

# Sustainability at UBS

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This document should be read in conjunction with the UBS Group AG Sustainability Report 2020 and Annual Report 2020

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# Important information

**Forward Looking Statements:** This presentation contains statements that constitute "forward-looking statements," including but not limited to performance targets, expectations and ambitions, as well as management's outlook for UBS's financial performance and statements relating to the anticipated effect of transactions and strategic or business initiatives on UBS's business and future development. While these forward-looking statements represent UBS's judgments and expectations concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially. For a discussion of the risks and uncertainties that may affect UBS's future results please refer to the "Risk Factors" and other sections of UBS's most recent Annual Report on Form 20-F, quarterly reports and other information furnished to or filed with the US Securities and Exchange Commission on Form 6-K, and the cautionary statement on the last page of this presentation. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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**Basel III RWA, LRD and capital:** Basel III numbers are based on the BIS Basel III framework, as applicable for Swiss Systemically relevant banks (SRB). Numbers in the presentation are based on the revised Swiss SRB rules as of 1.1.20 that became effective on 1.7.16, unless otherwise stated. Basel III risk-weighted assets in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20 unless otherwise stated. Our RWA under BIS Basel III are the same as under Swiss SRB Basel III. Leverage ratio and leverage ratio denominator in this presentation are calculated on the basis of Swiss SRB rules as of 1.1.20, unless otherwise stated. Refer to the "Capital management" section in the 1Q21 report for more information.

Numbers presented in US dollars unless otherwise indicated. Currency translation of monthly income statement items of operations with a functional currency other than the US dollar are translated with month-end rates into US dollar.

**Definitions:** "Earnings per share" refers to diluted earnings per share. "Litigation" refers to net additions/releases to provisions for litigation regulatory and similar matters reflected in the income statement for the relevant period. "Net profit" refers to net profit attributable to shareholders.

**Rounding:** Numbers presented throughout this news release may not add up precisely to the totals provided in the tables and text. Percentages and percent changes are calculated on the basis of unrounded figures. Information about absolute changes between reporting periods, which is provided in text and which can be derived from figures displayed in the tables, is calculated on a rounded basis.

**Tables:** Within tables, blank fields generally indicate that the field is not applicable or not meaningful, or that information is not available as of the relevant date or for the relevant period. Zero values generally indicate that the respective figure is zero on an actual or rounded basis. Percentage changes are presented as a mathematical calculation of the change between periods.

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# Sustainability strategy

## Our commitment

We want to be the financial provider of choice for clients who wish to mobilize capital towards the achievement of the UN's 17 Sustainable Development Goals and the orderly transition to a low-carbon economy.

## Our ambition



To be a leader in **sustainable finance** across all client segments



To be a recognized innovator and thought leader in **philanthropy**



To be an industry leader for sustainable **business practices**



To be an **employer of choice**

## Our climate strategy

### Protecting our own assets

Limiting risk appetite for carbon-related assets and estimating our own firm's vulnerability to climate risks

### Protecting our clients' assets

Supporting clients in assessing and managing climate-related risks and opportunities through innovative products and services

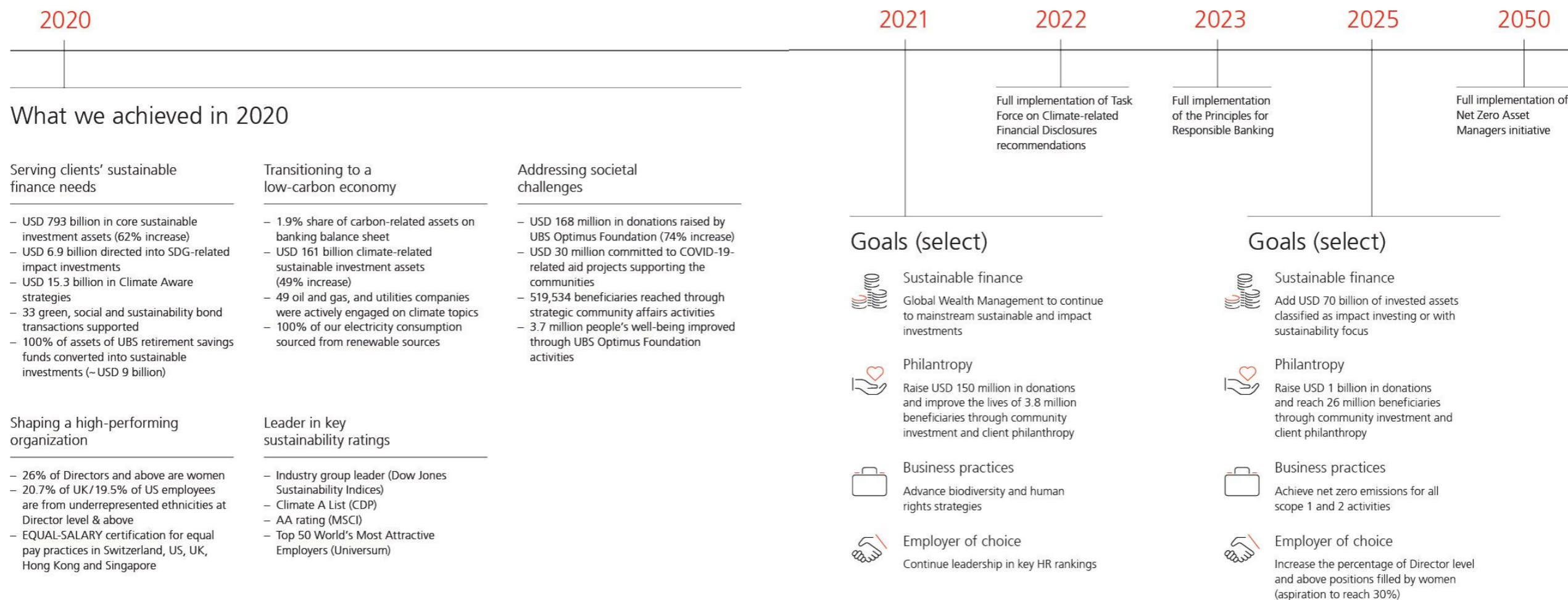
### Mobilizing capital

Supporting the transition to a low-carbon economy through investments, corporate advisory and lending capacity

