

UBS (Irl) ETF plc – Global Gender Equality UCITS ETF

No sustainable investment objective

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 20 % of sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

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 norms-based screening by exclude companies with verified infringement of established international initiatives and guidelines (such as UN Principles and OECD Guidelines).

ISS ESG is designed to provide timely and consistent assessments of companies' adherence to international norms on human rights, labor standards, environmental protection and anti-corruption set out in the UN Global Compact and OECD Guidelines. The financial product exclude investments in companies involved directly or indirectly in Coal Mining and Power Generation, Hydraulic Fracturing, Oil & Sands as well as any involvement in Deep Water Drilling, Nuclear Energy, Adult Entertainment, Alcohol, Tobacco, Gambling, Military Equipment, Anti-personnel Mines, Biological and Chemical Weapons, Cluster Munitions, Depleted Uranium as well as Nuclear Weapons.

ISS ESG 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.

Environmental or social characteristics of the financial product

The following characteristics are promoted by the financial product:

- tracks/tracking of a benchmark with a sustainability profile (ESG Score) that is higher than the parent benchmark's sustainability profile.

The Reference Benchmark designated for the purpose of attaining the characteristic promoted by the financial product is the Solactive Equileap Global Gender Equality 100 Leaders Net Total Return Index. The characteristics are measured using the following indicators respectively:

- FUND_ESG_QUALITY_SCORE
- FUND_SFDR_GENDER_BOARD_DIVERSITY

Investment strategy

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

Characteristic 1):

A sustainability profile (MSCI ESG Score and Gender Diversity Board Score) that is higher than the parent benchmark's sustainability profile.

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

The binding element(s) are calculated at quarter end using the average of all of business days' values in the quarter.

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

ISS ESG analysts gather information through the media and other public sources, conduct interviews with stakeholders, and collect information on company policies and practices. Extensive company and stakeholder dialogue, coupled with strict verification, ensures objectivity and exhaustiveness of the research.

ISS ESG Assesses companies' adherence to international norms on human rights, labor standards, environmental protection and anti-corruption set out in the UN Global Compact and OECD Guidelines.

Proportion of investments

The minimum proportion of the investments used to meet the environmental and/or social characteristics promoted by the financial product is 21%. The minimum proportion of sustainable investments of the financial product is 20%.

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.

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.

Monitoring of environmental or social characteristics

The portfolio manager has data indicators and a systematic pre-trade guideline control in place to monitor the stated environmental or social characteristics promoted by the financial product, specifically the binding targets stated in the investment strategy, there is a monitoring oversight control. There are also independent controls and audit by our delegated fund administrators.

Methodologies

The performance of the indicators used to measure the environmental or social characteristics promoted by the financial product are measured daily, assessed quarterly and reported annually.

Data sources and processing

The data sources used to attain the stated environmental or social characteristics are as follows:

The MSCI ESG Score, supplied by the index provider and the Gender Diversity Board Score

Data is consumed from leading providers, processed in accordance with defined guidelines and supplemented with analyst recommendation.

Limitations to methodologies and data

We apply a minimum coverage threshold for the data sources used to attain the stated environmental or social characteristics of the financial product, these thresholds ensure that the binding targets can be monitored and measured. Accuracy of data is dependent on 3rd party providers, coverage of data sources can be < 100% due to uncovered asset types, incomplete or inconsistent data and gaps in the coverage of these 3rd party providers.

Due diligence

Due diligence is carried out on index providers and/or data providers. This financial product is passively managed and seeks to track the performance and the ESG profile of the Index. Sustainability characteristics and risks are considered as part of the Index selection process.

Engagement policies

In terms of passive strategies tracking sustainability indexes as is the case with this financial product, the engagement process helps us to identify companies where material ESG and sustainability factors may present a future negative risk.

While the UBS AM engagement program is across all asset classes and portfolios, the impact on passively managed fixed income strategies might be reduced, mainly due to the lack of voting rights and that companies which failed in UBS AM's engagement process are typically not excluded due to the passive management style.

Nevertheless, passively managed fixed income assets are part of the engagement with senior management, as all other assets the firm manages, in order to achieve the biggest possible impact.

Designated reference benchmark

The financial product has initially selected the reference benchmark for its relevance to its investment strategy and the attainment of the characteristics it seeks to promote. The Index rebalances on an annual basis. More details on the index methodology applied by the index provider can be found below.

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.

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.

The investment strategy of the fund is to track the benchmark's return and its characteristics, including ESG characteristics, as closely as reasonably possible.

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

The Solactive Equileap Global Gender Equality 100 Leaders Index is an equity index denominated in USD, maintained and published by international index supplier Solactive. Equileap, a leading expert in gender equality research, provides the gender-related data on companies on which Solactive then applies liquidity screenings to get to the final index composition while meeting the country, sector and issuer constraints. The Index tracks the movements of global companies which have the best Equileap gender diversity score. The Equileap gender diversity score is a ranking of companies based on their aggregated score in a number of gender equality criteria such as leadership, compensation, work-life balance, health and safety, paid family leave, marketing and transparency.

The stocks comprising the Index are screened by liquidity and gender diversity score.

100% of the securities have a leading Equileap gender diversity score.

At least 90% of the securities have an ESG rating.

The methodology of the construction of the Index can be found in the fund supplement.