

The importance of sustainability to UBS

UBS strives to extend our leadership in sustainability and details how we intend to achieve it.

In 2022, we made good progress on the execution of our sustainability strategy, as outlined in this report.

During the year, geopolitical events brought the fossil fuel debate into center stage. Heightened energy security concerns around the world highlighted the ongoing need for fossil fuel production while the transition to viable alternative solutions is under way. Despite the current uncertainties, we firmly believe that, in the long term, there is no conflict between energy security and energy transformation.

We also saw legislators across many jurisdictions drive standardization. The increased sophistication among constituencies helped to shift the focus on how to best measure sustainability and climate risks, and how to capture the opportunities inherent in the transition to a low-carbon world.

Despite financial markets contracting across asset classes during 2022, the long-term trajectory for sustainable investing remains one of growth, demonstrated by continuous quarterly inflows into sustainable investing (SI) products. In line with these global market developments, we continued to grow SI assets under management (AuM) as a share of total AuM, reaching 6.8% by the end of 2022, up from 5.5% at the end of 2021.

Our progress is also reflected in feedback from our key stakeholders. Our shareholders supported our climate roadmap at the 2022 AGM. At its core is our net-zero aspirations against which we made progress, be it in our lending business, our supply chain, or our own operations.

Key ESG (environmental, social, governance) ratings reconfirmed that UBS is among the leading firms when it comes to their approach to sustainability. We are, in fact, among the leaders in MSCI ESG, S&P Global's Dow Jones Sustainability Index (DJSI) and in CDP.

Supporting our clients in the transition to a low-carbon world

Our clients, who are at the heart of everything we do, are increasingly looking for opportunities to put their capital to work in sustainable ways. Two thirds of high-net worth investors in our 2022 Investor Sentiment Survey state that sustainability is highly important to them and to the performance of their portfolio. Furthermore, 78% of those investors surveyed expect investments in sustainability to maximize their returns. This confirms previous investor sentiment survey results where, for example in 2021, investors increasingly saw benefits from integrating sustainable investing into their portfolios.

We will continue to provide our clients with the choice of products and services they need to bring about their desired change. We will see a further mobilization of capital toward a "green recovery," energy independence, and green tech with the shift of investment and lending towards new opportunities in the sustainability and impact space.

We remain convinced that the transition to net zero will prove to be one of the most consequential trends in coming years, with over USD 125 trillion of capital needed for the world to achieve net zero by 2050.¹ Technological advances, the need for new infrastructure and new products in carbon markets or agriculture are just a few examples of the opportunities ahead. Blended finance vehicles that leverage philanthropic capital are also set to amplify opportunities and finally bring true public-private partnerships to the fore.

Many of our clients have committed to ambitious sustainability goals, often with interim targets that will help them achieve net zero by as early as 2040. Others have further to go on their journey. We are aware that the transition will neither be rapid nor in a straight line. And there is a growing recognition that the transition is about the greenhouse gas emissions and biohazards emanating from virtually every industry. That is why we do not take an exclusionary approach but are committed to working with our clients to provide them with the insights and expertise they need to evolve their businesses or operating models. We also engage with our investee companies knowing, through decades of experience, the positive influence that having a “seat at the table” can have.

¹ Study commissioned by the UN High-Level Climate Action Champions in 2021, see climatechampions.unfccc.int/whats-the-cost-of-net-zero-2/

Future trends

Looking ahead, we expect investors to differentiate more between “E” and “S,” and further distinguish between the many facets of “E” (i.e., carbon, plastic, water), as nature-based solutions and biodiversity topics come to the forefront. We also expect the focus on “impact” to increase as greenhouse gas emissions disclosure requirements from regulators, improved availability of data and increasing demand from clients to understand the “impact” of their investments will drive product innovation and a continued shift toward both sustainable and impactful investments.¹

Varying standards and definitions around the world continue to hamper investors’ ability to understand the many products in the market. In 2022, regulators sought to provide further guidance on existing rules (for example, the EU’s Sustainable Finance Disclosure Regulation), and we expect additional clarity regarding definitions and data, as well as the role that financial institutions should play, as we move into 2023.

This requires a multi-faceted toolkit as well as international collaboration between all actors. A key focus in this effort is data, as it is driving compliance – both voluntary and mandatory – with investor and regulatory demand for greater transparency. As a priority, our firm will continue to engage with governments and policymakers to foster alignment with a broadly accepted framework for sustainability reporting that provides the guidance and transparency required to address the challenges facing investors, and with the necessary flexibility to support innovation.

Our commitment

ESG is here to stay, and it is going to become even more important. We will continue to endeavor to mitigate the risks and seize the opportunities presented by the transition to a low-carbon economy – for our clients, for our firm, and for our wider stakeholders. As we do so, we will continue to advance our own efforts towards the 17 Sustainable Development Goals, recognizing that we, like our clients, have much to learn as we move forward. And, as the market evolves, we will continue to share our best practices with any and all, as we move forward on this journey together.



Colm Kelleher
Chairman of the Board of Directors



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.

¹ Based on internal research by our Asset Management and Investment Bank business divisions, by the UBS Sustainability and Impact Institute as well as reporting by the OECD.