Template – Regular information on the financial products referred to in Article 8(1), (2) and (2a) of Regulation (EU) 2019/2088 and Article 6(1) of Regulation (EU) 2020/852

Product name: UBS ETF (CH) – SPI® ESG
Legal entity identifier (LEI code): 549300TL0ENV2RXSJP71

A **sustainable investment** is an investment in an economic activity that contributes to the achievement of an environmental or social objective, provided the investment does not significantly harm any environmental or social objective. Furthermore, the companies in which the investment is made must adopt good corporate governance practices.

The **EU Taxonomy** is a classification system set out in Regulation (EU) 2020/852 and includes a directory of **environmentally sustainable economic activities**. This regulation does not include a register of socially sustainable economic activities. Sustainable investments with an environmental objective may or may not be taxonomy compliant.

Environmental and/or social characteristics

Were sustainable investments targeted with this financial product?

☐ **Yes**	☒ **No**
☐ **Sustainable investments with an environmental objective** were therefore made: ___%	☒ **Environmental/social characteristics** were therefore promoted and, although no sustainable investments were targeted, it contained 50.74% sustainable investments
☐ in economic activities that are classified as environmentally sustainable according to the EU taxonomy	☐ with an environmental objective in economic activities that are classified as environmentally sustainable according to the EU taxonomy
☐ in economic activities that are not classified as environmentally sustainable according to the EU taxonomy	☒ with an environmental objective in economic activities that are not classified as environmentally sustainable according to the EU taxonomy
	☒ with a social objective
☐ **Sustainable investments with a social objective** were therefore made: ___%	☐ Environmental/social characteristics were therefore promoted but **no sustainable investments were made**.

Sustainability indicators are used to measure to what extent the environmental or social characteristics promoted with the financial product are achieved.

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

How did the sustainability indicators perform?

Each of the promoted ESG characteristics are measured using the following indicators:

The ESG score was 1.31% higher than that of the parent index (SPI® Total Return Index) (7.76 vs. 7.66).

The definitions of the indicators can be found on the first page of the details on Level 2 of the Sustainable Finance Disclosure Regulation (SFDR).

The parent index is a broad market index that does not take into account or evaluate environmental and/or social characteristics and is therefore inconsistent with the characteristics promoted by the financial product.

...and compared to previous periods?

2023 was the first period for which the indicators were calculated.

What were the objectives of some of the sustainable investments made with the financial product, and how does the sustainable investment contribute to those objectives?

SIX Swiss Exchange ESG Swiss Bond Indices carry out a screening of the overarching SIX Swiss Exchange Indices. This is done on the basis of the Inrate ESG ratings, which take into account how well an issuer manages ESG risks relative to the sector peer group. The threshold applied for the SIX Swiss Exchange ESG Swiss Bond Indices is a minimum ESG rating of C+.

The Inrate ESG ratings support investors in identifying the ESG risks and opportunities of their investments, and integrating these factors into their portfolio structure.

The Inrate ESG rating includes environmental and social pillars, such as air pollution, biodiversity, waste, standard of living, education and human rights.

To what extent have some of the sustainable investments made with the financial product not significantly harmed environmentally or socially sustainable investment objectives?

This financial product is managed passively and replicates an index. The index provider considers indicators for adverse impacts on sustainability factors to an extent appropriate for the index family.

- How were the indicators considered for adverse impacts on sustainability factors?

The indices include the "Inrate ESG controversies score", which excludes at an early stage issuers that materially violate the ESG standards.

The involvement of companies in controversies is analyzed, so as to analyze the negative impacts caused by companies as well as the degree of responsibility of a specific company. Companies are also assessed on how systematic such problems are. Controversies are divided into 38 different topics and assessed according to the severity of the negative impacts on environmental and social issues, the respective involvement, measures taken and credibility. This module plays a central role because it downgrades both the assessment of impacts and of the corporate social responsibility in the sense of sustainable business.

