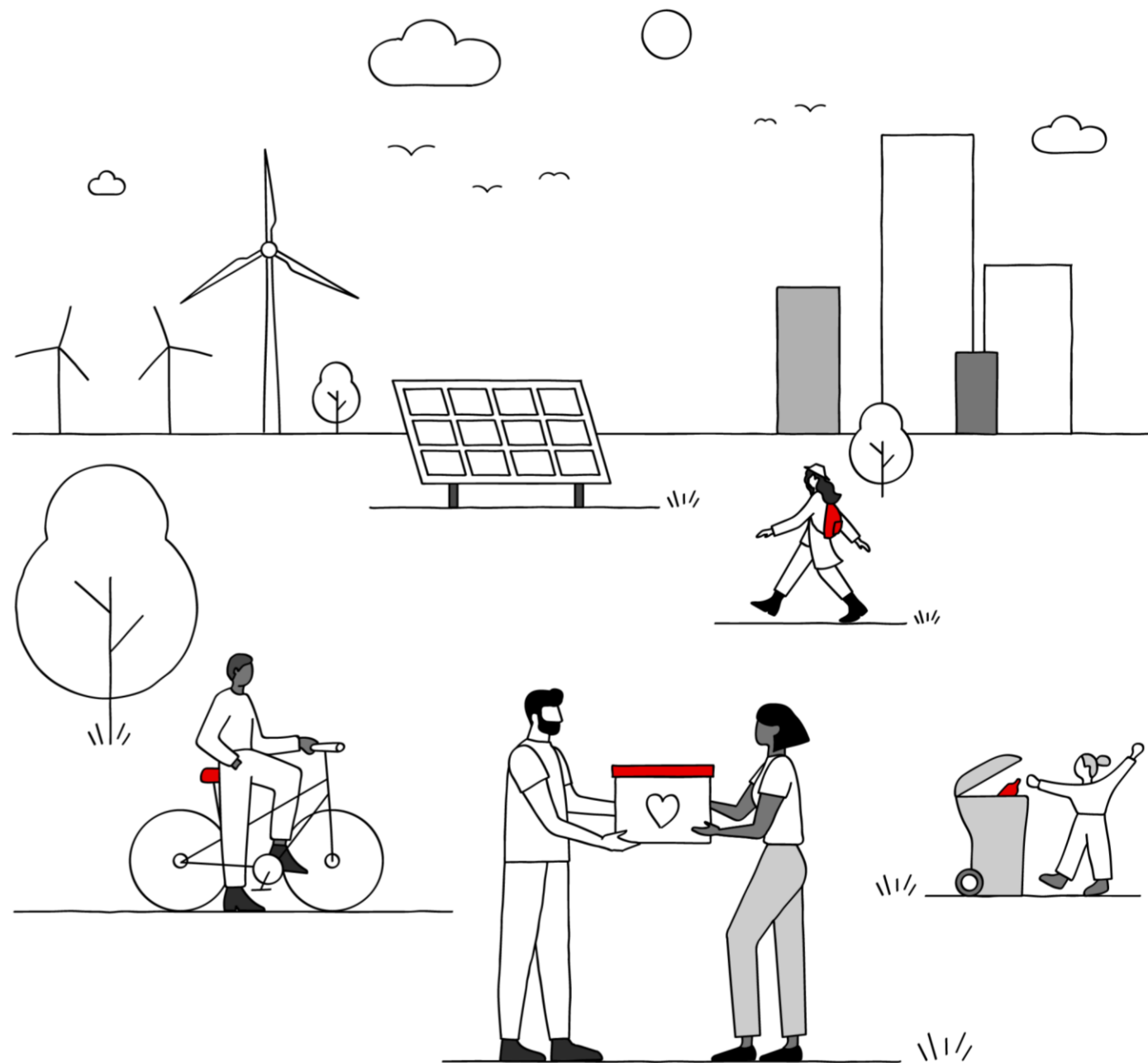


Sustainability at UBS

This document should be read in conjunction with the UBS Group AG Sustainability Report 2021 and Annual Report 2021

ubs.com/annualreporting



Important information

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, 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. 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.

Alternative Performance Measures: In addition to reporting results in accordance with International Financial Reporting Standards (IFRS), UBS reports certain measures that may qualify as Alternative Performance Measures as defined in the SIX Exchange Directive on Alternative Performance Measures, under the guidelines published by the European Securities Market Authority (ESMA), or defined as Non-GAAP financial measures in regulations promulgated by the US Securities and Exchange Commission (SEC). Please refer to “Alternative Performance Measures” in UBS’s 2021 Annual Report for a list of all measures UBS uses that may qualify as APMs.

Disclaimer: This presentation and the information contained herein are provided solely for information purposes, and are not to be construed as a solicitation of an offer to buy or sell any securities or other financial instruments in Switzerland, the United States or any other jurisdiction. No investment decision relating to securities of or relating to UBS Group AG, UBS AG or their affiliates should be made on the basis of this document. No representation or warranty is made or implied concerning, and UBS assumes no responsibility for, the accuracy, completeness, reliability or comparability of the information contained herein relating to third parties, which is based solely on publicly available information. UBS undertakes no obligation to update the information contained herein.

Available Information: UBS’s Annual Report, Quarterly Reports, SEC filings on Form 20-F and Form 6-K, as well as investor presentations and other financial information are available at www.ubs.com/investors. UBS’s 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 are also available at the SEC’s website: www.sec.gov

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 2021 Annual 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.

© UBS 2022. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved

A firm driven by purpose

Reimagining

It is about proactively finding ways to fundamentally change how the world looks at finance and investing

The power of investing

We know finance has a powerful influence on the world. We believe it is something we can leverage as a positive force – for individuals, for society and for our planet

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

Connecting people

It is about more than just us. It is about convening a global ecosystem that connects people and businesses to ideas, partners, opportunities – so they can achieve more together

For a better world

It is about contributing, in both the short and long term, to a fairer society, a more prosperous economy and a healthier environment

What purpose means for our stakeholders

For clients, both existing and potential, it means that our Focus is clear. They know who we are. They know what we stand for. They know what is important to us beyond traditional financing. And they know our promise: to deliver products and services that are personalized, relevant, on-time and seamless.

For investors, it means there is clarity behind our decisions. All initiatives are aligned with our purpose and executed with discipline.

For employees, it means that everyone – from those who advise clients, to those who research investments, to those who manage technology platforms – knows why we do what we do, and how they can contribute to our purpose and use it to drive decision making.

For society, it means that our role is broader than finance. We act responsibly and are committed to our communities, to sustainability and to supporting the world in tackling its biggest challenges.


UBS Sustainability and Impact Strategy

Our sustainability commitment


Be the financial provider of choice for clients who wish to mobilize capital toward the achievement of the 17 UN Sustainable Development Goals and the orderly transition to a low-carbon economy




Planet: Taking climate action and supporting the transition to a net zero world


 Offsetting historical emissions back to the year 2000


 235bn of Asset Management AuM aligned to Net zero by 2030

 Net zero energy emissions across our own operations by 2025


 Net zero across all aspects of our business by 2050, including investments and financing


People: Shaping a diverse, equitable and inclusive society. Addressing inequality through our focus on health and education

 Main contributor to largest dedicated impact investment fund in biotech history¹

 25 million philanthropy beneficiaries by 2025

Partnerships: Working with thought leaders, entrepreneurs and clients to achieve impact on a truly global scale

 Working with entrepreneurs tackling the world's biggest challenges through the Global Visionaries network

 Through Banking for Impact, working with peers to develop a measurement framework to measure social and environmental impact

Working with clients to identify **new ways forward**, optimizing innovation and technological progress.

External ESG ratings



Index member of DJSI World and DJSI Europe
Ranked 3rd out of 174 Diversified Financial Services and Capital Markets companies

[Link](#)



One of only 200 companies on the CDP Climate A-List – out of nearly 12'000 companies ranked

[Link](#)



Top 3 among primary peer group

[Link](#)



ESG Risk rating of 22.2 (Medium risk)