### Reducing our direct climate impact

Driving the reduction of our GHG emissions

# Achievements, progress and goals



# Recent announcements

Three focus areas to maximize our impact

## Planet:

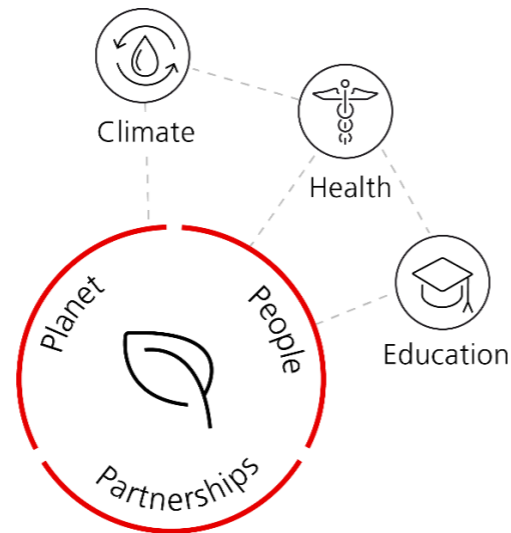
Climate remains at the forefront

## People:

Address wealth inequality through client and corporate philanthropy and employee engagement focusing on health and education

## Partnerships:

Work with other thought leaders to achieve impact on a truly global scale



New **governance** to drive execution





- › GEB-level leadership to lead firm wide sustainability and impact efforts
- › Sustainability targets set for all GEB members

**Net Zero** for the 21<sup>st</sup> century<sup>1</sup>

- › Founding member of the UN-convened Net Zero Banking Alliance
- › Committed to net zero GHG emissions resulting from all aspects (scope 1, 2, 3) of our business by 2050
- › Science-based intermediate targets to be defined for 2025, 2030 and 2035
- › Further decreasing our operational footprint: net zero in our own operations (scope 1, 2) already by 2025, and commitment to offset our historical emissions since the year 2000
- › Framework to support our financing and investing clients in their transition
- › Further tightening financing standards

# Climate Strategy



<b>i</b>	<b>Protecting our own assets</b> Limiting risk appetite for carbon-related assets and estimating our own firm's vulnerability to climate risks		<b>1.9%</b> Exposure to carbon-related assets on our balance sheet as of 31.12.20, from 2.3% on 31.12.19
<b>ii</b>	<b>Protecting our clients' assets</b> Supporting clients in assessing and managing climate-related risks and opportunities through innovative products and services		<b>49</b> Oil and gas and utility companies part of climate engagement program as of 31.12.20
<b>iii</b>	<b>Mobilizing private and institutional capital</b> Supporting the transition to a low-carbon economy through investments, corporate advisory and lending capacity		<b>USD 161bn</b> Climate-related sustainable investments as of 31.12.20, up from USD 108bn on 31.12.19
<b>iv</b>	<b>Reducing our direct climate impact</b> Driving the reduction of our GHG emissions		<b>79%</b> Reduction in our green house gas footprint since 2004 baseline (FY20)

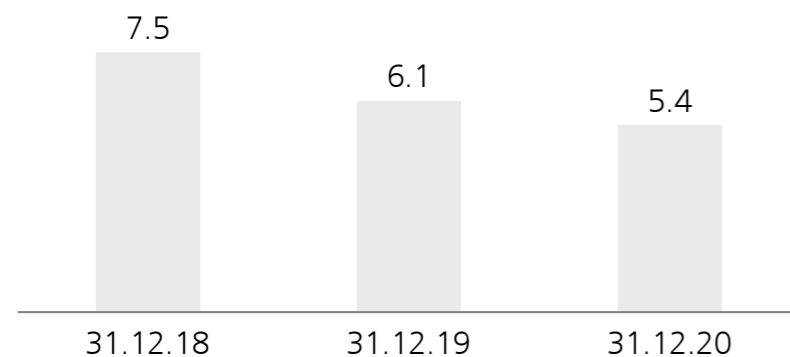
# Actively contributing to a net zero society – decarbonizing across the firm

## Financing

- › Founding signatory of the **Net Zero Banking Alliance** (NZBA)
- › We will set clear, **science-based targets** to further align our financing portfolio with the objectives of the Paris Agreement, efforts will be aligned with the **Net Zero Banking Alliance** sectoral approach
- › **Further tightened environmental standards** for financing carbon-related assets to pursue our net zero ambitions
- › **Low and continuously reducing exposure** to carbon-related assets

## Carbon-related assets on balance sheet

USDbn



## Investing

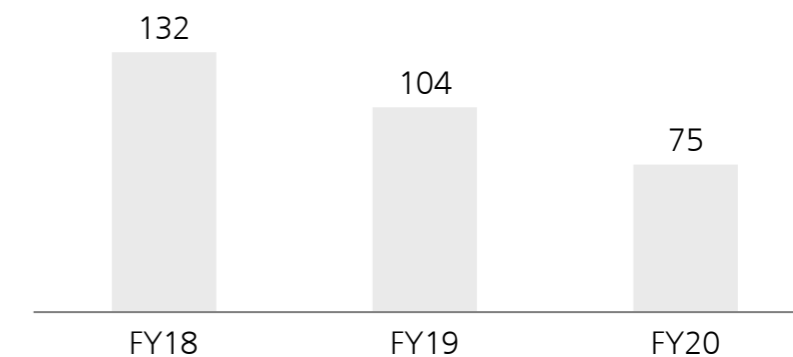
- › Founding signatory of the **Net Zero Asset Managers** initiative:
  - Net zero emissions across all AuM by 2050 or sooner
  - Interim targets, to be reviewed every 5 years
- › Sustainable investments are the **preferred solution** for clients of GWM investing globally
- › Committed to **helping our clients** achieve net zero emissions in their investment portfolios through:
  - Information and analytics
  - Stewardship and engagement
  - Supporting industry efforts around disclosures, reporting and data
  - Partnerships to ensure our clients have access to best practices, robust and science-based approaches, standardized methodologies and improved data

