

22 April 2021

News Release

UBS extends net zero greenhouse gas emissions pledge with climate roadmap, tougher financing standards and executive appointments

- **Suni Harford appointed Group Executive Board member responsible for Sustainability & Impact**
- **UBS to develop a detailed climate action plan setting science-based targets**
- **UBS further tightens environmental standards for financing carbon-related assets to pursue our net zero ambitions**

Zurich, 22 April 2021 – UBS Group AG has announced tougher environmental standards and will develop a detailed road map for achieving net zero greenhouse gas emissions across all its operations by 2050. Our firm has long been on the path to a more sustainable future, as evidenced by our leading sustainability ratings as well as our strong sustainable finance business performance, and this is the next step in our journey. We're appointing a Group Executive Board sponsor to lead our efforts on climate and sustainability, setting new financing standards and further evolving plans to support our clients' transition to a low-carbon world. As a founding member, we'll work closely with peers in the Net Zero Banking Alliance toward a lower-carbon global economy.

Suni Harford, President of UBS Asset Management (UBS AM), has been appointed Group Executive Board sponsor for Sustainability and Impact, where she will lead these efforts across the firm in line with our net zero commitments, in addition to her current responsibilities. Suni has played a central role in driving the expansion of UBS AM's sustainable investing capabilities and the integration of ESG into the firm's investment processes. She joined UBS in 2017 as UBS AM's Head of Investments and prior to this worked at Citigroup for almost 25 years. Suni is also a co-chair of the World Economic Forum Global Future Council on Investing.

Today, with the publication of our Net Zero statement, we're outlining our climate ambitions for the future that build on more than two decades of sustainability leadership and cover our company, our clients, communities and our employees.

Our company

We're committed to leading by example to be credible partners to our clients.

- **Executive alignment.** All members of the Group Executive Board will have ESG-related objectives aligned with our commitment to the UN Sustainable Development Goals.
- **Environmental footprint.** By 2025, we'll target net zero direct (scope 1) and energy indirect (scope 2) emissions by purchasing and producing 100% renewable electricity. We'll work toward offsetting our historical emissions back to the year 2000 based on credible and transparent carbon offsets and investments in nature-based solutions.
- **Treasury portfolio.** We'll mobilize capital through the investment choices of our company, and commit to invest in sustainable funds and assets where we have the discretion to do so. We plan to issue an inaugural UBS green bond.

Our clients

We'll work to raise awareness among our clients about the risks and opportunities surrounding climate, and manage our financing relationships in line with social and environmental criteria.

- **More insight, more choice.** We'll provide investing clients with more information and analytics on net zero investing and climate risk and opportunity, and further integrate sustainability into our investment processes.
- **Supporting client transition.** We'll assist financing clients to transition to a lower-carbon economy which will help them access the capital markets more effectively. Client relationships will be subject to review against our established Environmental and Social Risk framework, as well as the client's progress toward stated company transition objectives.
- **Tighter financing standards.** Our exposure to carbon-related assets on our banking balance sheet is already relatively low, at 1.9% or USD 5.4 billion as at 31 December 2020¹. We'll set clear, science-based targets further aligning our financing portfolio with the objectives of the Paris Agreement. And we're making changes to our ESR framework to further reduce the risk appetite for carbon-related assets.

Our communities and employees

How we interact with the larger world matters. We'll work to address wealth inequality through a sharpened focus of our client and corporate philanthropy and employee-led Community Affairs activities on health and education – two key levers in forging a fairer, more prosperous society. We've set an ambitious goal to raise USD 1 billion in donations for our client philanthropy foundations and funds by 2025.

As a responsible employer, we'll continue to shape a diverse and inclusive organization that is innovative, provides outstanding service to our clients, offers equitable opportunities and is a great place to work for everyone. We'll hold ourselves accountable for our progress.

We'll publish a comprehensive **climate action plan** later this year setting science-based targets, including intermediate milestones.

Group Chief Executive Officer Ralph Hamers: "We want to set the industry standard for sustainability with clear commitments to helping people and the planet. Suni Harford is a champion of sustainability with a strong track-record having embedded sustainable investing across our Asset Management division. She's ideally positioned to lead our efforts across the firm as we, and our clients, transition to a low-carbon economy."

Suni Harford, President of UBS Asset Management and Group Executive Board sponsor for Sustainability and Impact: "We're preparing a detailed roadmap to net zero which places climate at the core of our sustainability strategy. It's high on our clients' agendas and we want to do more to help them on this journey."

¹ Refer to the Sustainability Report 2020, available since 11 March 2021 under "Annual reporting" at ubs.com/investors, for more information

UBS Group AG

UBS provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as private clients in Switzerland. UBS's strategy is centered on our leading global wealth management business and our premier universal bank in Switzerland, enhanced by Asset Management and the Investment Bank. The bank focuses on businesses that have a strong competitive position in their targeted markets, are capital efficient, and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 30% of its employees working in the Americas, 31% in Switzerland, 19% in the rest of Europe, the Middle East and Africa and 20% in Asia Pacific. UBS Group AG employs over 68,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

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Cautionary Statement Regarding Forward-Looking Statements | This document contains statements that constitute "forward-looking statements," including but not limited to management's outlook for UBS's financial performance, statements relating to the anticipated effect of transactions and strategic initiatives on UBS's business and future development and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS's judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS's expectations. The outbreak of COVID-19 and the measures taken in response to the pandemic have had and may continue to have a significant adverse effect on global economic activity, and an adverse effect on the credit profile of some of our clients and other market participants, which has resulted in and may continue to increase credit loss expense and credit impairments. In addition, we face heightened operational risks due to remote working arrangements, including risks to supervisory and surveillance controls, as well as increased fraud and data security risks. The unprecedented scale of the measures taken to respond to the pandemic as well as the uncertainty surrounding vaccine supply, distribution, and efficacy against mutated virus strains create significantly greater uncertainty about forward-looking statements.

Factors that may affect our performance and ability to achieve our plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the ongoing execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions; (iv) developments (including as a result of the COVID-19 pandemic) in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, and currency exchange rates, and the effects of economic conditions, market developments, and geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS's clients and counterparties as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any changes in UBS's credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS's business activities; (vii) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements and the potential need to make further changes to

the legal structure or booking model of UBS Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments; (viii) UBS's ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (ix) the uncertainty arising from the UK's exit from the EU; (x) changes in UBS's competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will adversely affect UBS's ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS's cross-border banking business of tax or regulatory developments and of possible changes in UBS's policies and practices relating to this business; (xiv) UBS's ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS's ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS's internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks and systems failures, the risk of which is increased while COVID-19 control measures require large portions of the staff of both UBS and its service providers to work remotely; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS's operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS's ability to maintain its stated capital return objective; (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others to achieve goals relating to climate, environmental and social matters as well as the evolving nature of underlying science and industry and governmental standards, and (xxii) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences.

Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS's Annual Report on Form 20-F for the year ended 31 December 2020. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.