



Biodiversity Statement

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Purpose of our Biodiversity Statement

Our Biodiversity Statement shows UBS's approach to protecting biodiversity and ecosystems across all of our activities globally. In line with our commitment to the Principles for Responsible Banking (PRB) and our participation in the Banking for Impact (BFI) working group, our Statement demonstrates our desire to seek to achieve positive impacts and reduce potentially adverse impacts on biodiversity and natural capital.

Why biodiversity is important to us

Our concept of sustainability is guided by the United Nations (UN) Sustainable Development Goals (SDGs). The SDGs bring together the enormous societal and environmental challenges the world faces. We recognize that it is important to understand these challenges as well as the opportunities arising from them, to consider their relevance to UBS and to identify potential actions our firm may need to take.

Biodiversity loss, expressed most directly in SDGs 14 and 15 ("Life below water" and "Life on Land" respectively), but also linked to other SDGs (e.g., SDG 13 "Climate Action") is a major threat to our planet. Even though every aspect of human activity highly depends on biodiversity and ecosystem services, our planet faces an unprecedented decline in biological diversity which undermines human existence.

UBS recognizes the risks associated with biodiversity loss (as for instance highlighted in the WEF Global Risk Report 2020), the economic value of ecosystem services, and the critical role of financial institutions in nature protection. Hence we have developed a structured approach as described in more detail below.

Our approach to biodiversity

Our Governance

Our approach to biodiversity is overseen by the Board of Directors of UBS Group AG, notably by the Corporate Culture and Responsibility Committee. Our firm's Group Executive Board is responsible to drive our efforts pertaining to biodiversity. These efforts are coordinated by our Group Sustainability and Impact organization, which acts as a focal point and center of excellence, responsible for driving the implementation of our sustainability strategy. Our Business Divisions and other functions, including in particular Risk, HR and Corporate Services, ensure the implementation of our approach to biodiversity.

We seek to promote nature and biodiversity, focusing on our clients, our vendors, our employees, and society at large.

In assessing biodiversity-related impacts we focus in particular on three key stakeholder groups (clients, vendors, employees) and on society at large.

Our clients

Forests and biodiversity are stated as areas of focus in our environmental and social risk (ESR) policy framework, which articulates our commitment to address related risks. Our [ESR framework](#), applied to all our activities worldwide, helps us to identify and manage potential adverse impacts to the environment and to human rights, as well as the associated risks affecting our clients and our firm. We have set standards in product development, investments, financing and for supply chain management decisions. We also engage with clients and suppliers to better understand their processes and policies and to explore how any environmental and social risks may be mitigated. Recognizing the biodiversity-related risks, we have identified and will not engage in certain activities that endanger animal species and contribute to deforestation and its related impacts. Our standards for controversial activities and areas of concern not only take into account deforestation and forest degradation but also other activities like fisheries, which have an impact on marine species.

We want to be the financial provider of choice for clients who wish to mobilize capital towards the achievement of the 17 Sustainable Development Goals and the orderly transition to a low-carbon economy. As the world's largest truly global wealth manager, we regard it as particularly critical to help private wealth contribute to fund the development of a more sustainable world. UBS recognizes the importance of mobilizing and significantly increasing financial resources to achieve SDGs 14 and 15 and conserve biodiversity and ecosystems.

Biodiversity is part of our overall integration of ESG considerations into the investment process. We also mobilize private and institutional capital for investments that facilitate climate change mitigation and adaptation. In this regard we have formulated a Climate Aware framework which helps investors align their portfolios towards a climate-smart future by lowering investment exposures to carbon risk, increasing investment exposure to climate-related innovation and solutions, and aligning portfolios to an investor's chosen climate glidepath.

UBS Asset Management has an extensive engagement program on climate issues. The impact of company operations and products on biodiversity is an important consideration in analyzing the impact of companies on climate change and these factors are included as part of our climate assessments of companies.

Our ambition is to be a leader in Sustainable Finance across all client segments and to achieve this we continuously develop our offering in this area. Serving clients' sustainable finance needs, our Investment Bank supported 33 green, social and sustainability bond transactions in 2020, with many of those providing benefits to terrestrial and aquatic biodiversity.

Through our philanthropy services, we offer innovative ways to tackle some of the world's most pressing environmental problems. We published the guide "Sea beyond the Blue" to help philanthropists make more informed decisions about ocean-related philanthropy, pointing out the importance to protect marine biodiversity and how to drive systematic change. In 2021 we published "[Seeds of Change](#)", a guide for philanthropists and changemakers to protect biodiversity and all life on land. Also, UBS Optimus Foundation with the Swiss Agency for Development and Cooperation supported the issuance of the strategic reports "[The Blended Finance Playbook for Nature Based Solutions](#)" and "[Financing the Earth's Assets: The Case for Mangroves](#)", by Earth Security.

We support social entrepreneurs to scale their positive change by connecting them with our network of employees, partners, and clients, via the UBS Global Visionaries program. Through this program we are supporting, for instance, IPE (Institute for Ecological Research) which is dedicated to biodiversity conservation in Brazil.

