

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name:

Legal entity identifier:

UBS (Ir) ETF plc – MSCI Europe Climate Paris Aligned UCITS ETF 549300BP9FW4JH4VJB23

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.

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Sustainable investment objective

Does this financial product have a sustainable investment objective?

Yes

No

It will make a minimum of **sustainable investments with an environmental objective: 20 %**

It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___ % of sustainable investments

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

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

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

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

with a social objective

It will make a minimum of **sustainable investments with a social objective: ___ %**

It promotes E/S characteristics, but **will not make any sustainable investments**



Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What is the sustainable investment objective of this financial product?

This financial product has a reduction in carbon emissions as its sustainable investment objective in view of achieving the long- term global warming objectives of the Paris Agreement. The financial product contributes to this by tracking, before expenses, the price and income performance of the MSCI Europe Climate Paris Aligned Index (Net Return) (the "Index"). The attainment of the sustainable investment objective is measured using the following ESG characteristics respectively:

- tracks/tracking of a benchmark with a sustainability profile (ESG Score) that is higher than the MSCI Europe Index (the "**Parent Index**") sustainability profile
- a Carbon Intensity (1, 2) emissions indicator lower than Parent Index (MSCI)

The Reference Benchmark designated for the purpose of attaining the characteristics promoted by the financial product is the MSCI Europe Climate Paris Aligned Index (Net Return).

• ***What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?***

The objective is measured using the following indicators respectively:

- The MSCI ESG Score

MSCI ESG Scores are provided by MSCI ESG Research and are measured on a scale from 0 (lowest/worst score) to 10 (highest/best score). The MSCI ESG Score is based on the underlying company's exposure to industry-specific ESG risks and their ability to mitigate those risks relative to their peers. MSCI ESG Scores are also shown as a breakdown of the E, S and G scores, in reference to the different components that are considered for the environmental, social and government pillars. The components are also rated on a scale of 0-10. Based on the individual E, S and G values, a weighted average can be calculated. This is dynamic and takes into account the direct changes of all underlying results, which affect the individual E, S and G values. The MSCI ESG Score measures the most financially significant environmental, social and governance risks and opportunities of companies on the basis of the Key ESG themes. In addition, sectoral differences are taken into account through identifying key industry specific ESG issues relevant to each Key ESG Theme. This assessment of risk and opportunity makes the MSCI ESG Score a rather static measure, as the relative valuation of a sector remains constant over a longer period of time. Companies with the highest ratings are those assessed as best managing their exposures to the above mentioned Key ESG Themes and the associated issues. Each company in the product's portfolio will produce a score which will contribute to the overall MSCI ESG Score of the product's portfolio. The product's MSCI ESG Score will be higher than that of the Parent Index.

- Weighted average carbon intensity (Scope 1+2) MSCI

The weighted average carbon intensity ("WACI") measures a portfolio's exposure to carbon-intensive companies. The WACI metric provides insight into potential risks related to the transition to a lower-carbon economy because companies with higher carbon intensity are likely to face more exposure to carbon related market and regulatory risks. It's the sum product of the portfolio weights and individual carbon intensities (carbon emissions scope 1+2 / USDm sales).

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

- **How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?**

The financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

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

Indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

The indices incorporate the MSCI ESG Controversies score, screening out on a timely basis any issuers in significant breach of ESG norms.

MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score less than 1) is excluded from Sustainability indices. The MSCI ESG Controversies Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.

The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/or anti-personnel landmines, nuclear weapons, biological weapons or chemical weapons.

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

The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products.

The MSCI ESG Controversies provides assessments of controversies concerning the negative environmental, social, and/or governance impact of a company’s operations, products and services. The evaluation framework used in MSCI ESG Controversies is designed to be consistent with international norms represented by the UN Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, and the UN Global Compact. MSCI ESG Controversies Score falls on a 0-10 scale, with “0” being the most severe controversy.

<https://www.msci.com/documents/1296102/14524248/MSCI+ESG+Research+Controversies+Executive+Summary+Methodology+-+July+2020.pdf/b0a2bb88-2360-1728-b70e-2f0a889b6bd4>



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

Yes

Yes, this financial product is passively managed and tracks an Index, indicators for adverse impacts on sustainability factors are taken into account by the Index provider as appropriate to the Index family.

The Index incorporates the MSCI ESG Controversies Score, screening out on a timely basis any issuers in significant breach of ESG norms.

MSCI ESG Controversies are designed to provide timely and consistent assessments of ESG controversies involving issuers. Any issuer with a “Red” MSCI ESG Controversies Score (score less than 1) is excluded from Sustainability indices. The Controversy Score measures an issuer’s involvement in major ESG controversies and how well the issuer adheres to international norms and principles.

The MSCI ESG Controversies tool monitors company involvement in notable ESG controversies related to the company’s operations and/or products, possible breaches of international norms and principles such as the UN Global Compact, and performance with respect to these norms and principles.