The **most important adverse impacts** are the most significant adverse impacts of investment decisions on sustainability factors in the areas of environment, social issues and employment, respect of human rights and combating corruption and bribery.

Inrate ESG controversies are designed to provide early and consistent assessments of issuers' ESG controversies.

- Are the sustainable investments in line with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights? Further information:

Inrate ESG controversy screening monitors companies' involvement in notable ESG controversies related to a company's operations and/or products, possible violations of international standards and principles, such as the UN Global Compact, and alignment with these standards and principles.

The principle of do no significant harm (DNSH) is established in the EU taxonomy, whereby taxonomy-compliant investments may not significantly harm the objectives of the EU taxonomy. Specific EU criteria are included.

The principle of DNSH applies only to those underlying investments of the financial product that take into account the EU criteria for environmentally sustainable economic activities. The underlying investments of the remaining part of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Likewise, all other sustainable investments may not significantly harm environmental or social objectives.

How were the most important adverse impacts on sustainability factors considered for this financial product?

This financial product is managed passively and replicates an index. The index provider considers indicators for adverse impacts on sustainability factors to an extent appropriate for the index family.

Inrate monitors companies' involvement in notable ESG controversies related to a company's operations and/or products, possible violations of international standards and principles, such as the UN Global Compact, and alignment with these standards and principles.

UBS-AM does not invest in companies with interests in cluster munitions, anti-personnel mines, or chemical and biological weapons. Nor does it invest in companies that violate the Treaty on the Non-Proliferation of Nuclear Weapons (NPT).

What are the main investments of this financial product?

The list includes the following investments, which accounted for **the largest share of the investments** made in the financial product during the reference period: 30 June 2023.

Largest investments	Sector	% Assets	Country
Nestle SA	Food & beverage	14.44	CH
Roche Holding AG	Pharmaceuticals & biotechnology	14.13	CH
Novartis AG	Pharmaceuticals & biotechnology	13.39	CH
Cie Financiere Richemont SA	Watches & jewelry	5.58	CH
Zurich Insurance Group AG	Insurance	5.14	CH
ABB Ltd	Electrical components & equipment	4.57	CH
UBS Group AG	Banks	2.94	CH
Sika AG	Construction materials	2.78	CH
Swiss Re AG	Insurance	2.62	CH
Alcon Inc	Health products	2.61	CH
Chocoladefabriken Lindt & Spruengli AG	Food & beverage	1.67	CH
Givaudan SA	Chemicals	1.66	CH
Holcim Ltd	Construction materials	1.63	CH
Lonza Group AG	Chemicals	1.60	CH
Partners Group Holding AG	Banks	1.54	CH

What was the share of sustainability-related investments?

At the end of the reference period, the minimum share of investments used to meet the environmental and/or social characteristics promoted by the financial product was 99.69%. The minimum share of the financial product in sustainable investments was 50.74%.

The **asset allocation** indicates the respective proportion of the investments in specific assets.

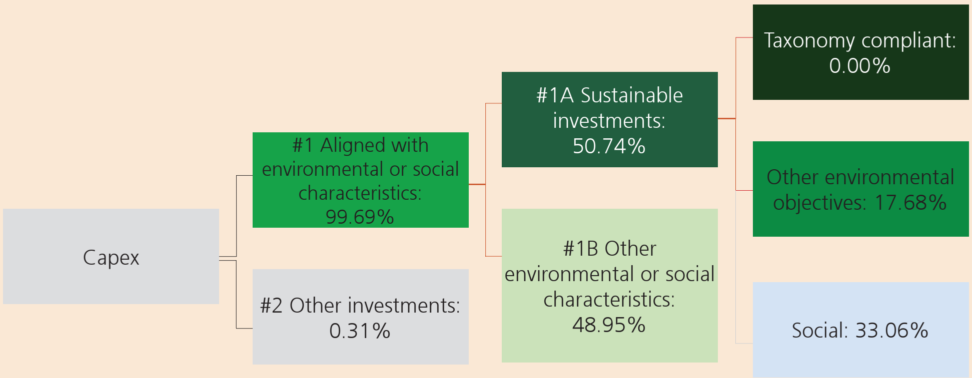
What did the asset allocation look like?