## Operations



- › Targeting **net zero** scope 1 & 2 emissions by 2025
- › RE100 goal met in 2020; targeting a 15% reduction in energy consumption 2020 to 2025
- › Targeting to offset historical emissions back to 2000

## GHG footprint

Kilotonnes CO<sub>2</sub>e



# Climate-related lending standards in the energy and utilities sectors

<p>Coal</p> 	Coal-fired power plants	<p>No project-level finance to new coal-fired power plants globally.</p> <p>Financing of existing coal-fired operators (&gt;20% coal reliance) subject to a transition strategy that aligns with the goals of the Paris Agreement, or if the transaction is related to renewable energy or clean technology.</p>
	Coal mining	<p>No financing where the stated use of proceeds is for greenfield<sup>1</sup> thermal coal mines.</p> <p>Financing of existing thermal coal-mining companies (&gt;20% of revenues) subject to a transition strategy that aligns with the goals of the Paris Agreement, or if the transaction is related to renewable energy or clean technology.</p>
	Mountaintop removal (MTR)	<p>Not providing financing to coal mining companies engaged in MTR operations.</p>
<p>Oil and gas</p> 	Arctic oil and oil sands	<p>No financing where the stated use of proceeds is for new offshore oil projects in the Arctic or greenfield<sup>1</sup> oil sands projects.</p> <p>Financing of companies with significant reserves or production in arctic oil and/or oil sands (&gt;20% of reserves or production) subject to a transition strategy that aligns with the goals of the Paris Agreement, or if the transaction is related to renewable energy or clean technology.</p>
	Liquefied natural gas (LNG) and ultra-deepwater drilling	<p>Enhanced Environmental &amp; Social Risk (ESR) due diligence considering relevant factors and the company's past and present environmental and social performance.</p>



# Transparency on our climate strategy – climate-related metrics (TCFD)

## Climate-related metrics 2020

	For the year ended			% change from 31.12.19
	31.12.20	31.12.19	31.12.18	
<b>Risk management</b>				
Identified significant climate-related financial risk on balance sheet	None	None	None	
Carbon-related assets (USD billion) <sup>1</sup>	5.4	6.1	7.5	(10)
<i>Proportion of total banking products exposure, gross (%)</i>	1.9	2.3	2.8	
Total exposure to climate-sensitive sectors (USD billion) <sup>1,2</sup>	38.7	35.2	36.1	10
<i>Proportion of total banking products exposure, gross (%)</i>	13.7	13.3	13.5	
Weighted carbon intensity of Climate Aware strategies (in tonnes CO <sub>2</sub> e per USD million of revenue)	68.2	74.5	89.6	(9)
<i>Compared to weighted carbon intensity of composite benchmark (%)</i>	(51.0)	(54.0)	(54.0)	
Number of climate-related shareholder resolutions voted upon	50	44	43	14
<i>Proportion of supported climate-related shareholder resolutions (%)</i>	88.0	81.8	88.0	
<b>Opportunities</b>				
Climate-related sustainable investments (USD billion)	160.8	108.0	87.5	49
<i>Proportion of UBS clients' total invested assets (%)</i>	3.8	3.0	2.8	
Total deal value in equity or debt capital market services related to climate change mitigation and adaptation (CCMA) (USD billion)	69.8	52.7	31.6	32
Total deal value of financial advisory services related to CCMA (USD billion)	29.1	34.5	24.9	(16)
Number of strategic transactions in support of Switzerland's Energy Strategy 2050	11	12	8	(8)
<b>Own operations</b>				
GHG footprint (kilotonnes CO <sub>2</sub> e)	75	104	132	(28)
<i>Percentage change from baseline 2004 (target: -75% by 2020) (%)</i>	(79.0)	(71.2)	(63.4)	



Refer to the Sustainability Report 2020 for further information; **1** Methodology revised to analyze underlying commodities in our commodity trade finance business; prior periods were restated; **2** Climate-sensitive sectors defined as business activities that are rated as having high, moderately high, moderate, or moderately low vulnerability to transition risks. For more details, refer to the "Scenario analysis" section and the footnotes to the "UBS corporate lending to climate-sensitive sectors 2020" table in the Sustainability Report 2020; prior periods were restated

# Transparency on our climate strategy – exposure to climate-sensitive sectors (TCFD)

## UBS corporate lending to climate-sensitive sectors, 2020<sup>1,2</sup>

*Inventory of exposure to transition-risk-sensitive sectors, across the Investment Bank and Personal & Corporate Banking*

