Metrics and targets

Overview

Our aspirational goals and progress

Our priorities	Our aspirational goals	Our progress in 2022
Planet, people, partnerships	USD 400 billion invested assets in sustainable investments by 2025.	Increased invested assets in sustainable investments to USD 268 billon (compared with USD 251 billion in 2021).
Planet 	Decarbonization targets for 2030 for financing of the real estate, fossil fuels, power generation and cement sectors (from 2020 levels): – reduce emissions intensity of UBS's residential real estate lending portfolio by 42%; – reduce emissions intensity of UBS's commercial real estate lending portfolio by 44%; – 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%; and – reduce emissions intensity associated with UBS loans to cement companies by 15%.	Calculated progress against pathways for the real estate (commercial and residential), fossil fuel and power generation sectors:[1] – reduced emissions intensity of UBS's residential real estate lending portfolio by 8% (end of 2021 vs 2020 baseline); – reduced emissions intensity of UBS's commercial real estate lending portfolio by 7% (end of 2021 vs 2020 baseline); – reduced absolute financed emissions associated with UBS loans to fossil fuel companies by 42% (end of 2021 vs 2020 baseline); and – reduced emissions intensity associated with UBS loans to power generation companies by 12% (end of 2021 vs 2020 baseline). Introduction of an additional decarbonization target for the cement sector, as well as an estimation of the overall financed emissions.
	Align 20% of AuM to be managed in line with net zero (Asset Management).[2] Achieve net-zero emissions across discretionary client portfolios by 2050 (Asset Management).[3]	Initiated analysis of revisions to fund documentation and investment management agreements to align with Asset Management's net-zero-aligned frameworks.
	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).	Reduced net GHG footprint for scope 1 and 2 emissions by 13% and energy consumption by 8% (compared with 2021); continued implementation of the replacement of fossil fuel heating systems and investing in credible carbon removal projects; achieved 99% renewable electricity coverage despite challenging market conditions.
	Offset historical emissions back to the year 2000 by sourcing carbon offsets (by year-end 2021) and by offsetting credit delivery and full retirement in registry (by year-end 2025).	Continued to follow up on credit delivery and retirement of sourced portfolio.
	Engage with key vendors on aiming for net zero by 2035.	Identified "GHG key vendors" (vendors that collectively account for >50% of our estimated vendor GHG emissions) and invited the vendors that accounted for 67% of our annual vendor spend (including all GHG key vendors) to disclose their environmental performance through CDP's Supply Chain Program, with 66% of the invited vendors completing their disclosures in the CDP platform.
Partnerships 	Establish UBS as a leading facilitator of discussion, debate and idea generation.	Co-organized, with the Institute of International Finance, the first Wolfsberg Forum for Sustainable Finance. Joined a consortium that is pioneering methods of assessing and maximizing the GHG reduction potential of energy storage. Co-founded Carbonplace, a technology platform for the voluntary carbon market that has the goal of creating a streamlined and transparent market for our clients.
	Drive standards, research and development, and product development.	Co-led the Taskforce on Nature-related Financial Disclosures' financial-sector-specific working group. Collaboration with two Swiss companies that are pioneering innovative carbon removal technologies. Joined the Partnership for Carbon Accounting Financials (PCAF).

1 Refer to the "Metrics and targets" section of this report for further information. The inherent one-year time lag between the as-of date of our lending exposure and the as-of date of emissions can be explained by two factors: corporates disclose their emissions in annual reporting only a few months after the end of a financial year; and specialized third-party data providers take up to nine months to collect disclosed data and make it available to data users. Consequently, the baselines for our net-zero ambitions are based on year-end 2020 lending exposure and 2019 emissions data. Our 2021 emissions actuals are based on year-end 2021 lending exposure and 2020 emissions data. 2 The 20% alignment goal amounted to USD 235 billion at the time of Asset Management's commitment in 2021. By 2030, the weighted average carbon intensity of funds is to be 50% below the carbon intensity of the respective 2019 benchmark. 3 The near- and medium-term plans for the achievement of this goal include our Asset Management business division only.