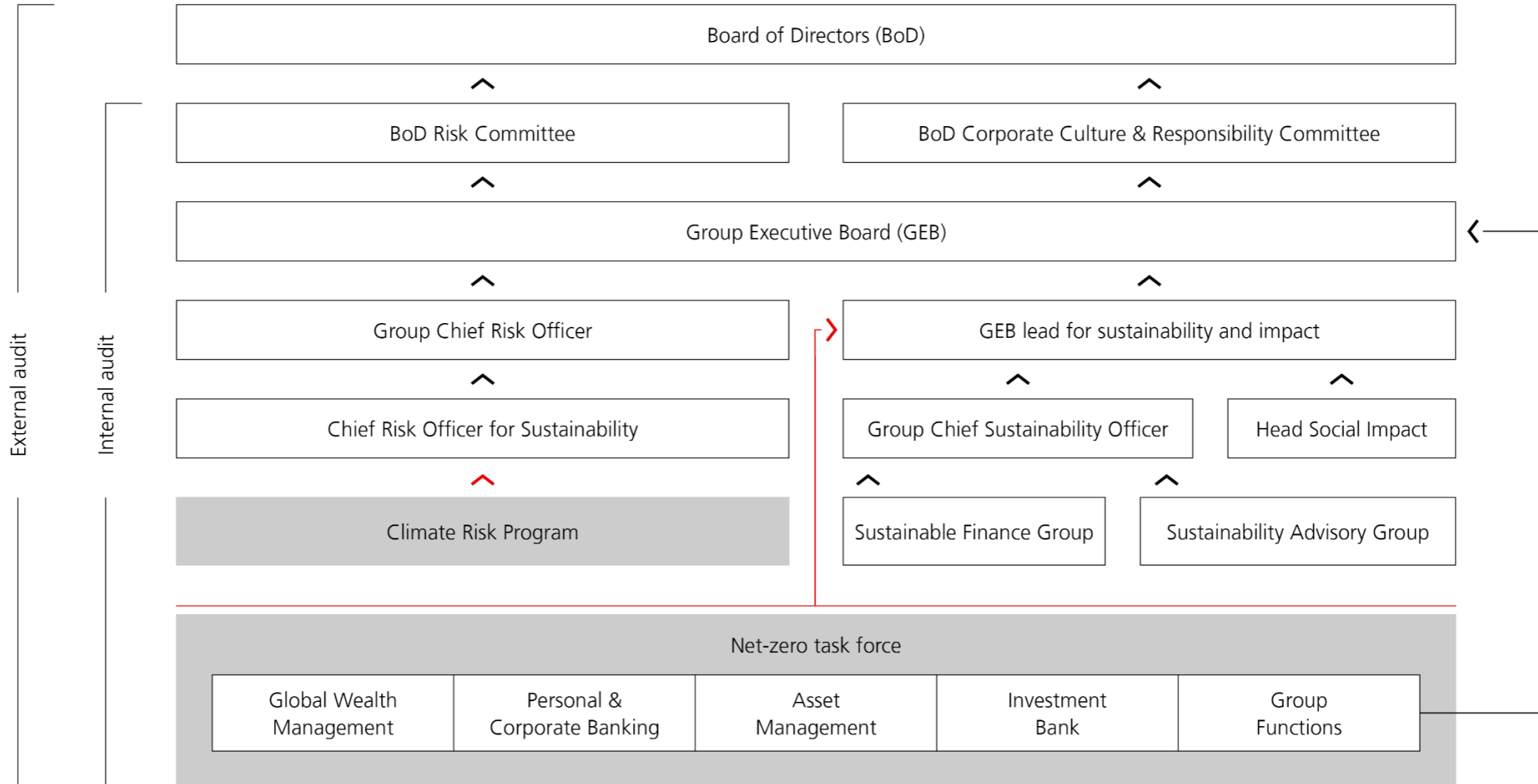
[Link](#)



ESG evaluation of 77/100 (Solicited rating)
Environmental profile: 70/100
Social profile: 66/100
Governance profile: 77/100
Preparedness: Strong (+5)

[Link](#)

UBS sustainability and climate governance



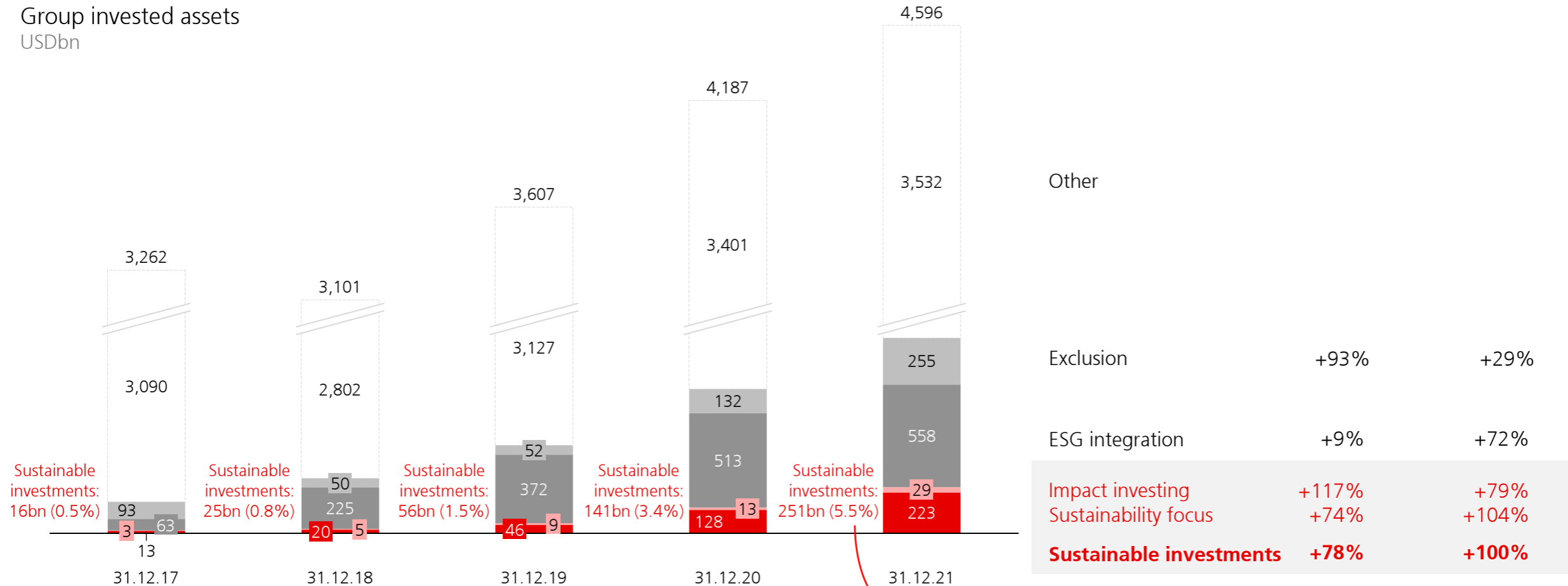
Targeting 400bn in sustainable investments by 2025

Increased invested assets in sustainable investments by **78% to USD 251 billion**

2021
YoY

2017-2021
CAGR

Group invested assets
USDbn



2025 ambition: 400bn

Sustainable finance approach and offering

Investment approaches

UBS's definition of sustainable investments

Sustainability focus

Target market-rate investment returns
Have explicit sustainable intentions or objectives that drive the strategy
Underlying investments may contribute to positive sustainability outcomes through products, services and / or proceeds

Impact investing

Target market-rate investment returns
Have explicit intentions to generate measurable, verifiable, positive sustainability outcomes
Impact attributable to investor action and / or contribution

Expanding offering for clients in 2021

Over USD 30bn invested in discretionary offerings aligned to our **SI Strategic Asset Allocation**

USD 11.6bn directed to **SDG-related impact investments**, above our commitment of USD 5bn

GWM **clients invested** USD 650m (over 75% of the fund) in MPM Capital's Oncology Impact Fund 2, an impact investing initiative aimed at developing innovative treatments for cancer

Supported clients in 103 green, social, sustainability or sustainability-linked **bond transactions**

Expanded **Vitainvest Sustainable** offering with launch of passive fund range

UBS AM's **Climate Aware** strategies reached USD 23.4bn

UBS Manage SI represented almost 70% of Personal Banking's mandate sales


Sustainable investments make up 47% of total custody assets in Personal Banking after repositioning funds into UBS Strategy Funds Sustainable and incorporating sustainability throughout the entire investment process

Partnered with Robeco to develop and launch its **Engagement Equities Fund** focused on UN's SDGs

Launched **UBS Collectives** – a philanthropy initiative to help clients address critical global issues



Planet – our targets and progress in 2021

Our priorities	Our targets	Our progress in 2021
<p>Planet</p> 	<p>Set decarbonization targets for 2030 for financing of the fossil fuels, power generation and real estate sectors (from 2020 levels):</p> <ul style="list-style-type: none"> – reduce absolute financed emissions associated with UBS loans to fossil fuel companies by 71%; – reduce emissions intensity associated with UBS loans to power generation companies by 49%; – reduce emissions intensity of UBS’s commercial real estate lending portfolio by 44%; and – reduce emissions intensity of UBS’s residential real estate lending portfolio by 42%. <p>Align USD 235 billion of invested assets to net zero by 2030 (Asset Management).</p> <p>Achieve net-zero emissions across discretionary client portfolios by 2050.</p> <p>Achieve net-zero energy emissions resulting from our own operations (scopes 1 and 2) by 2025; cut energy consumption by 15% by 2025 (compared with 2020).</p> <p>Offset historical emissions back to the year 2000 by sourcing carbon offsets (by end 2021) and by offsetting credit delivery and full retirement in registry (by end 2025).</p> <p>Engage with key vendors on targeting net zero by 2035.</p>	<p>Estimated baselines and development of net-zero-aligned pathways for the fossil fuel, power generation and real estate (commercial and residential) sectors.</p> <p>Established Asset Management baseline covering the weighted average carbon intensity of the respective benchmark for each strategy and fund included in our target.</p> <p>Expanded discretionary offering with climate transition-focused solutions and built more detailed carbon footprint data into our research and reporting toolkits.</p> <p>Reduced net greenhouse gas footprint for scope 1 and 2 emissions by 75% and energy consumption by 5% (compared with 2020); continued implementation of the replacement of fossil fuel heating systems and investing in credible carbon removal projects; maintained 100% renewable electricity coverage.</p> <p>Completed the sourcing process for a portfolio of transparent carbon offsets from the voluntary carbon market across a range of project types and geographies.</p> <p>Commenced working on understanding and quantifying the scope 3 emissions in our supply chain.</p>

Climate Strategy



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



46

Companies in high carbon intensity sectors participating in climate engagement program

Protecting our own assets

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



9.9%¹

Exposure to carbon-related assets as % of total customer lending exposure, from 10.4% on 31.12.20