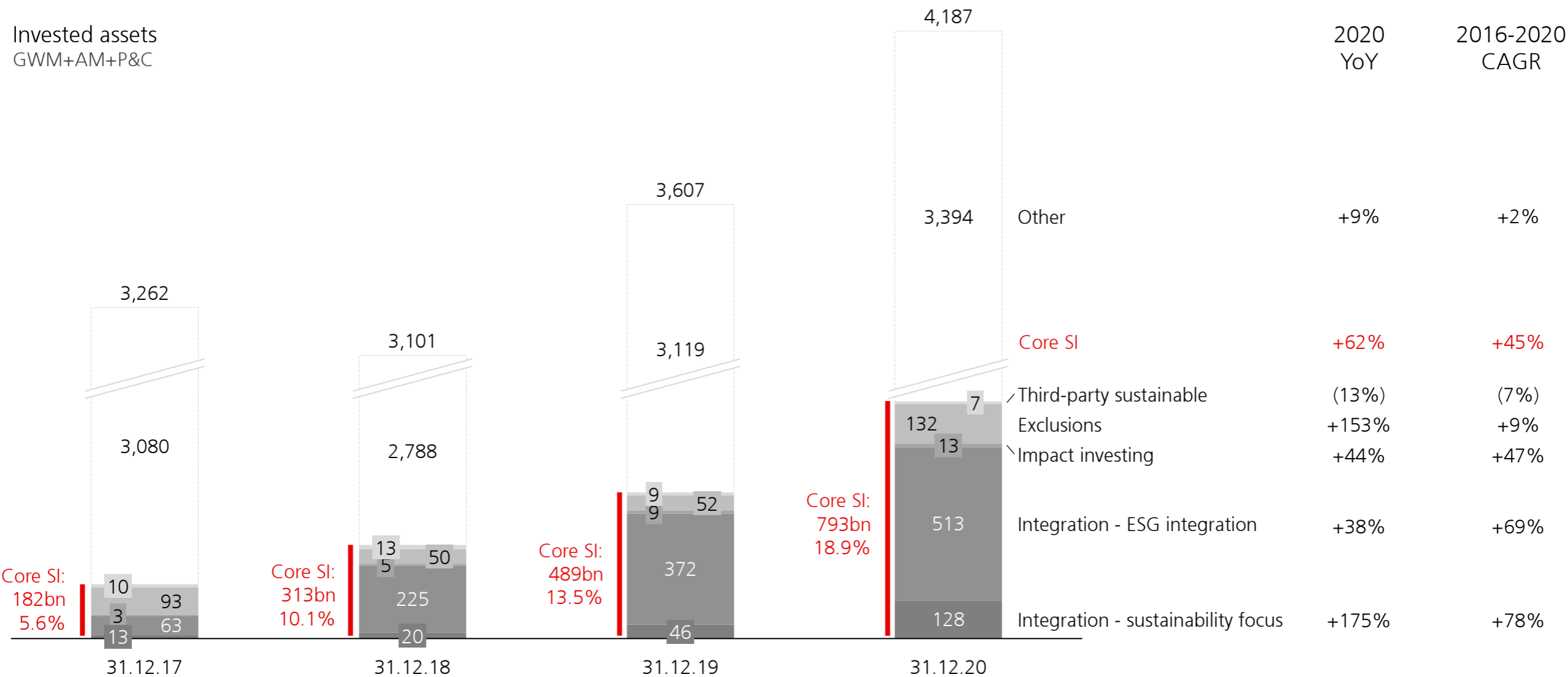
As of 31.12.20

Climate-sensitive sector	Gross exposure	Share of total exposure to all sectors (%)
Aerospace and defence	962	0.3
Automotive	966	0.3
Chemicals	2,021	0.7
Constructions and materials	3,905	1.4
Food and beverage	1,754	0.6
Industrial materials	151	0.1
Machinery and equipment	2,778	1.0
Mining	3,276	1.2
Oil and gas	4,951	1.7
Plastics and rubber	373	0.1
Primary materials	249	0.1
Textile products and apparel	1,128	0.4
Real estate	13,357	4.7
Transportation	2,337	0.8
Utilities	493	0.2
<b>Total exposure to climate-sensitive sectors</b>	<b>38,700</b>	<b>13.7</b>
<b>Total exposure to all sectors</b>	<b>283,376</b>	<b>100.0</b>



Numbers in USDm unless otherwise indicated; refer to the Sustainability Report 2020 for further information; **1** Methodology revised to analyze underlying commodities in our commodity trade finance business; prior periods were restated; **2** Climate-sensitive sectors defined as business activities that are rated as having high, moderately high, moderate, or moderately low vulnerability to transition risks. For more details, refer to the “Scenario analysis” section and the footnotes to the “UBS corporate lending to climate-sensitive sectors 2020” table in the Sustainability Report 2020; prior periods were restated

# Continued growth in sustainable investing assets



# 2020 was a pivotal year for sustainable finance at UBS

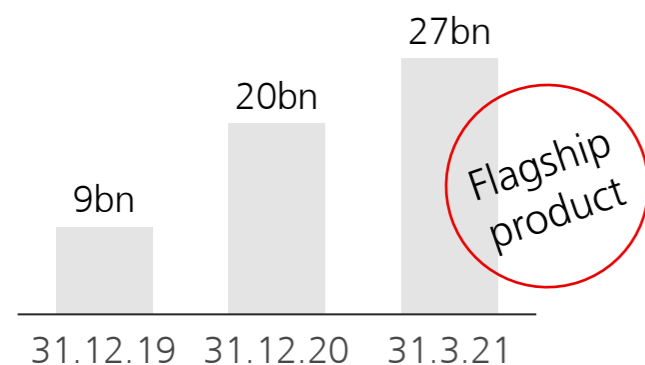
Sustainable investments preferred for GWM clients investing globally

Extended suite of Climate Aware strategies in Asset Management

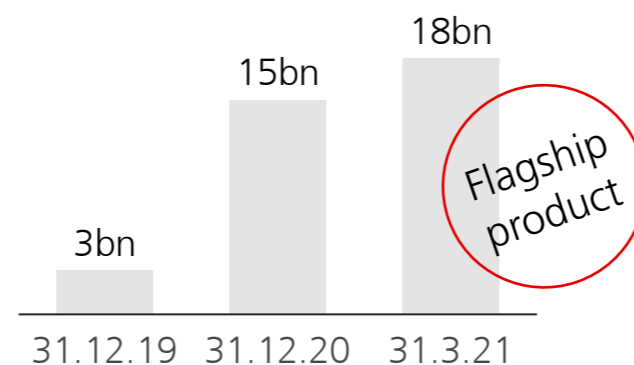
100% of Swiss retirement savings funds in sustainability-focused strategies