Cautionary note: We have developed methodologies we use to set our climate-related targets and identify climate-related risks and which underly the metrics that are disclosed in this report. Standard-setting organizations and regulators continue to provide new or revised guidance and standards, as well as new or enhanced regulatory requirements for climate disclosures. Our disclosed metrics are based upon data available to us, including estimates and approximations where actual or specific data is not available. We intend to update our disclosures to comply with new guidance and regulatory requirements as they become applicable to UBS. Such updates may result in revisions to our disclosed metrics, our methodologies and related disclosures, which may be substantial, as well as changes to the metrics we disclose.

Key sustainable finance figures

As of 31 December 2022, UBS's SI AuM were USD 268 billion, compared with USD 251 billion at year-end 2021. This represents an increase of 6.5% year on year. SI AuM account for 6.8% of UBS's total invested AuM at year-end 2022, compared with 5.5% at year-end 2021.

Sustainable investments

	For the year ended			% change from
USD billion, except where indicated	**31.12.22**	31.12.21	31.12.20	31.12.21
Sustainable investments[1]				
Sustainability focus[2]	**246.9**	222.7	127.7	10.9
Impact investing[3]	**20.7**	28.5	13.1	(27.4)
Total sustainable investments[4,5]	**267.6**	251.2	140.8	6.5
SI proportion of total invested assets (%)	***6.8***	*5.5*	*3.4*	
UBS total invested assets	**3,957.2**	4,596.2	4,187.2	(13.9)

1 We focus our sustainable investment reporting on those investment strategies exhibiting an explicit sustainability intention. 2 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. Examples include Global Wealth Management's discretionary Manage SI mandate solutions and Asset Management's strategies such as its Global Sustainable Equities product. 3 Strategies that have explicit intentions of generating measurable, verifiable and positive sustainability outcomes. Impact generated is attributable to investor action and/or contributions. Examples include Global Wealth Management's Oncology Impact funds and Asset Management's UBS Engage for Impact or UBS Climate Action funds. 4 In 2022, UBS converted funds to the sustainability focus and impact investing categories, in line with corresponding changes to the funds' underlying investment policies. The main impact was on sustainability focus and impact investing strategies in Asset Management of USD 33 billion. Further, we aligned the Global Wealth Management and Personal & Corporate Banking reporting of UBS funds and mandates products to the Asset Management categorization with an impact on sustainable investments of USD 20 billion. 5 In 2022, methodology changes related to the application of the Group SI Framework resulted in a decrease in invested assets of USD 10 billion across total sustainable investments.

Key climate- and nature-related achievements

Key thematic areas	Progress in 2022
Governance and strategy	– Established the Sustainability and Climate Task Force to steer our firm's efforts on climate. – Established the Nature Working Group to explore and advance on our firm's nature agenda. – Oversaw climate and nature strategy and activities at the highest level of our firm. – Continued assignment of environmental, social and governance (ESG-)related goals for all GEB members. – Formulated the UBS transition plan to support our own transition and that of our counterparties.
Risk management	– Further advanced our transition risk and physical risk heatmap methodologies to inform our climate risk management. – Engaged with 141 companies on climate. – Voted upon climate-related resolutions at 160 companies. – Enhanced the UBS climate materiality assessment that maps out material climate-related risks and opportunities.
Metrics and targets	– Set net-zero target for 2030 for lending to the cement sector. – Made progress on the net-zero targets set in 2021 for lending to the fossil fuels, power generation and real estate sectors. – Reduced net GHG footprint for scope 1 and 2 emissions by 13%.
External recognition	– Awarded top ratings and rankings by industry experts: – CDP: Climate A List; – S&P Global's Dow Jones Sustainability Index: 99% percentile ranking in the environmental dimension; – GARP: providing leading practice in climate risk management.

Our climate and nature-related metrics

Evolving our climate-related metrics

We have developed methodologies that we use to set our climate-related targets and identify climate-related risks. These methodologies underly the metrics that are disclosed in this report. Standard-setting organizations and regulators continue to provide new or revised guidance and standards, as well as new or enhanced regulatory requirements for climate disclosures. Our disclosed metrics are based upon data available to us, including estimates and approximations where actual or specific data is not available. We intend to update our disclosures to comply with new guidance and regulatory requirements as they become applicable to UBS. Such updates may result in revisions to our disclosed metrics, our methodologies and related disclosures, which may be substantial, as well as changes to the metrics we disclose.

