

Say-on-non-financial-reporting

Shareholder information on the sustainability vote at the
UBS Group AG Annual General Meeting 2024

Dear Shareholder,

The acquisition of the Credit Suisse Group made 2023 an exceptional year in our firm's history, as described in the shareholder letter in the UBS Group AG Annual Report. This publication provides you with a summary of non-financial matters including environmental matters ("Our actions on climate"), social concerns ("Our focus on social impact"), employee-related issues ("Our commitment to our employees"), the respect for human rights ("Our management of sustainability [including human rights] and climate risks"), and anti-corruption measures ("Our measures to prevent money laundering and corruption"). Detailed information can be found in the UBS Group AG Sustainability Report 2023 available at ubs.com/investors.

The acquisition created formidable challenges in the areas of sustainability and culture, including providing meaningful disclosures and targets for the combined firm. We are tackling these challenges both based on our commitment to maintaining UBS's culture, anchored by high ethical standards and accountability with integrity, at the heart of everything we do – as well as our continued ambition to be a global leader in sustainability.

We undertook extensive reviews of our sustainability efforts and ambitions. With regard to climate, we have worked hard to develop updated scope 3 greenhouse gas (GHG) emissions targets reflecting the combined profile of the combined firm, as well as responding to evolving regulatory and data standards. We have established baselines and ensured that the combined exposures to certain carbon-intensive sectors are covered by ambitious, science-based decarbonization targets. We are proud of the progress we have made and remain committed to our ambition to achieve net-zero GHG emissions across our scope 1 and 2, and specified scope 3 activities by 2050, with decarbonization targets for 2025, 2030 and 2035.

In 2023, we continued to make good progress on the execution of our groupwide sustainability and impact strategy. Flows into sustainable funds and ETFs remained positive. We advanced with our climate action plan, including reducing our net GHG emissions footprint for scope 1 and 2 emissions and our firm's energy consumption. We also revised our sustainability and climate risk policy framework and associated processes to reflect the full suite of activities of the combined business and a consistent approach. Building on the solid sustainability and climate risk standards of Pre-acquisition UBS, we also enhanced these by adding Credit Suisse Group standards relevant to the combined bank, pertaining to shipping, project finance, and mining. We also continued to develop our activities and disclosures by leveraging the recommendations set by the Taskforce on Nature-related Financial Disclosures (the TNFD).

In compliance with the Swiss Code of Obligations, Art 964a–c, we ask our shareholders for a vote on our UBS Group AG Sustainability Report 2023 at the 2024 AGM.

We are grateful for your participation and respectfully ask for your continued support.

Sincerely,



Colm Kelleher
Chairman of the Board of Directors

At the 2024 AGM, UBS Group AG shareholders are invited to vote on the 2023 Sustainability Report. The advisory vote includes the non-financial matters as mandated by the Swiss Code of Obligations and reflects our commitment to give our shareholders their say on our firm's activities in 2023.

Agenda item 3. Advisory vote on the UBS Group AG Sustainability Report 2023

The Board of Directors proposes that the UBS Group AG Sustainability Report 2023 be ratified in an advisory vote.

At UBS, we are committed to working toward the 17 United Nations Sustainable Development Goals (the SDGs) and the orderly transition to a low-carbon economy, as well as supporting our clients to do so. The financial sector has an important role to play as companies and individuals consider how best to approach the transition to a more sustainable global economy. We help our clients navigate the challenges of this transition and are mobilizing private and institutional capital toward it.

Our actions on climate

We have set targets in financing, investing and our own operations to underpin our ambition to achieve net-zero GHG emissions across our scope 1, scope 2, and specified scope 3 activities. Our current targets include:

- minimizing our scope 1 and 2 emissions through energy efficiencies and switching to more sustainable energy sources. After which, procuring credible carbon removal credits to neutralize any residual emissions down to zero by 2025;
- reducing our scope 3 emissions associated with our upstream value chain, which we will do by working with our GHG key vendors to support them in reducing their scope 1 and 2 emissions in line with net-zero trajectories by 2035;
- addressing our financed emissions by aligning specified sectors to decarbonization pathways; and
- aiming, by 2030, to align 20% of UBS AG Asset Management's total assets under management (AuM) with net zero.