The financial product excludes investments in companies involved directly in the use, development, manufacturing, stockpiling, transfer or trade of cluster munitions and/ or anti-personnel landmines, nuclear weapons, biological weapons, or chemical weapons.

No



What investment strategy does this financial product follow?

This financial product seeks the objective(s) described in this annex through Index selection and passive asset management.

This financial product is passively managed and seeks to track the performance and the ESG profile of the Index. Sustainability objectives and risks are considered as part of the Index selection process. The Index which is stated by the index provider to be screened against environmental, social or governance criteria and any methodology used by the index provider to assess sustainability objectives and risks of the constituents of the Index can be found on the website of the index provider.

- ***What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?***

The following binding element(s) of the investment strategy are used to select the investments to attain the objective sought by this financial product:

1):

- A sustainability profile (MSCI ESG Score) that is higher than the Parent Index’s sustainability profile

2):

- Carbon Intensity (1 and 2) emissions indicator that is lower than Parent Index (MSCI)

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

This financial product seeks to achieve a higher MSCI ESG Score and low Carbon Intensity emissions indicator than the Parent Index by tracking the performance and ESG profile of the Index. As set out in the section of the Supplement entitled “Description of the Index” in more detail, the Index is designed to align itself with the de-carbonisation pathways required to deliver the global 1.5 degrees Celsius increase targeted by the Paris Agreement. The Index Provider seeks to achieve this alignment by overweighting companies on a credible path to de-carbonisation or offering green solutions, while in contrast underweighting those poorly positioned for the transition to a lower-carbon economy and by limiting exposure to the growing physical risks.

The calculations do not take account of cash, derivatives, and unrated investment instruments.

The above (s) and the minimum proportion of sustainable investments are calculated at quarter end using the average of all of business days’ values in the quarter.

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

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

Assessment of good governance practices of the investee companies is performed by the index provider.

MSCI ESG Ratings analysis begins with an evaluation of each company’s Corporate Governance, taking into consideration the company’s ownership and control structures, the composition and effectiveness of its board, the effectiveness of its incentive practices and the integrity of its accounting. Corporate Behavior is also monitored, including any controversies that might have a significant negative impact on the company’s value.



What is the asset allocation and the minimum share of sustainable investments?

The minimum proportion of the investments of the financial product used to meet the sustainable investment objective is 20%, with the exception of any investments used for hedging or relating to cash held as ancillary liquidity.

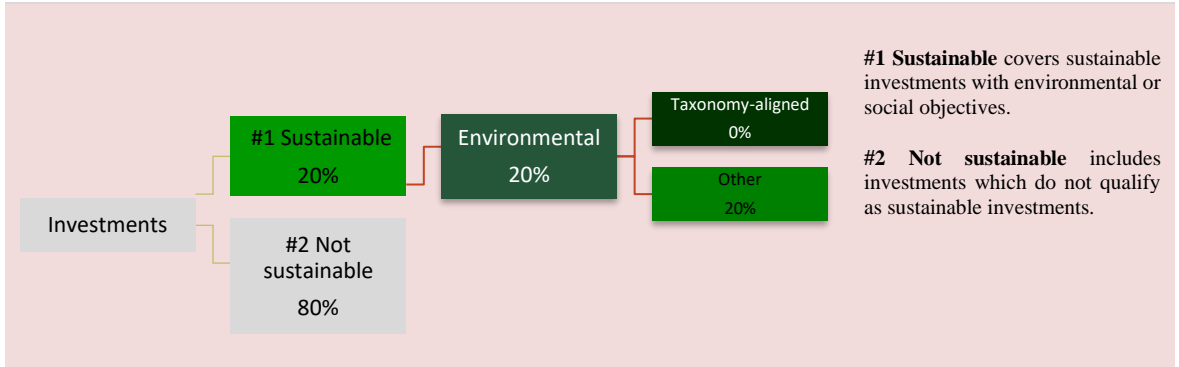
Asset allocation describes the share of investments in specific assets.

Taxonomy
-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies


- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.

- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

	<ul style="list-style-type: none"> ● How does the use of derivatives attain the sustainable investment objective?
	<p>The financial product tracks an ESG index and may replicate the performance of the Index by the use of derivatives. Derivatives will only be used in case that a) the investment objective cannot be achieved by investments Index components, in particular in order to reflect the performance of a currency hedge where a sub-fund replicates a currency-hedged Index, or b) to generate efficiencies in gaining exposure to the constituents of the Index, in particular where there are legal or practical obstacles to gaining direct access to a market to which the Index refers.</p> <p>The financial product may namely enter into a range of index related swaps (excluding funded swaps) and derivative instruments (futures, forwards, currency swaps, p-notes, options, warrants and foreign exchange contracts) in order to replicate the Index.</p>
	<p>To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?</p>
	<p>The minimum extent that investments underlying this financial product are sustainable investments with an environmental objective aligned with the EU Taxonomy is 0%.</p>
	<ul style="list-style-type: none"> ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy¹?
	<p><input type="checkbox"/> Yes:</p> <p style="padding-left: 20px;"><input type="checkbox"/> In fossil gas <input type="checkbox"/> In nuclear energy</p> <p><input checked="" type="checkbox"/> No</p>

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

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.