Established UBS Hub for Sustainable Finance

GWM+P&C 100% SI multi-asset mandate invested assets



AM climate aware invested assets



9bn  
invested assets converted  
FY20

- › Bring together the best of what UBS has to offer in sustainable finance
- › Facilitate the sharing of insights from experts across UBS and our extensive network

# Driving forward the group diversity, equity and inclusion agenda

## Strategic priorities

Gender	Focus on increasing female representation in Director+ roles through hiring, promotions and retention and continue leadership in key gender diversity rankings
Race and ethnicity	Execute strategy to increase the representation of diverse heritage employees at UBS
Inclusive leadership	Broaden employee and Line Manager understanding and skill base around Inclusive Leadership. Shifting the focus of the narrative beyond gender diversity
External brand and reputation	Work with colleagues in internal and external communications to showcase UBS as a best practice employer in the DE&I space
Governance	Lead global DE&I governance committee, with firm-wide representation to drive strategic alignment across the Firm towards meeting our Group DE&I objectives

## 2025 ambitions

30%	Female representation at Director+ ranks	Global
40%	Increase in ethnic minority representation at Director+ ranks	U.K.
26%	Ethnic minority representation at Director+ ranks	U.S.

# Continued focus on operational risks

## Operational resilience during COVID-19

- › Continued to serve clients without material impact on business

## Employee conduct is a central consideration in the annual compensation process

- › Incentive schemes distinguish clearly between quantitative performance and conduct-related behaviors

## Suitability risk, product selection, cross-divisional service offerings, quality of advice and price transparency remain areas of focus

- › Low interest rates, market volatility and major legislative change programs require adjustments to control processes

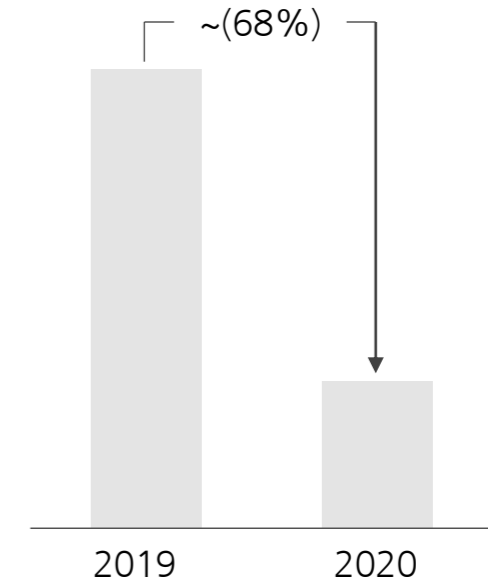
## Continued focus on financial crime

- › Significant investments in detection capabilities and core systems
- › Exploring new technologies; implementing more sophisticated rule-based monitoring by applying self-learning systems to identify potentially suspicious transactions
- › Active participation in public/private partnerships to improve information sharing and better detect financial crimes

Continued focus on sustainable remediation and resolution of underlying root causes

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Significant operational risk issues outstanding



# Robust Cyber and Information Security (CIS) program

## CIS governance structure

### Cyber & Information Security Governance Board

Co-chaired by Group COO & Group Head Compliance, Regulatory & Governance

- › Senior Executives across all business divisions and control functions
- › Oversee CIS Governance Framework
- › Drive CIS accountability across the firm
- › Define the CIS strategic roadmap
- › Evaluate CIS threat landscape and risks for the firm

Board of Directors RC

Group Executive Board  
Regional Boards

Business Divisions (BDs)

### CIS program oversight

Receive reporting on all CIS activities, including:

- › Quarterly cyber briefings
- › Weekly cyber threat intelligence updates
- › Risk appetite assessments and KRIs

### First line of defense

- › Dedicated BD Information Security Officer teams; dotted line to Group CISO
- › Implement the CIS Program in BDs; manage Third Party security risk

## CIS threat defense

1. Analyze - support business decisions and prioritization through a lens of business risk informed by the threat
2. Protect and prevent - deep layers of defenses ensure availability, integrity, confidentiality, and privacy
3. Detect - intelligence and state-of-the-art technology to detect threats
4. Respond & recover - preparedness to drive prompt operational response to mitigate the impact of adverse events and safely resume critical services

### COVID-19 update

- › Enhanced monitoring for COVID-19 and work-from home related cyber threats
- › Security controls have been effective to date with no significant cyber incidents

