

Sustainability Report 2022

Supplementary information



Supplementary information

We are committed to continuously improving and enhancing UBS's sustainability performance. This document provides further details to content set out in our UBS Sustainability Report 2022, specifically with regard to the Strategy and Governance sections, as well other information.

› Refer to our Sustainability Report 2022 available on ubs.com/annualreporting

Information supporting our approach to climate and nature

Helping to achieve our strategy by working with key climate- and nature-related organizations

Initiative	UBS role / activity	Key outcome of initiative in 2022	UBS contribution / commitment
Task Force on Climate-Related Financial Disclosures (the TCFD)	Member of the TCFD, which includes 31 members from financial and non-financial companies and is supported by over 4,000 organizations from more than 100 countries.	Publication of 2022 TCFD status report marking five years since publication of TCFD recommendations. Over 3,900 organizations have pledged support for the TCFD with a combined market capitalization of USD 26 trillion. Response by the TCFD to the rules proposed by the SEC to enhance and standardize climate-related disclosures for investors.	Contributed to the activities of the TCFD, including its 2022 status report.
Taskforce on Nature-related Financial Disclosures (the TNFD)	Member of the TNFD, which includes 40 members from financial and non-financial companies.	Beta versions of TNFD risk management and disclosure framework including first draft sector specific guidance for financial institutions.	Contributed to the formulation of the first set of TNFD recommendations and chaired the financial-sector-specific working group of the TNFD.
Net Zero Asset Managers initiative (the NZAMI)	Founding member of the NZAMI, which includes 291 asset managers managing over USD 66 trillion of assets under management (AuM).	Completed first round of annual disclosure of signatories' approach and progress on net zero investing using the CDP framework. Initiative increased to 301 signatories with USD 59 trillion assets under management (AuM) by year end.	Among the first round of asset managers to complete annual disclosure requirement. Target to align 20% of Asset Management's AuM to be managed in line with net zero.
Net-Zero Banking Alliance (the NZBA)	Founding member of the NZBA, which includes 122 banks committed to aligning their lending and investment portfolios with net-zero emissions by 2050.	Developed guidelines, frameworks, methodologies and timelines for net-zero implementation in the global banking sector.	Active participant in working groups on sectoral target-setting, data and methodologies, and financing and engagement. Committed to publishing ambitious intermediate targets for priority sectors within 18 months of signing, and for all, or a substantial majority of, the carbon-intensive sectors, where data and methodologies allow within 36 months of signing, and to regularly reviewing targets in line with NZBA guidelines.
Glasgow Financial Alliance for Net Zero (the GFANZ)	Founding member of the GFANZ, which includes 550+ members from all industries in the financial sector, mobilized around common goal of supporting net zero transition.	Issuance of first progress report and voluntary set of recommendations and guidance for financial institutions to use when developing and implementing credible, high-ambition strategies for achieving net zero. Ongoing advocacy for credible economy-wide targets and pathways, as well as supporting policies, to drive net zero transition.	Active involvement in working groups, including those on public policy, portfolio alignment and financial-sector transition plans.
Institute of International Finance (the IIF) Sustainable Finance Working Group (the SFWG)	Chair and member of the SFWG catalyzing work by the IIF on sustainable finance for its 400 financial-sector corporate members from 60 countries.	Produced two major policy reports. The first, "Integrity through Alignment: A 2022 Roadmap for Global Standards and Market-led Approaches in Sustainable Finance" was the second in a series exploring the need for further alignment on sustainable finance policy and regulatory approaches globally. The second, "Navigating Climate Headwinds," summarized the experiences of more than 20 banks across eight jurisdictions with regulatory climate-risk scenario analysis exercises and	Chair of the SFWG and its working program providing leadership and steering to the IIF activities. UBS helped found and hosted WFSF at its Wolfsberg UBS Center for Education and Dialogue.

		<p>provided recommendations on how to take forward regulatory and supervisory activity. Initiated a series of transition finance and transition planning workshops to share experiences among IIF member firms and policymakers and regulators globally.</p> <p>Initiated annual Wolfsberg Forum for Sustainable Finance (WFSF).</p>	
<p>Partnership for Carbon Accounting Financials (the PCAF)</p>	<p>Member of PCAF, which is a global partnership of over 340 financial institutions.</p>	<p>Working together with all members to develop and implement common standards for the accounting, reporting and disclosure of GHG emissions associated with financial institutions' lending and investing activities.</p> <p>Publication, in December 2022, of the second version of the Global GHG Accounting and Reporting standard for the financial industry.</p>	<p>Committed to measuring and disclosing the GHG emissions associated with our lending and investing activities in accordance with PCAF standards.</p>

› Refer to more details about UBS's memberships and commitments below

Integrating climate-related impacts in our financial planning

UBS operates a multi-year financial planning process. This process reflects our business position, corporate strategy and prospective economic environment. Sustainability is a core component of that strategy and planning process, with particular focus on net zero (scopes 1, 2 and 3), sustainability-related assets and investments and philanthropy.

The underlying drivers of our sustainability investments are also considered. These include our own corporate commitments, regulatory and other external requirements, and client-servicing opportunities. The changing global outlook regarding sustainability, and climate change in particular, is reflected in the process, with the risks associated with climate change being reflected in our capital requirement planning calculations.

Our corporate positioning, in terms of balance-sheet exposure and contractual duration, our risk management activities and the nature of the underlying risk, mean we do not currently view climate change as a material risk factor. However, formal guidance on capital-framework calculations is subject to ongoing market and regulatory discussion, and we will continue to reflect this in our planning processes.

› Refer to our Annual Report 2022 for more information

Green Funding Framework

Our Group-wide Green Funding Framework sets out how we intend to connect our sustainability objectives with access to financial markets through a variety of funding products.

› Refer to ubs.com/greenbonds for more details about the Green Funding Framework, external reviews and annual reporting (including impact and allocation reporting)

Sustainable finance at UBS – additional information

Key sustainable finance products and services in 2022

This table provides a select overview of sustainable finance products and services offered by UBS in certain jurisdictions. It is included here in order to enhance the content of the sustainable finance information provided in the “Strategy” section of our Sustainability Report, pertaining to our reporting against the GRI Standards. Its content is not intended as recommendations to clients.

Product / service	Sustainable investments ¹	Sustainable financing	Other products and services	Key features	Business division ²
UBS Active Climate Aware	Sustainability focus			Aims to invest in companies that can address the world’s climate challenges while simultaneously generating competitive returns. The UBS Climate Aware Equity strategy aims to address climate change as a systemic problem, looking to invest in leaders in three categories: climate adaptation, climate mitigation and climate transition.	Asset Management
UBS Climate Aware Equity (TTF), UBS Climate Aware CH Institutional, UBS Climate Aware UK Life	Sustainability focus			Relative weightings of the companies are tilted toward their expected contribution to climate change. Companies geared toward long-term change leading to a low-emissions global economy will be overweighted in the portfolio.	Asset Management
UBS Climate Solutions	Sustainability focus			This actively managed strategy invests in companies with products and services that provide climate solutions for a low-carbon future. It is a global, well-diversified portfolio investing across multiple climate-related themes, such as energy efficiency, clean energy, renewables, sustainable water solutions, smart mobility and sustainable food chain systems.	Asset Management
UBS Future Energy Leaders	Sustainability focus			Annual clean energy investments worldwide are expected to more than triple to around USD 4 trillion by 2030 to achieve the net-zero goal. This will result in new industries emerging across batteries, hydrogen, biofuels and carbon capture. This strategy seeks to invest in companies across multiple themes considered to be critical to shaping the future energy system, including renewable electricity, advanced biofuels, hydrogen, carbon capture and grid stability.	Asset Management
UBS Global Equity Climate Transition Fund	Sustainability focus			The fund provides exposure to global equity markets with a focus on mitigating the effects of climate change risk by limiting exposure to greenhouse gas (GHG) emissions and considering how companies contribute to the transition to a low-carbon economy.	Asset Management
UBS Global SDG Corporates Sustainable	Sustainability focus			Global SDG Corporates Sustainable offers an actively managed diversified portfolio of bonds issued by companies that derive a material share of their revenues from products and services aligned with the 17 UN SDGs or issue green bonds, thus contributing to positive environmental and social change.	Asset Management
UBS green, social, sustainable bonds	Sustainability focus			The fund invests mainly in green, social and sustainable bonds, the proceeds of which are used for eligible environmental and social projects, in sustainability-linked bonds that include environmental, social and governance (ESG)-related key performance indicators to which the issuers are committed, as well as in bonds from issuers that generate more than 50% of their revenues from activities that contribute to resolving environmental and social challenges.	Asset Management
UBS Life Global Equity Sustainable Transition Fund	Sustainability focus			This fund, which is available to the wider UK institutional pensions market, invests in companies believed to be best placed for the transition to a low-carbon economy and with better sustainability characteristics than the FTSE Developed Index benchmarks.	Asset Management
UBS Sustainable Health Transformation	Sustainability focus			The convergence of several key trends (e.g., demographics, emergent threats and breakthrough innovation) are putting healthcare on an unsustainable path. The strategy therefore aims to invest in companies that are expected to transform the healthcare system by	Asset Management

Product / service	Sustainable investments ¹	Sustainable financing	Other products and services	Key features	Business division ²
				addressing key challenges such as affordability, accessibility, and care delivery. It is an actively managed portfolio that invests across seven healthcare themes that are aligned with SDG 3 (Good Health and Well-Being).	
UBS UK Life Sciences Property Unit Trust	Sustainability focus			Facilitates expansion of the life sciences sector with a development-led approach, focused on dedicated facilities across the UK (e.g., laboratory-enabled office space, dry labs, wet labs and manufacturing facilities). Focus on the social impact of growth in the life sciences sector, and impact on patients and skilled workers.	Asset Management
Record Emerging Market Sustainable Finance Fund	Sustainability focus			Launched in cooperation with Record Investment Management.	Global Wealth Management
SI-focused advisory solutions	Sustainability focus			A range of liquid SI products offered in the US: mutual funds, exchange-traded funds, and separately managed accounts (SMAs).	Global Wealth Management
UBS Future of Earth fund	Sustainability focus			Thematic investments in solutions to tackle the negative impact of climate change on people, health and communities by addressing energy, land and water.	Global Wealth Management
UBS Strategy Funds Sustainable	Sustainability focus			Invest globally in a diversified range of equities, mainly high-quality bonds, and money market instruments with a strong ESG profile.	Asset Management, Personal & Corporate Banking, Global Wealth Management,
UBS Vitainvest Funds Sustainable	Sustainability focus			Indirect investments world-wide in equities, bonds and real estate with a strong ESG profile. Second- and third-pillar retirement-savings funds with sustainability-focused strategies, available with an active or passive management style.	Asset Management, Personal & Corporate Banking, Global Wealth Management,
UBS Manage [SI] (discretionary mandate family)	Sustainability focus			Based on the Chief Investment Office (CIO) SI Strategic Asset Allocation (SAA).	Global Wealth Management, Personal & Corporate Banking
UBS Long-Term Themes	Sustainability focus			A multi-thematic equity strategy that invests globally in companies that are attractively valued, have strong sustainability profiles and are exposed to long-term investment themes that are related to the three mega trends of population growth, increasing urbanization and aging population.	Global Wealth Management, Asset Management
UBS Personalized Sustainable Investing SMAs	Sustainability focus			These SMAs allow clients to personalize specific strategies to align with their sustainability preferences. Managed by Asset Management and powered by Global Wealth Management CIO Research.	Global Wealth Management, Asset Management
UBS Sustainable Investment Portfolio SMAs	Sustainability focus			Based on the CIO SI SAA. Note: the UBS Sustainable Investment Portfolio SMAs are managed by Asset Management.	Global Wealth Management, Asset Management
UBS SI Strategy Funds	Sustainability focus			Based on CIO SI SAA and aligned to UBS Manage [SI].	Global Wealth Management, Personal & Corporate Banking
Energy Storage Investment Fund I	Impact investing			Develop utility-scale energy storage facilities to enable the decarbonization of the electrical grid. Energy storage is poised for exponential growth tied to renewables, expansion and decreasing costs.	Asset Management
UBS Climate Action	Impact investing			Our society is dependent on carbon-intensive industries (materials, utilities and agriculture) that must participate in the energy transition. This is a concentrated transition strategy of 20–30 holdings encouraging decarbonization of carbon-intense companies (excluding fossil fuel) through active engagement.	Asset Management
UBS Engage for Impact	Impact investing			UBS Engage for Impact is a high conviction, global equity strategy that invests in companies we believe generate a positive impact on the society and/or the environment as measured by exposure to the UN SDGs. Through engagement, we aim to encourage companies to	Asset Management, Global Wealth Management

