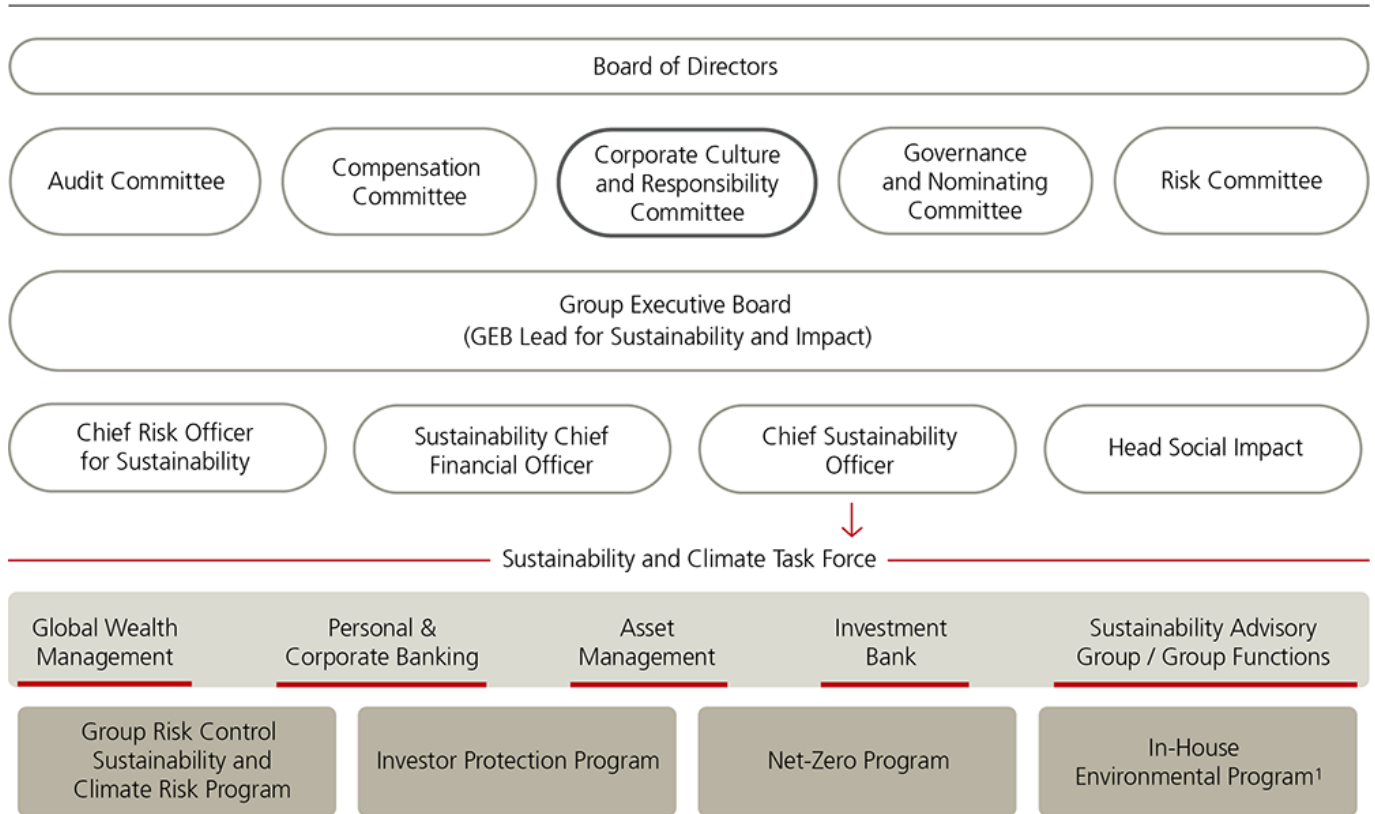


# Group Sustainability and Impact governance and framework

This document provides an overview of the governance and key Group-wide policies, guidelines, and key topics applying to sustainability and impact at UBS.

## Our sustainability governance



<sup>1</sup> Also represents the Responsible Supply Chain Program.