To raise awareness and support for the SDGs, UBS has initiated the #TOGETHERBAND campaign jointly with BOTTLETOP. For SDG 14, Life Below Water, the world-renowned oceanographer and expert, Sylvia Earle, among other high-profile ambassadors, joined the campaign. To further drive awareness of critical environmental and social issues we also host and broadcast a regular series of conversations with leading environmentalists and social rights supporters. Past speakers have included Dr Jane Goodall.

Our vendors

Our firm-wide Responsible Supply Chain Management (RSCM) framework is based on identifying, assessing, and monitoring vendor association with environmental and social issues. A central component of this guideline is the [UBS Responsible Supply Chain Standard](#), to which our direct vendors are normally bound by contract. We expect our vendors to apply these same standards to relationships with their vendors.

Seeking to reduce negative environmental and social effects of the goods and services UBS purchases, we have undertaken a global review of our purchase catalogues and introduced environmentally friendly alternatives to products where available. We have removed over 370 items from our purchasing catalogues including all plastic and single use items. Environmentally unfriendly items have been substituted or tagged as “think before you buy”.

Our employees

We have launched several campaigns to involve our employees and raise awareness of our environmental impact and of biodiversity loss. A notable example is the campaign “Go drastic, Cut the plastic” to eliminate single-use plastic items from use throughout the firm. It supports SDG 14 – Life below water, as millions of tons of plastic end up in the oceans annually. A further noteworthy initiative is the creation of the Going Greener app where UBS employees take on fun challenges and get interesting facts and practical tips around sustainability and climate-friendly behaviors for their daily life.

UBS also shows its commitment to tackle biodiversity loss by reducing its direct climate impact. We continue to drive the reduction of our GHG emissions and therefore have committed to achieving net zero emissions in our own operations (scope 1 and 2) by 2025. In 2020, we achieved the target of using 100% renewable electricity. This reduces our firm’s GHG footprint by 79% compared with 2004 levels.

Our firm undertakes extensive sustainability awareness raising and specialist training (e.g., ESR focused trainings). Both include components pertaining to biodiversity.

Our commitment to Net Zero

Climate change affects biodiversity and is likely to become one of the most significant drivers of biodiversity loss by the end of the century. UBS’s comprehensive climate strategy underlines our commitment to the SDGs on climate action and on affordable and clean energy and supports an orderly transition to a low-carbon economy, as defined by the Paris Agreement. Our firm aims to be a leading financial provider in enabling investors to mobilize private and institutional capital to climate change mitigation and adaptation while supporting the transition to a low-carbon economy as corporate advisor, and/or with our lending capacity. We support this transition through our comprehensive [Climate Strategy](#).

- In April 2021, we further advanced our climate strategy with our [Net Zero Statement](#). It outlines our climate ambitions for the future and covers our company, our clients, communities and our employees. We will develop and publish a comprehensive climate action plan for achieving net zero greenhouse gas emissions across all our operations by 2050 by the end of the year.
- To underline our commitment to Net Zero, we became a founding member of the Net Zero Banking Alliance (NZBA), a group of global banks committed to aligning their financing portfolios with pathways to net-zero carbon emissions by 2050.
- We had already become a founding signatory of the Net Zero Asset Managers Initiative, a leading group of global asset managers committed to support the goal of net zero GHG emissions by 2050 or sooner.
- With regard to our bank’s own footprint, we will work toward offsetting our historical emissions back to the year 2000. This will be based on transparent carbon offsets and investments in nature-based solutions.

Our external engagement

We are actively involved in relevant developments, demonstrating thought leadership on biodiversity topics. Most notably these include our membership of the Roundtable on Sustainable Palm Oil (RSPO), where we also act as a member of its complaints panel, and our participation in various work streams of the Natural Capital Finance Alliance (NCFA), which aims to provide the knowledge and tools that help the financial sector to align portfolios with global biodiversity goals. Most notably we participate in the advisory committee for the second stage of the NCFA's project tool ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure).

We have endorsed the Banking Environment Initiative's and Consumer Goods Forum's "Soft Commodities" Compact. In doing so, we aim to support the transformation of soft commodity supply chains by expecting producers to be committed to achieving full certification according to applicable sustainability certification schemes, such as the RSPO.

We also take into consideration the expectations of regulators regarding biodiversity risk management where these have been specified in addition to climate.

UBS acknowledges that transparency on nature-related risks and opportunities are essential to the health of the environment and to the broader economy given dependencies on natural capital. UBS therefore supports the efforts of the Taskforce on Nature-related Financial Disclosures (TNFD) initiative towards the development a framework that will help reduce risks to the environment and create opportunities to support natural capital.

We regularly review our approach to biodiversity

Seeking to constantly improve our contribution to nature protection, we continuously evolve our approach to biodiversity. As part of the process, we consider developments and challenges pertaining to biodiversity loss and nature conservation and align our approach accordingly.

To enable our stakeholder groups to review our progress we provide transparency on our commitments and actions on www.ubs.com/gri.

Please contact us for any concerns, feedback, comments by sending an email to cr@ubs.com.