Product / service	Sustainable investments ¹	Sustainable financing	Other products and services	Key features	Business division ²
				enhance their positive impact in their operations and supply chain but also via their products and services.	
Ambienta IV	Impact investing			Invests in companies whose products and services improve resource efficiency and pollution control in their respective industries. USD 133 million of client commitments raised as of end December 2022.	Global Wealth Management
BlackRock Impact Opportunities Fund	Impact investing			This fund seeks to accelerate the economic outcomes of undercapitalized racial and ethnic communities in the US. USD 46 million of client commitments raised as of end December 2022.	Global Wealth Management
Bridge Workforce & Affordable Housing Fund	Impact investing			Invests in real estate throughout the US with a focus on workforce and affordable multi-family housing communities. USD 166 million of client commitments raised as of end December 2022.	Global Wealth Management
Bridge Workforce & Affordable Housing Fund II	Impact investing			This fund seeks to acquire workforce and affordable multi-family housing communities located throughout the US. USD 360 million of client commitments raised as of end December 2022.	Global Wealth Management
Direct Investing Offering	Impact investing			Addresses the high demand for direct-impact deals, as well as UBS's commitment to support the SDGs and complements UBS's SI offering with direct-impact investing opportunities.	Global Wealth Management
Generation IM Sustainable Solutions Fund IV	Impact investing			This fund's investment objective is to pursue market-leading returns and global impact for sustainable solutions by investing in growth-stage businesses with well-established technology and commercial traction in the areas of planetary health, people health and financial inclusion. USD 109 million of client commitments raised as of end December 2022.	Global Wealth Management
Generation Partners Sustainable Solutions Fund III	Impact investing			Invests in transformative technologies providing disruptive solutions to global sustainability challenges. USD 94 million of client commitments raised as of end December 2022.	Global Wealth Management
Inclusive Capital Partners Spring II Fund	Impact investing			This fund seeks to achieve superior returns by making long-term investments in companies and working actively with company management and boards to responsibly and creatively address environmental and societal problems. USD 42 million of client commitments raised as of end December 2022.	Global Wealth Management
KKR Global Impact Fund	Impact investing			Invests in businesses that contribute measurable progress toward one or more of the SDGs. USD 242 million of client commitments raised as of end December 2022.	Global Wealth Management
Oncology Impact Fund II	Impact investing			An impact investing initiative that aims to turn innovative cancer research products into successful businesses to deliver value for investors, patients and society. USD 643 million of client commitments raised as of end December 2022.	Global Wealth Management
PG LIFE	Impact investing			A diversified global private equity fund focused on investments that deliver market-rate financial returns and social, environmental and inclusive growth, including within key areas such as renewable energy, waste management, healthcare, education and financial inclusion. USD 82 million of client commitments raised as of end December 2022.	Global Wealth Management
Rethink Impact Fund	Impact investing			A direct-access social impact private equity fund that invests in early- to growth-stage, high-impact companies, primarily in the US. The fund focuses on four themes: healthcare, economic opportunity, environmental sustainability and education.	Global Wealth Management

Product / service	Sustainable investments ¹	Sustainable financing	Other products and services	Key features	Business division ²
				USD 72 million of client commitments raised as of end December 2022.	
Rethink Impact Fund II	Impact investing			A direct-access social impact private equity fund that invests in early- to growth-stage, high-impact companies, primarily in the US. The fund focuses on four themes: healthcare, economic opportunity, environmental sustainability and education. USD 56 million of client commitments raised as of end December 2022.	Global Wealth Management
RXR Qualified Opportunity Zone Fund I	Impact investing			Invests in real estate and/or real estate-focused businesses within qualified opportunity zones. USD 260 million of client commitments raised as of end December 2022.	Global Wealth Management
SDG Engagement Equity funds	Impact investing			A new partnership with RobecoSAM (added in 2021), complementing the engagement equity funds in partnership with Federated Investors and Hermes Investment Management, as well as Columbia Threadneedle.	Global Wealth Management
SDG Engagement High Yield Credit funds	Impact investing			Launched in cooperation with Federated Investors, Hermes Investment Management and Neuberger Berman.	Global Wealth Management
The Rise Fund	Impact investing			Invests in seven sectors (education, financial services, healthcare, infrastructure, energy, food and agriculture, and IT) with a dual mandate: competitive financial returns and measurable positive societal outcomes. USD 326 million of client commitments raised as of end December 2022.	Global Wealth Management
The Rise Fund II	Impact investing			Invests in seven sectors (education, financial services, healthcare, infrastructure, energy, food and agriculture, and IT) with a dual mandate: competitive financial returns and measurable positive societal outcomes. USD 40 million of client commitments raised as of end December 2022.	Global Wealth Management
The Rise Fund III	Impact investing			Invests in six primary sectors (education, financial services, healthcare, impact services, food and agriculture, and climate and conservation) with a dual mandate: competitive financial returns and measurable positive societal outcomes. USD 30 million of client commitments raised as of end December 2022.	Global Wealth Management
UBS Sustainable Development Bank Bond Fund	Impact investing			The fund invests in bonds issued by selected multi-lateral and regional development banks to fund development programs.	Global Wealth Management, Asset Management
UBS Advice SI – UBS Advice Premium SI				Advice mandates reflecting clients' individual preferences. The portfolio can comprise of both sustainable and non-sustainable investments, based on client's investment decisions.	Global Wealth Management
Green, social sustainability and sustainability-linked bonds		√		Seventy-seven green, social, sustainability and sustainability-linked bond transactions supported. ³	Investment Bank, Personal & Corporate Banking
key4 by UBS mortgage platform for income-producing real estate Green Mortgage⁴		√		The first Swiss real estate brokerage platform for income-producing real estate offering borrowers financial advantage for taking out a sustainable mortgage.	Personal & Corporate Banking
key4 by UBS mortgage platform for self-occupied real estate Green Mortgage⁴		√		This Swiss real estate brokerage platform for self-occupied properties enables investors to offer preferential mortgage terms if private clients can demonstrate, via a certificate (e.g., Minergie), that the property they wish to finance meets certain environmental standards.	Personal & Corporate Banking
UBS Loan Energy⁴		√		Specially designed for energy-efficient investment properties. Clients benefit from attractive interest rates and comprehensive advice for their low-energy properties. In addition, they can discuss sustainability matters with a Switzerland-wide network of real estate experts.	Personal & Corporate Banking

Product / service	Sustainable investments ¹	Sustainable financing	Other products and services	Key features	Business division ²
UBS Mortgage Energy⁴		√		Launched to incentivize private clients to replace their fossil fuel heating, either with a more sustainable alternative or by installing a photovoltaic system. In so doing, clients benefited from attractive interest rates and lower long-term energy costs.	Personal & Corporate Banking
UBS Sustainability Analytics			√	An online tool helping Asset Servicing clients to actively monitor, manage and improve the sustainability profile of their investment portfolio(s).	Personal & Corporate Banking
Bespoke ESG-aligned portfolios			√	Bespoke investment methodology solutions with a particular ESG screening, climate change focus or identified by UBS CIO as best-positioned to benefit from EU deals and initiatives.	Investment Bank
ESG-aligned Actively Managed Certificates (AMCs)			√	Certificates with thematic focus and actively managed by a third-party private bank. Examples include AMCs linked to a climate change portfolio, food revolution portfolio and the future of energy.	Investment Bank
ESG-aligned Indices			√	Systematic investible indices based on broad-based market-cap-weighted equity indices, with weights adjusted based on sustainability and/or climate scoring.	Investment Bank
Energy check-up for SMEs			√	Supports small and medium-sized entities (SMEs) with a financial contribution for energy reduction plans. Overall energy savings of 85,016 MWh in 2021.	Personal & Corporate Banking
esg2go			√	This tool provides small and medium-sized enterprises with detailed insights into their sustainability performance, based on ESG criteria. This takes the form of a sustainability rating score for the SME and an accompanying report which it can pass on to its stakeholders. UBS is a partner and member of the strategic committee of esg2go.	Personal & Corporate Banking
key4 Energy Check (for income-producing real estate)			√	In collaboration with experts from pom+, a real estate consulting company with proven expertise in sustainable properties, key4 by UBS is offering a free energy check to determine the potential energy and cost savings of an investment property. Interested customers can use the tool to receive a concrete plan of action. A key4 client advisor will then discuss the results with them.	Personal & Corporate Banking
UBS Sustainable Savings Account			√	The UBS key4 digital banking offering includes a sustainable savings account. Furthermore, for every UBS key4 banking account opened, UBS offsets 100 kg of CO ₂ emissions with a donation to myclimate.	Personal & Corporate Banking
UBS Optimus Foundation Credit Cards eco			√	The cards are made from renewable materials and UBS donates 0.75% of total credit card spending to UBS Optimus Foundation every year.	Personal & Corporate Banking

¹ Products included meet UBS definition of Sustainable Investment (refer to Sustainable Finance section of this report) ² Availability of products and/or services might be restricted within certain jurisdictions, Asset Management sustainable investment products are also available for sale to clients through other business divisions. ³ Such as, but not limited to, Investment Bank Global Banking bonds issued under the voluntary ICMA Green Bond Principles, Sustainability Bond Principles, and Sustainability-Linked Bond Principles. The principles include a recommendation that the issuer appoints an external review provider to undertake an independent external review (e.g., second party opinion). This is consistent with market practice. ⁴ In December of 2022, UBS adopted guidelines providing an internal global standard for all our products in the categories of sustainable lending, sustainable bonds and GHG emissions trading. During the course of 2023, UBS expects to (re-)assess all its products against these guidelines.

ESG integration and exclusion

ESG integration strategies consider ESG factors alongside traditional financial metrics in the investment process. Exclusion approaches, meanwhile, exclude individual companies or industries from a portfolio, either because their activities do not meet certain ESG criteria, and/or they do not align with the client's values and/or UBS's. ESG integration and exclusion approaches often contribute to sustainability focus and impact investment strategies to varying degrees but, at UBS and in certain jurisdictions, are not themselves considered sustainable investments (SI).

The AuM of strategies subject solely to ESG integration, amounted to USD 312 billion in 2022. The AuM of strategies applying only some level of exclusions stood at USD 25 billion at the year end. The combined total AuM of strategies applying only ESG integration or exclusion strategies was USD 336 billion as of 31 December 2022. As these assets do not qualify as sustainable investment for UBS, they are not included in the SI invested assets table in the sustainable finance section.

GRI-based materiality assessment

Our GRI-based materiality assessment helps us to ensure that our sustainability disclosures reflect our stakeholders' expectations and concerns. It also informs our firm's discussions as we evolve our approach to sustainability. Our approach is grounded in recognizing the importance of engaging with subject matter experts and listening to key stakeholders to inform and evolve our sustainability strategy.

Methodology

Definitions

UBS has aligned its assessment methodology to GRI Standards, which are focused on impact reporting for a multi-stakeholder audience. To assess our impact, we rely on the GRI Universal Standards 2021 revised definitions for the following.

- The “impact” effect the organization has or could have on the economy, the environment and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development. Note: impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.
- The “material topics” that represent the organization’s most significant impacts on the economy, the environment and people, including impacts on their human rights. Revised to focus on impact, engagement with relevant stakeholders to form part of identifying and assessing an organization’s impacts and informs the process for determining material topics.

The degree of materiality (“Very High,” “High” or “Medium”) was qualitatively assessed through conversations with and questionnaires completed by internal subject matter experts. Their input considered the scale of impact (to the economy, the environment or society), the likelihood and irremediability.

Process

Our process consolidates both past material topics that remain relevant and newly identified topics. In 2022, we refreshed our assessment, starting with a review of our organizational context (i.e., activities, business relationships, sustainability context, stakeholders), before completing the three main process steps: desk research, stakeholder consultation and final review. We manage the materiality assessment process through an internal, cross-business divisional and cross-regional materiality assessment team (the MAT).

Step 1: Desk research	Step 2: Stakeholder consultation	Step 3: Final review
<ul style="list-style-type: none"> – We developed an initial list of material topics based on internal and external stakeholder sources. – We gathered inputs on potential or actual impacts across our activities or business relationships through a questionnaire completed by our MAT members. 	<ul style="list-style-type: none"> – We consulted internal subject matter experts, including those interacting with stakeholders directly, to refine and prioritize our self-assessed materiality long list into a short list. – We consulted key internal and external stakeholders about our self-assessed materiality topics list. 	<ul style="list-style-type: none"> – We had the outcome of the materiality assessment and final list of topics verified by senior management and reviewed for external assurance purposes, prior to public disclosure in the UBS Sustainability Report.

Looking ahead, we expect further developments in the regulatory and standard-setting landscape pertaining to materiality assessments. We will align and/or adapt our process accordingly.

Organizational context

Before identifying our actual or potential impacts, we considered the sustainability context across our activities and business relationships, including:

- our purpose and strategy;
- our sustainable finance products and services, business relationships and stakeholders; and
- new products or services (for the climate materiality assessment only, pertaining to risks and opportunities).

In this context, we identified which stakeholders and experts should inform the determination of our material topics. Internal subject matter experts were consulted via a questionnaire and group discussions, while external experts and stakeholders were consulted through two roundtables.

Stakeholders

Internal

- senior management
- employees
- internal subject matter experts

External

- corporate, institutional, private and retail clients
- investors
- regulators
- suppliers
- NGOs/community organizations
- media representatives

Governance

Reviewed by the Corporate Culture and Responsibility Committee (the CCRC) and the Group Executive Board (the GEB), UBS's GRI-based materiality assessment process is managed by our MAT. The MAT consists of a group of employees who deal with stakeholder expectations and concerns in their respective roles. Their regular engagement with clients, employees, investors, suppliers, regulators and governments, communities, and civil society ensures that the views of these stakeholders are adequately considered. The MAT is responsible for delivering the outcome of the materiality assessment to the CCRC and permanent guests on an annual basis and overlooks the aggregation process following three principles.

- Completeness: the MAT reviews the long and short lists and their aggregation into a prioritized list.
- Accuracy: the MAT challenges the approach, provides access to relevant resources, and helps to overcome hurdles throughout the process.
- Relevance: the MAT reviews all decisions in terms of relevance for the stakeholders they represent.

