

Say-on-climate

Shareholder information on climate vote at the [UBS Group AG Annual General Meeting 2022](#)

Dear Shareholder,

Since introducing our first climate strategy in 2006, UBS has continued to evolve its approach toward tackling one of the most critical challenges of our time. We are active supporters of public policy efforts to support the transition to a lower-carbon economy, notably as a proponent of the Task Force on Climate-related Financial Disclosures since its inception in 2015. Meanwhile, we have continued to expand and strengthen our own activities. In 2021, UBS announced its ambition to develop a detailed roadmap for achieving net-zero greenhouse gas (GHG) emissions resulting from all aspects of our business by 2050, with intermediate milestones established to ensure progress.

UBS has since worked on embedding these aspirations across the firm. This includes the definition of suitable targets as well as metrics and KPIs to measure progress and performance against these. Recognizing that our commitment to achieving net zero is a journey, we have captured our key commitments and milestones in a strategic roadmap on climate. Under the leadership of our Group Executive Board, our firm will continue to work on further evolving and refining the component parts of this roadmap and we will report on our progress annually. It will be the continued responsibility of the Board of Directors to map out and supervise the implementation of UBS's climate roadmap and to ensure that shareholders receive appropriate and regular updates.

This publication provides you with information on the climate proposal submitted to our 2022 Annual General Meeting (the AGM). More information regarding our framework on climate, including governance, strategy, risk management, targets and metrics, is provided in the UBS Climate Report 2021, which is available both as a chapter in the UBS Sustainability Report 2021 and as a standalone document. The Sustainability Report will be available at ubs.com/annualreport from 11 March, 2022. We are grateful for your participation and respectfully ask for your continued support.

Sincerely,



Axel A. Weber
Chairman of the Board of Directors

At the 2022 AGM, UBS Group AG shareholders are invited to vote on the following climate-related item. This advisory vote on UBS’s climate roadmap reflects our commitment to our shareholders having their say on our firm’s climate (including net-zero) strategy.

Agenda item 3. Advisory vote on the UBS climate roadmap

The Board of Directors proposes that the UBS climate roadmap be ratified in an advisory vote.

Our climate strategy underpins our activities that are designed to support our clients and our firm in the transition to a lower-carbon economy.

Our commitment to net zero

As the world continues to develop the necessary implementation toolkit to help guide a path to the Paris Agreement objectives, UBS is setting targets for 2025, 2030 and 2035 to progress toward the firm’s goal of net zero.

In particular, we focus our ambitions on

- achieving net-zero GHG emissions resulting from all aspects (scope 1, 2, 3) of our business by 2050, with intermediate milestones established to ensure progress;
- mobilizing capital toward investments in a low-carbon economy;
- assisting our financing clients with their transition to a low-carbon economy;

- providing our investing clients with the choices they need to meet their sustainability and impact objectives, including climate where that is their priority;
- supporting the transition in our home market across all our client segments, as the leading universal bank in Switzerland;
- sharing our lessons learned and best practices as the world seeks solutions to the sustainability challenges ahead of us.

Definitions

- Scope 1: Direct GHG emissions by UBS
- Scope 2: Indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam
- Scope 3: All other indirect GHG emissions that occur in the value chain, including upstream (e.g., from suppliers, purchased goods and services), and downstream (e.g., from client financing activities)

Managing climate-related financial risks

Protecting our clients’ assets

- managing climate-related risks and opportunities through our innovative products and services in investment, financing and research

Protecting our own assets

- limiting our risk appetite for carbon-related assets
- estimating our firm’s vulnerability to climate risks