Our climate targets and ambitions are high level goals that have been set based on the methodologies, data and assumptions that we currently use. Changes to these methodologies, data and assumptions may affect our progress toward intermediate targets and ambitions and the achievability of net zero and other climate goals. Our 2050 net-zero targets, and related ambitions for scope 3 emissions, have a critical dependency on overall progress across all sectors and countries towards net-zero carbon emissions which requires substantial governmental action across many jurisdictions. In the absence of such progress, our goals with respect to scope 3 emissions will not be achievable.

Climate-related metrics 2022

	For the year ended			% change from
	31.12.22	31.12.21	31.12.20	31.12.21
Risk management				
Carbon-related assets (USD billion)[1,2]	33.8	36.5	37.1	*(7.4)*
of which: UBS AG	*8.9*	*10.1*	*11.0*	*(11.9)*
of which: UBS Switzerland AG	*24.6*	*26.0*	*25.4*	*(5.4)*
of which: UBS ESE	*0.3*	*0.3*	*0.6*	*0.0*
Proportion of total customer lending exposure, gross (%)	*7.5*	*8.0*	*8.6*	
Total exposure to climate-sensitive sectors, transition risk (USD billion)[2, 3, 4]	24.9	27.3	27.1	*(8.8)*
of which: UBS AG	*5.4*	*6.7*	*7.5*	*(19.4)*
of which: UBS Switzerland AG	*19.3*	*20.4*	*19.2*	*(5.4)*
of which: UBS ESE	*0.1*	*0.2*	*0.4*	*(50.0)*
Proportion of total customer lending exposure, gross (%)	*5.5*	*5.9*	*6.2*	
Total exposure to climate-sensitive sectors, physical risk (USD billion)[2, 3, 4]	30.0	31.9	35.0	*(6.0)*
of which: UBS AG	*11.6*	*13.3*	*18.3*	*(12.8)*
of which: UBS Switzerland AG	*17.7*	*18.2*	*16.2*	*(2.7)*
of which: UBS ESE	*0.3*	*0.3*	*0.3*	*0.0*
Proportion of total customer lending exposure, gross (%)	*6.7*	*7.0*	*8.0*	
Total exposure to nature-related risks (USD billion)[2,5]	44.0	42.9	42.8	*2.6*
Proportion of total customer lending exposure, gross (%)	*9.8*	*9.3*	*9.8*	
Opportunities				
Number of green, sustainability, and sustainability-linked bond deals[6]	69	98	29	(29.6)
Total deal value of green, sustainability, and sustainability-linked bond deals (USD billion)[6]	42.4	63.3	19.3	
UBS-apportioned deal value of above (USD billion)	*8.8*	*13.2*	*5.7*	
Portfolio emissions[7]				
Weighted average carbon intensity – active equity assets (in metric tons CO_2e per USD million of revenue)	130.4	109.8		
% AuM weighted average carbon intensity below benchmark (active equity)	*75.7*	*0.6*		
Weighted average carbon intensity – active fixed income assets (in metric tons CO_2e per USD million of revenue)	145.3	198.0		
% AuM weighted average carbon intensity below benchmark (active fixed income)	*63.5*	*0.8*		
Weighted average carbon intensity – indexed equity assets (in metric tons CO_2e per USD million of revenue)	128.3	128.9		
Weighted average carbon intensity – indexed fixed income assets (in metric tons CO_2e per USD million of revenue)	139.8	169.8		
Weighted average carbon intensity – Direct Real Estate (in metric tons CO_2e per square meter)[8]	34.6			
Stewardship – Voting				
Number of climate-related resolutions voted upon[9]	160	89	50	79.8
Proportion of supported climate-related resolutions (%)	*71.2*	*78.6*	*88.0*	
Own operations (reporting period: July to June)				
Net GHG footprint (1,000 metric tons CO_2e)[10]	25	30	75	(15.4)
Change from baseline 2004 (%)	*(93.0)*	*(92.0)*	*(79.0)*	
Share of renewable electricity (%)	99	100	85	