Execution

Desk research – identifying impact

We conducted initial desk research to identify general areas where negative or positive impacts are mostly likely to be present relative to our own activities, business relationships and stakeholders. During this scoping exercise we considered the internal and external stakeholder sources listed below.

Internal sources

- UBS's 2021 materiality topics list
- PRB assessment

External sources

- G7 Communiqué
- G20 Communiqué
- WEF Global Risk Report
- ECOFACT's Top 5 Trending Topics
- FINMA Risk Monitor 2021
- Peers' material topics disclosed in 2021
- ECB's climate-related risks to financial stability May 2022
- Responsible Investor's ESG Yearbook 2022 – Top 5 Trends to Watch (sponsored by UBS)
- PRI's Strategic Plan 2021–2024

Stakeholder consultation

We consulted internal subject matter experts about actual or potential impacts through questionnaires, group discussions and one-to-one dialogues. We also organized two roundtables with key stakeholders to review our self-assessed material topics list, in order to validate and improve our assessment with their feedback, and also help identify potential missing material topics. During this process we considered the feedback from clients, investors, NGOs, the media, policymakers and employees via polls and open discussions.

In support of our formal materiality assessment, our Corporate Responsibility team regularly gathers feedback on emerging issues and the quality of our reporting and impact from various sources including other experts at our firm, stakeholder inquiries, questionnaires and rating firms.

Outcome

The topics considered as material for UBS are very similar to those identified in previous years and fall into three GRI impact categories: the economy, the environment and society. Our 2022 list of material topics accounted for those assessed in our 2021 materiality assessment and were compatible with limited changes, notably:






















- Climate and Nature: We introduced a new title to group together environmental and nature topics, including the 2021 topic “Climate Action” and the relevant elements from the 2021 topic “Environmental and Human Risk Management.”
- Employees: We introduced a new title to group together personnel-related topics, including the 2021 topics “Compensation and performance management,” “Diversity, equity and inclusion,” “Talent management” and “Working culture and environment.”
- Social Impact and Human Rights: We introduced a new title to group together key components of the ‘S’ in ESG, including the philanthropy element from “Sustainable Finance” and the human rights element from the 2021 topic “Environmental and Human Risk Management.”

During the stakeholder roundtables, we established the participants’ views about what material topics were of most concern with regards to potential or actual negative impact, as well as what material topics were considered urgent with regard to any potential or actual positive impact they would like UBS to pursue.

Top impact concerns (potential or actual negative)	Top impacts to pursue (potential or actual positive)
<ul style="list-style-type: none">– climate and nature– social impact and human rights– operational efficiency and effectiveness	<ul style="list-style-type: none">– sustainable finance– climate and nature– social impact and human rights

As recommended by the revised GRI Standards, we engaged some of the most potentially affected or actual affected stakeholders to consult them about the significance of our actual or potential impact. The 2022 GRI-based materiality assessment was reviewed Ernst & Young (EY) in line with the revised GRI 3 Material Topics 2021 Standards. The assurance report can be downloaded from ubs.com/gri.

2022 Materiality assessment

Impact category	Material topic	Description
  	Sustainable finance	As a global financial services firm, UBS has a role to play in mobilizing capital to support the transition to a more sustainable world. Our impact realizes as a result of our business relationships and financial services we provide, which is why we align our sustainable investing and sustainable finance solutions with our firm's purpose.
  	Regulatory compliance	Our firm operates in a highly regulated industry and compliance with legal and regulatory requirements is a prerequisite for our license to operate. Our impact realizes as a result of how we comply and navigate the ever-evolving regulatory and legal landscape to protect and serve the interests of all our stakeholders or mitigate negative impact to them.
 	Climate and nature	We understand that we have a responsibility to identify, manage or mitigate potential adverse impacts on the environment and nature. We aim to reduce our own emissions and offer clients innovative solutions to support their transition to a low-carbon future.
 	Client experience	Responding to clients' expectations and delivering exceptional service are essential for our firm's long-term future performance. We aim to differentiate our impact through our promise to deliver a client experience that is personalized, relevant, on-time and seamless.
  	Corporate governance	To deliver the best for our clients and stakeholders we hold ourselves to the highest standards and a well-defined strategy and business model. Our impact realizes in the way we sustain long-term business success and contribute to sustainable growth.
 	Digitalization	We are making technology a differentiator for our clients and employees. It's our responsibility to balance between the increasing demand for digitalization and our commitment to improve energy efficiency. We need to also protect our clients and operations against the threat of cyberattacks that could lead to negative impacts, such as financial and reputational damage.
 	Employees	We cannot succeed without our excellent employees. That is why we drive our culture, promote an inclusive, diverse and equitable workplace and foster our employees' continuous career development. An effective people management strategy helps us attract, develop and retain talented individuals and ensures we continue to be an employer of choice worldwide.
 	Social impact and human rights	We aspire to create a more equal, diverse and inclusive society by building the impact economy, by working with a wide range of stakeholders to help clients maximize their impact on the environment, health, education and child protection, while optimizing the contribution of our firm to our local communities through employee volunteering and corporate philanthropy.
 	Operational efficiency and effectiveness	Ensuring efficient and effective operations is fundamental to our ability to remain competitive, to invest for the future and to be resilient in the face of revenue volatility. Impact occurs within our business, which in turn affects how we serve our clients and supports our employees.



Economy



Environment



People

Material topics, subtopics and related Sustainable Development Goals (the SDGs)

Material topics	Subtopics	GRI topics	Related SDGs
Sustainable finance	<ul style="list-style-type: none"> – sustainable investing – a combination of societal and financial returns – sustainable investment criteria – impact investing – ESG integration – financial inclusion – transition finance – stewardship 	<p>FS Product Portfolio</p> <p>FS Active Ownership</p> <p>FS Audit</p>	1, 2, 3, 4, 6, 7, 8, 11, 13
Regulatory compliance	<ul style="list-style-type: none"> – client protection: data confidentiality; transparency (clear terms and conditions of products); fair pricing schemes; easy-to-understand products and services – combating financial crime: anti-corruption and anti-money laundering; crime and manipulation detection processes – conduct: compliance with laws, rules and regulations; integrity of the financial system; our Code of Conduct and Ethics; forward-looking engagement with risk topics and risk prevention – data confidentiality – financial stability and resilience: going concern leverage ratio (phase-in, %); CET1 capital ratio; manage risk-weighted assets within an increasingly stringent risk framework; clear strategy – legal and litigation risk 	<p>GRI 205: Anti-Corruption</p> <p>GRI 206: Anti-Competitive Behavior</p> <p>GRI 207: Tax</p> <p>GRI 417: Marketing and Labeling</p> <p>GRI 418: Customer Privacy</p>	
Corporate governance	<ul style="list-style-type: none"> – internal policies and guidelines – governance structure – strategy – risk management – board diversity and succession planning – transparency 	GRI 2: General Disclosures	12
Climate and nature	<ul style="list-style-type: none"> – strategy on climate and nature – environment-related investments, financing and research – sustainability and climate risk management – energy and resource efficiency, reduction of emissions and resource consumption (energy, paper, water) – standards in product development, investments, financing and for supply chain management decisions 	<p>GRI 201 Economic Performance</p> <p>GRI 302: Energy</p> <p>GRI 305: Emissions</p> <p>GRI 308: Supplier Environmental Assessment</p> <p>FS Audit</p> <p>FS Product Portfolio</p>	7, 13, 14, 15, 17
Client experience	<ul style="list-style-type: none"> – deliver excellence – above-average performance – best services and practices – understanding clients and their needs 		
Digitalization	<ul style="list-style-type: none"> – technology as a differentiator – front-to-back digitization to deliver a seamless client experience – cyber risks – digital culture and workspaces – integrated digital product and service offering – data management 		

Material topics	Subtopics	GRI topics	Related SDGs
Employees	<ul style="list-style-type: none"> – purpose and culture framework – fair, inclusive and diverse workplace – equal employment conditions and opportunities – employer branding and talent attraction – hybrid working and flexible work arrangements – agile ways of working – employee training to build skills and capabilities, talent, and leadership development – internal mobility, management of talent pipeline and succession planning – occupational health and well-being – employee listening and engagement – effective people management processes, along with fair and consistent compensation 	<p>GRI 401: Employment</p> <p>GRI 404: Training and Education</p> <p>GRI 405: Diversity and Equal Opportunity</p> <p>GRI 406: Non-Discrimination</p>	4, 5, 8, 10
Social impact and human rights	<ul style="list-style-type: none"> – client philanthropic investments – corporate community engagement, partnerships and volunteering – deploy resources (including philanthropic capital) to support and build an impact economy – sustainability and climate risk management (including human rights) – standards in product development, investments, financing and for supply chain management decisions 	<p>GRI 414: Supplier Social Assessment</p> <p>FS Audit</p> <p>FS Product Portfolio</p>	8, 10, 17
Operational efficiency and effectiveness	<ul style="list-style-type: none"> – cost and process efficiency – focus on core competencies – flexibility to adapt to the changing regulatory and public policy environment – outsourcing / nearshoring / offshoring, automation – location strategy – product and execution excellence – business disruption and vulnerability; disruption of the value chain 	<p>GRI 201: Economic Performance</p>	

Supporting our strategic goals – our engagement in partnerships

It is our firm belief that by taking action, both on our own and in partnership with other large investors, standard setters, clients and peers, as well as our communities and our employees, we can make a real impact on a truly global scale. In addition, our participation in sustainability-focused organizations and associations helps our firm to achieve its strategic goals regarding sustainability and impact, and to deliver on our commitments toward people and planet. This is why partnerships are integral to our sustainability approach. And it is why our Board of Director's Corporate Culture and Responsibility Committee annually reaffirms our firm's memberships and commitments with a sustainability focus.

We therefore regularly work with other financial firms and organizations outside our industry, including standard setters, to address this challenge. For example, UBS is a founding member or current signatory of groups such as: the Task Force on Climate-related Financial Disclosures (the TCFD) since 2016, and the Operating Principles for Impact Management (the Impact Principles) since 2019. In 2021, we became a member of the Glasgow Financial Alliance for Net Zero (GFANZ) and the Taskforce on Nature-related Financial Disclosures (the TNFD).

In 2022, we assisted the Institute of International Finance with setting up the Wolfsberg Forum for Sustainable Finance (the WFSF).

The WFSF is a new forum series for global financial institutions to jointly work on sustainability topics and build consensus on how to tackle the challenges built into the sustainability commitments of financial institutions. It aims to help the industry constructively engage and, with the support of key stakeholders, arrive at practical outcomes on how to achieve our sustainability commitments.

In 2022, we also joined Accounting for Sustainability (A4S), which aims to inspire finance leaders to adopt sustainable and resilient business models; to transform financial decision-making to enable an integrated approach, reflective of the opportunities and risks posed by environmental and social issues; and to scale up action across the global finance and accounting community.

The UBS Sustainability and Impact Institute

The UBS Sustainability and Impact Institute (the SII) provides our stakeholders with thought leadership and promotes debate around key sustainability themes and topics.

Founded in 2021, the SII contributes to the sustainability debate, with a focus on actionable and timely contributions. The SII is a collaborative effort with sustainability experts from across our business divisions. We strive to encourage objective and fact-based debate, provide new impulses for action and identify innovations that will help shape our collective efforts and awareness about sustainability and impact. The Head SII is appointed by the Group Executive Board Lead for Sustainability and Impact and has a functional reporting line to the Chief Sustainability Officer.

Our memberships and commitments

At the end of 2022, we were engaged in more than 60 sustainability- and impact-related memberships and commitments, either at Group level or the level of the business divisions or Group Functions. We have thorough processes in place for renewing existing memberships and for vetting new ones.