Acting on a low-carbon future

Reducing our climate impact

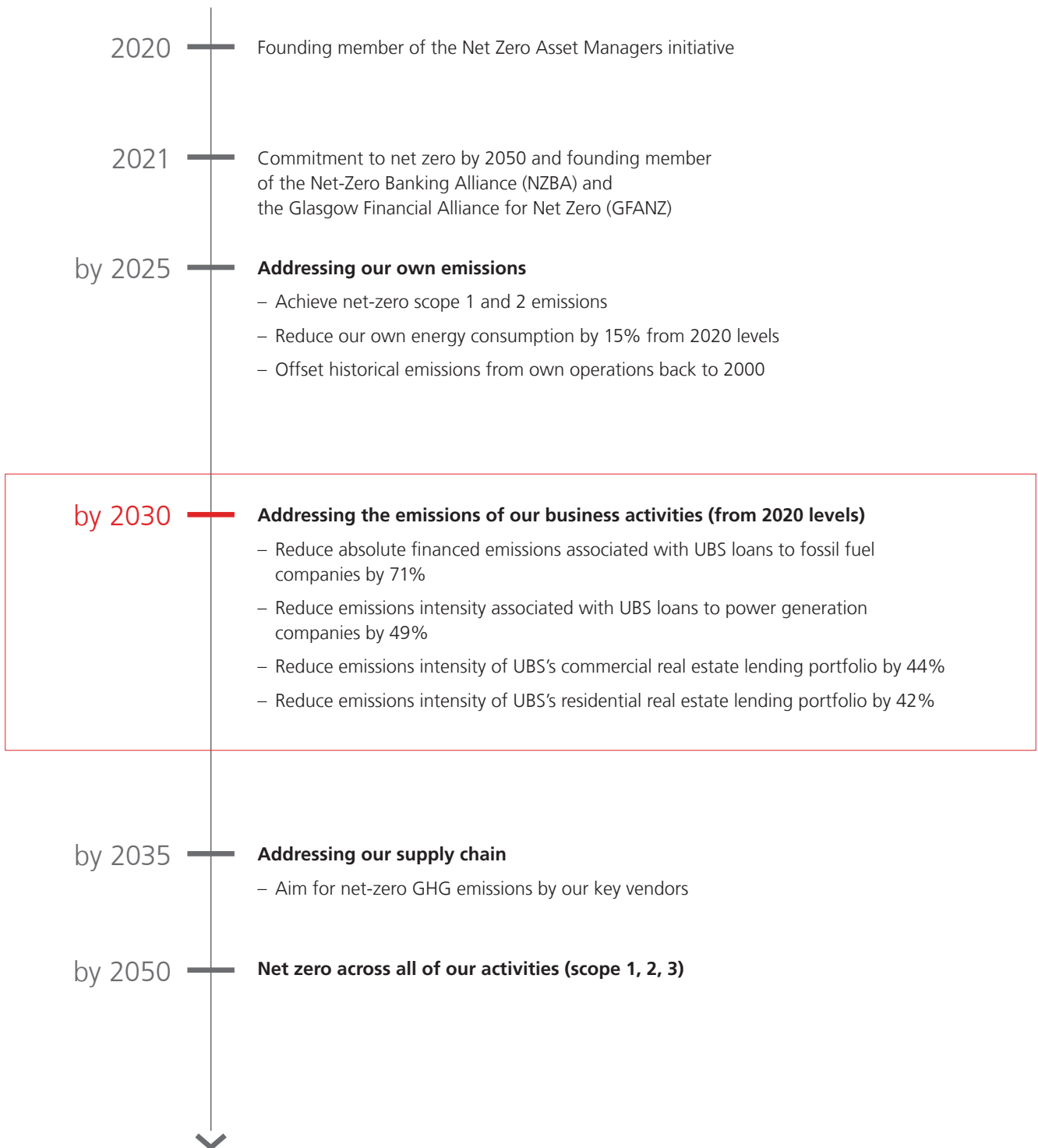
- sourcing 100% of our electricity consumption from renewable sources
- responsible supply chain management

Mobilizing capital

- from private and institutional clients
- toward the orderly transition to a low-carbon economy

Our Climate Roadmap

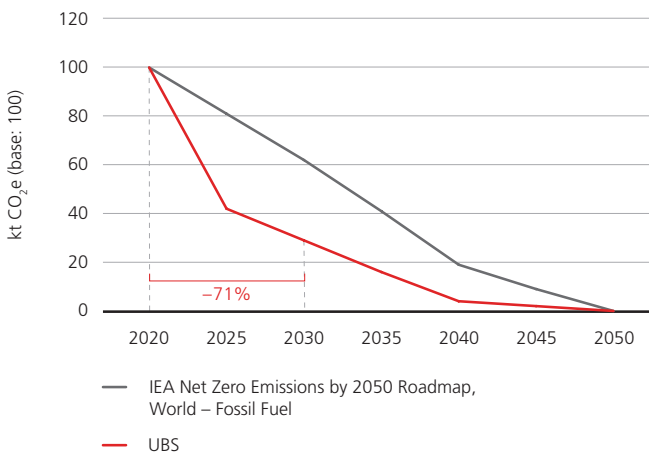
In 2021, we extended our long-standing climate strategy with a commitment to reach net-zero GHG emissions resulting from all aspects (scope 1, 2, 3) of our business by 2050.



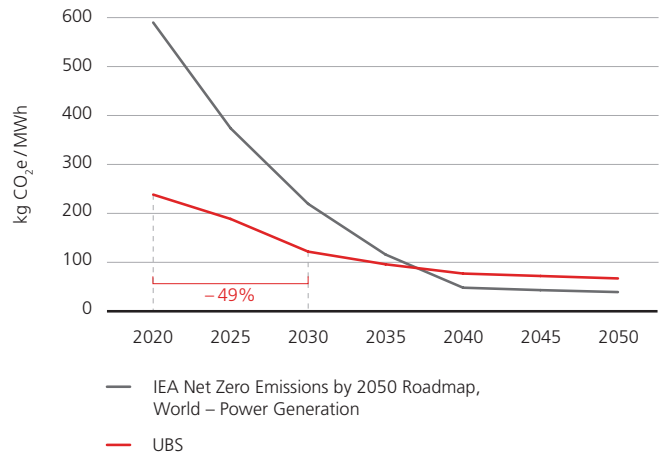
Our commitment to net zero – initial target setting under NZBA standards

For our initial target setting under NZBA standards, we identified three priority sectors: fossil fuels; power generation; and real estate (commercial and residential). The graphics below show the results of an assessment of the emissions associated with our financing for these sectors, the respective 2020 baselines, and the targets we have set for 2030.