Acting on low carbon future

Reducing our climate impact

Driving the reduction of our direct and indirect GHG emissions



Net zero

Scope 1, 2 and 3 greenhouse gas emissions by 2050

Mobilizing capital

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

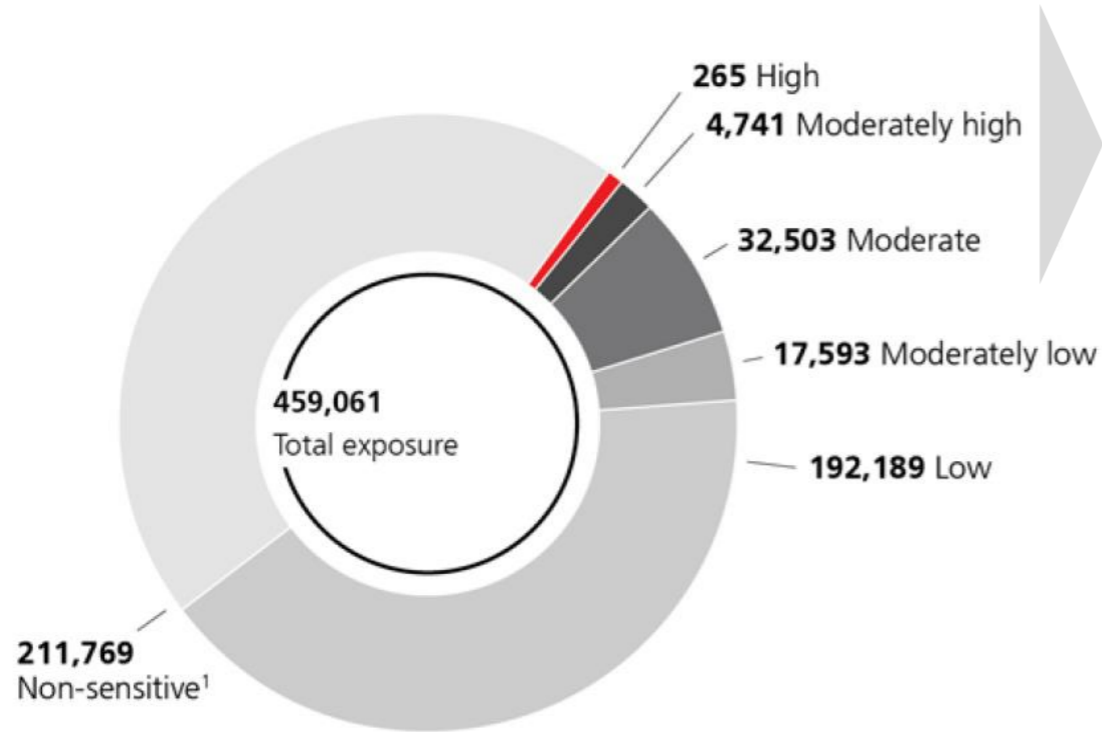


98

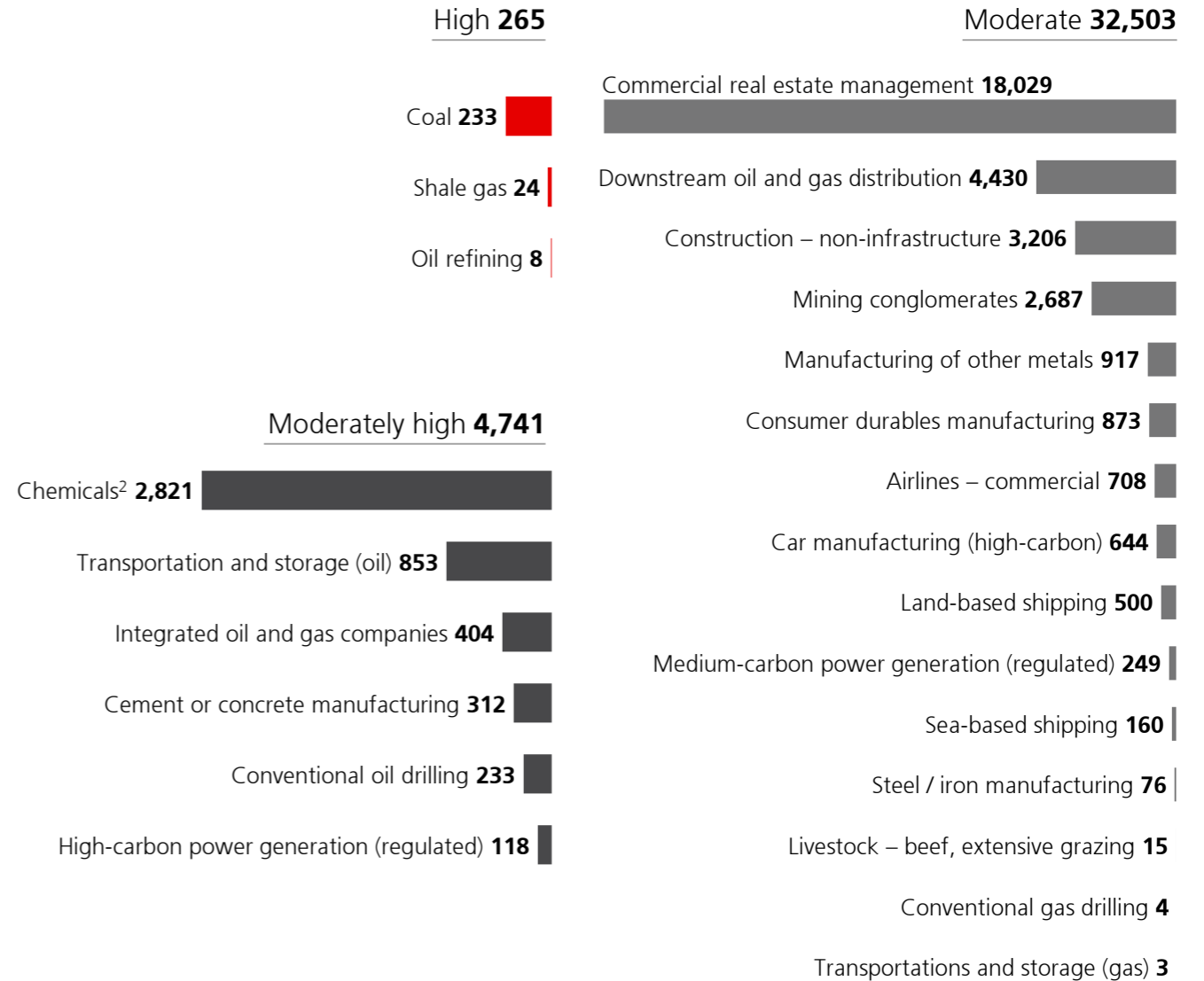
Number of green, sustainability, and sustainability-linked bond deals

UBS will put its climate roadmap to an **advisory shareholder vote during its 2022 AGM** reflecting its commitment to shareholders having their say on our firm's climate (including net-zero) strategy.

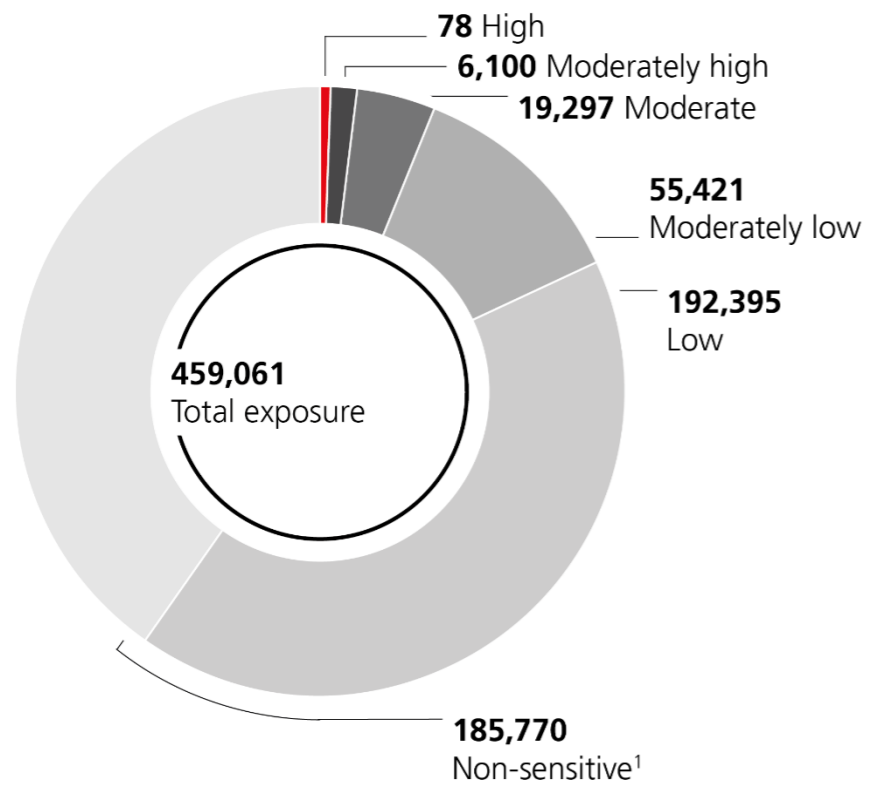
Climate risk heatmap – transition risks



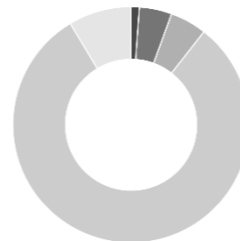
Refer to slide 25 for a sector distribution of High, Moderately High, and Moderate transition risk exposures