Focus areas	Name of organization	Kind of membership	Year of joining
Corporate responsibility and sustainability	Green Software Foundation	Member	2022
	Access to Nutrition	Member	2022
	UN LGBTI Standards of Conduct for Business	Member	2018
	CEO Climate Leaders	Signatory	2015
	European Bankers Alliance	Member	2015
	RE100	Member	2015
	Policy Outlook Network	Founding member and chair	2015
	Banks and Civil Society	Founding member and convener	2008

	Conference Board (CR&S Council)	Council member	2014	
	Swiss Better Gold Association	Member	2014	
	Global Apprenticeship Network	Member	2013	
	Banking Environment Initiative's and Consumer Goods Forum's Soft Commodities Compact	Member	2013	
	Roundtable on Sustainable Palm Oil	Member	2012	
	Global Compact Network Switzerland	Founding member	2011	
	Thun Group of Banks	Founding member and co-chair	2011	
	Swiss Center of Expertise in Human Rights	Member of advisory board	2010	
	University of Zurich Competence Center for Human Rights	Member of advisory board	2010	
	UN Global Compact	Signatory	2000	
	Wolfsberg Group	Founding member	2000	
	Business in the Community	Co-founding member	1988	
	Zurich Energy Model	Founding member	1987	
Transparency and reporting	Capitals Coalition	Member	2022	
	Accounting for Sustainability	Member	2022	
	Taskforce on Nature-related Financial Disclosures	Member	2021	
	ISO 37001-certified Anti-Bribery Management System		Applied since 2019	
	ISO 50001-certified energy management system		Applied since 2017	
	Task Force on Climate-Related Financial Disclosures	Member	2016 (and following TCFD recommendations since 2017)	
	SASB	Member	2013	
	Global Reporting Initiative		Applied since 2008	
	ISO 14064-certified greenhouse gases		Applied since 2004	
	CDP	Founding signatory	2002	
	ISO 14001-certified environmental management system		Applied since 1999	
	Business Investment for Societal Impact	Founding member	1994	
	Sustainable Finance	Partnership for Carbon Accounting Financials	Member	2022
		Asia Transition Finance Study Group	Member	2022
Net-Zero Banking Alliance		Founding signatory	2021	
Glasgow Financial Alliance for Net Zero		Founding member	2021	
Singapore Green Finance Centre		Founding member	2021	
Asia Securities Industry and Financial Markets Association		Member	2021	
Hong Kong Green Finance Association		Member	2021	
Hong Kong Green and Sustainable Finance Cross-Agency Steering Group		Co-chair of the Capacity building working group	2021	
MAS – Green Finance Industry Taskforce		Member	2021	
Private Banking Industry Working Group Sustainability Taskforce		Member	2021	
Net Zero Asset Managers initiative		Founding member	2020	
One Planet Asset Manager Initiative		Member	2020	
Green and Sustainable Finance Cluster Germany		Member	2020	
Investor Alliance for Human Rights		Member	2022	
Principles for Responsible Banking		Founding member	2019	
IFC Operating Principles for Impact Management		Founding signatory	2019	

Green Investment Principles for the Belt and Road	Signatory	2019
Transition Pathway Initiative	Supporter	2019
FAIRR (Farm Animal Investment Risk and Return) initiative	Member	2018
Climate Action 100+	Member	2017
Swiss Sustainable Finance	Member	2015
Institutional Investors Group on Climate Change	Member	2015
CSFI	Member	2015
GRESB	Member of the advisory board	2012 2015
Sustainable Finance Geneva	Member	2012
Global Impact Investing Network	Investors' Council member	2011
Principles for Responsible Investment	Signatory	2009
European Venture Philanthropy Association	Member	2007
Association for Environmental Management and Sustainability in Financial Institutions (VfU)	Member	1996
UNEP FI	Member	1992

Principles for Responsible Banking

As a founding signatory to the Principles for Responsible Banking (the PRB), we have committed to taking three key steps that enable our firm to improve its impact on and contribution to society, to assess our positive and negative impacts on society and the environment, to set Sustainable Development Goals (SDG)-aligned global targets where we can have the most significant impact, and to publicly report on progress. In 2022, we continued to work on our implementation of the PRB.

Our review of in-scope business areas and activities identified three key areas of focus for our firm, including social, environmental and economic topics. Under the topic of environment, climate was the first impact area confirmed to pursue our target-setting strategy with the results of our analysis reinforcing our dedication to SDG 13 (climate action). We continue to address this opportunity through our climate strategy and our net-zero commitment. In addition, SDG 5 (gender equality), and SDG 10 (reduced inequalities) were identified as areas of opportunity for impact. We will continue to explore how we can enhance our contribution to a diverse, equitable and inclusive society, with actions and activities that expand beyond our own workplace. We will continue to explore our three focus areas identified above, adjusting where necessary.

- › Refer to the “PRB Reporting and Self-Assessment” at ubs.com/gri for our 2022 PRB reporting
- › Refer to the “Strategy” section and the “Environment” section of our Sustainability Report 2022 for more information about the integration of climate and equality into our key strategic themes of planet, people, and partnerships

Evolving and informing our strategy – our contributions to the advancement of sustainability

We recognize that we have an important role to play in leading debates on key societal topics and, in collaboration with other firms and industry bodies, in setting high standards for these topics in and beyond our industry. Our key activities in 2022 in this regard are set out in the table below.

Initiative	Focus topic	Role / activity of UBS	Key outcome or updates in 2022
Capitals Coalition	Impact	Member of the Advisory Board	Worked towards the ambition that business, finance and governments include holistic capitals (including e.g., natural, social and human capital) in decision-making.
Accounting for Sustainability/ CFO Leadership Network	Sustainable finance	Member of the Board	Worked towards a shift towards resilient business models and a sustainable economy.
Glasgow Financial Alliance for Net Zero (GFANZ)	Climate change	Founding member	Publication of GFANZ's Financial Institution Net-Zero Transition Plans, Expectations for Real-economy Transition Plans, Measuring Portfolio Alignment: Driving Enhancement, Convergence, and Adoption.
Swiss Climate Scores	Climate change	Contributed to the introduction of the Swiss Climate Scores	Established as a key instrument to further increase transparency on the climate alignment of financial products.
Wolfsberg Forum for Sustainable Finance (WFSF)	Sustainable finance	Co-convenor with Institute of International Finance Host of the WFSF at UBS Center for Education and Dialogue, Wolfsberg	Held first annual conference for international financial institutions to come together with stakeholders in the public and civic sectors to discuss key sustainability issues relevant for financial sector strategy and engagement.
Asia Transition Finance Study Group	Sustainable finance	Member	Finance guideline paper "Asia transition finance guidelines" released in September 2022.
Swiss Sustainable Finance (SSF)	Sustainable finance	Member of the board	Events and projects to promote sustainable finance in Switzerland.
Green Investment Principles (the GIP) for the Belt and Road	Sustainable finance	Signatory to the GIP	Submission to the GIP Annual Progress Reporting Questionnaire.
Monetary Authority of Singapore (MAS) green finance industry taskforce (GFIT)	Sustainable finance	Member of the GFIT risk management workstream	Regular dialogue to enhance environmental risk management including the launch of Environmental Risk Questionnaire for banks in Singapore to engage their corporate clients on environmental risk issues.
Securities Industry and Financial Markets Association (SIFMA) sustainable finance working group	Sustainable finance	Member of the working group	Regulatory dialogue and consultation responses with focus on international convergence of ESG (environmental, social, governance) disclosures rules, climate risk, and investment practices.
Swiss Bankers Association (SBA) expert commission sustainable finance	Sustainable finance	Chair of the expert commission	Regulatory dialogue, consultation responses, policy papers, self-regulations (Guidelines for financial service providers on the integration of ESG preferences and ESG risks into investment advice and portfolio management, and Guidelines for mortgage providers on the promotion of energy efficiency).
Asset Management Association Switzerland	Sustainable finance	Member	Self-regulation on transparency and disclosure for sustainability-related collective assets.
Economiesuisse sustainable finance advisory group	Sustainable finance	Member of the advisory group	Business guidelines – financial flows and a sustainable economy.
UK Finance sustainable finance working group	Sustainable finance	Member of the working group	Regulatory dialogue, consultation responses, and thought leadership with focus on international convergence of ESG disclosures rules.
Association for Financial Markets in Europe (AFME) sustainable finance steering committee	Sustainable finance	Member of the steering group	Regulatory dialogue, consultation responses, and thought leadership with focus on international convergence of ESG disclosures rules.

Initiative	Focus topic	Role / activity of UBS	Key outcome or updates in 2022
Bank Policy Institute (BPI) sustainable finance disclosure working group and sustainable finance working group	Sustainable finance	Member of the working groups	Regulatory dialogue and consultation responses with focus on international convergence of ESG disclosures rules and on climate risk.
Principles for Responsible Investment (PRI)	Sustainable finance	Member of various groups, including the SDGs advisory committee and the academic network advisory committee Participation in dialogue on impact measurement, the role of investors in respecting human rights and academic research on responsible investment Submission of a case study on climate change and impact investing	Participation in consultation on the evolving mission of PRI and multiple working groups including the role of investors in respecting human rights, active ownership and new methodologies for ESG integration.
UBS conferences, e.g., sustainable finance conferences, the European conference, the Greater China conference	Sustainable finance	Organizer	Variety of thematic keynotes and panels on sustainable finance, ESG, climate risk, energy transition, etc.
Singapore Green Finance Centre	Sustainable finance	Founding partner	Regular dialogue on how to pursue sustainable finance agenda in the region.
NZZ Impact Finance Forum / Sustainable Switzerland	Sustainable finance and sustainability	Main partner	Increase awareness of and shape the public dialogue on sustainability and sustainable finance. Several events with, in total, more than 1,000 participants, as well as articles on a broad range of topics.
Global Impact Investing Network (GIIN)	Impact	Member of the Investors' Council	Active participation in the leadership group for the GIIN and in various working groups and events.
Operating Principles for Impact Management (the Impact Principles)	Impact	Founding signatory, advisory board member	Growth of signatory base; transfer of the Secretariat for the Impact Principles to the GIIN.
Principles for Responsible Banking (the PRB)	Impact	Founding signatory First external assurance of our PRB reporting	Continued implementation of PRB.
Financial Stability Board Task Force on Climate-related Financial Disclosures (the TCFD)	Climate change	Member of the TCFD and aligning UBS disclosure with TCFD recommendations	Publication of the 2022 TCFD status report marking five years since the publication of TCFD recommendations and over 3,900 organizations pledging support for the TCFD with a combined market capitalization of USD 26 trillion. The TCFD also responded to the SEC proposed rules to enhance and standardize climate-related disclosure for investors.
Net Zero Asset Managers initiative (the NZAMi)	Climate change	Founding signatory	Publication of NZAMi's initial Target Disclosure Report.
Net-Zero Banking Alliance (NZBA)	Climate change	Founding member	Publication of NZBA's Transition Finance Guide, Supporting Notes for Guidelines for Climate Target Setting, first Collective Progress Report.
UN Environment Programme Finance Initiative (the UNEP FI)	Climate change	Member	Participation in the UNEP FI's second TCFD banking program gave UBS and other participating banks the opportunity to work together, and with climate risk experts, to improve financial assessments of climate-transition risks.
Climate Action 100+ (CA100+)	Climate change	Participation in 20 company engagements, co-leading five of them	The initiative has grown to encompass 700 investors managing more than USD 68 trillion in assets under management.
Institutional Investor Group on Climate Change (the IIGCC)	Climate change	Member of the European regional network	Launch of Bondholder Stewardship Working Group. Development of a Climate Investment Roadmap. Contribution to the dialogue between investors on the European engagements of CA100+.

Initiative	Focus topic	Role / activity of UBS	Key outcome or updates in 2022
World Energy Council (the WEC)	Climate change	Board member of the regional Swiss WEC and cooperation partner SURE (Sustainable and REsilient Energy for Switzerland) project of the Swiss Federal Office of Energy (FOEN)	Global platform debating clean, affordable and reliable energy sourcing and developments.
Paris Agreement Capital Transition Assessment (PACTA)	Climate change	One of 17 banks pilot testing and shaping the development of the methodology Participation in the PACTA 2022 Climate Alignment Assessment coordinated by FOEN, as a follow on to the 2020 pilot	Participation in the PACTA for 2022, with results overall confirming original findings.
Taskforce on Nature-related Disclosures (the TFND)	Biodiversity	Member of Taskforce	Working toward the development of a framework for organizations to report and act on evolving nature-related risks.
FAIRR	Biodiversity / climate change	Participating in collaborative engagement initiative, with protein producers, to encourage sustainable production of proteins	35% of the engagement companies committed to increasing the volume or sales of meat and/or dairy alternatives (up from 28% in 2021 and 0% in 2019).
Roundtable on Sustainable Palm Oil (the RSPO)	Biodiversity	Member Participation in the Financial Industry Task Force	The RSPO initiated its five-years review cycle of the 2018 RSPO Principles and Criteria and 2019 RSPO Independent Smallholder Standard with consultation of the drafts.
Thun Group of Banks	Human rights	Convener	Continued exchange of learnings pertaining to the implementation of the UNGPs in banks.
The Organisation for Economic Cooperation and Development (the OECD) Responsible Business Conduct (RBC)	Human rights	Member of the advisory group of the RBC project	Developing guidance on due diligence for responsible project and asset finance.
Wolfsberg Group	Financial crime prevention	Founding partner	Papers published in 2022 include (but are not limited to) Comment Letter on the EU AML/CFT Legislative Package; Refreshed and updated Correspondent Banking Principles; Wolfsberg Principles for Using Artificial Intelligence and Machine Learning in Financial Crime Compliance; and North Korea Typologies (Member-only – not published on the website).
SEIF Tech for Impact Awards	Sustainable innovation	Main partner Social Innovation Award sponsor and jury member	A leading European impact startup competition for entrepreneurs who develop or make innovative use of technologies to tackle some of our most pressing global challenges. Opportunity for early-stage impact tech entrepreneurs to increase international awareness, build a reputation, connect with impact investors, corporate partners and a broader network of impact driven stakeholders.

Assessing the progress of our strategy – our ratings and recognitions

In 2022, we again gained industry recognition for our commitment to improve performance under environmental, social and governance (ESG) criteria and for our efforts in offering clients world-class expertise and sustainable products. We also continued to maintain leading positions in various ESG ratings, including that of S&P Global's Dow Jones Sustainability Index family, where we have again remained a member. MSCI ESG Research maintained our rating at AA, and CDP confirmed UBS's inclusion in its top ranking, the Climate A List.