# External awards and recognition

Member of  
**Dow Jones  
Sustainability Indices**

Powered by the S&P Global CSA

Industry leader  
Index member of DJSI  
World and DJSI Europe



**CLIMATE**



**Sustainability Award  
Gold Class 2021**

**S&P Global**



A+ score in the Strategy  
and Governance module



Market leading position in  
2020 GRESB assessments



**FTSE4Good**

Index member



Corporate responsibility  
prime status



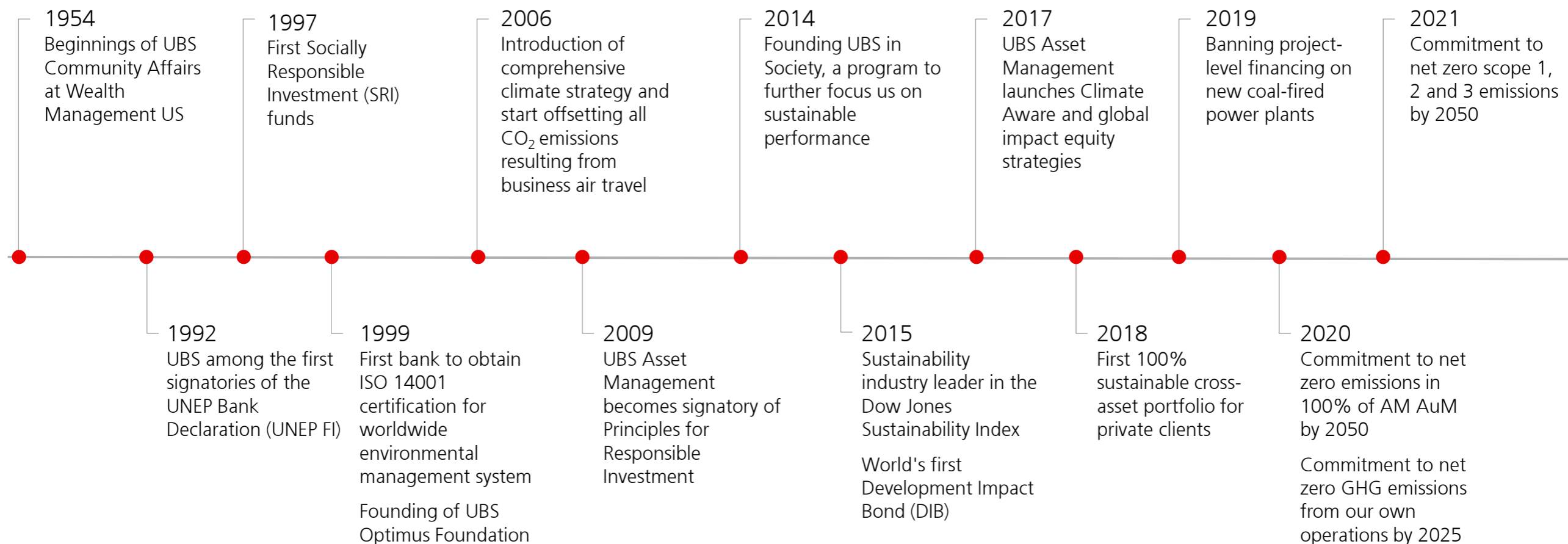
Ranked first globally by our peers  
for ESG and Impact Investing





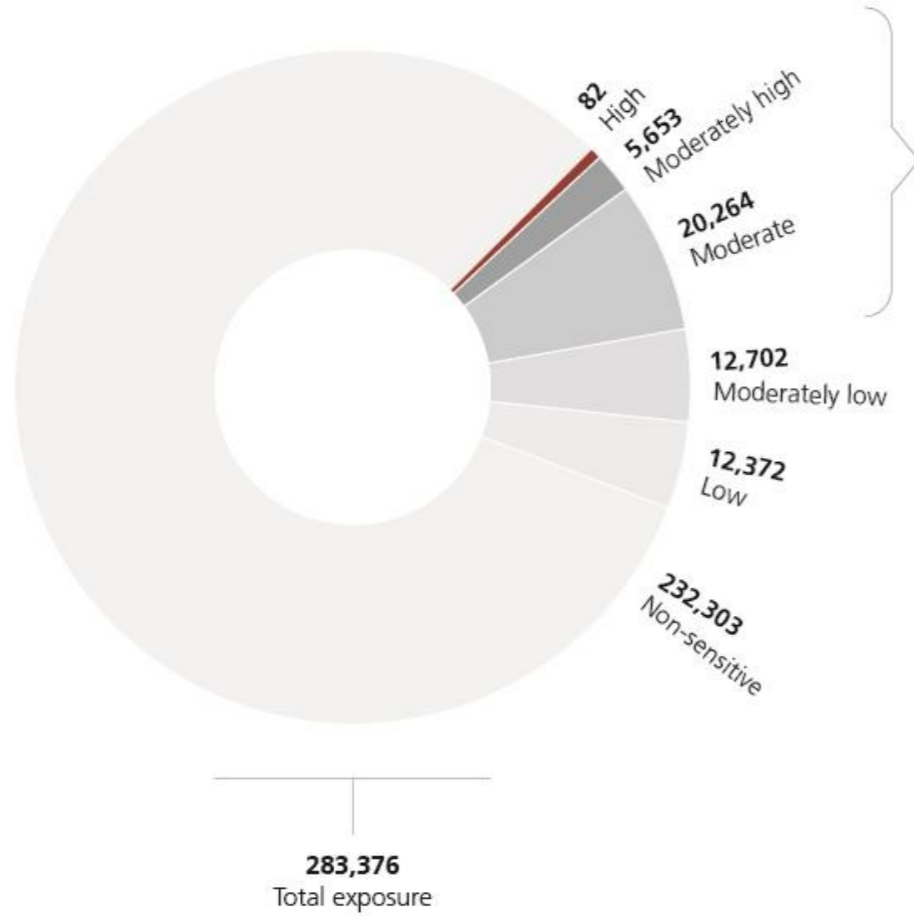
# Appendix

# Our long history in sustainability



# Climate risk heatmap

Heatmap of climate-sensitive sector exposure



## High

22  
Thermal coal mining

21  
Oil refining

39  
Shale gas drilling

## Moderately high

404  
Integrated oil and gas

571  
Midstream oil and gas

3  
Power generation (high-carbon, regulated)

2,397  
Chemicals

1,769  
Conventional oil extraction

508  
Cement or concrete manufacture

## Moderate

818  
Commercial airlines

824  
Manufacture of other metals

13,357  
Commercial real estate (low efficiency)

