

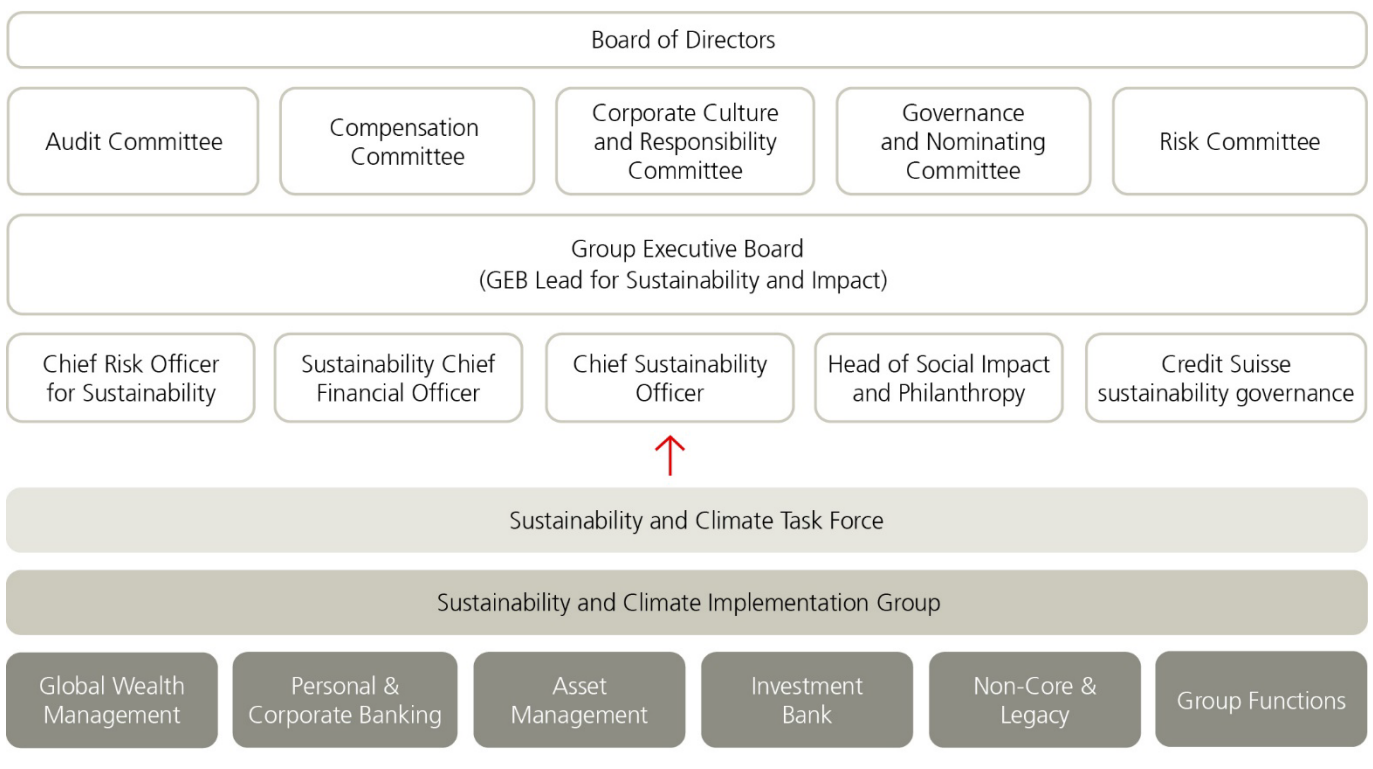
Group Sustainability and Impact governance and framework

This document provides an overview of the governance and key Group-wide policies, guidelines, and key topics applying to sustainability and impact at UBS.

Our sustainability governance

Our sustainability and corporate culture activities are grounded in our Principles and Behaviors and overseen at the highest level of our organization. These principles are laid down in our Code of Conduct and Ethics (the Code).

UBS Group AG sustainability governance



Board of Directors and Group Executive Board

The Board of Directors of UBS Group AG (the BoD) has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls.

The BoD decides on the Group's strategy and the necessary financial and human resources, on the recommendation of the Group Chief Executive Officer (the Group CEO), and also sets the Group's values and standards to ensure its obligations to shareholders and other stakeholders are met. The BoD oversees the overall direction, supervision and control of the Group and its management. It also supervises compliance with applicable laws, rules and regulations.

The Chairman of the BoD, together with the Group CEO, takes responsibility for UBS's reputation and is closely involved in, and responsible for, ensuring effective communication with shareholders and stakeholders, including government officials, regulators, and public organizations.

Five committees support the BoD in fulfilling its duty through the respective responsibilities and authority given to them. All BoD committees have specific responsibilities pertaining to ESG matters. For example, the Compensation Committee is responsible for ESG-related compensation topics, the Risk Committee supervises the integration of ESG in risk management, the Governance and Nominating Committee supports the Board in establishing best practices in corporate governance and the Audit Committee has oversight of the control framework underpinning ESG metrics.

The BoD's Corporate Culture and Responsibility Committee (the CCRC) is the body primarily responsible for corporate culture, responsibility, and sustainability.

The CCRC oversees our Group-wide sustainability and impact strategy and key activities across environmental and social topics. This includes climate, nature, and human rights. Annually, it considers and approves our firm's sustainability (including climate) and impact objectives. As part of this process, it also considers the impact and financial materiality of climate-related risks and opportunities on UBS's business and strategy.

The CCRC's function is forward-looking in that it monitors and reviews societal trends and transformational developments and assesses their potential relevance for the Group. In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of its corporate culture. UBS has various mechanisms (including complaint and feedback procedures) in place to ensure that such concerns and expectations are received, managed and, where necessary, brought to the attention of the Group Executive Board (the GEB) and the BoD. The CCRC is also responsible for conducting the annual review process for the Code and for proposing amendments to the BoD. This process includes a prior review of the Code by the GEB and is led by the Group CEO. The GEB develops the Group strategy and is responsible for managing our assets and liabilities in line with that strategy and our regulatory commitments, and in the interests of our stakeholders.

As determined by the BoD's Risk Committee, the GEB manages the risk profile of the Group as a whole and has overall responsibility for establishing and implementing risk management and control. The Group CEO has delegated responsibility for setting the sustainability and impact strategy and developing Group-wide sustainability and impact objectives, in agreement with fellow GEB members, to the GEB Lead for Sustainability and Impact. Progress against the strategy and associated targets are reviewed at least once a year by the GEB and the CCRC.

The GEB Lead for Sustainability and Impact also manages the Group Sustainability and Impact (GSI) organization and, together with the Chief Sustainability Officer (the CSO), co-chairs the Sustainability and Climate Task Force (the SCTF). Both the GEB Lead for Sustainability and Impact and the CSO attend the CCRC meetings.

Integration of Credit Suisse

The BoD is responsible for sustainability across the Group, including Credit Suisse. Until its acquisition by UBS Group in June 2023, Credit Suisse Group AG had an established sustainability governance system. It was exercised at its Board of Directors, Executive Board, and senior management levels, thus integrating sustainability into line processes and structures, as well as through boards and committees specifically focused on sustainability topics. With the integration of Credit Suisse into UBS Group in 2023, this governance was adapted for Credit Suisse and integrated into UBS Group, which included the successive retirement of certain CS governance bodies.

In 2023, alignment with the Group's strategies, objectives and guidelines has been ensured through representation of UBS personnel in the governance bodies of Credit Suisse. The governance of sustainability at Credit Suisse AG is exercised through its established governance bodies, thus integrating sustainability into operational processes and structures, as well as through those boards and committees specifically focused on sustainability topics. Certain Credit Suisse sustainability governance bodies have already been retired in 2023 and it is our aim to achieve full integration of the relevant bodies, together with their associated procedures and policies, into the overall UBS Group sustainability governance during 2024.

Group Sustainability and Impact

GSI (Group Sustainability and Impact) comprises the Chief Sustainability Office and the Social Impact Office, headed by the CSO and the Head of Social Impact respectively.

The CSO is responsible for driving implementation of the following: the Group-wide sustainability and impact strategy, the approach to climate across all in-scope activities, and the ESG data strategy. In addition, the CSO has responsibility for supporting the business divisions and Group Functions in the design of sustainability frameworks, the implementation of sustainability regulations and the development of education and awareness programs in relation to sustainability. Furthermore, the CSO also manages external relationships, industry advocacy and the annual sustainability disclosure.

The Head of Social Impact is responsible for driving and implementing the Social Impact strategy, including Community Impact, Philanthropy Services and UBS Global Visionaries. Reporting to the Head of Social Impact, the regional Heads of Social Impact and Philanthropy are responsible for extending the reach and maximizing the effectiveness of our social impact activities locally, nationally, and globally. In addition, they have responsibility for all our programs' operations and risk management, client engagement, and employee volunteering.

Progress made in implementing Group-wide sustainability and impact objectives is reported as part of UBS's annual sustainability disclosure. This reporting is reviewed and assured externally according to the requirements of the Sustainability Reporting Standards of the Global Reporting Initiative (the GRI Standards). UBS Group excluding Credit Suisse is also certified under the ISO 14001 standard for its products, services and activities in all business divisions and locations. To this degree, UBS seeks to continuously improve environmental and sustainability performance, as well as pollution prevention, where possible, across UBS. The GSI governance and framework document complements the Code, and together they govern UBS's Environmental Management System, according to ISO 14001.