Ratings and recognitions ¹	Scope	UBS result
CDP	Climate performance	Climate A List
S&P Global Dow Jones Sustainability Indices (DJSI)	ESG performance	Index member of DJSI World and DJSI Ranked fifth of the 546 companies assessed in the same industry group
Sustainalytics	ESG performance	ESG risk rating of 19.94 (low risk)
MSCI	ESG performance	AA rating "Leader" in industry group
ISS-ESG	ESG performance	Corporate responsibility prime status
FTSE4Good Index	ESG performance	Index member
Euromoney Private Banking and Wealth Management Survey	ESG / Sustainable investing and philanthropic advice	Winner
WealthBriefingAsia Awards	ESG / Sustainable investing and philanthropic advice	Best Overall Sustainability Offering in Southeast Asia Best Philanthropy Offering of the Year in Southeast Asia
Euromoney Private Banking and Wealth Management Survey 2020	ESG performance and impact investing	Winner
GRESB Real Estate and Infrastructure Assessments	Sustainability performance of real asset portfolios worldwide	Submission of 21 real estate and private markets (REPM) flagship vehicles, representing approximately 96% of our direct-pooled real estate and infrastructure vehicles globally All previously rated funds showed sustained strong performance, achieving either four- or five-star status, reflecting first- or second-quintile results compared with other funds in their peer groups
Responsible Investment Brand Index 2021	Sustainable investing for asset managers	Avant-Gardist status. Awarded to the top 16% of the 500+ asset managers globally included in the index (significant improvement from Asset Management's previous "Traditionalist" ranking) Top 10 in Continental Europe
Hirschel & Kramer	Sustainable investing for asset managers	Ranked first in Switzerland (up from fifth in 2020)
Structured Retail Products (SRP) Americas	Innovative product	"Best Innovative Product" for the creation of the Citi & UBS Green Bond-Linked Certificate of Deposit
PRI	ESG performance	Four A+ results (strategy and governance – for the third consecutive year, listed equity – active ownership, property, infrastructure) Five A results (listed equity – incorporation, fixed income – SSA, fixed income – corporate financial, fixed income – corporate non-financial, fixed income – securitized)
International Finance Forum	Green finance	Annual Global Green Finance award
Steward Leadership 25 (SL25)	Steward leadership excellence	Celebrates the 25 best examples in the Asia Pacific region of creating value by integrating the needs of multiple stakeholders, society, future generations and environment
Hong Kong Quality Assurance Agency (HKQAA) "Green and Sustainable Banking Program"	Sustainable banking operations	Green and sustainable banking verification, aligned to the PRB, obtained by UBS Hong Kong Branch
Forbes/SHOOK Top Women Wealth Advisors	America's top women wealth advisors	175 UBS Financial Advisors in the US were named for the 2022 list
Corporate Engagement Awards (UK)	Community investment	Most effective long-term commitment
Tencent News Benefit Corporation (China)	ESG performance and community investment	Outstanding ESG Performance Award

Ratings and recognitions ¹	Scope	UBS result
Ifeng.com – Phoenix TV (China)	Community investment	Annual CSR Leader Award
China Sustainability Tribune GoldenKey Award	Community investment	Honorable award – improving the quality of education in poor areas, leaving no one behind
The Economic Observer & International Green Economy Association (China)	Community investment	Outstanding enterprise for community impact
Investor and Financial Education Award (Hong Kong)	Community investment	Corporate silver award
Company of Good (Singapore)	Community investment	Champions of Good
Overseas NGO Memorial Medal	Community investment	Medal granted to UBS Optimus Foundation’s representative office in Beijing (one of two organizations of 170 Beijing-registered overseas NGOs so rewarded) for its charitable contribution and best-in-class operations
World’s Most Attractive Employers (Universum)	Employment-related	Top 50
Bloomberg Gender-Equality Index	Employment-related	Index member
Disability IN Disability Equality Index (US)	Employment-related	Index member
Stonewall Equality Index	Employment-related	Index member
Work with Pride Index (Japan)	Employment-related	Index member
FTAdvisor Awards	Employment-related	Highly commended for disability inclusion award
The Times Top 100 Graduate Employers (UK)	Employment-related	Top 100
Seramount’s Best Company Lists (US)	Employment-related	100 best places to work for working parents Best places to work for multi-cultural women
Best Places to Work for LGBTQ Equality (Human Rights Campaign), US	Employment-related	Included for the 16th consecutive year
Working Families (UK)	Employment-related	Top 30 employer for working families
The Valuable 500 (Disability inclusion)	Employment-related	Signatory
EQUAL-SALARY Certified Employer (Switzerland, the US, the UK, Hong Kong SAR, Singapore)	Employment-related	Certification
Swiss LGBTI Label	Employment-related	Certification
WGEA (Australia)	Employment-related	The employer of choice for gender equality (EOCGE) citation
UN-backed Women’s Empowerment Principles	Employment-related	Signatory
Career Empowerment Label (CH)	Employment-related	Certification
UK government’s Women in Finance Charter	Employment-related	Signatory
Race at Work Charter (UK)	Employment-related	Signatory
Investing in Ethnicity (UK)	Employment-related	Recognized as Advanced Employer under the maturity matrix
Armed Forces Covenant (UK)	Employment-related	Gold in the Employer Recognition Scheme

¹ All information provided as of 31 December 2022.

Case studies on the management of sustainability and climate risks

Case study 1. Addressing sustainability and climate risk (SCR) in trade finance and commodity trade finance

Why is addressing SCR in trade finance relevant?

Trade finance supports a high portion of world trade, playing a central role in facilitating the global trade of raw commodities and other goods. Commercial banks help importers, exporters and traders (for commodities) to secure or finance international transactions. Trade may be exposed to heightened environmental and social risks, especially when linked with extraction of raw commodities and/or specific projects. Depending on the type of trade, such risks may arise for the producer, supplier, exporter and/or importer of traded goods, as well as for the bank providing the financing.

What do we do?

UBS enables buyers, sellers and traders to successfully trade goods and commodities by securing and financing transactions through a variety of financial instruments. For example, in commodity trade finance, UBS offers structured, short- to mid-term loans that finance deals trading metals, energy and soft commodities between producers and end users. Recognizing the role that UBS plays in facilitating and growing global trade, UBS applies its SCR policy framework in the context of individual transactions, supports clients in their transition to net zero, and advises on ESG best practices.

How do we implement the sustainability and climate risk framework in trade finance and commodity trade finance?

SCR controls are part of the usual transaction due diligence processes, and every transaction is checked against our standards. This means that for commodity trade finance, we use a risk-based approach by focusing on the originator of the commodity. For trade finance we focus on the counterparty and on projects that will use the goods involved, for example machinery produced by our clients in Switzerland. This means we apply checks beyond our clients on all relevant counterparties in a transaction. We may ask additional questions to clarify the origin, or the final use, of the goods and we may approve or reject. With a fast-moving underlying business (same-day in and out), additional in-depth due diligence is limited on a transactional level. It is, however, possible to perform enhanced due diligence during onboarding of prospects, periodic KYC reviews and separate deep-dive reviews in-between transactions, which provide the opportunity for client engagement and are conducted before starting to work with a trader / client and on a periodic and ongoing basis.

Case study 2. Climate risks in financing electric utilities

What are the climate risks associated with electric utilities?

According to the International Energy Agency (the IEA), approximately 35% of global power generation today is coal fired. As the world transitions to a low-carbon economy, reliance on coal-fired power generation will reduce significantly, eventually to 0%. Risks embedded in this transition are found with clients that have a significant reliance on coal-fired power plants in their own asset portfolios.

What do we do?

We are supporting the utility sector in providing solutions that are in line with a sustainable development pathway. Recognizing the climate implications created by the extraction and burning of coal, we are committed to not providing project-level financing for new coal-fired power plants globally and only supporting financing transactions of existing coal-fired operators that have less than 20% of coal reliance or operators that have a transition strategy in place that aligns with a pathway under the Paris Agreement, or if the transaction is related to renewable energy.

How do we execute our commitment when financing electric utilities?

SCR controls are part of our standard transaction due diligence processes. Utilities companies are screened for exposure to coal-fired power plants. Where a client or related entity has coal-fired power plants in their portfolio, we first determine the current and future asset base of the client, by megawatt capacity of the various fuel types in the client's power generation portfolio (e.g., nuclear, natural gas, coal and renewables). This is determined through desk research, third-party specialty databases and engaging with the client in question. By cross-referencing the company's coal divestment trajectory against the Paris Agreement-aligned benchmarks for host countries, as determined by our third-party environmental, social and corporate governance data partner, we are able to conclude whether the client is aligned with the Paris Agreement commitment.

How did our SCR approach impact a particular case?

UBS was in contact with a Brazilian utilities company with more than 20% of its installed capacity linked to coal,

which triggers the UBS standard. During the initial due diligence, the SCR team did not identify major negative media linked to the company; however, the company did not have a climate strategy in place aligned with the Paris agreement goals, so the SCR team deemed the client would be required to define its net-zero transition pathway. The business team engaged with the company for almost a year to make progress on its transition strategy and improve its disclosure related to coal. In 2022, the company publicly committed to not invest in additional coal-fired thermal capacity and divest from coal by 2040, thus aligning with Network for Greening the Financial System and IEA scenarios. The frequent and constructive contact between the company and the business, aligned with a strong collaboration with the SCR team, enabled the client to be onboarded and successful transactions delivered.

Case study 3. Non-compliance with the standards of the RSPO

Why is palm oil such a hot topic?

It is estimated that more than 50% of tropical deforestation is due to the production of palm oil, soy, timber and beef. Deforestation and forest degradation can cause biodiversity to decline. Deforestation is, in fact, second only to the energy sector as a source of global GHG emissions and accounts for up to 20% of global emissions. Furthermore, as millions of people rely directly on forests, deforestation continues to cause severe societal problems, sometimes leading to violent conflicts.

What do we do?

Before doing business with any company involved in palm oil production or trading, our SCR experts ask how the company manages environmental and social challenges in its palm oil operations, as required by UBS's standards for palm oil production. Due diligence depends on the client and the type of transaction that UBS faces. For example, when it comes to lending, trade finance, underwriting or investment banking advisory mandates, due diligence may involve desk research and interaction with companies and external experts, as well as global and local non-governmental organizations. Depending on the results, this can lead to a variety of actions, from requesting the client to certify its production or trading processes against the standards of the RSPO to declining to do business with the client.

How did our SCR approach impact a particular case?

UBS was negotiating the starting of a relationship with a corporate client the activities of which included the palm oil business. At that point the firm in question was not a member of the RSPO, which is a requirement under the respective UBS standard. UBS therefore agreed to a conditional onboarding of the corporate entity under the condition that it adhered to the RSPO within a predefined period of time. After the agreed period had passed without the client taking the necessary steps, UBS exited the relationship.

Case study 4. Applying soy standards

Why is soy an important topic?

Global trade and production of soy does not only impact biodiversity, but also contributes to climate change through the generation of greenhouse gases attributed to deforestation. The leading soy-producing countries are the US, Brazil and Argentina. Their combined soy production accounts for about 80% of the world's supply. Soybean is Brazil's most significant exported commodity by value, and concerns have been raised on the extent to which it is behind deforestation in the Amazon and Cerrado Biomes regions. In 2011, UBS developed SCR standards for palm oil, timber and soy to address these growing concerns around banks' involvement in financing of agricultural and forestry products that may be contributing to deforestation. UBS's SCR framework has been aligned with pertinent industry certification standards on soy production.

What do we do?

UBS has an enhanced standard for companies involved in the production and trading of soybean. Before engaging in a client relationship with any company significantly involved in soy production and/or trading our team of sustainability and climate risk experts evaluates the company and its practices. The SCR team checks if a company has certified its production and supply chain under any of the recognized standards (Roundtable on Responsible Soy, or a similar standard, such as Proterra, International Sustainability & Carbon Certification, Cefetra-Certified Responsible Soya) and how a company manages sustainability matters in its processes. If no certification or only partial certification is in place, an external third-party assessment is needed in order to identify gaps in the company's processes compared with one of the recognized certifications. Based on the output of this assessment and commitments made by the company, the SCR team will approve, reject or escalate the transaction.

How did UBS approach a particular case?

In 2022, UBS performed an in-depth due diligence assessment of a company's sustainability policies, in accordance with UBS's global soy standard, which is aligned with market best practices. During the due diligence process, an independent third-party expert was brought in to carry out a detailed analysis in the company's sustainability

practices, in close collaboration with the business and the SCR teams. Based on the final report from the external consultant, UBS made a number of recommendations to the company, in order to upgrade its processes to best market practices, with a special focus on enhancing company purchase controls to reduce deforestation risks. At the time of the transaction, UBS's business and SCR teams determined that the current processes and purchase controls of the company were not robust enough and did not provide enough mitigation for UBS to carry out a transaction.

Case study 5. Non-compliance with UBS controversial activities standards in oil and gas trade financing

What are the impacts associated with oil and gas exploration and production in protected areas?

Oil and gas exploration and production (E&P) activities in protected areas such as high conservation value forests as defined by the six categories of the FSC or UNESCO World Heritage Sites may have a variety of environmental and social impacts. These can include impact on species and critical ecosystems, biodiversity and indigenous peoples, due to potential contamination or destruction of natural habitats, deforestation and erosion. The infringement upon indigenous peoples' rights, as recognized by International Finance Corporation Performance Standard 7, may materialize in the loss of identity, culture, natural resource-based livelihoods and lands without free, prior and informed consent of the affected communities of indigenous peoples.

What do we do?

In line with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multi-national Enterprises, our SCR experts perform standard risk-based due diligence to identify potential non-compliance with UBS controversial activities standards. In addition to the daily feed into the standard compliance tool, the SCR due diligence factors include different data sources, such as public information, third-party specialty databases and information sourced from client engagement (or in some cases through engagement with civil society groups and potentially affected communities). We maintain a constant dialogue with numerous stakeholders, such as non-governmental organizations, to assist us with considering and applying our approach to, and understanding of, societal issues and concerns, such as in the case of E&P of oil and gas in sensitive areas.