75  
Steel / iron manufacture

783  
Land-based shipping (high-carbon trucks)

2,279  
Downstream oil and gas

952  
Automobile manufacturing (high-carbon)

841  
Consumer durables manufacturing

15  
Livestock-beef extensive grazing

321  
Power generation (moderate-carbon, regulated)

# Our approach to tax matters

## UBS Code of Conduct and Ethics

*” We pay and report all taxes due. We report information relating to our own tax position and that of our clients and employees as required. We will not help our clients or any other party avoid paying the tax that they owe or reporting their income and gains, nor will we support any transactions where we know or shall presume that the tax outcome is dependent on unrealistic assumptions or the hiding of facts. We will also not contract with third parties that provide services for or on our behalf, where those acts help others to evade taxes owed*

▶ Every employee is required to read and affirm his or her commitment to following the Code of Conduct and Ethics on an annual basis

## Five key Principles

1. UBS will fully comply with tax laws in a principled manner;
2. UBS will manage its tax affairs in a manner which is consistent with maximizing long-term shareholder value;
3. UBS will maintain transparency and seek a mutually beneficial relationship with tax authorities;
4. UBS will refrain from promoting or engaging in transactions, products or services that lack a commercial purpose; and
5. UBS will submit all tax sensitive transactions to additional scrutiny.

# Our standards – overview (environmental and social risk policy framework)

## Controversial activities

Where we will **not do business**

- › UNESCO world heritage sites
- › Wetlands on the Ramsar list
- › Endangered species
- › High conservation value forests
- › Illegal fire
- › Illegal logging
- › Child labor
- › Forced labor
- › Indigenous peoples' rights
- › Controversial weapons

## Areas of concern

Where business is subject to **stringent criteria**

### Soft commodities:

- › Palm oil
- › Soy
- › Timber
- › Fish and seafood

### Power generation:

- › Coal-fired power plants
- › Large dams
- › Nuclear power

### Extractives:

- › Arctic oil and oil sands
- › Coal mining
- › Liquefied natural gas (LNG)
- › Ultra-deepwater drilling
- › Hydraulic fracturing
- › Precious metals
- › Diamonds



# Key terms and definitions

## SDGs

The 17 United Nations (UN) Sustainable Development Goals (SDGs) of the 2030 Agenda for Sustainable Development apply universally to all. With the SDGs, countries are mobilizing efforts to end all forms of poverty, fight inequalities and tackle climate change, while ensuring that no one is left behind.

## Sustainable finance

Core sustainable investments: Sustainable investment (SI) products that involve a strict and diligent asset selection process through either exclusions (of companies / sectors from portfolios where the companies / sectors are not aligned to an investor's values) or positive selections (such as best-in-class, thematic or ESG integration and impact investing).

Core SI categories:

Integration – sustainability focus: Strategies where sustainability is an explicit part of the investment guidelines, universe, selection and/or investment process.

Integration – ESG integration: Strategies that integrate environmental, social and governance (ESG) factors into fundamental financial analysis to improve risk/return.

Impact investing: Strategies where the intention is to generate measurable environmental and social impact alongside financial return.

Third-party SI: SI products from third-party providers applying a strict and diligent asset selection process.

Exclusions: Strategies that exclude companies from portfolios where they are not aligned to an investor's values. Includes customized screening services (single or multiple exclusion criteria).

Other SI categories: Norms-based screening assets: Invested assets that fall under the application of a UBS policy on the prohibition of investment in and indirect financing of companies involved in the development, production or purchase of anti-personnel mines and cluster munitions, and do not otherwise qualify as a core SI.

Green-, social- and sustainability bonds: Debt instruments with a commitment to use the proceeds to (re-)finance green or sustainable projects, aligned with the voluntary guidelines in the pertinent International Capital Market Association (ICMA) Principles.

## Climate action

Carbon-related assets: Assets tied to the energy and utilities sectors (Global Industry Classification Standard), excluding renewables, utilities and nuclear power.

Scope 1: accounts for direct greenhouse gas (GHG) emissions by UBS.

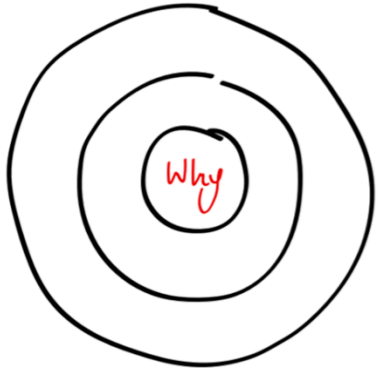
Scope 2: accounts for indirect GHG emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam.

## Disclosures

GRI (Global Reporting Initiative): Provider of the world's most widely used sustainability disclosure standards (the GRI standards).

TCFD (Task Force on Climate-related Financial Disclosures): Provider of disclosure recommendations designed to help companies provide better information to support informed capital allocation.

SASB (Sustainability Accounting Standards Board): Provider of disclosure standards (the SASB Standards) to guide the disclosure of financially material sustainability information by companies to their investors.



## Purpose

# Reimagining the power of investing. Connecting people for a better world.

### Client promise

Personalized  
Relevant  
On-time  
Seamless

### Vision

Convene THE global ecosystem for investing where thought leadership is impactful, people and ideas are connected, and opportunities are brought to life.