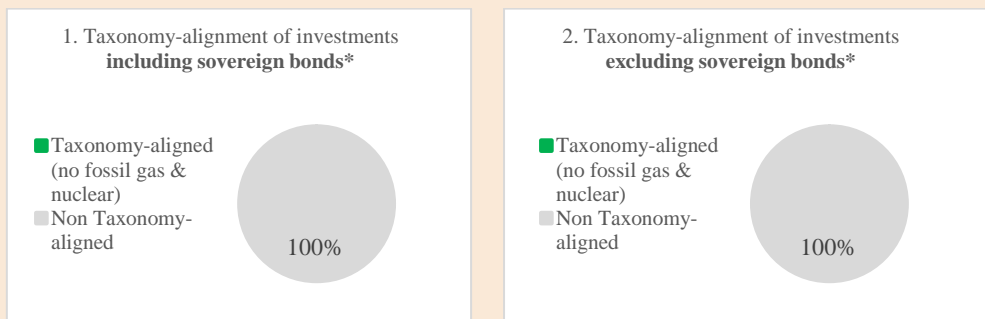
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

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.

are environmentally sustainable investments that do not take into account the criteria for environmentally sustainable economic activities under the EU Taxonomy.


Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

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



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

	<ul style="list-style-type: none"> • What is the minimum share of investments in transitional and enabling activities?
	Not applicable
	What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?
	The financial product targets a minimum proportion of sustainable investment as stated in the asset allocation of this annex.
	What is the minimum share of sustainable investments with a social objective?
	The financial product targets a minimum share of socially sustainable investments greater than 0%.
	What investments are included under “#2 Not sustainable”, what is their purpose and are there any minimum environmental or social safeguards?
	Included in “#2 Not sustainable” are cash, cash equivalents, money market instruments and derivatives or other instruments used for ancillary liquidity or hedging purposes.
	Is a specific index designated as a reference benchmark to meet the sustainable investment objective?
	The Reference Benchmark designated for the purpose of attaining the sustainable objective of the financial product is the MSCI Europe Climate Paris Aligned Index (Net Return).
	<ul style="list-style-type: none"> • How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?
	<ul style="list-style-type: none"> • The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the sustainable objective it seeks to achieve. The Index rebalances on a semi-annual basis, more details on the

	<p>index methodology applied by the Index provider can be found below. It is not anticipated that the composition of the Index will be adjusted to the extent that tracking is not possible.</p>
	<ul style="list-style-type: none"> • <i>How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?</i>
	<p>The alignment of the investment strategy with the methodology of the Index is ensured on a continuous basis as the Index provider rebalances the Index on a regular basis and the Investment Manager will track the Index in line with the limits set out in the investment policy of the fund.</p> <p>The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the investment objective it seeks to achieve.</p> <p>The investment strategy of the fund is to track the benchmark's return and its characteristics, including ESG characteristics, as closely as reasonably possible.</p> <ul style="list-style-type: none"> • The Investment Manager reviews the Index methodology when the product is set up and the Index provider may be contacted if the Index methodology is no longer in line with the investment strategy of the financial product.
	<ul style="list-style-type: none"> • <i>How does the designated index differ from a relevant broad market index?</i>
	<ul style="list-style-type: none"> • The Index (MSCI Europe Climate Paris Aligned Index (Net Return)) is part of the MSCI Climate Paris Aligned Index series. The Index draws its constituents from the Parent Index, being an equity index calculated, maintained and published by international index supplier MSCI® and denominated in USD. The Index tracks the total return net dividend performance of large and mid-capitalisation European companies.
	<ul style="list-style-type: none"> • <i>Where can the methodology used for the calculation of the designated index be found?</i>
	<p>The methodology of the construction of the Index can be found in the fund supplement.</p> <p>https://www.msci.com/eqb/methodology/meth_docs/MSCI_GIMIMethodology_Nov2022.pdf</p> <p>https://www.msci.com/eqb/methodology/meth_docs/MSCI_IndexCalcMethodology_July2022.pdf</p> <p>https://www.msci.com/eqb/methodology/meth_docs/MSCI_Climate_Paris_Aligned_Indexes.pdf</p>
	<p>Where can I find more product specific information online?</p>
	<p>More product-specific information can be found on the website:</p> <p>www.ubs.com/etf</p>