How does our SCR approach impact a particular case?

Recognizing the severe climate, environmental and social impacts resulting from E&P of oil and gas in protected areas as defined in our controversial activities standards or in violation of indigenous peoples' rights, we do not engage in financing trade activities where the origin of the oil and gas is verifiably associated with breaches of our mentioned standards.

Case Study 6: Non-compliance with UBS controversial activities standards in the Southeast Asian manufacturing industry

What are the SCR issues commonly associated with the Southeast Asian manufacturing industry?

The ILO estimated in 2017 there were 163.8 million migrant workers in the world, of which the countries of Asia and the Pacific host 20.4%.¹ Poor governance and implementation of labor laws and policies in the Asian manufacturing industry may potentially lead to marginalization of migrant workers and in some instances, forced labor. According to the ILO, forced labor takes many forms, including debt bondage, trafficking and other forms of modern slavery. In the countries of Asia and the Pacific forced labor, human trafficking and modern slavery remain a significant problem.²

What do we do?

In line with the UBS Human Rights Statement and Modern Slavery and Human Trafficking Statement,³ our SCR experts perform an assessment to identify potential non-compliance with the SCR policy framework (controversial activities). Due diligence may involve desktop research, inquiring how a company manages environmental and social challenges in its operations, interaction with the company, external experts, as well as global and local non-governmental organizations.

How did our SCR approach impact a particular case?

UBS negotiated the commencement of a relationship with a corporate client that faced several social issues, including allegations of forced labor in its operations. UBS conducted enhanced due diligence on the entity's labor policies and management systems. At that point in time, the company did not demonstrate to our satisfaction whether it was going to be able to improve transparency and accountability of its management of social risks in its operations. In response, for a variety of commercial and social reasons, UBS did not pursue the opportunity.

¹ For more details about labor migration in the countries of Asia and the Pacific refer to ilo.org/asia/areas/labour-migration/lang--en/index.htm.

² For more details about forced labor in the countries of Asia and the Pacific refer to ilo.org/asia/areas/forced-labour/WCMS_634534/lang--en/index.htm.

³ For the UBS Human Rights Statement refer to ubs.com/gri.

Charter of the Corporate Culture and Responsibility Committee

Excerpt from *The Organization Regulations of UBS Group AG* (Annex B – Charter of the Committees of the Board)

7.1 In general	The CCRC supports the Board in its duties to safeguard and advance the Group's reputation for responsible and sustainable conduct. Its function is forward-looking in that it monitors and reviews societal trends and transformational developments and assesses their potential relevance for the Group. In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of its corporate culture. The CCRC's function also encompasses the monitoring of the current state and implementation of the programs and initiatives within the Group pertaining to corporate culture and corporate responsibility including sustainability.
7.2 Responsibilities and authorities	<p>The CCRC's responsibilities and authorities are to:</p> <ul style="list-style-type: none">(i) General:<ul style="list-style-type: none">(a) monitor and advise the Board on current and emerging societal trends and developments of potential relevance for the Group;(b) review and assess the current state and implementation of the corporate culture and corporate responsibility programs and initiatives within the Group; and(c) monitor the consistent application of the behaviors of accountability with integrity, collaboration and innovation within UBS;(ii) Frameworks and regulations:<ul style="list-style-type: none">(a) monitor and advise the Board on evolving external corporate culture and corporate responsibility regulations, standards and practices;(b) conduct the annual review process for the Code of Conduct and Ethics of UBS and make proposals for amendments to the Board; and(c) reaffirm UBS's frameworks pertaining to the programs and initiatives outlined below on an annual basis;(iii) Strategy:<ul style="list-style-type: none">(a) monitor the effectiveness of actions taken by UBS relating to the corporate culture and corporate responsibility regulations and policies, as well as the objectives of UBS;(b) support the GEB, if required, in the adjustment of processes pertaining to corporate culture and corporate responsibility;(c) approve Group Sustainability and Impact's overall strategy and annual objectives;(d) reaffirm the Group's memberships in organizations, as well as commitments with a sustainability and/or impact topic focus, on an annual basis; and(e) support a strong and responsible corporate culture firmly founded in a spirit of long-term thinking;(iv) Programs and initiatives: oversee UBS's corporate culture and corporate responsibility programs and initiatives, including:<ul style="list-style-type: none">(a) Group Sustainability and Impact;(b) three keys to success;(c) sustainable finance (including sustainable and impact investing);(d) client and corporate philanthropy;(e) environmental and social risk management;(f) climate strategy (including net zero commitment);(g) human rights (including modern slavery prevention);(h) in-house environmental management;(i) responsible supply chain management;(j) diversity, equity and inclusion;(k) client satisfaction;(l) talent management;(m) working environment; and(n) other evolving initiatives;(v) Reporting, communications and engagements:<ul style="list-style-type: none">(a) advise the Board on the reporting of the Group's corporate culture and corporate responsibility strategy and activities;(b) review and propose to the Board for approval our annual sustainability report including the relevant sections of the Group's annual reporting;(c) provide oversight of our annual sustainability report related disclosures and the sustainability disclosure assurance audit process; and(d) monitor and review communications on corporate culture and corporate responsibility with stakeholders (including relevant organizations and sustainability rating and ranking bodies) and their effectiveness with regard to the reputation of the Group.

Our Code of Conduct and Ethics

In this Code, the Board of Directors (the BoD) and the Group Executive Board (the GEB) set out the principles and commitments that define our ethical standards and the way we do business. By following it, we foster a culture where responsible behavior is ingrained in a way that protects our clients, our people, our reputation and our ability to create lasting value for our shareholders, clients and societies. We also ensure our practices are aligned with our purpose: “Reimagining the power of investing. Connecting people for a better world.”

The Code is reviewed annually

The Code has the full backing of the BoD and the GEB. Every year, the BoD and the GEB conduct a review of our Code to ensure that developments key to our clients, employees and other stakeholders are reflected. In 2021, we substantially revised the Code to reflect important commitments to our purpose; our focus on clients, employees and societies; sustainability and impact; our culture; and on agile innovation. Following our 2022 review, we’ve made some additional changes, mainly focused on clarifying, simplifying and aligning language used. We also incorporated the subsection on “cross-border business” in the “compliance with law” subsection.

The Code applies to everything and everyone

Like our purpose, our Code is owned by everyone at UBS. It’s what we expect from ourselves and from each other. It covers our dealings with clients, counterparties, shareholders, regulators, business partners and colleagues. And it’s the basis for our policies, guidelines and procedures.

Ignorance of the Code isn’t an option and therefore there is no excuse for violating it.

Of course, the Code can’t describe every possible situation. If you find yourself dealing with something unexpected, apply the Code’s ethical standards in your judgment and seek appropriate guidance.

Thank you for your engagement.



Colm Kelleher
Chairman of the Board of Directors



Ralph Hamers
Group Chief Executive Officer

Creating the right culture and conduct

Culture

We are committed to maintaining a culture based on high ethical standards and accountability. Our already strong, inclusive culture is grounded in our three keys to success, and we mobilize our workforce to do all we can to eradicate complexities.

For example, we don't just follow laws, rules and regulations, we do what is right based on our defined principles. This includes acting as one firm and increasing the ease of doing business through simplification and efficiency, for all of our internal and external stakeholders.

Fair dealing and fair and effective competition

We are committed to respecting the laws, rules and regulations that are designed to create a level playing field for all, including competition and anti-trust laws. We act fairly, respectfully and honestly with everyone with whom we deal.

For example, we don't distort or try to hide the facts or the truth. Nor do we use to our own advantage information that we're not meant to have access to, and we strictly prohibit collusion with peers.

Client relationships

We are committed to looking after our clients for the long term, by protecting them from vulnerabilities and earning their trust. We aim to deliver a client experience that's personalized, on-time and seamless.

For example, we don't just make our products, services and interactions with or for clients relevant to them, we also ensure they are not conflicting with clients' interests, laws, rules and regulations. We connect our clients to people who can help them achieve their goals, and handle their feedback with the utmost care and a sense of urgency.

Conflicts of interest

We are committed to holding ourselves accountable to identify and manage potential or perceived conflicts of interest – by raising and addressing them immediately.

For example, we don't create or withhold disclosure of any actual or perceived conflict of interest that could harm our clients, undermine the integrity and efficiency of the financial markets, cause UBS to breach legal and/or regulatory obligations, and/or harm UBS's reputation.

Behaving responsibly

Diversity and equal opportunity

We are committed to attracting and retaining people from different backgrounds, regardless of status, ethnicity, gender, gender identity, gender expression, nationality, age, ability, sexual orientation, or religion. Our culture is based on welcoming, respecting and valuing all team members, and creating an environment where everyone has the opportunity to succeed.

For example, we don't tolerate discrimination, bullying or harassment of any kind. And we encourage each other to speak up and escalate any concerns without fear of retaliation.

Performance and professionalism

We are committed to balancing sustainable performance and appropriate risk-taking, including sound conduct and risk-management practices. In line with stakeholder expectations, this balanced approach protects our capital and reputation and enhances the quality of our financial results.

For example, we apply compensation principles reflecting a pay-for-performance approach. Evaluation of individual performance reflects both the what (contribution) and the how (behavior). We also factor in adherence with laws, rules, regulations, the Code, policies, or procedures.

Health and safety

We are committed to a working environment that protects the health, safety and well-being of all. We don't do anything that may put anyone in danger or at the risk of harm. This includes the threat of unplanned disruptions or crises impacting business activities, processes and/or people – regardless of the reason.

For example, we don't put our business needs or strategic initiatives above the health and well-being of people – our employees, clients, partners, shareholders or anyone else. We build and maintain innovative workplaces that allow employees to work efficiently and collaboratively. Our agile working arrangements, and our leave and benefit arrangements, are designed to support employees' work and personal lives.

Laws, rules and regulations

Compliance with law

We are committed to obeying the laws, rules and regulations of the areas where we live, work and do business, and heeding our own governance framework, documents and policies.

For example, we don't sell to, buy from, visit, or deal with prospects and/or clients from outside our home country without understanding and adhering to the laws, rules and regulations that apply, as well as our own policies. This also includes adherence with licensing requirements, product restrictions and permanent establishment tax rules. We engage with authorities and other governmental bodies openly and transparently.

Fighting crime

We are committed to doing whatever we can to combat money laundering, corruption and terrorist financing – including adhering to global sanctions in line with jurisdictional authorities and our internal policies. We have rigorous systems in place and hold ourselves accountable for detecting, stopping and reporting money laundering matters, including terrorist financing.

For example, we don't tolerate any form of corruption or bribery, including facilitating payments – nor do we offer or accept improper gifts or payments.

Tax matters

We are committed to paying and reporting all taxes due from UBS. As required by all applicable laws, rules and regulations, we accurately report information that relates to our own tax position and that of our clients and employees.

For example, we don't help or advise our clients, or any other party, to evade taxes or mis-report taxable income and gains. Nor do we support transactions where the tax outcome is dependent on unrealistic assumptions or the hiding of relevant facts. We also don't contract with third parties that provide services for us or on our behalf, where those services help others improperly evade taxes.

Sharing, using and storing information

Client confidentiality and management of data and assets

We are committed to safeguarding the information clients have shared with us, protecting all forms of data, information and assets and only using them in an ethical way and within jurisdictional laws, rules and regulations. Our principles, standards and procedures are designed to prevent data from being tampered with, seen or used by the wrong people, stolen, lost or destroyed. And they guide us in how we use data and information, as well as how we develop and deploy technological solutions.

For example, we don't share our clients' details with anyone outside of our firm unless we have their permission to do so – or where we have a legal duty to share it with the relevant authorities. And, even within our firm, we only share clients' details with colleagues on a 'need-to-know' basis – and in line with jurisdictional laws, rules and regulations. We also don't use data and information in ways that could harm our clients, employees, the public or the markets.

Reporting and information sharing

We are committed to ensuring that any information we share or report is accurate, relevant and easy to understand, and in line with laws, rules and regulations. This includes the robust preparation and fair representation of consolidated financial statements according to International Financial Reporting Standards.

For example, our independent external auditors express an opinion, based on their audit work, on our internal controls over financial reporting, as well as on the financial statements themselves.

Inside information

We are committed to making every effort to find out if information is inside information (material information that isn't public), and only share such information on a need-to-know basis. That applies to people inside and outside

of our firm, in line with our internal procedures, as well as relevant laws, rules and regulations.

For example, we don't engage in or assist clients to engage in any form of improper market conduct including insider dealing, market manipulation or anticompetitive behavior.

Sustainability and social impact

We are committed to acting with the long term in mind and creating value for clients, employees, communities, and shareholders. We aspire to create a fairer, more prosperous society, championing a healthier environment and addressing inequalities at their root. This ethos underpins our purpose and is in line with our external commitments, such as our pledge to progress against the Sustainable Development Goals.

For example, we aim to develop products, offer our advice, and conduct business in a way that reflects our high standards in order to progress toward positive outcomes for our environment and society.

Disciplinary procedures

We are committed to incentivizing the right behavior by establishing reward principles and internal control frameworks to support adherence with internal and external standards, and laws, rules and regulations. Anyone who breaches these will face consequences – up to, and including, dismissal. This may not only include the person who broke the rules but also their line manager and anyone who knew about it but did not escalate the matter.

For example, we don't condone or protect actions amounting to criminal behavior – and will not hesitate to bring it to the attention of the relevant authorities.

