

Why sustainability is important to UBS

Our Chairman and CEO explain why UBS strives to extend its leadership in sustainability and how we intend to achieve it.

In 2021, UBS put more emphasis on sustainability than ever before. What was the reasoning behind this?

AW: We adopted sustainable thinking early on and have, for many years, been committed to creating long-term value for clients, employees, investors and society. This proved more relevant than ever as the pandemic has clearly demonstrated the need to prepare for known future crises – such as climate change. The pandemic has sharpened clients’ and investors’ focus on sustainability further.

RH: We have been working with many clients in the sustainability space for decades. As awareness has grown, especially in the past few years, it has become ever more important from both a business and client perspective. Because of that experience, we are a leader in this area. We also know that we can’t stand still if we are to remain relevant for clients and ensure future profitability. That means continuing to expand our client offering to provide them with the solutions they need to meet their sustainability goals, and proactively supporting them in their transition toward sustainable ways of doing business. It also means aspiring to lead by example in our own transition journey.

How ambitious are we as a firm regarding sustainability?

RH: The short answer – very ambitious. Our purpose is to reimagine the power of investing and connect people for a better world. And when we say “a better world,” we mean for everyone: a more prosperous economy, a fairer society and a healthier environment. To help maximize impact and direct capital to where it’s needed most, we focus on three areas. (i) Planet, where we’re making climate a clear priority as we shift toward a lower-carbon future; (ii) People, where we take actions, both within our own workplace and within wider society, to promote a diverse, equitable and inclusive society; and (iii) Partnerships, where we unite with others and bring people together around common goals to achieve greater impact.

Looking back across your ten-year tenure as Chairman of UBS, which key developments in sustainability at our firm stand out for you? Where do you see UBS positioned in our sustainability ambitions?

AW: Over the years, UBS has established itself as one of the recognized leaders for sustainability in the financial sector. Recent ratings have confirmed that once more. We are among the industry leaders in the Dow Jones Sustainability Index and our approach to climate has once again received the top A List ranking from CDP. Our culture journey has been key. Being sustainable as a firm, thinking and acting with the long term in mind, requires the right culture. This is why we’ve put so much effort into establishing our three keys to success – and integrating them into

all our processes. Cultural change is driven by the Corporate Culture and Responsibility Committee (the CCRC) of the Board of Directors (the BoD). From meeting twice a year in the 2000s, the committee now meets at every BoD meeting. In 2021, we advanced further with the establishment of our Group Sustainability and Impact organization, including the Sustainability and Impact Institute, as well as our commitment to net zero. But we must not be complacent, as our competitors are intensifying their efforts. To stay ahead, we need to continue our investments and focus, for instance by further expanding our shelf of innovative sustainable finance products and services.

What were the key developments and achievements in 2021?

RH: Let me highlight three achievements. First, we have made sustainability a priority for the Group Executive Board (the GEB), with Suni Harford leading our efforts on sustainability and impact and all GEB members having environmental, social and governance (ESG)-related objectives. Second, we’ve anticipated the ever-increasing demand in sustainable investments by making these the preferred solution for our private clients investing globally, and continuing to broaden our offerings. Overall, sustainability-focus and impact investments at UBS increased significantly in 2021, reaching USD 251 billion, up from USD 141 billion a year ago. Third, we have announced, and are implementing, our ambition to achieve net-zero greenhouse gas emissions across all our operations by 2050.

With the strong emphasis on long-term targets, notably net zero by 2050, how do you view the relevance of short- and mid-term targets to ensure we’re not just postponing our actions to a later point?

AW: We developed and have transparently disclosed a climate roadmap with intermediate targets for 2025, 2030 and 2035. The “say-on-climate” vote at the upcoming Annual General Meeting is a key milestone on our journey to net zero. We know that to reach our long-term goal it’s crucial to identify and deliver on critical targets along the way. These are ambitious plans that will require us to act decisively. Furthermore, we are working on the development of relevant methodologies and data. This is why we strongly believe in cross-company collaboration, notably – on net zero – the Net Zero Asset Managers initiative and the Net-Zero Banking Alliance. In both cases, we are founding members.



Axel A. Weber

Chairman of the Board of Directors

How do you view concerns that sustainable investing is tainted by greenwashing?

RH: Over the past few years, sustainability has been moving into the mainstream, driven by increased transparency, regulation and investor demand. In part, concerns around greenwashing arise because markets and regulatory standards are continuously evolving. But it's also because there are many different definitions of sustainability, meaning there's no one global standard or approach. We see banks and investors playing an important role in promoting common standards to address these concerns. And we believe that client confidence will grow as reporting standards improve and definitions become more comparable. We take our role here very seriously, including when it comes to our own disclosures.

What are the specific challenges that UBS is facing in the regulatory environment pertaining to sustainability and finance?

AW: We are operating against a complex and rapidly evolving backdrop and face an ever-expanding set of rules, taxonomies and standards. I see an urgent need for international coordination and alignment of standards, in particular climate risk disclosure standards for corporate issuers, financial institutions and financial products. Also, we must be vigilant in fighting against turning sustainable finance into only a compliance exercise. This is why we remain strong backers of pertinent industry discussions – notably by supporting the Institute of International Finance in launching the new global Wolfsberg Forum for Sustainable Finance (WFSF) in 2022.



Ralph Hamers

Group Chief Executive Officer

Beyond net zero on climate, where do you see UBS's focus and ambitions going forward?

RH: With the publication of our Net Zero and Beyond statement early in 2021, our focus last year was on establishing our baseline and defining our climate roadmap, including our ambitions and interim targets. With work well underway to execute on our plans and progress on our targets, we are now bringing the People pillar of our sustainability strategy to the forefront. This encompasses a broad range of initiatives to foster inclusive growth, which we believe is the key to decreasing wealth inequality. We have a multi-faceted plan, including our approach to diversity, equity and inclusion (DE&I) in our own organization, our interactions with our suppliers, the products and services we provide to our clients, and our philanthropic efforts. "Impact" is a word you are going to hear a lot from us in 2022. When we speak about "Reimagining the power of investing" this includes rethinking the impact that the mobilization of capital can have on society. As a leading financial institution serving some of the world's wealthiest individuals, we believe that we have a responsibility to help build a more equitable world. We are focusing our efforts on health and education as root causes for many of the issues we face today. We are leveraging our Banking for Impact partnership, and expanding our efforts across our own philanthropic initiatives, where we manage over 400 programs that work with marginalized communities. We are expanding employee-led community activities in these areas and intensifying our efforts to help our clients mobilize their philanthropic capital, leveraging our ecosystem to bring them together with other clients, organizations and governments to drive change on a global scale. By 2025, our goals are to raise USD 1 billion in donations, reaching 26 million beneficiaries through community investment and client philanthropy.

Axel A. Weber
Chairman of the

Ralph Hamers
Group Chief Executive Officer

UBS was among the 43 companies that first signed the UN Global Compact in 2000 and is also a member of the UN Global Compact Network Switzerland, meaning we are committed to its principles on human rights, labor standards, the environment and anti-corruption. As reflected in detail in this report, we have a comprehensive set of goals and activities in place pertaining to the principles of the UN Global Compact