## Board of Directors and Group Executive Board

Our firm’s sustainability and corporate culture activities are grounded in our Principles and Behaviors and overseen at the highest level of the organization. These principles are laid down in our Code of Conduct and Ethics.

Our Board of Directors has ultimate responsibility for the strategy and the success of the Group and for delivering sustainable shareholder value. It oversees the overall direction, supervision and control of the Group and its management. It also supervises compliance with applicable laws, rules and regulations.

Five committees support the Board of Directors of UBS Group AG (the BoD) in fulfilling its duty through the respective responsibilities and authority given to them. All BoD committees have specific responsibilities pertaining to environmental,

social and governance (ESG) matters, e.g., the Compensation Committee is responsible for ESG-related compensation topics, the Risk Committee supervises the integration of ESG in risk management, the Governance and Nominating Committee supports the Board in establishing best practices in corporate governance and the Audit Committee has oversight of the control framework underpinning ESG metrics.

Our BoD's Corporate Culture and Responsibility Committee (the CCRC) is the body primarily responsible for corporate culture, responsibility and sustainability.

The CCRC oversees our Group-wide sustainability and impact strategy and key activities across environmental and social topics, including climate, nature and human rights. Annually, it considers and approves our firm's sustainability and impact objectives.

Our Group Executive Board (the GEB) develops the strategy for the Group. It is responsible for managing our assets and liabilities in line with the Group's strategy, regulatory commitments and the interests of our stakeholders. As determined by the BoD's Risk Committee, the GEB manages the risk profile of the Group as a whole. It has overall responsibility for establishing and implementing risk management and control in our firm. The responsibility for setting the sustainability and impact strategy and developing Group-wide sustainability and impact objectives, in agreement with fellow GEB members, has been delegated to the GEB Lead for Sustainability and Impact by the Group chief executive officer (the Group CEO). Progress against strategy and the associated targets are reviewed at least once a year by the GEB and the CCRC.

Our GEB Lead for Sustainability and Impact manages the Group Sustainability and Impact (GSI) organization and, together with our Chief Sustainability Officer (the CSO), co-chairs the Sustainability and Climate Task Force (the SCTF). Both our GEB Lead for Sustainability and Impact and our CSO are also permanent guests of the CCRC.

### **Group Sustainability and Impact**

GSI consists of the Chief Sustainability Office and the Social Impact Office, headed by the CSO and Head Social Impact, respectively. The CSO is responsible for driving the implementation of the Group-wide sustainability and impact strategy, including reporting on our progress toward net zero (and the execution thereof by our business divisions and Group Functions).

The Head Social Impact is responsible for driving and implementing the Social Impact strategy, including Community Impact, Philanthropy Services and UBS Global Visionaries. Reporting to the Head Social Impact, the regional Heads of Social Impact and Philanthropy are responsible for extending the reach of and maximizing the impact of our social impact activities locally, nationally and globally. In addition, they have responsibility for all our programs' operations and risk management, client engagement, and employee volunteering.

UBS seeks to continuously improve and enhance its environmental and sustainability performance.

Progress made in implementing Group-wide sustainability and impact objectives is reported as part of UBS's annual reporting. This reporting is reviewed and assured externally according to the requirements of the Sustainability Reporting Standards of the Global Reporting Initiative (the GRI Standards). UBS is certified according to ISO 14001.

### **The Sustainability and Climate Task Force**

The Sustainability and Climate Task Force (the SCTF) is the authority for divisional and functional sustainability and climate governance, as well as the Group's sustainability and climate governance. The SCTF's role includes the approval of the actions required to achieve our firm's climate strategy, monitoring progress against that strategy and providing assurances to the GEB that UBS manages climate risk and opportunities in a proper manner.

### **Firm-wide sustainability groups**

#### **The Sustainable Finance Group**

The Sustainable Finance Group (the SFG) is chaired by the CSO and supports the implementation of the sustainability and impact strategy as it relates to sustainable finance across the firm.

#### **The Sustainability Advisory Group**

The Sustainability Advisory Group (the SAG) is chaired by the CSO and is organized by the SAG's convener, who has a reporting line to the CSO. It provides a mechanism for disseminating and cascading relevant information regarding Group-wide sustainability and impact efforts into UBS's various control and aligned functions.