Upholding the Code

We are committed to living up to this Code at all times.

For example, we will not accept excuses for breaking the Code – whether for profit, convenience, competitive advantage or because a client or someone else asked us to.

Changes to the Code

We are committed to regularly reviewing and communicating changes to the Code to ensure it continues to reflect UBS's principles and standards and is consistent with applicable law.

Affirmation process

Each of us declares that we have read and affirmed our awareness of the Code, as part of our annual affirmation process.

Speak up

We are committed to escalating any potential issues and violations to our line managers and control functions. These can be escalated in line with UBS's escalation framework. Alternatively, concerns may be raised confidentially and if preferred, anonymously via our internal whistleblowing channels at goto/speakup.

For example, we do not tolerate any form of retaliation or discrimination against employees for disclosing information relating to a concern that the employee reasonably believes constitutes an actual or likely violation of laws, rules, regulations, the Code, policies, or procedures.

Questions about the Code

Any questions or feedback about any part of this Code can be sent to cr@ubs.com

Health and safety statement

UBS is committed to ensuring that all staff have a working environment that protects their health, safety and well-being. Our Code of Conduct and Ethics includes a commitment to follow health and safety rules and implement best practices to make the workplace as safe as possible.

We have health and safety guidelines that stress the importance of having a physical infrastructure and working environment that support our staff in performing to their potential. As work patterns and employee expectations have changed, UBS has taken a proactive approach to ensure that our workspaces continue to meet the needs of our businesses, our staff, our clients and our business partners, while also meeting our legal obligations.

UBS complies with all health and safety standards and restrictions imposed by applicable laws in all the countries in which we operate. We also apply internal policies and guidelines, both globally and regionally, which may go beyond the legal health and safety requirements.

An environment without incidents or accidents is in everyone's interest. In addition to applying our own health and safety measures, we ask third parties conducting business with us or operating on our premises to consider health and safety matters too, and all vendors and contractors are required to comply with our health and safety guidelines when dealing with us.

All of our staff are expected to conduct themselves in a way that helps to ensure their own health and safety and that of their colleagues.

Health and safety principles

- We aim to maintain a working environment that supports the general health and well-being of all staff.
- We build and maintain innovative workplaces that allow employees to work efficiently and collaboratively.
- Our agile working arrangements (and our leave and benefit arrangements) are designed to support employees' work and personal lives.
- With many employees enabled to work in a flexible way, we support the comfort, health and wellbeing of employees working from home (with the good practice guide we have published, for example).
- Our Global Inclusive Accessibility Standard (GIAS) describes the design principles and standards that are being applied to our premises to deliver safe, frictionless and inclusive physical accessibility for all. We actively promote an open and respectful work environment.
- We strive to ensure that our working environment is as safe as possible, including addressing issues such as protection of non-smokers, radiation exposure risk assessments, etc.
- We have measures in place to mitigate potential emergencies in the workplace and while travelling on business.
- Travel and security experts, crisis management committees, first aid providers, health specialists, social counselors and other specialists are available to employees.
- UBS has a range of services and programs (for example, our employee assistance programs, social counseling and online support materials) to help employees navigate through various personal issues, including health, family care, addiction and dependency problems.
- Workplace issues can also impact employee well-being. We have appropriate routes for employees to raise any concerns, including documented grievance, complaint and whistleblowing processes.

Measures taken to ensure health and safety

- UBS provides information to employees on topical issues and initiatives.
- Our line managers help to maintain a safe and healthy work environment and UBS gives them the information

and support that is relevant to their role.

- We regularly review our health and safety activities to ensure issues are effectively managed and improvements are made where necessary. Our reviews also include employee consultation (where appropriate).

Health and safety governance

- Responsibility for the governance and review of health and safety sits with the Head Group Corporate Services and the Group Head Human Resources.
- Day-to-day responsibility for health and safety matters is shared between Group Corporate Services and HR Reward.
- The CCRC has oversight of health and safety matters.

How we ensure suitability

Clients expect to be provided with products and services that are suitable for them. This is particularly the case in the business divisions, where we serve personal clients as opposed to institutions. In nearly all the countries where we do business, this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisors. Most jurisdictions also require the systematic assessment and documentation of the suitability of products (including third-party products) and services, including compliance with applicable eligibility criteria, investment preferences (e.g., sustainability criteria) and sales restrictions. These standards are reflected in local policies and procedures, as well as in the respective local control framework. The European Union's Markets in Financial Instruments Directive and the Swiss Financial Services Act are examples of our reflection and implementation of specific standards required by regulators as part of a local control framework. Other locations apply similar standards as required by the relevant local regulators.

To meet both client expectations and regulatory requirements, we have established comprehensive rules for assessing the suitability of products and services. These rules are designed to align the assets in a customer's portfolio with their defined risk profile, and the customer is advised in line with his or her needs (i.e., client suitability). In addition, the rules require product documentation to contain appropriate and easily understandable information on its features, target audience and the scenarios in which the product can be used, as well as a balanced representation of the associated opportunities and risks (i.e., product suitability). We also recognize the importance of fair and transparent marketing of our products and services and have internal policies supporting their responsible sale and marketing.

Suitability framework

In our Global Wealth Management and Personal & Corporate Banking business divisions, a comprehensive suitability policy framework is in place and is reviewed on a yearly basis. This sets out the structured advisory process governing the way we advise and implement agreed solutions and also documents the steps taken during this process. In addition to other purposes, it includes requirements for monitoring and controlling activities that aim to capture tail risks.

Our Investment Bank and Asset Management business divisions take their guidance from UBS's suitability principles and have implemented processes to ensure appropriate oversight of suitability requirements where applicable.

In our framework we distinguish between client and product suitability. Client suitability refers to the alignment between the investor profile of the client and the products and services that are recommended or made available to the client (or already held in the client's portfolio), including risk information and disclosure. Product suitability refers to a consistent set of standards applied by a product management unit to define for which specific investors a product may be suitable.

Client suitability

Global Wealth Management and Personal & Corporate Banking have established a structured advisory process with four distinct steps: understand, propose, agree and implement, and review. This process is supported by a number of tools and forms that are available to client advisors. In the first step (understand), these forms and tools support the initial identification of a client's investor profile, including but not limited to investment objectives, risk tolerance and risk ability. In the further steps, they help client advisors match a client's investment strategy with appropriate investment proposals (propose) and agree with the client on the implementation, such as providing mandatory documentation and signing the necessary agreements (agree and implement). Furthermore, the established tools and platforms also support the fourth step (review). The Investment Bank and Asset Management have established cross-functional governance committees to ensure oversight for client suitability where specific criteria or triggers are met.

Product suitability

Advisory platforms and tools divide products according to their risk characteristics and, in doing so, help clients and client advisors to properly assess the impact of investment products and services on a client's portfolio. Additional

processes are in place to make product documentation available to both client advisors and clients. Finally, specific legal documentation is required for certain products with specific risks (e.g., hedge funds).

Divisional approach to suitability

Primary ownership of suitability risk and the responsibility for addressing it is owned by the business. The suitability policies applicable to Global Wealth Management, Personal & Corporate Banking, the Investment Bank, and Asset Management make this clear. Accordingly, we have pursued a divisional approach to ensure compliance with rapidly changing regulatory regimes, while also addressing particular suitability obligations and remediation of identified gaps relating to the business divisions.

Monitoring and controls

Monitoring and controls for suitability follow a three-tiered approach. The first-level controls are conducted by the business risk management team under its origination control framework, a set of controls designed to prevent and detect operational risks that arise within the front unit and to ensure that residual risk corresponds to risk appetite. The second-level controls are performed by Compliance & Operational Risk Control as global minimum control standards, which are part of the overall Operational Risk Framework. These controls focus on both a check-the-checker approach, and thematic, deep-dive reviews. The third-level controls are exercised by Group Internal Audit, as part of its annual audit plan.

After-sales communications

The UBS client experience also includes after-sales communication. Again, this communication is supported by a number of tools and platforms, including ready-to-use reporting and presentation material.

Group Sustainability and Impact management indicators

Management indicators track sustainability training sessions, sustainability audits and reviews, and employees working on sustainability topics across UBS.

External audits and reviews verify our compliance with the GRI reporting standard, ISO 14001, ISO 50001 and ISO 14064 standards, the Principles for Responsible Banking, and sustainability-disclosure-related standards. Internal audits and reviews verify our internal processes and controls. They are conducted by our Sustainability and Climate Risk (SCR), In-house Environmental Management (IHEM) and Group Internal Audit (GIA) teams. SCR performs yearly checks of its control process, IHEM performs local environmental audit compliance of offices, and GIA include a review of sustainability risk aspects in relevant internal audits of Business Divisions and Group Functions. The increased focus on sustainability topics within UBS is reflected in the increased number of headcounts audited.¹

We distinguish between specialized and awareness trainings. Specialized trainings address sustainability topics required for certain employee profiles. For example, they cover the launch of sustainability products or focus on aspects such as climate risk. Awareness trainings are designed to provide a general understanding of Group Sustainability and Impact key principles and policies, to inform about internal activities and engage employees.

In 2022, we launched a new firm-wide *Sustainability and Sustainable Finance Foundational Training* aimed at all staff (categorized as awareness). The training's three modules cover i) general sustainability and sustainable finance concepts and how they apply to a financial institution like UBS; ii) UBS's approach to sustainability, and iii) sustainable finance and investing and UBS client offering. Promotion of the training to staff commenced in Q4 2022 and, together with new additional language versions, will continue to be promoted to staff in 2023.

Our three-year recertification cycle for mandatory learning means that there can be large changes in headcount trained between each year. Our *Code of Conduct* awareness training was not part of a mandatory recertification for all staff in 2022. Similarly, the *Global Anti-Money Laundering Due Diligence* awareness training, and the *Reputational Risk and Environmental and Social Risk* specialized training were mandatory for new joiners only in 2022, which led to lower numbers being reported in 2022.

Reported awareness training figures include completion of the *Risk and Reminders* training, a short training of about 20 minutes which covers – amongst others – a reminder of our purpose: *reimagining the power of investing and connecting people for a better world*. It was taken by over 58,000 employees.

UBS Sustainability and Impact management indicators

	For the year ended			% change from 31.12.21
	31.12.22	31.12.21	31.12.20	
Personnel in specialized units / functions (full time equivalents)¹	288	221	170	30
Awareness raising²				
Training participation (headcounts)	114,519	97,618	121,958	17
Specialized training^{2,3}				
Training participation (headcounts)	34,190	39,011	20,263	(12)
External audits^{2,4}				
Audit participation (headcounts)	312	296	262	5
Internal audits⁵				
Audit participation (headcounts)	2,706	1,515	254	79

¹ Employees that are part of the Group Sustainability and Impact organization and/or have specialized knowledge relevant for the Group Sustainability and Impact strategy. ² Possible double counts, i.e., one employee may complete more than one training in a year, or may participate in multiple audits or reviews. ³ Specialized training is provided to employees in front-office and support functions who are dealing directly with sustainability-related aspects in everyday business processes. ⁴ Covers participation in the following audits and reviews: ISO 14001, ISO 50001, ISO 14064, Principles for Responsible Banking and sustainability disclosures audits. ⁵ Audits or reviews conducted by specialized internal units (in-House Environmental Management team, Sustainability and Climate Risk team and Group Internal Audit). Since 2021, Group Internal Audit added Environmental and Social Risk and Governance (ESG) as a top risk theme and tracks all internal audits with sustainability risks. While in prior years we captured internal audits of the Sustainability and Climate Risk frameworks, as of 2021 we capture a broader set of internal audits.

¹ Note that headcounts audited by GIA reflect the total number of headcounts in the audited function, while not every person within the team may own relevant ESG controls.

Information for management approaches for material topics

Information relevant to all material topics

Governance

Refer to the “Governance” section of this report. Resources for material topics are allocated in accordance with corporate budgeting processes.

Grievance mechanisms

We have a global whistleblowing policy and procedures (plus an internal website with guidance and links to an online form, hotlines and other resources), as referenced in our Code of Conduct and Ethics. All employees are asked to promptly speak up about any conduct that might breach policies, laws or regulations. Our HR Employee Relations function acts as an additional resource for employees to discuss concerns or grievances. We provide mandatory training for all employees to ensure everyone understands our commitment, procedures and responsibilities regarding employee conduct.

Various feedback channels are also available to external stakeholders. Our Corporate Responsibility team can be contacted for all sustainability inquiries and issues via cr@ubs.com. Client feedback (including that collected through our quality feedback management system or through the report misconduct of UBS staff online form) enables the firm to act and continuously improve products and client service standards in order to provide the best client experience.

Grievance mechanisms – additional information

We were a member of the working group that supported the development of the Organisation for Economic Co-operation and Development (the OECD) guidance on Due Diligence for Responsible Corporate Lending and Securities Underwriting. We believe this guidance is particularly relevant in the context of a bank’s actions to provide for or co-operate in the remediation of adverse impacts. It sets out that where adverse impacts are directly linked to a bank’s lending or securities underwriting through a client, that bank should use its leverage to seek to prevent and mitigate those impacts. The guidance makes it clear that this is not intended to shift responsibility to the bank from the client that is causing or contributing to an adverse impact, i.e., that the responsibility for ceasing, mitigating and remedying the impact remains with the client that is causing or contributing to the impacts. The guidance also notes that, while the bank may not be able to address the impact itself, it should seek to influence client companies to prevent or mitigate and remediate the adverse impacts. Joint mechanisms such as the Roundtable on Sustainable Palm Oil (the RSPO), of which UBS is a member, are particularly valuable in this context.