		For the year ended		% change from
	31.12.22	31.12.21	31.12.20	31.12.20
Net-zero lending metrics [11]				
Residential real estate (scopes 1 and 2 kg CO_2e/m^2)[12]	n/a	27	30	(8)
Commercial real estate (scopes 1 and 2 kg CO_2e/m^2)[12]	n/a	30	32	(7)
Fossil fuels (scopes 1, 2 and 3 t CO_2e, baseline 2020 indexed as 100)[12]	n/a	58	100	(42)
Power generation (scopes 1, 2 and 3 kg CO_2e/MWh)[12]	n/a	210	238	(12)
Cement (scopes 1 and 2 t CO_2e/t of cementitious)[12]	n/a	0.61	0.62	(2)
Financed emissions – Estimated total for non-financial corporates and real estate mortgages (mt CO_2e)[13]	n/a	3.6	3.8	(6)

1 As defined by the Task Force on Climate-related Financial Disclosures (the TCFD), in its expanded definition published in 2021, UBS defines carbon-related assets through industry-identifying attributes of the firm's banking book. UBS further includes the four non-financial sectors addressed by the TCFD, including, but not limited to, fossil fuel extraction, carbon-based power generation, transportation (air, sea, rail, and auto manufacture), metals production and mining, manufacturing industries, real estate development, chemicals, petrochemicals, and pharmaceuticals, building and construction materials and activities, forestry, agriculture, fishing, food and beverage production, as well as including trading companies that may trade any of the above (e.g., oil trading or agricultural commodity trading companies). This metric is agnostic of risk rating, and therefore may include exposures of companies that may be already transitioning or adapting their business models to climate risks, unlike UBS climate-sensitive sectors methodology, which takes a risk-based approach to defining material exposure to climate impacts. 2 Methodologies for assessing climate- and nature-related risks are emerging and may change over time. As the methodologies, tools, and data availability improve, we will further develop our risk identification and measurement approaches, including further and updated geospatial analysis of properties securing financing with UBS (real estate) and better understanding how private lending (e.g., Lombard) activities may result in direct financial impacts for UBS. Lombard lending rating is assigned based on the average riskiness of loans. 3 Consists of total loans and advances to customers and guarantees, as well as irrevocable loan commitments (within the scope of expected credit loss), and is based on consolidated and standalone IFRS numbers. Metrics are calculated and restated based on 2022 methodology, across three years of reporting, 2020–2022. 4 Climate- and nature-related risks are scored between 0 and 1, based upon sustainability and climate risk transmission channels, as outlined in Appendix 3. Risk ratings represent a range of scores across five risk-rating categories: low, moderately low, moderate, moderately high, and high. The climate- or nature-sensitive exposure metrics are determined based upon the top three out of five rated categories: moderate to high. 5 Nature-related risk metric is provided as a proof-of-concept, as part of an ongoing collaboration between UBS and UNEP-FI. UBS continues to collaborate to resolve methodological and data challenges, and seeks to integrate both impacts to and dependency on a changing natural and climatic environment, in how it evaluates risks and opportunities. 6 Such as, but not limited to, Investment Bank Global Banking bonds issued under the voluntary ICMA Green Bond Principles, Sustainability Bond Principles, and Sustainability-Linked Bond Principles. The principles include a recommendation that the issuer appoints an external review provider to undertake an independent external review (e.g., second-party opinion). This is consistent with market practice. 7 Numbers related to portfolio carbon intensity and comparison to benchmarks apply to our Asset Management business only. Carbon intensity is based on data for scope 1 and 2 greenhouse gas (GHG) emissions of investee companies which is provided by a third data provider. Carbon intensity of an asset class is the aggregate of the carbon intensity of individual portfolios weighted by portfolio size. Carbon intensity of a benchmark is the weighted average carbon intensities of the benchmark constituents. Time series calculation of asset class carbon intensity metrics commenced in 2021. Carbon intensity of an asset class is the aggregate of the carbon intensity of individual portfolios meeting requirements for data coverage and weighted by portfolio size. 8 Data is collected from direct real estate assets for funds and mandates that participate in the Global Real Estate Sustainability Benchmark. The numbers used represent either reported data grossed up to 100% (where coverage, ownership days or occupancy is less than 100%) or a benchmark as a proxy where coverage, ownership days or occupancy is less than 50%. 9 This excludes proposals related to Japanese companies that included changes to the companies' articles of association. The 2022 and 2021 numbers include shareholder and management proposals, the 2020 number shareholder proposals only. This reflects the increasingly common market practice of climate-related proposals being presented by management. 10 Net GHG footprint equals gross GHG emissions minus GHG reductions from renewable electricity and CO_2e 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). A breakdown of our GHG emissions (scopes 1, 2 and 3) is provided in Appendix 3 to this report. 11 See this section ("Net zero to support the transition of our financing clients") for further information on scope and methodologies used to estimate these metrics. 12 Based on gross exposure, which includes total loans and advances to customers and guarantees as well as irrevocable loan commitments (within the scope of expected credit loss). Exclusions from scope of analysis primarily comprise Lombard, Financial Services, Commodity Trade Finance, Credit Card and other exposure to private individuals. Refer to the Appendix 3 for parts of the value chain within sectors covered by metrics and targets. 13 Based on outstanding exposure which includes total loans and advances to customers (within the scope of expected credit loss). Exclusions from scope of analysis primarily comprise Lombard, Financial Services, Commodity Trade Finance, Credit Card and other exposures to private individuals.

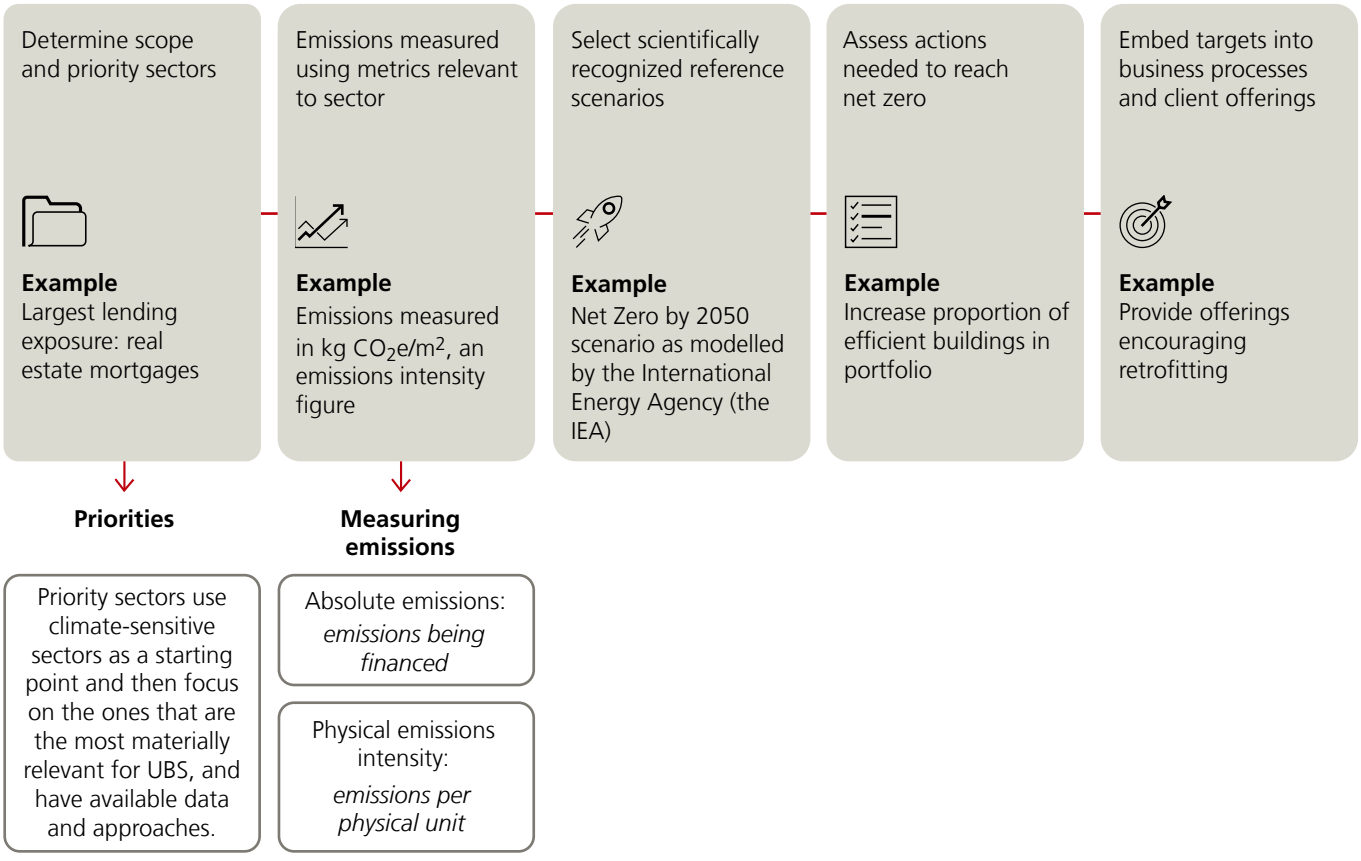
Supporting the net-zero goals of our financing clients

Conscious of the potential adverse financial, liability and reputational risks that can arise from sustainability and climate risks, in 2021 we published our ambition to align our financing portfolio with the objectives of the Paris Agreement. In our analysis, we prioritized sectors that have the highest carbon impact, as per the guidelines of the Net-Zero Banking Alliance (the NZBA), and also applied additional considerations in our prioritization. These include the materiality of the sectors in terms of financial exposure and the availability of data and applicable methodologies in order to estimate baselines and develop pathways toward the goal of net zero. We then set targets for residential and commercial real estate, fossil fuels, and power generation and disclosed these in our Sustainability Report 2021. In 2022, we added a target for cement and also performed additional analysis to establish transparency around the contribution that each sector in our portfolio makes to the total financed emissions associated with our lending portfolio.

The exposure of our lending portfolio to the most carbon-intensive sectors is low relative to that of our peers[1]. In addition, the bulk of the exposure in several of these sectors is to parts of the value chain that are not currently in the focus of net-zero target-setting standards. In this way, we mitigate risks while supporting clients preparing for a low-carbon future. We will continue to manage and monitor our climate-related risks and our lending activities and aim to orient our new and existing business efforts toward net zero by 2050. We aim to do this by further strengthening our operating model and increasing our efforts in the field of transition and green finance. We also expect new technologies to emerge, along with policies and actions from governments, which will support the real economy in limiting warming to 1.5°C. We regard such developments as dependencies for us to contribute to meeting the goals of the Paris Agreement.

For financial market participants, net-zero alignment means drawing links between financing activities, clients' carbon emissions and the goals of the Paris Agreement. Our approach has been built upon the guidance of global standard setters such as the NZBA, the Partnership for Carbon Accounting Financials (the PCAF) and the Paris Agreement Capital Transition Assessment (PACTA).

Our approach to alignment



› **Refer to the "Appendix 4 – Metrics and targets" section of this report for further information about each of these five steps**

1 Based on an internal analysis using data supplied by the European Banking Authority.

The values shown for our targets take into account the full lending commitments, i.e., outstanding loans and undrawn irrevocable commitments. This offers a more reliable way of steering our credit portfolio toward net-zero ambitions compared to one which is based solely on outstanding exposures. In line with the PCAF guidelines, we also provide data on the emissions associated with outstanding exposures only.

› **Refer to the "Appendix 4 – Metrics and targets" section of this report for data on the emissions associated with outstanding exposures**