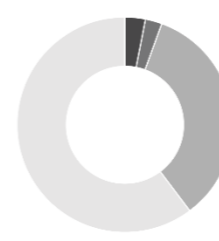
Climate risk heatmap – physical risks



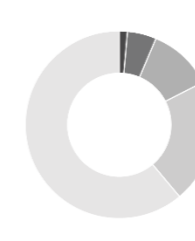
Switzerland
215,560
Moderately low



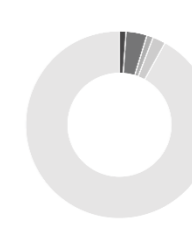
North America
107,940
Low



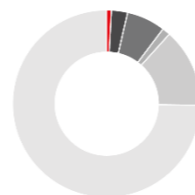
Europe and Central Asia
49,757
Low



Latin America and the Caribbean
38,502
Low



East Asia and the Pacific
33,773
Low



Middle East and North Africa
11,511
Low



Sub-Saharan Africa
1,332
Low

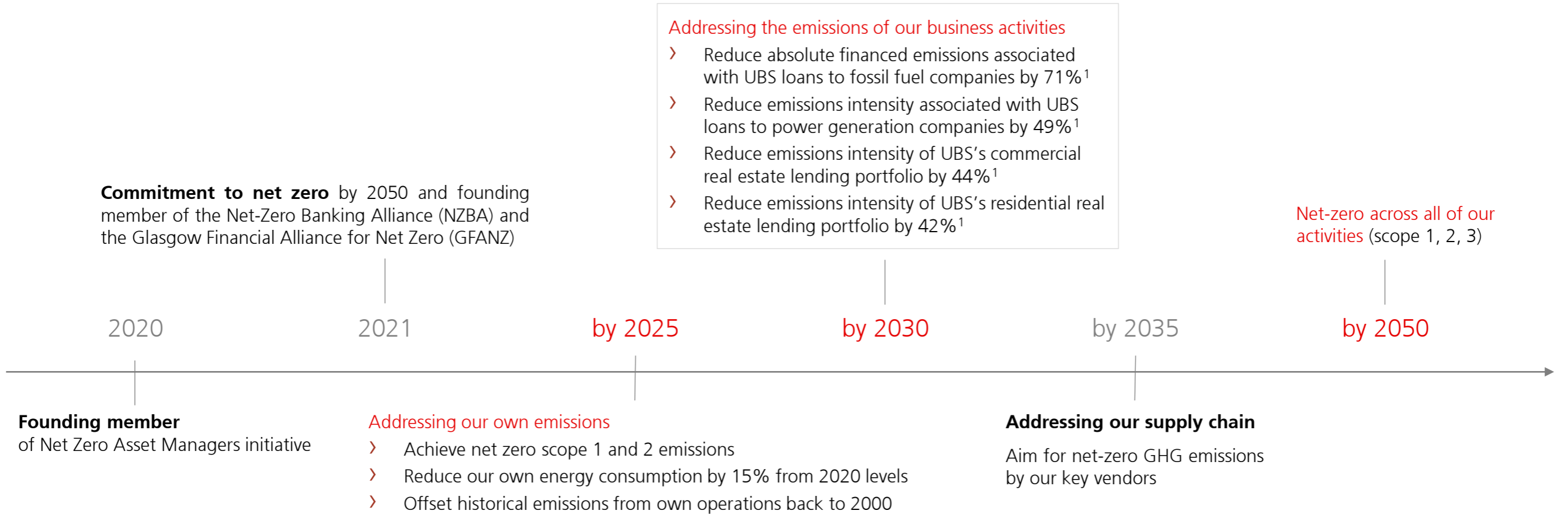


South Asia
687
Moderately low



Refer to slide 26 for a sector distribution of High, Moderately High, and Moderate physical risk exposures

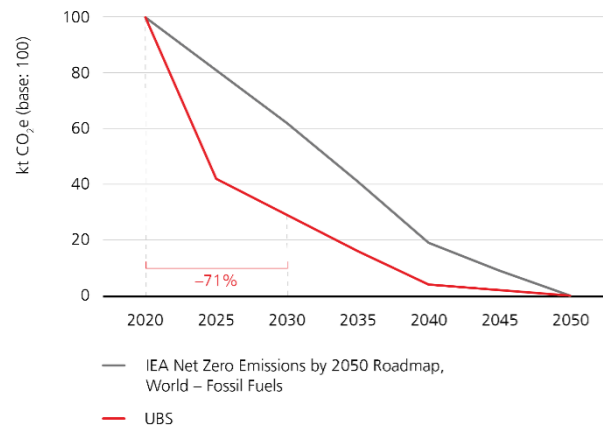
Climate roadmap



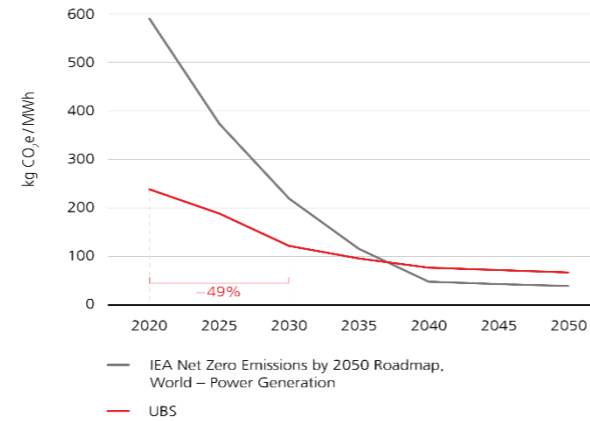
Our plan for addressing emissions in our lending book

Emissions associated with financing of fossil fuels, power generation and real estate (commercial and residential) and **targets we have set for 2030**

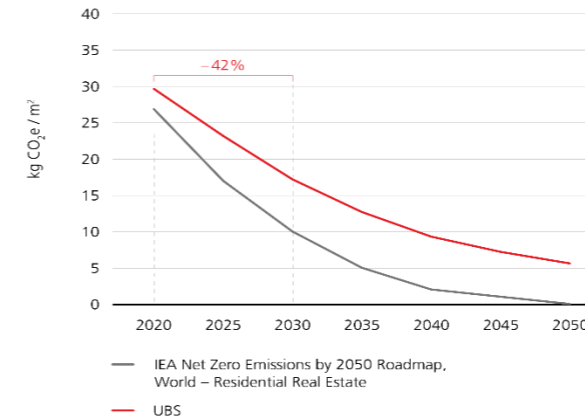
Fossil fuel financing



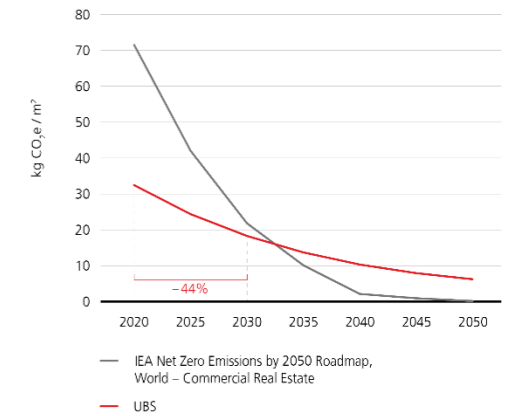
Power generation financing



Residential real estate lending



Commercial real estate lending



	Lending volume 2020	Lending volume 2021	Emissions baseline 2020	Emissions target 2030 versus baseline 2020	Notes
Fossil fuels	USD 1.2 billion	USD 0.7 billion	3,781 kt CO ₂ e	(71%)	Reduction of absolute emissions (scopes 1, 2 and 3)
Power generation	USD 0.9 billion	USD 1.2 billion	238 kg CO ₂ e/MWh	(49%)	Reduction of emissions intensity (scopes 1, 2 and 3)
Residential real estate	USD 151.1 billion	USD 155.9 billion	30 kg CO ₂ e/m ²	(42%)	Reduction of emissions intensity (scopes 1 and 2)
Commercial real estate	USD 43.7 billion	USD 44.7 billion	32 kg CO ₂ e/m ²	(44%)	Reduction of emissions intensity (scopes 1 and 2)

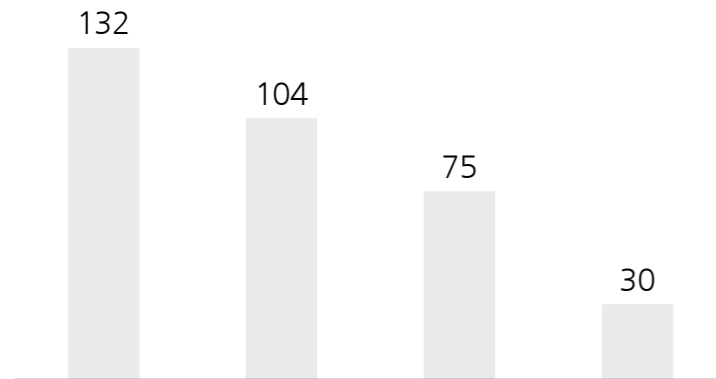


These priority sectors represent both a substantial share of UBS's loan book and our overall financed emissions. UBS is committed to net zero and is setting ambitious targets for each of the sectors above. At the same time, meeting the ambition of the Paris Agreement with a 1.5°C limit in global warming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

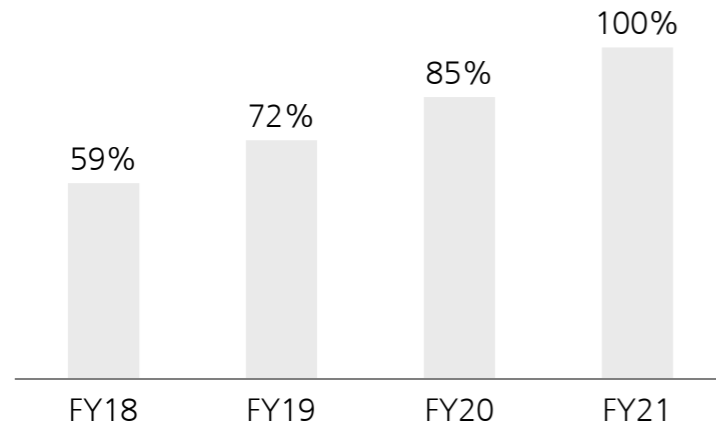
Progress on our direct environmental footprint

GHG footprint (scope 1 and 2)

Kilotonnes CO₂e

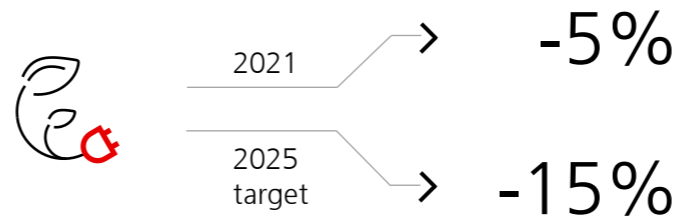


Renewable electricity sourcing

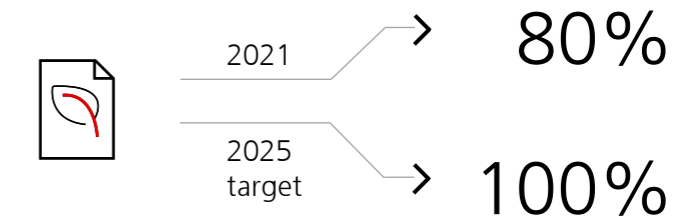


Environmental performance and 2025 targets

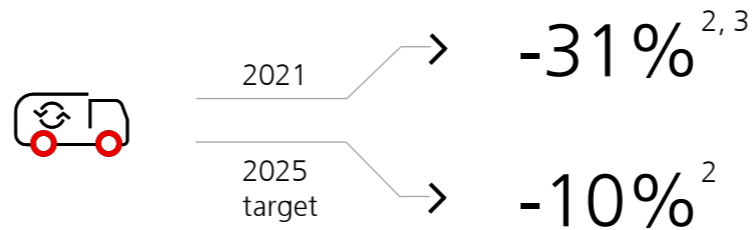
Energy reduction¹



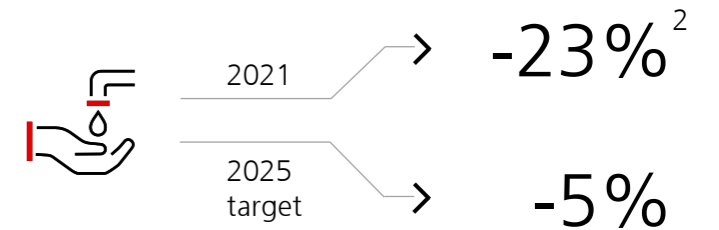
Paper from sustainable sources




Waste reduction¹



Water reduction¹



People – our targets and progress in 2021

Our priorities	Our targets	Our progress in 2021
People 	30% global female representation at Director level and above by 2025.	Increased to 26.7% (2020: 26.0%) female representation at Director level and above.
	26% US ethnic minority representation at Director level and above by 2025.	Increased to 20.1% (2020: 19.5%) ethnic minority representation at Director level and above in the US.
	26% UK ethnic minority representation at Director level and above by 2025.	Increased to 21.3% (2020: 20.7%) ethnic minority representation at Director level and above in the UK.
	Raise USD 1 billion in donations to our client philanthropy foundations and funds and reach 25 million beneficiaries by 2025 (cumulative for years 2021–2025).	Achieved UBS Optimus Foundation donations volume of USD 161 million (including UBS matching contributions) and reached 4.6 million beneficiaries.
	Support one million beneficiaries through our community impact activities by 2025 (cumulative for years 2020–2024).	Reached 1.199 million beneficiaries through strategic community impact activities cumulatively during 2020 and 2021, surpassing our 2025 target in two years.

Driving forward the group diversity, equity and inclusion agenda

Vision: We're building a culture of belonging where everybody can unlock their full potential. Together, we champion equality for our employees, clients and society.



hire

Attracting **diverse perspectives and experiences** into our workforce

- External sourcing partnerships
- Social media and branding
- Onboarding experience
- Diversity outreach and attraction



develop

Providing employees the **visibility** and **opportunities** to realise their **unique potential**

- Development programs
- Sponsorship and mentoring
- Promotion



belong

Creating a sense of belonging through our inclusive culture, where **employees from all backgrounds and identities** feel **recognised and valued**

- Inclusive leadership
- Equitable policies and practices
- Employee Engagement
- Awareness



accountable

The framework through which **leaders deliver the strategy** and **everyone is held accountable** for achieving our DE&I vision

- GEB commitment (aspirational goals*) and oversight
- Line manager objectives and key results
- Measure and Monitor
- Governance (e.g. ROI, budget, networks, etc)
- External transparency and reporting




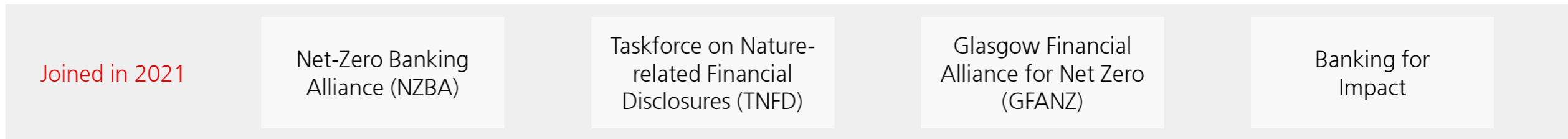
2025 aspirations*

2021 progress

30%	Female representation at Director level and above Global	26.7% +0.7ppts YoY
26%	Ethnic minority representation at Director level and above U.K.	21.3% +0.6ppts YoY
26%	Ethnic minority representation at Director level and above U.S.	20.1% +0.6ppts YoY

Partnerships – our targets and progress in 2021

Our priorities	Our targets	Our progress in 2021
<p>Partnerships</p> 	<p>Establish UBS as a leading facilitator of discussion, debate and idea generation.</p> <hr/> <p>Drive standards, research and development, and product development through partnerships across the financial ecosystem.</p>	<p>Launched the UBS Sustainability and Impact Institute, with the objective of delivering original, best-in-class sustainability and impact thought leadership.</p> <hr/> <p>Continued implementation of the Principles for Responsible Banking by expanding the scope of our impact analyses and improving upon our existing methodologies in partnership with the UN Environment Program and peers.</p>

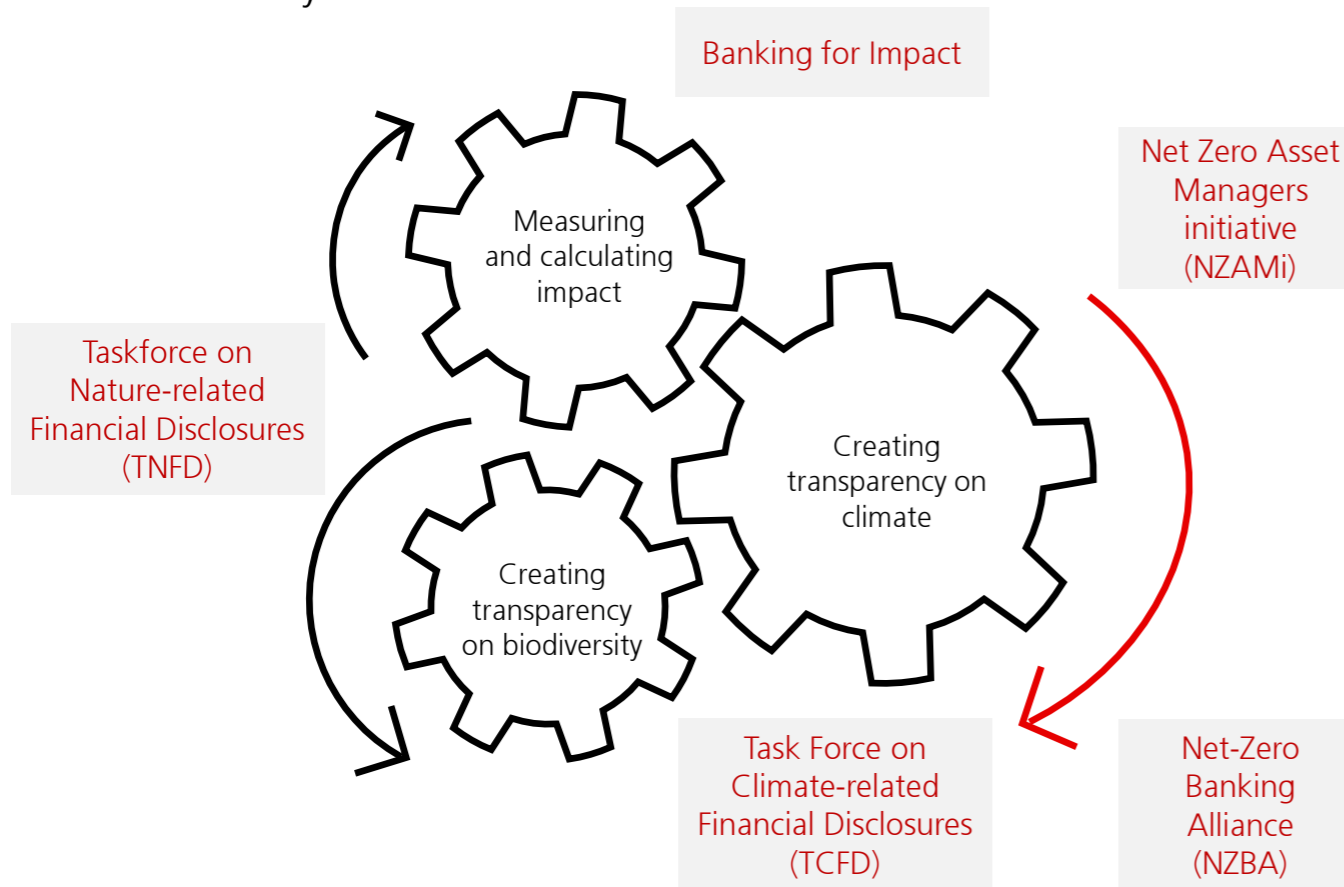


As a founder member of the NZBA, we recognize the **vital role of banks in supporting the global transition of the real economy to net-zero emissions** and that we will only succeed in achieving this objective if clients and other stakeholders also play their part

Partnerships – connecting people for a better world

We realize that to create change, we all need to unite around common goals. To do so, measurement standards need to be developed. We're contributing our expertise to leading partnerships seeking to create common understanding and transparency. And we are convening a platform to drive the debate towards solving some of the world's most pressing challenges

In the industry



Within the firm

Sustainability and Impact Institute

A platform to develop and propose solutions to the world

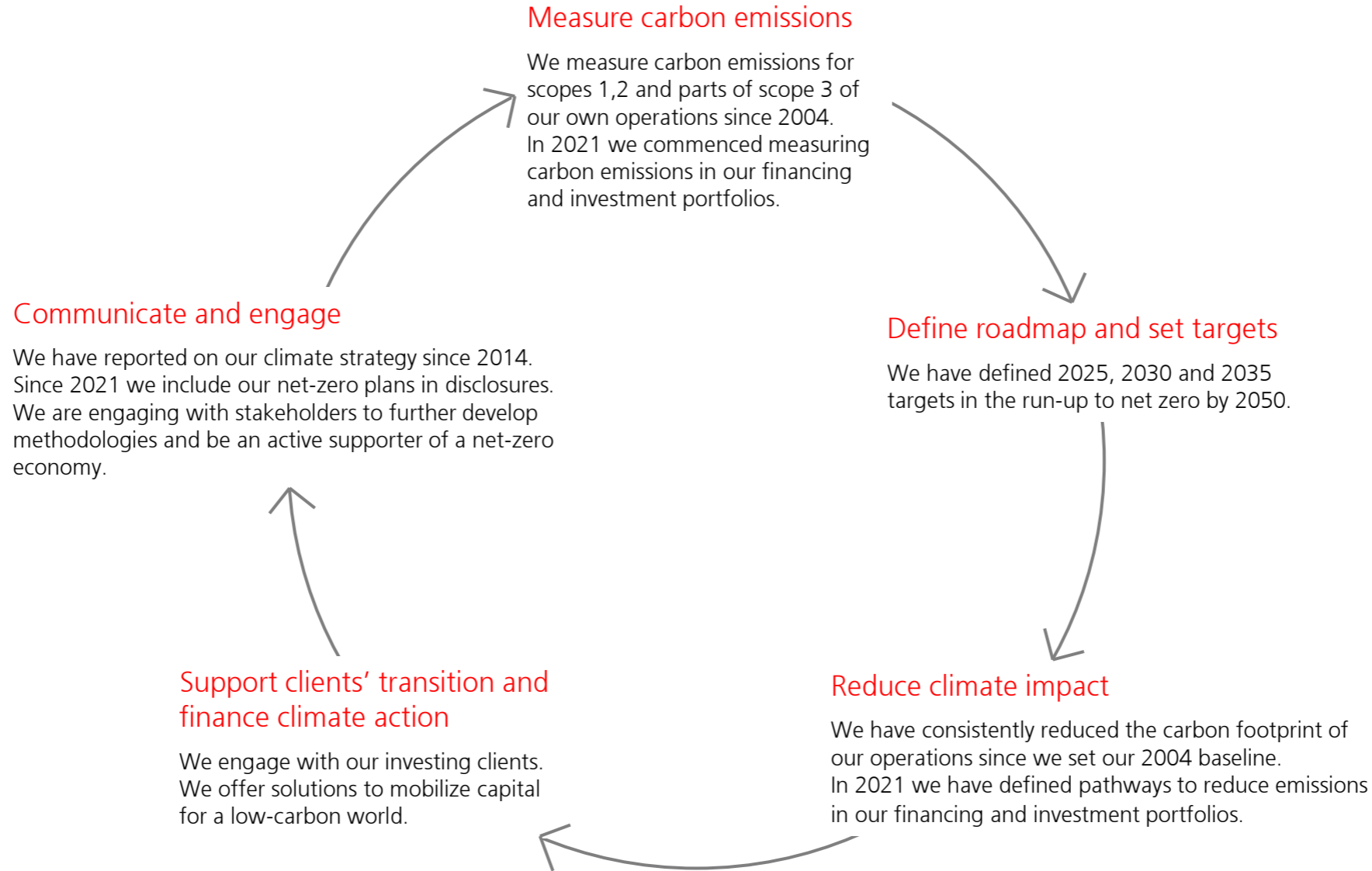
Thought leadership

Collaboration and advocacy with leading external partners



Promoting objective, fact-based debate

Appendix

UBS net zero approach – from commitment to action



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>Only supporting financing to transactions of existing coal-fired operators (>20% coal reliance) if they have 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 greenfield¹ thermal coal mines.</p> <p>We only provide financing to existing thermal coal-mining companies (>20% of revenues) if they have 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 greenfield¹ oil sands projects.</p> <p>We only provide financing to companies with significant reserves or production in Arctic oil / oil sands (>20% of reserves or production) if they have 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>Transactions directly related to LNG infrastructure assets are subject to enhanced SCR due diligence considering relevant factors such as management of methane leaks, as well as the company's past and present environmental and social performance.</p> <p>Transactions directly related to ultra-deepwater drilling assets are subject to enhanced SCR due diligence considering relevant factors such as environmental impact analysis, spill prevention and response plans, and the company's past and present environmental and social performance.</p>

Our standards – overview (sustainability and climate 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



Climate-related metrics (1/2)

	For the year ended			% change from
	31.12.21	31.12.20	31.12.19	
Risk management				
Carbon-related assets (USD billion) ^{1,2}	45.6	45.4	40.1	0.4
<i>of which: UBS AG (standalone)^{2,3}</i>	7.0	7.6	7.5	(8.7)
<i>of which: UBS Switzerland AG (standalone)^{2,3}</i>	37.9	37.1	31.9	2.4
<i>Proportion of total customer lending exposure, gross (%)</i>	9.9	10.4	10.7	
Total exposure to climate-sensitive sectors, transition risk (USD billion) ^{2,4}	37.5	37.5	33.4	0.0
<i>of which: UBS AG (standalone)^{2,3}</i>	4.6	5.4	5.8	(15.9)
<i>of which: UBS Switzerland AG (standalone)^{2,3}</i>	32.8	31.7	27.3	3.4
<i>Proportion of total customer lending exposure, gross (%)</i>	8.2	8.6	9.0	
Total exposure to climate-sensitive sectors, physical risk (USD billion) ^{2,4}	25.5	26.2	25.6	(2.8)
<i>of which: UBS AG (standalone)^{2,3}</i>	10.8	11.5	13.1	(6.1)
<i>of which: UBS Switzerland AG (standalone)^{2,3}</i>	13.6	13.5	11.7	1.4
<i>Proportion of total customer lending exposure, gross (%)</i>	5.6	6.0	6.9	
Identified significant climate-related financial risk on balance sheet ⁵	None	None	None	
Opportunities				
Number of green, sustainability, and sustainability-linked bond deals ⁶	98	29	26	237.9
Total deal value of green, sustainability, and sustainability-linked bond deals (USD billion) ⁶	63.3	19.3	15.6	
<i>UBS apportioned deal value of above (USD billion)</i>	13.2	5.7	3.4	

Refer to the Sustainability Report 2021 for further information; **1** The carbon-related assets metric has been updated to cover the four non-financial groups as defined by the TCFD, i.e., energy, transportation, materials and buildings, and agriculture, food and forest products. Recognizing that the term “carbon-related assets” is not well defined, the TCFD encourages banks to use a consistent definition to support comparability. **2** Includes total loans and advances to customers and guarantees as well as irrevocable loan commitments (within the scope of expected credit loss). **3** Based on standalone IFRS numbers. **4** Climate-sensitive sectors are defined as those business activities that are rated as having high, moderately high or moderate vulnerability to transition risks and physical risks. For more details, refer to the “UBS lending to climate-sensitive sectors” table and the “Climate scenario analysis” in this report. Physical risk number includes USD 4 billion of loans backed by real estate in regions with elevated physical climate risks. Global Wealth Management corporate lending to customers represents 1.1% of all on- and off-balance sheet loans and advances to customers, and is excluded from the climate-sensitive sectors analysis in 2021. **5** Methodologies for assessing climate-related financial risk are emerging and may change over time, as described earlier under “Scenario analysis”; **6** Such as, but not limited to, ICMA Green Bond Principles, Sustainability Bond Principles, and Sustainability-linked Bond Principles

