



11 March 2022

# FAQ on climate

## **Why do certain UBS net-zero pathways not align with the IEA Net Zero by 2050 scenarios?**

We are serious about our commitment to net zero and have set ambitious interim targets to get there. For sectors where attaining net zero depends mainly on UBS's own business decisions, our pathways follow the science-based target line defined by an IEA Net Zero by 2050 scenario. For other sectors, such as real estate and power generation, reaching net zero depends on developments which are largely exogenous to the financial industry. Banks can contribute to these developments and their progress, but science-based targets can only be achieved if governments and regulatory developments rapidly increase support for the decarbonization of power generation and in addition encourage and incentivize improved property efficiencies.

## **Which sectors will UBS address next as part of its commitment to net zero?**

We are currently determining which other sectors outlined by the Net-Zero Banking Alliance (NZBA) are material to our business. Based on our findings, we will adopt the same approach to these as we have undertaken for our first three priority sectors, appropriately and ambitiously laying out pathways towards net zero.

## **Why has UBS expanded the scope of the carbon-related assets metric (previously limited to energy and utilities sectors)?**

We are following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and are therefore focused on aligning our approaches accordingly, wherever possible. The 2021 TCFD "Annex" updated and superseded the 2017 version of the TCFD recommendations. Carbon-related assets are now defined as assets tied to the four non-financial groups (using Global Industry Classification Standard, GICS), i.e., energy, transportation, materials and buildings, and agriculture, food, forest products. Recognizing that the term carbon-related assets is currently not well defined, the TCFD encourages banks to use a consistent definition to support comparability. We continue to collaborate with the industry to drive further consistency.

## **What is UBS doing about its own environmental footprint?**

We have been working on advancing the transparency and accountability of our firm's environmental management for many years. To this end, we continue to build on our achievements. Notably, since 2020, 100% of our electricity globally has been drawn from renewable sources. In addition, we've been offsetting all of our CO<sub>2</sub> emissions from business travel since 2007. Our targets for the future are ambitious:

- By 2025, we will target net zero direct (scope 1) and energy indirect (scope 2) emissions by replacing owned fossil fuel heating systems, and maintaining the purchase and production of 100% renewable electricity. Moreover, we commit to identifying and investing in credible carbon removal projects (including negative emissions technology), supporting innovation.
- 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.
- We will continue to reduce our absolute greenhouse gas footprint and will cut our own energy consumption by 15% from today's levels by 2025.

UBS 2022. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved.