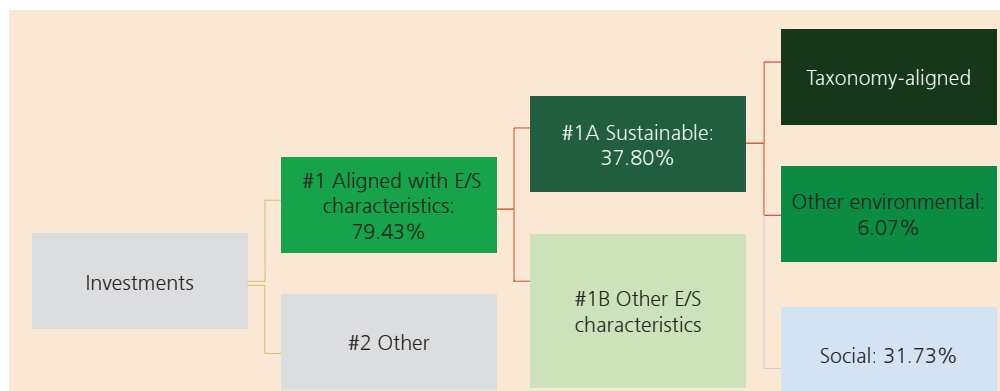
To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

### Enabling activities

directly enable other activities to make a substantial contribution to an environmental objective.

### Transitional activities

are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:

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

### In which economic sectors were the investments made?

Please refer to the section “Structure of the Securities Portfolio” of the relevant sub-fund of this Annual report to review the breakdown of the economic sectors where the investments were made.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The financial product had 0% Taxonomy Aligned Investments.

### Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy?

- Yes:
- In fossil gas  In nuclear energy
- No

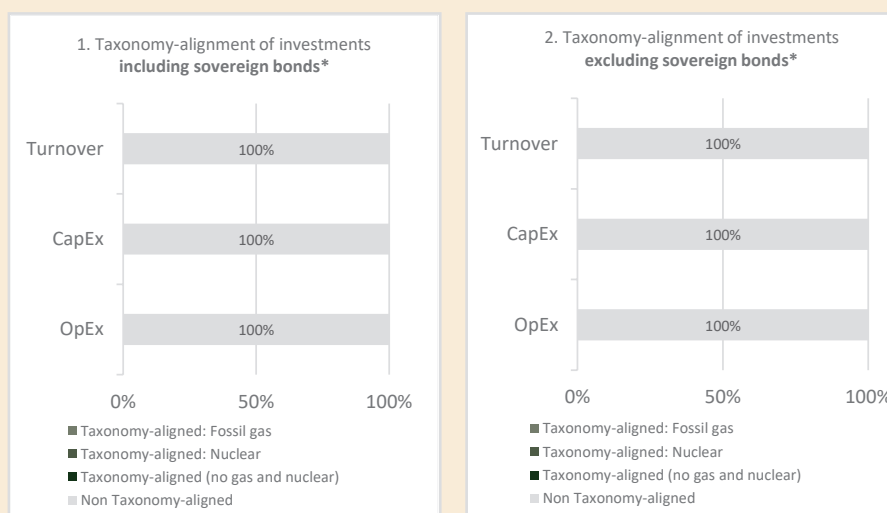
<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for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

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Taxonomy-aligned activities are expressed as a share of:

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

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



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

● **What was the share of investments made in transitional and enabling activities?**

There were no investments in transitional and enabling activities.

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

Not applicable.



**What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?**

The financial product had a proportion of sustainable investment with an environmental objective not aligned with the EU Taxonomy as stated in the asset allocation section of this annex.



**What was the share of socially sustainable investments?**

The financial product had a proportion of socially sustainable investment as stated in the asset allocation section of this annex.



**What investments were included under "other", what was their purpose and were there any minimum environmental or social safeguards?**

Included in "#2 Other" are cash and unrated instruments for the purpose of liquidity and portfolio risk management. Unrated instruments may also include securities for which data needed for the measurement of attainment of environmental or social characteristics is not available.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.

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## **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

During the reference period, the environmental and/ or social characteristics were met by following the investment strategy and applying exclusion criteria as per the sales prospectus. The investment strategies and/ or exclusion criteria are monitored to ensure adherence.



## **How did this financial product perform compared to the reference benchmark?**

No ESG reference benchmark has been designated for the purpose of determining whether the financial product is aligned with the characteristics that it promotes.

### **Reference benchmarks**

are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

#### ● **How does the reference benchmark differ from a broad market index?**

Not applicable.

#### ● **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

Not applicable.

#### ● **How did this financial product perform compared with the reference benchmark?**

Not applicable.

#### ● **How did this financial product perform compared with the broad market index?**

Not applicable.