Following the acquisition of the Credit Suisse Group, we worked at pace to assess the combined financing portfolios of Credit Suisse and UBS, focusing on the carbon-intensive sectors. Based on our extensive review, including taking into account evolving standards and methodologies, we revised our decarbonization targets for the combined organization. We have updated our previous emissions targets for real estate mortgage lending, as well as the fossil fuels, power generation and cement sectors, reflecting both the combined portfolios of the two firms and methodology changes. We also identified iron and steel and shipping as additional target sectors. As the automotive and aluminum sectors previously reported by the Credit Suisse Group did not meet the exposure or emissions materiality thresholds as calculated based on estimated 2023 exposure for the combined portfolios, they have been deprioritized for target setting at this time.

In doing so, we have retained the UBS approach of setting ambitious, but realistic targets. By way of example, our resulting target for the fossil fuel sector is to reduce our absolute financed emissions by 70% from the 2021 baseline to 2030. Absolute financed emissions associated with UBS in-scope lending for fossil fuels were reduced by 29% (end of 2022 vs. 2021 baseline).

The following graphs set out our sectorial decarbonization targets. They do not allow for a suitable comparison to the previous targets individually disclosed by Pre-acquisition UBS and the Credit Suisse Group (as set out in their 2022 sustainability reports). This is due to methodological differences such as the updated baseline year, and refined sector scopes.

Our focus on social impact

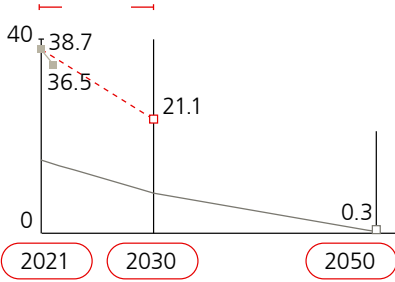
We continue to build a strong social impact and philanthropy platform, seeking to grow our reach and maximize our impact on a local, national and global scale. Our vision is to develop both our impact and our commercial contribution by connecting people for a better, fairer and more prosperous world. In doing so, we have continued to sharpen the focus of our philanthropy and community activities on health, education, and climate and environment. In 2023, we made progress against our key social impact goals, including achieving a donation volume for the UBS Optimus network of foundations totaling USD 763.9 million since 2021 (including UBS matching contributions).

Our commitment to our employees

We are dedicated to being a world-class employer and a place where people can unlock their full potential. With employees working in 52 countries, our global presence, expertise and range of business activities help us to make a positive difference for our clients, colleagues and communities. Our employees execute our business strategy and deliver the products and services our clients need. This is why we invest in our people, aiming to attract, develop and retain employees with the diverse skills, capabilities, backgrounds and experiences that can help us achieve our goals. In 2020, we outlined specific intentions to increase our female and ethnic minority representation, especially among management. Specifically, by 2025, we aspire to have 30% of director level and above roles globally held by women and 26% of director level and above roles in the US and the UK held by ethnic minority talent. These aspirations have become the standard on a combined basis going forward, and Credit Suisse's DE&I aspirations have therefore been retired. Women now account for 40.9% of our workforce and 29.5% of our director level and above population, up from 27.8% in 2022. Women also represent 30.5% of management positions. In addition, 37.5% of members of the Group Executive Board and 33.3% of members of the Board of Directors are women, as are 30.3% of senior managers who report directly to a member of the Group Executive Board.