The shares in investments of the financial product were determined at the end of the reference period, i.e. as at: 31 December 2022.

With regard to compliance with the EU taxonomy, the criteria for **fossil gas** include reducing emissions and switching to fully renewable energy or low-carbon fuels by the end of 2035. The criteria for **nuclear energy** include comprehensive safety and waste management regulations.

Enabling activities enable other activities to make a direct significant contribution to the environmental objectives.

Transitional activities are activities for which no low-carbon alternatives are yet available and have greenhouse gas (GHG) emission levels that correspond to the best performance in the industry.



#1 Aligned with environmental or social characteristics includes investments of the financial product that were made to achieve the promoted environmental or social characteristics.

#2 Other investments include the financial product's other investments that are neither focused on environmental or social characteristics, nor are classified as sustainable investments.

Category #1 Aligned with environmental or social characteristics includes the following sub-categories:
- Sub-category **#1A Sustainable investments** includes environmentally and socially sustainable investments.
- Sub-category **#1B Other environmental or social characteristics** includes investments that are focused on environmental or social characteristics but are not classified as sustainable investments.

In which sectors of the economy were the investments made?

Please refer to the section "Statement of securities portfolio" of the respective sub-fund in this annual report for a breakdown of the economic sectors in which investments have been made.

To what extent were the sustainable investments with an environmental objective compliant with the EU taxonomy?

The financial product had 0% taxonomy-compliant investments.

Did the financial product invest in EU taxonomy-compliant activities in fossil gas and/or nuclear energy[1]?

☐ Yes:

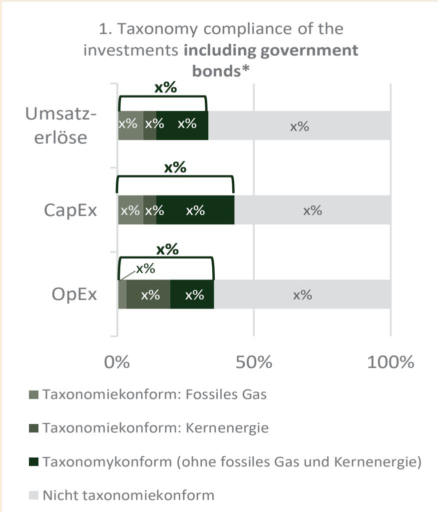
☐ In fossil gas ☐ In nuclear energy

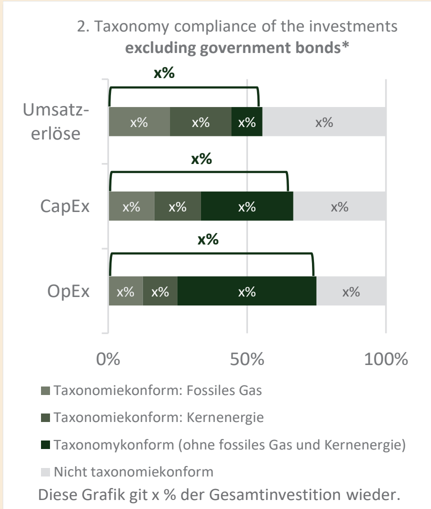
☒ No

[1] Activities in fossil gas and/or nuclear energy are only compliant with the EU taxonomy if they contribute to climate change mitigation (climate protection) and do not significantly harm any EU taxonomy objective – see explanation in the left margin. The full criteria for EU taxonomy-compliant economic activities in fossil gas and nuclear energy are set out in Commission Delegated Regulation (EU) 2022/1214.