The guidance goes on to acknowledge the constraints a bank may face in engaging directly with rightsholders impacted by the behavior of the bank’s clients, including concerns about client confidentiality and logistical constraints, as well as other perceived legal risks associated with their interference in management activities. We strive to better understand how rightsholders are potentially impacted by the behavior of client companies through our regular interactions with non-governmental organizations (NGOs) representing rightsholders and/or facilitating direct dialogue with the latter.

› **Refer to [rspo.org/as-an-organisation/tools/remediation-and-compensation-for-the-RSPO’s remediation and compensation procedure](https://rspo.org/as-an-organisation/tools/remediation-and-compensation-for-the-RSPOs-remediation-and-compensation-procedure)**

Evaluation of management approaches

We assess the effectiveness of the approaches, as listed in the management approach section (GRI 3 Material Topics), of each material GRI topic in the GRI content index through a number of measures, most visibly through:

- Performance against targets
- Internal and external audits (e.g., ISO 14001 certification)
- External ratings (e.g., environmental, social and governance [ESG] ratings), employer awards / honors
- Stakeholder feedback (e.g., employee and client surveys)
- Reputation measurement (through UBS-internal approaches)
- Measurement systems (e.g., UBS-internal reporting, management reviews, impact measurements)

- Assessment and testing of controls

Results from such evaluations may lead to potential adjustments to our approaches. In the reporting period, there were no significant changes in our approaches.

Information relevant to specific material topics

Digitalization

We are continuing our efforts regarding innovation and digitalization to create value for our clients. As part of the resulting transformation, we focus on timely changes to frameworks, including consideration of new or revised controls, working practices and oversight, with the aim of mitigating any new risks introduced, including those related to data ethics.

In 2022, we spent approximately USD 4 billion on technology. We gear our investments toward technologies to enable business growth through innovation and superior client experience, and to continue to increase efficiency across the organization.

We are making technology a differentiator for our clients and employees, and digitalization enables us to provide best-in-class digital services and strengthen our operations. There is a risk posed by the increased demand for technology and it is our responsibility to balance increasing digitalization and our commitment to improve energy efficiency and usage of renewable electricity. Work is underway to increase awareness of technology-related energy usage, we are monitoring energy usage at the application level and offering development teams advice and tooling to help make their solutions more energy efficient. A key risk we manage is protecting our clients and operations against the threat of cyberattacks that could lead to negative impacts, such as financial and reputational damage.

Employee topics

This section covers the management approach for the following topics: employment, training and education, diversity and equal opportunity, non-discrimination, and working culture and environment. This information is provided in addition to “What we do for our employees” in the “What” section of this report, where we describe these topics and how we manage them. The purpose of our management approach is to engage and enable our employees to meet clients’ needs while positively impacting our employees.

Group policies are global and apply to all employees. Additionally, there are local policies to address specific local requirements, where applicable.

› Refer to the “Appendix 2 – Governance” section for further information on key policies

Our Board of Directors (the BoD), our Group Executive Board and Group Head Human Resources have specific responsibility for defining and executing a human resources strategy aligned to our objectives and positioning the firm as an employer of choice. This includes giving advice and providing HR services to employees, as well as strategic advice to managers and executives to support them in attracting, engaging, developing and retaining talent.

The BoD’s Corporate Culture and Responsibility Committee (the CCRC) regularly and critically reviews developments in key human resources areas, notably corporate culture, as well as employee health and well-being. The CCRC’s responsibility to oversee our firm’s corporate culture and corporate responsibility programs and initiatives has been included in the Organization Regulations of UBS Group AG.

With regard to evaluating our management approach, and in addition to the measures outlined above, we undertake focused initiatives and take action in areas where we could do better. Each initiative has associated analysis, communication and accountability elements to ensure that we can continue to build on our strengths and particularly so that we can improve in areas of relative weakness or concern.

› Refer to “People and culture make the difference” in the “Social” section of this report for more information on our objectives

Direct economic value generated and distributed by UBS Group AG consolidated in 2022

<i>USD million</i>	31.12.22	31.12.21
Revenues	34,563	35,393
Credit loss expense / (release)	29	(148)
Operating expenses	24,930	26,058
<i>of which: Personnel expenses</i>	17,680	18,387
<i>of which: Charitable cash contributions</i>	76	59
Distributions paid on UBS shares	1,668	1,301
Tax expenses, excluding deferred taxes	1,448	1,564
Economic value retained	6,488	6,618

This table has been assembled in accordance with GRI Standard 201: Economic Performance.

› Refer to **Global Reporting Initiative (GRI) Content Index**, available at ubs.com/gri

Financial literacy

The topic is mainly relevant in Switzerland, the only country where we offer comprehensive financial products and services to retail and small and medium-sized entity (SME) clients. Many of our products and services that contribute to the enhancement of financial literacy are therefore limited to our Swiss clients. Examples include:

- financial check-ups for young people and students;
- saving tips for young people and students;
- a budget calculator for young people and students;
- a mortgage calculator; and
- a download center for SMEs, which offers a collection of our broad range of publications, documents and resources, such as succession-planning checklists.

Services not limited to Swiss clients include:

- know-how regarding structured products from UBS Key Invest;
- the UBS Dictionary of Banking;
- Chief Investment Office Wealth Management Research; and
- UBS Financial Education Program (for US clients only).

Additionally, UBS runs various community programs globally that enhance financial literacy. Many of our skills-based volunteering activities across the key themes of education and entrepreneurship also contribute to the enhancement of financial literacy. Examples include:

- the UBS Social Investment Toolkit and
- UBS Elevating Entrepreneurs.

Accessibility

Disability inclusion is on our senior leadership's agenda. As one of The Valuable 500, we have demonstrated our commitment to fostering disability inclusion and focusing on accessibility across our organisation. Our global accessibility standards are key to enabling barrier-free premises, facilities and services. We continue to systematically assess the physical environment of our core office locations to identify opportunities for greater accessibility. We are continuously enhancing and optimizing our digital offerings like websites, our e-banking and mobile banking platforms including accessibility improvements guided by internal and external standards, such as WCAG 2.1 level AA. In 2022, we appointed a global disability recruitment specialist to help us create and deliver a barrier-free application, recruitment and onboarding process for all candidates.

Assurance and certification

ISO 14001 and 50001 certification

UBS is globally certified according to ISO 14001, the international environmental management system standard.

In 1999, UBS was the first bank to obtain ISO 14001 certification for its worldwide environmental management system. The management system covers the entire scope of UBS's products, services and in-house operations that may give rise to an environmental impact. Additionally, we have further developed our environmental and energy management system in our European locations in order to be compliant with ISO 50001. We received our first ISO 50001 certification (energy management system standard) in 2017. The integrated management system is externally audited annually and recertified every three years. These comprehensive audits verify that appropriate policies and processes are in place to manage environmental and energy-related topics and that they are executed in day-to-day practice.

In 2020, we passed the ISO 14001:2015 recertification audit of our global environmental management system. Additionally, 38 locations in the EU and the UK were recertified against the requirement of ISO 50001:2018. These certifications were further verified in 2021 and 2022.



Certificate



Certificate number: 2017-015

Certified by EY CertifyPoint since: September 1, 2017

Based on certification examination in conformity with defined requirements in ISO/IEC 17021-1:2015, the Environmental Management System as defined and implemented by

UBS Group AG*

located in Zurich, Switzerland is compliant with the requirements as stated in the standard:

ISO 14001:2015

Issue date of certificate: August 20, 2020

Re-issue date of certificate: February 14, 2023

Expiration date of certificate: August 19, 2023

Last certification cycle expiration date: December 29, 2020

EY CertifyPoint will, according to the certification agreement dated June 13, 2017, perform surveillance audits and acknowledge the certificate until the expiration date noted above.

**The certification is applicable for the assets, services and locations as described in the scoping section at the back of this certificate.*

DocuSigned by:

Jatin Sehgal

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J. Sehgal | Director, EY CertifyPoint



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UBS Group AG

Scope for certificate 2017-015

The scope of this ISO 14001:2015 certification is as follows:

The Environmental Management System (EMS) includes global banking business activities, products and services and all UBS employees of the following business divisions: Group Functions, Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank with environmental aspects governed under the Group Sustainability and Impact governance and framework (refer to ubs.com/gri). Social Impact is excluded from the scope.

The global banking business scope mentioned above applies to the global banking business activities conducted from the countries listed below. The physical locations are out of scope unless mentioned on the following page for in-house operations.

Argentina	Ireland	Puerto Rico
Australia	Israel	Qatar
Austria	Italy	Saudi Arabia
Bahamas	Japan	Singapore
Bahrain	Jersey	South Africa
Brazil	Kazakhstan	Spain
Canada	Korea, Republic of	Sweden
Cayman Islands	Lebanon	Switzerland
Chile	Luxembourg	Taiwan
China	Malaysia	Thailand
Colombia	Mexico	Turkey
Denmark	Monaco	United Arab Emirates
Egypt	Netherlands	United Kingdom
France	New Zealand	United States
Germany	Nigeria	Uruguay
Hong Kong	Panama	
India	Philippines	
Indonesia	Poland	

The Environmental Management System is centrally managed out of the in-scope headquarter location in Zurich, Switzerland (Bahnhofstrasse 45, 8001).

This scope is only valid in connection with certificate 2017-015.

UBS Group AG

Scope for certificate 2017-015

The EMS applies to all in-house operations at the major locations and data centers in the following geographical locations (as per the UBS Scope Register v.1.3, ISO14001 - building list v20190702.)

The in-house operations scope mentioned above applies to the following physical locations:

Sydney, Australia	Panama City, Panamá	Opfikon, Switzerland
São Paulo, Brazil	Kraków, Poland	Renens, Switzerland
Beijing, China	Wrocław, Poland	Schaffhausen, Switzerland
Shanghai, China	Zabierzów, Poland	St. Gallen, Switzerland
Wuxi, China	Singapore, Singapore	Urdorf, Switzerland
Paris, France	Sandton, South Africa	Zürich, Switzerland
Frankfurt am Main, Germany	Madrid, Spain	Taipei, Taiwan
Hong Kong, Hong Kong	Aarau, Switzerland	London, United Kingdom
Airoli, India	Basel, Switzerland	Ashburn, United States
Mumbai, India	Bern, Switzerland	Chicago, United States
Pune, India	Carouge, Switzerland	Franklin, United States
Milano, Italy	Geneva, Switzerland	Nashville, United States
Osaka, Japan	Lausanne, Switzerland	New York, United States
Tokyo, Japan	Lugano, Switzerland	Shelton, United States
Luxembourg, Luxembourg	Luzern, Switzerland	Stamford, United States
Mexico City, Mexico	Manno, Switzerland	Weehawken, United States

The Environmental Management System mentioned in the above scope is restricted as defined in the "Manual for UBS's environmental and energy management systems" version 8, dated August 2, 2022.

This scope is only valid in connection with certificate 2017-015.



Certificate



Certificate number: 2017-017

Certified by EY CertifyPoint since: September 1, 2017

Based on certification examination in conformity with defined requirements in ISO/IEC 17021-1:2015 and ISO 50003:2014, the Energy Management System as defined and implemented by

UBS Group AG*

located in Zurich, Switzerland is compliant with the requirements as stated in the standard:

ISO 50001:2018

Issue date of certificate: August 20, 2020

Re-issue date of certificate: February 18, 2021

Expiration date of certificate: August 19, 2023

Last certification cycle expiration date: December 29, 2020

EY CertifyPoint will, according to the certification agreement dated June 13, 2017, perform surveillance audits and acknowledge the certificate until the expiration date noted above.

**The certification is applicable for the assets, services and locations as described in the scoping section at the back of this certificate.*

DocuSigned by: 19 February 2021 | 10:46:35 AM CET
Jatin Sehgal
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J. Sehgal | Director, EY CertifyPoint

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UBS Group AG

Scope for certificate 2017-017

The scope of this ISO 50001:2018 certification is as follows:

The EnMS includes all in-house operations conducted at 39 locations, consisting of offices and datacenters at selected European countries and cities as listed in the UBS Scope Register V.1.3, dated July 2, 2019. Included in the scope is the UBS Headquarter in Zurich.

The Energy Management System is centrally managed out of Bahnhofstrasse 45, 8001 Zurich, Switzerland. The scope mentioned above applies to the following locations:

Bordeaux, France	Bologna, Italy	Kraków, Poland
Lyon, France	Brescia, Italy	Wroclaw, Poland
Nantes, France	Firenze, Italy	Zabierzów, Poland
Paris, France	Milano, Italy	Barcelona, Spain
Strasbourg, France	Modena, Italy	La Coruña, Spain
Berlin, Germany	Napoli, Italy	Madrid, Spain
Düsseldorf, Germany	Padova, Italy	Seville, Spain
Frankfurt, Germany	Roma, Italy	Valencia, Spain
Hamburg, Germany	Torino, Italy	Zaragoza, Spain
München, Germany	Treviso, Italy	London, United Kingdom
Stuttgart, Germany	Luxembourg, Luxembourg	Zurich (HQ only), Switzerland

The Energy Management System mentioned in the above scope is restricted as defined in the "Manual for UBS's environmental and energy management systems" version 6, dated April 30, 2020.

This scope is only valid in connection with certificate 2017-017.