Climate-related metrics (2/2)

	For the year ended			% change from 31.12.20
	31.12.21	31.12.20	31.12.19	
Portfolio emissions¹				
Weighted average carbon intensity – Climate Aware strategies (tonnes CO ₂ e per USD million of revenue) ¹	65.5	68.2	74.5	(3.9)
<i>Compared to weighted carbon intensity of composite benchmark (%)^{2,3}</i>	<i>(49.4)</i>	<i>(51.0)</i>	<i>(54.0)</i>	
Weighted average carbon intensity – low carbon indexes and rules based (tonnes CO ₂ e per USD million of revenue)	72.0			
<i>% AuM weighted average carbon intensity below benchmark (low carbon indexes and rules based)</i>	<i>100.0</i>			
Weighted average carbon intensity – active equity assets (in tonnes CO ₂ e per USD million of revenue)	109.8			
<i>% AuM weighted average carbon intensity below benchmark (active equity)</i>	<i>62.4</i>			
Weighted average carbon intensity – active fixed income assets (tonnes CO ₂ e per USD million of revenue)	198.0			
<i>% AuM weighted average carbon intensity below benchmark (active fixed income)</i>	<i>76.3</i>			
Weighted average carbon intensity – other equity indexed assets (tonnes CO ₂ e per USD million of revenue)	144.0			
<i>% AuM weighted average carbon intensity below benchmark (other equity indexed)</i>	<i>n/a</i>			
Stewardship – Voting				
Number of climate-related resolutions voted upon ⁴	89	50	44	78.0
<i>Proportion of supported climate-related resolutions (%)</i>	<i>78.6</i>	<i>88.0</i>	<i>81.8</i>	
Own operations (reporting period: July to June)				
Net GHG footprint (1,000 metric tons CO ₂ e) ⁵	30	75	104	(60.0)
<i>Change from baseline 2004 (%)</i>	<i>(92.0)</i>	<i>(79.0)</i>	<i>(71.2)</i>	
Share of renewable electricity (%)	100	85	72	

Refer to the Sustainability Report 2021 for further information; **1** The numbers on portfolio emissions only apply to our Asset Management business. Carbon intensity is based on data for scope 1 and 2 CO₂ emissions of investee companies provided by a third data provider. Asset class carbon intensity metrics are an aggregate of individual portfolios weighted by portfolio size. Time series calculation of carbon intensity and portfolio holdings data commenced in 2021, except for Climate Aware strategies where we already have reported in previous years; **2** Year-on-year decrease of carbon intensity is mainly driven by higher carbon targets of the investment strategy. Carbon intensity is based on scope 1 and 2 CO₂ emissions of investee companies, which often rely on third-party estimates. Metric has been expanded in 2020 to include all equity and fixed income funds with a proprietary Climate Aware strategy (active and rules-based). Metric is the assets under management (AuM)-weighted average of the weighted average carbon intensities of the portfolios; **3** The metric is the AuM-weighted average of the weighted average carbon intensities of the respective benchmark; **4** This excludes proposals related to Japanese companies that included changes to the companies' articles of association. 2021 numbers include shareholder and management proposals, 2020 and 2019 numbers shareholder proposals only. This reflects the increasingly common market practice of climate-related proposals being presented by management; **5** Net greenhouse gas (GHG) footprint equals gross GHG emissions minus GHG reductions from renewable electricity and CO₂e offsets (gross GHG emissions include: direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam; and other indirect GHG emissions associated with business travel, paper consumption and waste disposal).

Exposure to climate-sensitive sectors – transition risks

USD million	As of 31.12.21	As of 31.12.20		As of 31.12.19
	Trend (%) 2019 to 2021	Gross exposure ²	Share of total exposure ²	Share of total exposure ²
Climate-sensitive sector¹				
Aerospace and defence	↓	831	0.18%	0.21%
Automotive	↓	703	0.15%	0.22%
Business services				
Chemicals	↓	1,112	0.24%	0.46%
Construction and materials	↓	3,637	0.79%	0.86%
Consumer products and retail	→	355	0.08%	0.06%
Entertainment, leisure and services				
Food and beverage	→	2	0.00%	0.00%
Industrial materials	↓	121	0.03%	0.03%
Information technology				
Machinery and equipment		1,040	0.23%	0.21%
Medical equipment and services				
Mining	↓	2,920	0.64%	0.65%
Oil and gas	↓	5,823	1.27%	1.42%
Pharmaceuticals / biotechnology		1,400	0.30%	0.34%
Plastic and rubber	↓	299	0.07%	0.08%
Primary materials	→	13	0.00%	0.00%
Real estate management	↓	18,029	3.93%	4.05%
Sovereigns and financials				
Transportation and equipment	↓	849	0.18%	0.24%
Utilities	↓	375	0.08%	0.10%
Total exposure to climate-sensitive sectors³	↓	37,510	8.17%	8.57%
Total exposure to all sectors		459,061	100%	437,777

Refer to the Sustainability Report 2021 for further information; **1** Climate-sensitive sectors are defined as those business activities that are rated as having high, moderately high or moderate vulnerability to transition risks and physical risks. Methodology developed in collaboration with UNEP FI TCFD working group and disclosed in Phase II “From disclosure to action – a guide to implementing the TCFD framework within financial institutions” report. Climate risk analysis is a novel area of research, and as the methodologies, tools and data availability of data improve, we continue to further develop our risk identification and measurement approaches. **2** Includes total loans and advances to customers and guarantees as well as irrevocable loan commitments (within the scope of expected credit loss). Includes loans collateralized by real estate (residential and commercial), across Global Wealth Management, Personal & Corporate Banking, and the Investment Bank. **3** Global Wealth Management corporate lending to customers represents 1.1% of all on- and off-balance sheet loans and advances to customers, and is excluded from the climate-sensitive sectors analysis in 2021.

Exposure to climate-sensitive sectors – physical risks

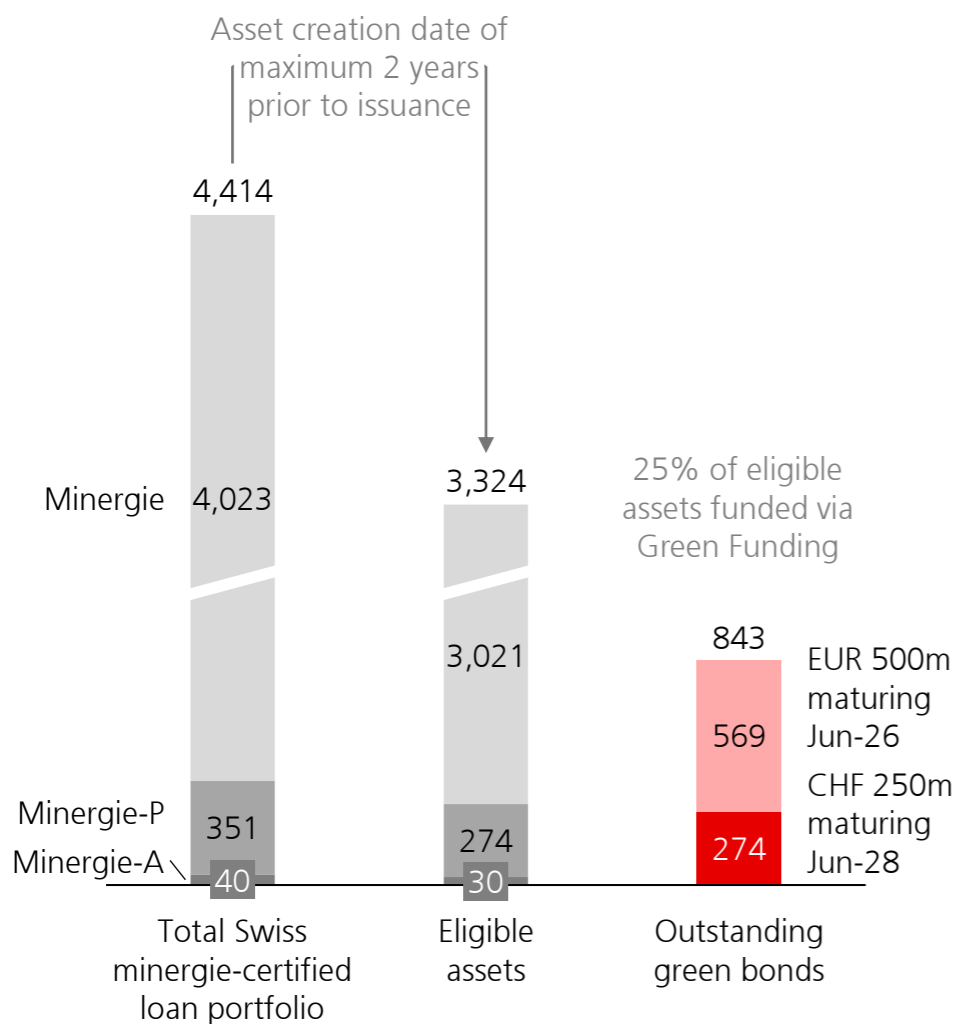
<i>USD million</i>	As of 31.12.21	As of 31.12.20		As of 31.12.19
	Trend (%) 2019 to 2021	Gross exposure ²	Share of total exposure ²	Share of total exposure ²
Climate-sensitive sector¹				
Aerospace and defence	↓	338	0.07%	0.09%
Automotive	↓	1,042	0.23%	0.31%
Business services	↓	853	0.19%	0.24%
Chemicals	↓	991	0.22%	0.44%
Construction and materials	↓	302	0.07%	0.07%
Consumer products and retail		650	0.14%	0.10%
Entertainment, leisure and services	↓	1,308	0.28%	0.29%
Food and beverage		1,334	0.29%	0.33%
Industrial materials	↓	243	0.05%	0.06%
Information technology	↓	274	0.06%	0.06%
Machinery and equipment		2,732	0.60%	0.61%
Medical equipment and services		408	0.09%	0.16%
Mining		1,153	0.25%	0.21%
Oil and gas	↓	5,538	1.21%	1.09%
Pharmaceuticals / biotechnology	→	814	0.18%	0.13%
Plastic and rubber	↓	280	0.06%	0.08%
Primary materials	→	320	0.07%	0.07%
Real estate management		528	0.12%	0.13%
Sovereigns and financials	↓	4,371	0.95%	1.06%
Transportation and equipment	↓	419	0.09%	0.17%
Utilities		1,579	0.34%	0.29%
Total exposure to climate-sensitive sectors³	↓	25,476	5.55%	5.99%
Total exposure to all sectors		459,061	100%	437,777