## Governance of key areas

### Sustainability and climate risk

Our management of sustainability and climate risk (SCR) is steered at the GEB level. Reporting to the Group CEO, the Group Chief Risk Officer is responsible for the development and implementation of control principles and an appropriate independent control framework for SCR within UBS, together with its integration into the firm's overall risk management and risk appetite frameworks. Our SCR Policy Framework is applied Group-wide to relevant activities, including client and supplier relationships.

### The Sustainability Chief Financial Officer

Our Sustainability Chief Financial Officer (SCFO) supports the new and expanding requirements that are being driven by our global sustainability agenda. With reporting lines both to the Group Chief Financial Officer (GCFO) and to the GEB lead for Sustainability and Impact, the SCFO works closely with the Group Controller and Chief Accounting Officer's team and is the primary lead on sustainability topics for the GCFO. The SCFO ensures that sustainability considerations are embedded into our financial decision-making processes, supports the expanding external sustainability disclosures arising from both new regulatory requirements and voluntary commitments made by our firm, and ensures the continued development of the financial control environment that underpins our disclosures.

### The Net-Zero Program

The Net-Zero Program (the NZP) coordinates implementation of the commitments set out in our "Net Zero and Beyond" statement, with a specific focus on reducing emissions related to our financing activities. The NZP reports into the SCTF and includes members from various Group functions and those teams that support our clients with financing.

### The Investor Protection Program

The Investor Protection Program coordinates the implementation of several sustainability-related regulations of the European Union, the European Economic Area, the UK, Switzerland, Singapore, the Hong Kong SAR and the US, as well as related parts around UBS's own commitments, in the context of client investments. The regulations are designed to provide clients with transparency and comparability of sustainable investment products, helping them align investments with their sustainability objectives. They require the integration of ESG metrics into our investment portfolio and risk management processes, as well as reporting to clients and regulators.

### In-house environmental management

Our in-house environmental management is steered by the Chief Digital and Information Office (the CDIO). Reporting to the Group CEO, the CDIO is responsible for driving the reduction of the environmental impact from our offices, our technology and our supply chain. The CDIO implements the sustainability and impact strategy within UBS's operations by ensuring local legal compliance, monitoring and measuring of environmental and energy performance, and continuous improvement according to ISO 14001, the international environmental management standard, and ISO 50001 (Region EMEA).

## Other key topics

### UBS Code of Conduct and Ethics

Our UBS Code of Conduct and Ethics sets out the principles and commitments that define our ethical standards and the way we do business. It outlines UBS's commitment to creating a fairer, more prosperous society, championing a healthier environment, and addressing inequalities. It also contains our commitment to fulfil compliance obligations. We are committed to obeying the laws, rules and regulations of the areas where we live, work and do business.

### Nature

Our approach to nature is overseen by the BoD, in particular by the CCRC, as part of its responsibility for sustainability topics. In 2022, the CCRC received its first dedicated update on nature and biodiversity, including the progress of the Taskforce on Nature-related Financial Disclosures (the TNFD) and UBS's own activities relating to the TNFD. We expect these updates to continue annually.

The GEB is responsible for driving our nature-related efforts, as part of its sustainability and impact activities. GSI then coordinates these efforts and provides periodic updates to the GEB through GSI strategy management reports. The business divisions and Group Functions ensure the implementation of UBS's nature-related strategy and risk management frameworks.

### Human rights

As set out in our Human Rights Statement, the governance set out above also applies to our commitment to respect internationally recognized human rights across our firm globally.

### Financial crime prevention

The GEB oversees our efforts to combat money laundering, corruption and terrorist financing. A dedicated financial crime team of anti-money laundering compliance experts leads these efforts.

### Diversity, Equity & Inclusion

The GEB also oversees our approach to diversity, equity and inclusion (DE&I). Our global head of DE&I drives a Group-wide strategy, complemented by divisional and regional initiatives

› Refer to [ubs.com/gri](https://ubs.com/gri) for more policies