Taxonomy-compliant activities expressed as the proportion of:
- **Revenues** that reflect the share of income from environmentally friendly activities of the companies in which investments are made
- **Capital expenditure** (CapEx) that shows the environmentally friendly investments made by the companies in which investments are made, e.g., for the transition to a green economy
- **Operating expenses** (OpEx) that reflect the environmentally friendly operational activities of the companies in which investments are made

The charts below show the minimum percentage of EU taxonomy-compliant investments in green. Since there is no appropriate method to determine the taxonomy compliance of government bonds*, the first chart shows the taxonomy compliance with respect to all of the financial product's investments, including government bonds, while the second chart shows the taxonomy compliance only with respect to the financial product's investments that do not include government bonds.





** For the purposes of these charts, the term "government bonds" includes all risk positions vis-à-vis sovereigns.*

- ***What proportion of the investments is made in transitional and enabling activities?***

  There were no investments in transitional and enabling activities.

- ***How has the share of investments brought into line with the EU taxonomy developed compared to previous reference periods?***

  Not applicable. This is the first reference period.

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.

What proportion of the non-EU taxonomy compliant sustainable investments had an environmental objective?

The financial product had a share of non-EU taxonomy compliant sustainable investments with an environmental objective, as indicated in the section on asset allocation in this appendix.

What was the share of social sustainable investments?

The financial product had a 33.06% share in social sustainable investments, as indicated in the section on asset allocation in this appendix.

What investments fell under "Other investments", what was their investment objective and was there any minimum environmental or social protection?

"#2 Other investments" include cash and unrated instruments for liquidity and portfolio risk management purposes, relative to the benchmark weighting. This category may also include securities for which no relevant data are available.

What measures were taken during the reference period to meet the environmental and/or social characteristics?

The reconciliation of the investment strategy with the index method is continuously ensured, as the index provider regularly rebalances the index. When replicating the index, the investment manager follows the thresholds set out in the fund's investment policy.

The financial product originally selected the benchmark for its relevance in relation to the investment strategy and characteristics that this index seeks to promote.

The fund's investment strategy is to replicate the index's returns and characteristics (including ESG characteristics) as far as is reasonably possible. The fund's investment strategy is to replicate the index, by applying stratified sampling by managing the tracking error.

The investment manager reviews the index method when establishing the product and may contact the index provider if the index method is no longer in line with the financial product's investment strategy.

How did this financial product perform compared to the specific benchmark?

The **benchmarks** are indices used to measure whether the financial product achieves the promoted environmental or social characteristics.

- ***How does the benchmark differ from a broad market index?***

  The broad market index is the SPI®. The SPI® ESG Weighted is a sub-index of the SPI®.

  The SPI® ESG Weighted Index is initially based on a universe of market capitalizations by free float, whose weightings are adjusted on the basis of sustainability criteria. The weighting based on the free float is adjusted quarterly, with under- and overweightings applied based on the ESG Impact Rating.

  The SPI® ESG Weighted measures the performance of Swiss equities, taking into account environmental, social and governance (ESG) factors. These factors are quantified using a framework from Inrate AG (an independent Swiss sustainability rating agency) and corresponding sustainability data. The benchmark is composed of components of SPI that have a rating of at least C+ on an ESG rating scale from A+ to D- (best-in-class approach), that generate less than 5% of their revenue from controversial activities, and whose controversies score does not exceed the average. Furthermore, the index does not include any companies that are placed on an exclusion list (ESG exclusion criterion) by the Swiss Association for Responsible Investment (SVVK).

- ***How did this financial product perform in terms of the sustainability indicators used to determine the alignment of the benchmark with the promoted environmental or social characteristics?***

  The ESG score was 0.00% higher than that of the benchmark (SPI® Total Return Index) (7.76 vs. 7.76).

- ***How did this financial product perform compared to the specific benchmark?***

  The ESG score was 0.00% higher than that of the benchmark (SPI® Total Return Index) (7.76 vs. 7.76).

- ***How did this financial product compare to the broad market index?***

  The ESG score was 1.31% higher than that of the parent index (SPI® Total Return Index) (7.76 vs. 7.66).