### Strategic imperatives



Clients, Connections,  
Contributors



Focus



Technology



Simplification & Efficiency



Culture

# Cautionary statement regarding forward-looking statements

This presentation contains statements that constitute “forward-looking statements,” including but not limited to management’s outlook for UBS’s financial performance and statements relating to the anticipated effect of transactions and strategic initiatives on UBS’s business and future development. and goals or intentions to achieve climate, sustainability and other social objectives. While these forward-looking statements represent UBS’s judgments, expectations and objectives concerning the matters described, a number of risks, uncertainties and other important factors could cause actual developments and results to differ materially from UBS’s expectations. The outbreak of COVID-19 and the measures being taken in response to the pandemic have had and may continue to have a significant adverse effect on global economic activity, and an adverse effect on the credit profile of some of our clients and other market participants, which has resulted in and may continue to increase credit loss expense and credit impairments. In addition, we face heightened operational risks due to remote working arrangements, including risks to supervisory and surveillance controls, as well as increased fraud and data security risks. The unprecedented scale of the measures to respond to the pandemic creates significantly greater uncertainty about forward-looking statements. Factors that may affect our performance and ability to achieve our plans, outlook and other objectives also include, but are not limited to: (i) the degree to which UBS is successful in the ongoing execution of its strategic plans, including its cost reduction and efficiency initiatives and its ability to manage its levels of risk-weighted assets (RWA) and leverage ratio denominator (LRD), liquidity coverage ratio and other financial resources, including changes in RWA assets and liabilities arising from higher market volatility; (ii) the degree to which UBS is successful in implementing changes to its businesses to meet changing market, regulatory and other conditions; (iii) the continuing low or negative interest rate environment in Switzerland and other jurisdictions; (iv) developments (including as a result of the COVID-19 pandemic) in the macroeconomic climate and in the markets in which UBS operates or to which it is exposed, including movements in securities prices or liquidity, credit spreads, and currency exchange rates, and the effects of economic conditions, market developments, and geopolitical tensions, and changes to national trade policies on the financial position or creditworthiness of UBS’s clients and counterparties as well as on client sentiment and levels of activity; (v) changes in the availability of capital and funding, including any changes in UBS’s credit spreads and ratings, as well as availability and cost of funding to meet requirements for debt eligible for total loss-absorbing capacity (TLAC); (vi) changes in or the implementation of financial legislation and regulation in Switzerland, the US, the UK, the European Union and other financial centers that have imposed, or resulted in, or may do so in the future, more stringent or entity-specific capital, TLAC, leverage ratio, net stable funding ratio, liquidity and funding requirements, heightened operational resilience requirements, incremental tax requirements, additional levies, limitations on permitted activities, constraints on remuneration, constraints on transfers of capital and liquidity and sharing of operational costs across the Group or other measures, and the effect these will or would have on UBS’s business activities; (vii) the degree to which UBS is successful in implementing further changes to its legal structure to improve its resolvability and meet related regulatory requirements and the potential need to make further changes to the legal structure or booking model of UBS Group in response to legal and regulatory requirements, proposals in Switzerland and other jurisdictions for mandatory structural reform of banks or systemically important institutions or to other external developments; (viii) UBS’s ability to maintain and improve its systems and controls for the detection and prevention of money laundering and compliance with sanctions to meet evolving regulatory requirements and expectations, in particular in the US; (ix) the uncertainty arising from the UK’s exit from the EU; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers will adversely affect UBS’s ability to compete in certain lines of business; (xi) changes in the standards of conduct applicable to our businesses that may result from new regulations or new enforcement of existing standards, including measures to impose new and enhanced duties when interacting with customers and in the execution and handling of customer transactions; (xii) the liability to which UBS may be exposed, or possible constraints or sanctions that regulatory authorities might impose on UBS, due to litigation, contractual claims and regulatory investigations, including the potential for disqualification from certain businesses, potentially large fines or monetary penalties, or the loss of licenses or privileges as a result of regulatory or other governmental sanctions, as well as the effect that litigation, regulatory and similar matters have on the operational risk component of our RWA as well as the amount of capital available for return to shareholders; (xiii) the effects on UBS’s cross-border banking business of tax or regulatory developments and of possible changes in UBS’s policies and practices relating to this business; (xiv) UBS’s ability to retain and attract the employees necessary to generate revenues and to manage, support and control its businesses, which may be affected by competitive factors; (xv) changes in accounting or tax standards or policies, and determinations or interpretations affecting the recognition of gain or loss, the valuation of goodwill, the recognition of deferred tax assets and other matters; (xvi) UBS’s ability to implement new technologies and business methods, including digital services and technologies, and ability to successfully compete with both existing and new financial service providers, some of which may not be regulated to the same extent; (xvii) limitations on the effectiveness of UBS’s internal processes for risk management, risk control, measurement and modeling, and of financial models generally; (xviii) the occurrence of operational failures, such as fraud, misconduct, unauthorized trading, financial crime, cyberattacks and systems failures, the risk of which is increased while COVID-19 control measures require large portions of the staff of both UBS and its service providers to work remotely; (xix) restrictions on the ability of UBS Group AG to make payments or distributions, including due to restrictions on the ability of its subsidiaries to make loans or distributions, directly or indirectly, or, in the case of financial difficulties, due to the exercise by FINMA or the regulators of UBS’s operations in other countries of their broad statutory powers in relation to protective measures, restructuring and liquidation proceedings; (xx) the degree to which changes in regulation, capital or legal structure, financial results or other factors may affect UBS’s ability to maintain its stated capital return objective; and (xxi) uncertainty over the scope of actions that may be required by UBS, governments and others to achieve goals relating to climate, environmental and social matters as well as the evolving nature of underlying science and industry and governmental standards, and (xxii) the effect that these or other factors or unanticipated events may have on our reputation and the additional consequences that this may have on our business and performance. The sequence in which the factors above are presented is not indicative of their likelihood of occurrence or the potential magnitude of their consequences. Our business and financial performance could be affected by other factors identified in our past and future filings and reports, including those filed with the SEC. More detailed information about those factors is set forth in documents furnished by UBS and filings made by UBS with the SEC, including UBS’s Annual Report on Form 20-F for the year ended 31 December 2020 and UBS’s First Quarter 2021 Report on Form 6K. UBS is not under any obligation to (and expressly disclaims any obligation to) update or alter its forward-looking statements, whether as a result of new information, future events, or otherwise.

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