Refer to the Sustainability Report 2021 for further information; **1** Climate-sensitive sectors are defined as those business activities that are rated as having high, moderately high or moderate vulnerability to transition risks and physical risks. Climate risk analysis is a novel area of research, and as the methodologies, tools and data availability improve, we continue to further develop our risk identification and measurement approaches. **2** Includes total loans and advances to customers and guarantees as well as irrevocable loan commitments (within the scope of expected credit loss). Physical risk number includes USD 4 billion in loans backed by real estate, in regions with elevated climate risks. **3** Global Wealth Management corporate lending to customers represents 1.1% of all on- and off-balance sheet loans and advances to customers and is excluded from the climate-sensitive sectors analysis in 2021.

Green funding update

Eligible assets and green bonds outstanding

USDm



Meeting the core components of the Green Bond Principles

1. Use of Proceeds

- › UBS will finance and / or refinance Group-wide Eligible Assets, in whole or in part, that target climate mitigation through low carbon emissions
- › The Eligible Asset pool will include:
 - Mortgage loans financing Minergie-certified real estate in Switzerland
 - Any equivalent real estate certification system as determined by UBS

2. Project Evaluation and Selection

- › The asset-owning UBS business unit is responsible for maintaining the relevant processes for identifying, monitoring and keeping records of Eligible Assets
- › UBS will perform quarterly checks to ensure continued asset eligibility
- › Group Asset & Liability Committee (ALCO) approves any Green funding limits and ensures Eligible Assets are only assigned to one Green funding instrument

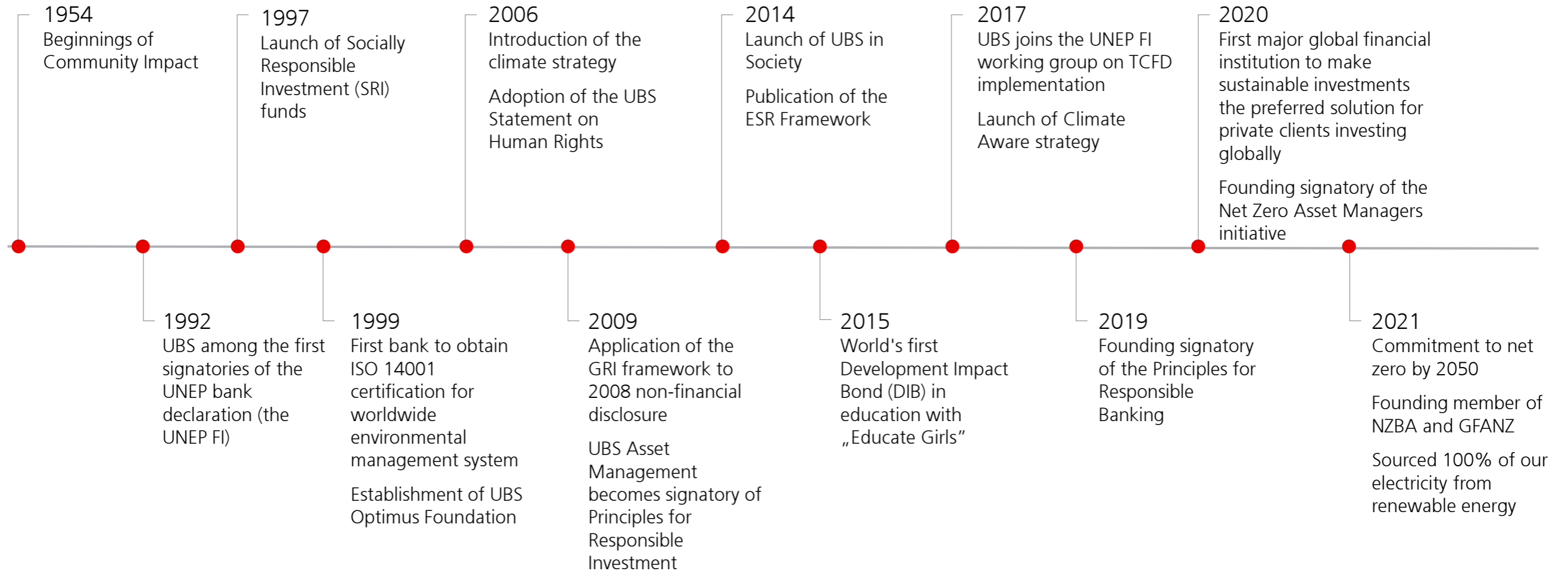
3. Management of Proceeds

- › Proceeds raised will be booked in a dedicated booking structure to ensure monitoring of the source of funds
- › UBS's intention is to maintain a healthy buffer of assets over liabilities of at least 110%
- › To ensure sufficient assets remain, Green assets are reviewed internally on a quarterly basis
- › In the case of Eligible Assets exiting the Green asset portfolio, UBS will seek to replace the assets with other Eligible Assets

4. Reporting

- › UBS will provide a Green Funding Investor Report on an annual basis, which will be published on the IR website
 - Allocation of proceeds from Green funding
 - Reporting of the environmental impact
- › The Green Funding Framework will be reviewed annually by an independent assurance provider and the opinion will be published on the Investor Relations website

Our long history in sustainability



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.

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

Sustainability focus: Strategies that have explicit sustainable intentions or objectives that drive the strategy. Underlying investments may contribute to positive sustainability outcomes through products / services / use of proceeds.

Impact investing: Investment strategies that have an explicit intention to generate measurable, verifiable, positive sustainability outcomes. Impact generated is attributable to investor action and / or contribution.

ESG integration: Considers ESG factors alongside traditional financial metrics to assess the risk-return profile in the investment process.

Exclusion: When individual companies or entire industries are excluded from portfolios because their activities do not meet certain ESG criteria and / or do not align with the values of clients and / or UBS.

Green, social, sustainability and sustainability-linked 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

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.

Scope 3: Accounts for GHG emissions resulting from activities from assets not owned or controlled by the reporting organization, but that the organization indirectly impacts in its value chain.

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 climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation.

Value Reporting Foundation SASB Standards: Disclosure standards to guide the disclosure of financially material sustainability information by companies to their investors.

WEF IBC (World Economic Forum International Business Council): Provider of Stakeholder Capitalism Metrics which offer a set of universal, comparable disclosures focused on people, planet, prosperity and governance that companies can report on, regardless of industry or region.

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, 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. Russia’s invasion of Ukraine has led to heightened volatility across global markets and to the coordinated implementation of sanctions on Russia, Russian entities and nationals. Russia’s invasion of Ukraine already has caused significant population displacement, and as the conflict continues, the disruption will likely increase. The scale of the conflict and the speed and extent of sanctions, as well as the uncertainty as to how the situation will develop, may have significant adverse effects to the market and macroeconomic conditions, including in ways that cannot be anticipated. This creates significantly greater uncertainty about forward-looking statements. The COVID-19 pandemic and the measures taken to manage it have had and may also continue to have a significant adverse effect on global and regional economic activity, including disruptions to global supply chains, inflationary pressures, and labor market displacements. 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 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 increasing 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 central bank policies 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) UBS’s ability to successfully implement resolvability and 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, or other external developments; (viii) UBS’s ability to maintain and improve its systems and controls for complying with sanctions and for the detection and prevention of money laundering to meet evolving regulatory requirements and expectations, in particular in current geopolitical turmoil; (ix) the uncertainty arising from domestic stresses in certain major economies; (x) changes in UBS’s competitive position, including whether differences in regulatory capital and other requirements among the major financial centers 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 sanctions, 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, data leakage and systems failures, the risk of which is increased with cyberattack threats from nation states and 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; (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 2021. 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.

© UBS 2022. The key symbol and UBS are among the registered and unregistered trademarks of UBS. All rights reserved