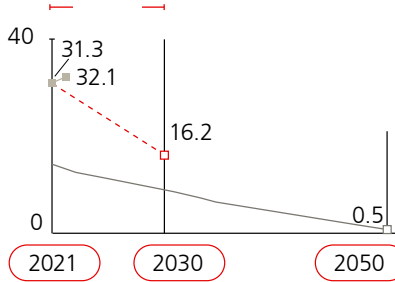
Overview of lending sector decarbonization targets and progress¹

Swiss residential real estate²
kg CO₂e/m² ERA³



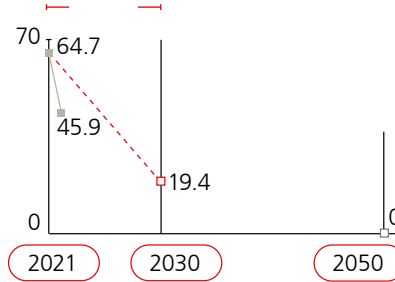
- UBS actuals □ UBS target
- 2050 convergence point
- Implied Energy Perspectives 2050+ ZERO Basis – residential buildings
- Indicative trend line to 2030 target

Swiss commercial real estate²
kg CO₂e/m² ERA³



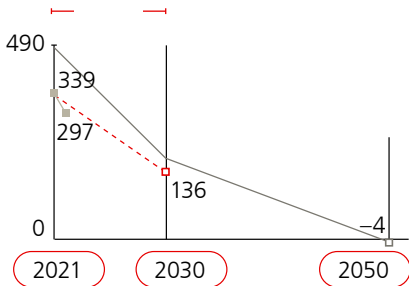
- UBS actuals □ UBS target
- 2050 convergence point
- Implied Energy Perspectives 2050+ ZERO Basis – residential buildings & services
- Indicative trend line to 2030 target

Fossil fuels
million metric t CO₂e



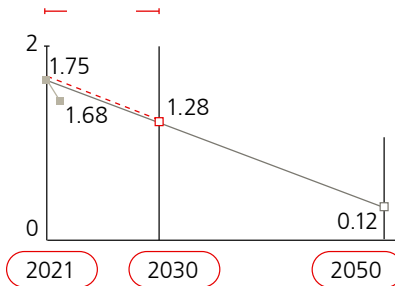
- UBS actuals □ UBS target
- 2050 convergence point
- Indicative trend line to 2030 target

Power generation
kg CO₂e/MWh



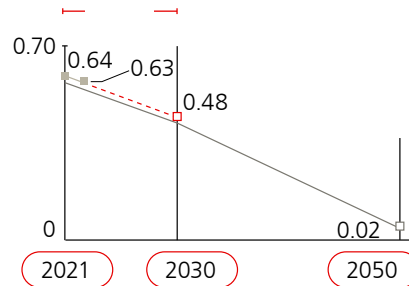
- UBS actuals □ UBS target
- 2050 convergence point
- IEA NZE 2050
- Indicative trend line to 2030 target

Iron and steel
metric t CO₂ / metric t steel



- UBS actuals □ UBS target
- 2050 convergence point
- IEA NZE 2050 (adjusted)
- Indicative trend line to 2030 target

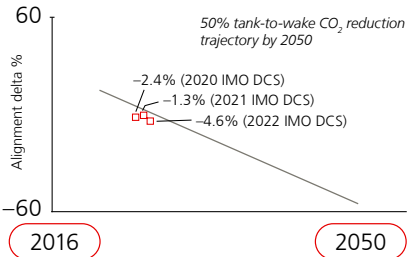
Cement
metric t CO₂ / metric t cementitious



- UBS actuals □ UBS target
- 2050 convergence point
- IEA NZE 2050 (adjusted)
- Indicative trend line to 2030 target