Sustainability and climate risk

Our management of sustainability and climate risk is steered at the GEB level. Reporting to the Group CEO, the Group Chief Risk Officer is responsible for developing and implementing control principles and an appropriate independent control framework for sustainability and climate risk within UBS, together with integrating it into the firm's overall risk management and risk appetite frameworks. The Chief Risk Officer for Sustainability supports the GEB by providing leadership on sustainability in collaboration with business divisions and Group Functions. Our Sustainability and Climate Risk Policy Framework is applied Group-wide to relevant activities, including client and supplier relationships.

Sustainability Chief Financial Officer

The Sustainability Chief Financial Officer (the SCFO) supports the new and expanding requirements that are being driven by our global sustainability agenda. Reporting to the Group Chief Financial Officer (the GCFO) and the GEB Lead for Sustainability and Impact, the SCFO also works closely with the Group Controller and the Chief Accounting Officer's team and is the primary lead on sustainability topics for the GCFO. The SCFO ensures that sustainability considerations are embedded into our financial decision-making processes and supports the expanding external sustainability disclosures arising from both new regulatory requirements and the voluntary commitments made by our firm. In addition, the SCFO ensures the continued development of the financial control environment that underpins our disclosures.

Sustainability and Climate Task Force

The SCTF is the cross-divisional and cross-functional authority for sustainability and climate governance, as well as the Group's sustainability and climate governance body. Its role includes agreeing on the actions required to achieve UBS's sustainability and impact strategy, monitoring progress against that strategy and providing assurances to the GEB that UBS is managing sustainability and climate risks and opportunities in an appropriate manner.

The SCTF relies on the Sustainability and Climate Implementation Group to ensure cross-divisional, cross-functional and cross-regional (if needed) alignment of sustainability and climate activities. It oversees the following cross-divisional and cross-functional workstreams: *Net Zero, Corporate Disclosures and Reporting, Regulatory and Market, Financial Risk Management, Non-Financial Risk, Investment Product Regulations, Commercial Opportunities, Data and Methodology*, and *Educate* workstreams.

Key topics and working groups

Net-zero workstream

Our approach to climate outlines our ambition to support clients through the world's transition to a low-carbon economy and embed considerations of climate change risks and opportunities across the bank for the benefit of our stakeholders. As part of this, it is our ambition to achieve net-zero greenhouse gas (GHG) emissions across our scope 1 and 2, and specified scope 3 activities by 2050. The net-zero workstream coordinates the implementation and execution of this ambition, in line with UBS's fiduciary responsibilities. It is one of the workstreams reporting into the SCTF and includes members from the business divisions and Group Functions.

Own operations: in-house environmental management

Our in-house environmental management is steered by Group Corporate Services (GCS). Reporting to the Group Head Human Resources and Corporate Services, GCS is responsible for driving the reduction in the environmental impact arising from our offices, technology and supply chain. GCS implements the sustainability and impact strategy within UBS's operations by ensuring compliance with local legislation, monitoring and measuring environmental and energy performance, and making continuous improvements in accordance with ISO 14001, the international environmental management standard, and ISO 50001 (EMEA region).

Nature

Our approach to nature and the environment is part of the group-wide sustainability and impact strategy overseen by the CCRC. The GEB is responsible for driving our nature-related efforts, as part of the measures to achieve our sustainability and impact strategy. The business divisions and Group Functions ensure that UBS's nature-related strategy and risk management frameworks are implemented. Through strategy management reports, GSI periodically updates the GEB and CCRC on our approach to nature. On an annual basis, the CCRC receives dedicated updates on nature and biodiversity, including the progress of the Taskforce on Nature-related Financial Disclosures (the TNFD) and UBS's own activities relating to the TNFD, as well as updates on the evolving frameworks and regulations, and potential nature-related risks and opportunities facing the firm.

Human rights

As our Human Rights Statement articulates, the governance outlined above also applies to our commitment to respecting internationally recognized human rights across UBS globally.

Financial crime prevention

The GEB oversees our efforts to combat money laundering, corruption and terrorist financing. A dedicated financial crime team of anti-money laundering compliance experts leads these efforts.

People and culture

Our GEB and CCRC oversee our approach to corporate culture overall, as well as to culture integration. The GEB also oversees our approach to diversity, equity and inclusion (DE&I). Our global head of DE&I drives a Group-wide strategy, complemented by divisional and regional initiatives.

› Refer to ubs.com/gri for more policies