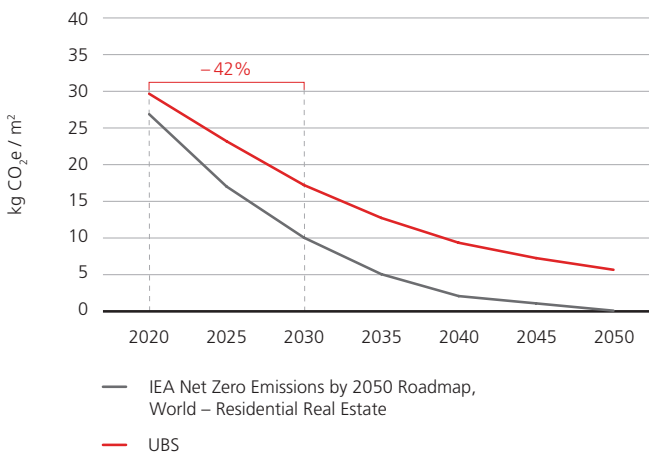
Fossil fuel financing



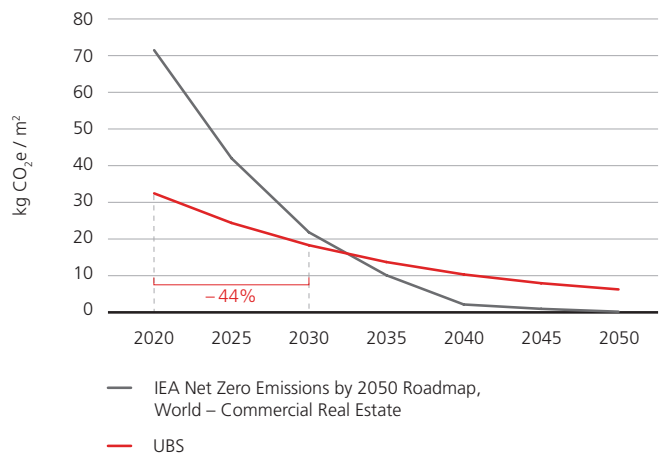
Power generation financing



Residential real estate lending



Commercial real estate lending



Explanatory note

These priority sectors represent both a substantial share of UBS’s loan book and our overall financed emissions. UBS is committed to net zero and is setting ambitious targets for each of the sectors above. At the same time, meeting the ambition of the Paris Agreement with a 1.5°C limit in global warming

will require regulatory frameworks that support the transition to a low-carbon economy. As the world drives toward a low-carbon future, we will adjust our ambition where warranted in response to new regulatory and technological developments.

The targets are placed in relation to the benchmark scenarios that the portfolios should follow in order to support the temperature objectives outlined by the Paris Agreement. The benchmark scenario used to support our net-zero ambition is derived from the International Energy Agency (IEA) 2021 Net Zero by 2050 data, which is widely accepted by the scientific community among the models that limit global warming to 1.5°C.

For the fossil fuel and power generation sectors, the proposed reductions for 2030 represent commitments in line with the IEA scenario. With regards to the fossil fuel sector, the emissions reductions are measured in *absolute terms* including exploration, production and refinery activities, as well as integrated companies operating across the value chain. The power generation sector is assessed with a so-called *intensity metric*. This intensity metric monitors emissions related to the production of electricity and promotes change toward an increasing share of renewable energy sources.

UBS is committed to supporting ambitious emissions reductions across the residential and commercial real estate sectors. It has therefore developed plans to extend its mortgage offering with new products and services for homeowners seeking to retrofit their properties for greater energy efficiency. However, we can only achieve our proposed targets if, at the same time, governmental action to decarbonize power generation increases and feeds through to improved property efficiencies.

Limitations on data and methodologies

To estimate our emissions baselines, we relied on data disclosed by our clients, data from specialized third-party providers and internal data. Current limitations on the availability of emissions data required us to include approximations in the calculations, for example by applying appropriate proxy values where specific data is not yet available. We expect the availability and quality of emissions data to improve in the next few years. Where appropriate, improved data may be used to strengthen the robustness of the reporting, which may result in restatements of our baselines and pathways over time.

Further background on these baselines and targets can be found in the UBS Climate Report 2021.

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