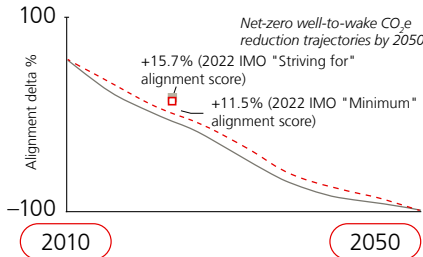
Shipping⁴
alignment delta %

2018 IMO GHG Strategy
("IMO Initial GHG Strategy")



- Portfolio climate alignment score
- Index trajectory Poseidon Principles

2023 IMO GHG Strategy
("IMO Revised GHG Strategy")



- 2022 vs Striving for □ 2022 vs Minimum
- Striving -- Minimum

¹ For corporate sectors (fossil fuels, power generation, iron and steel, and cement) we have used the Sectoral Decarbonization Approach (SDA). The SDA assumes global convergence of key sectors' emissions intensities by 2050 and we set our 2030 targets to be in line with this assumption. We have used externally published independent net-zero scenarios as reference for the 2050 convergence points used to define the 2030 targets. ² Swiss commercial real estate and Swiss residential real estate portfolio decarbonization rates are in line with the Implied Energy Perspectives 2050+ ZERO Basis benchmarks. The high observed emissions intensities are mainly due to conservative assumptions (e.g., oil heating assumed if actual heating type not available) and high emissions factors per unit of energy used. The portfolio increase for Swiss commercial real estate was primarily driven by a change of the portfolio mix of properties financed by Credit Suisse Group, with an increased weight of properties with higher emissions characteristics. ³ ERA: Energy Reference Area ⁴ Shipping graphs display our portfolio's alignment to the Poseidon Principles decarbonization trajectories.

Our management of sustainability (including human rights) and climate risks

We manage sustainability and climate risk under a dedicated risk management framework, which covers our operations, balance sheet, our clients' assets, and our supply chain. This includes the identification and management of actual and potential adverse impacts to human rights that our clients' assets and our own assets are exposed to. We aim to identify, mitigate or prevent actual and potential contributions to human rights abuses. Following the acquisition of the Credit Suisse Group, we worked to revise our dedicated framework and our processes.

We recognize that a consistent approach to managing sustainability and climate risk across the consolidated banking group is an imperative. That is why we have developed new policies on sustainability and climate risk for the combined entity. Furthermore, we continue to consolidate our sustainability and climate risk metrics and quantitative approaches across the combined entity. In 2023, we made additional enhancements to our analytical capabilities and further integrated sustainability and climate risk considerations into our various traditional financial and non-financial risks. For example, we enriched our risk management processes and reporting around nature-related risks.

Our measures to prevent money laundering and corruption

We comply with applicable laws and regulations and are committed to meeting industry standards regarding the effective prevention of money laundering and financing of terrorism. We take comprehensive measures to prevent and detect non-compliance with laws and regulations and

do not tolerate or facilitate criminal activity or any breaches of the letter or spirit of applicable laws, regulations, rules and policies that are designed to prevent such activities. UBS does not engage in business activities that pose unacceptably high levels of money laundering, fraud, sanctions or corruption risk, nor does UBS engage in activities that pose risks which cannot be effectively managed by the existing control environment. Although it is not possible to eliminate such residual risk entirely, we have appropriate policies, procedures, controls and processes in place to manage the relevant risks. UBS annually assesses the money laundering, fraud, sanctions and bribery and corruption risks associated with its business operations against its control framework. Where appropriate, action is taken to further mitigate these risks.

Our sustainability disclosures and assurance

The UBS Group AG Sustainability Report has been reviewed by Ernst & Young Ltd, Basel (EY) against the Global Reporting Initiative (GRI) and our custom definitions. EY's review included more than 340 metrics subject to limited assurance, and more than 20 metrics, in key sustainability areas such as climate, subject to reasonable assurance. Our climate disclosures follow the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD) while our nature-related disclosures employ the recommendations of the TNFD.

We have included references in the UBS Group AG Sustainability Report to relevant content in the UBS Group AG Annual Report 2023, where necessary. Such content includes a description of our strategy and business model, and our financial results in 2023. The UBS Group AG Annual Report 2023 also includes a summary of our approach to sustainability.

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