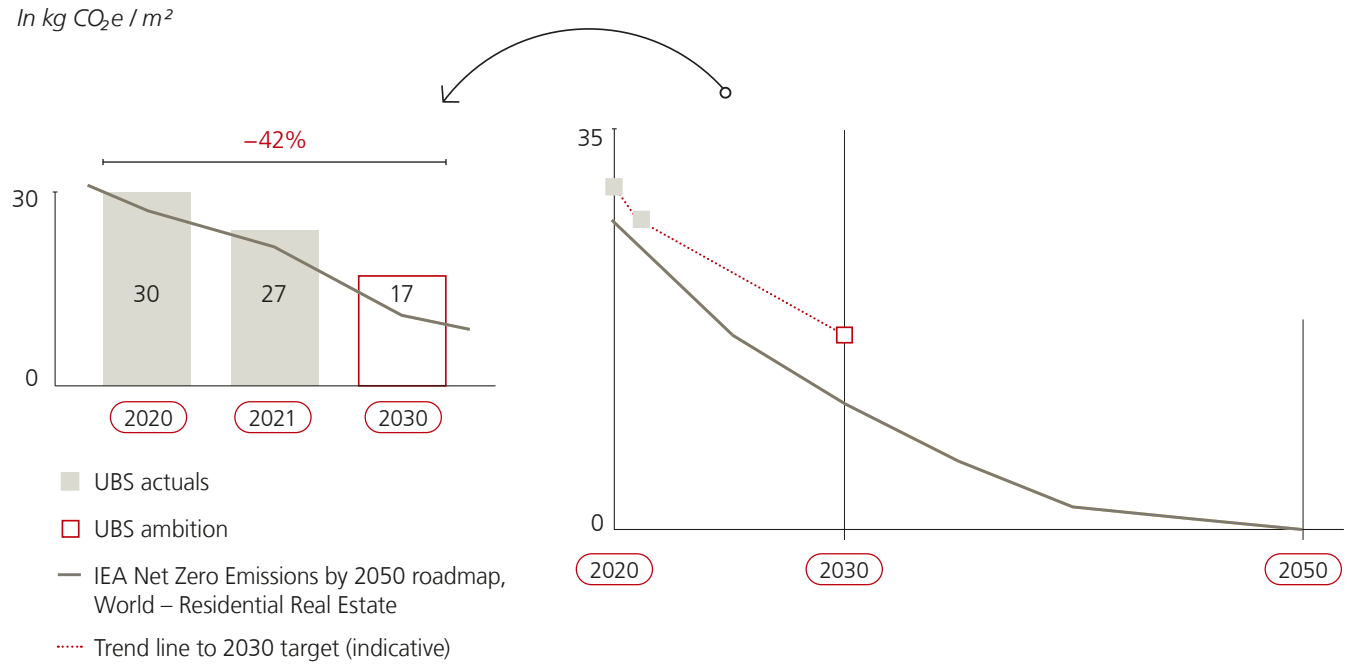
We have calculated the emissions for each sector considering the respective lending portfolio as of 31 December 2020 and are also showing emissions for the portfolio as of 31 December 2021, as a first annual update. The emissions calculations generally use company data from our clients from one year prior, i.e., where available, 2020 emissions of our borrowers are used to calculate our reported emissions for our lending portfolio as of the end of 2021. As market practices evolve, industry or sector pathways are updated and more detailed client information becomes available, we will continue to refine our approach.

We provide updates on the sectors for which we had disclosed targets in our reporting for 2021, and an overview of our target for cement, which was set in 2022, below.

Residential real estate

UBS remains committed to reducing the emissions intensity (measured in kilograms of CO_2e per m^2) for our residential real estate portfolio by 42% by 2030 (compared with 2020 levels).

Emissions intensity residential real estate lending



Our residential real estate portfolio includes mortgages for owner-occupied properties and properties rented out on a non-commercial scale. The trajectory shown covers mortgages in three countries: Switzerland, the UK and the US. Together they represent 99% of UBS's 2022 residential mortgage loans, with Switzerland accounting for the largest share. Scope 1 and 2 emissions (for example, direct emissions from buildings and indirect emissions of purchased energy) are included, while other emissions in the value chain, such as those related to original construction, are not.

Given client demand, we are expanding our mortgage offering to include new products and services for homeowners seeking to retrofit their properties and make them more energy efficient. For example, in 2022 we launched *UBS Mortgage Energy* in the Swiss market.[1]

› **Refer to the "Strategy" section of this report for more information about sustainable finance products and services**

1 In December of 2022, UBS adopted guidelines providing an internal global standard for all our products in the categories of sustainable lending, sustainable bonds and GHG emissions trading. During the course of 2023, UBS expects to (re-)assess all its products against these guidelines.

Our proposed targets can, however, only be achieved if governments also support the decarbonization of real estate, for example by incentivizing improved property efficiency and the use of non-fossil fuel heating systems. It is partly because of this dependency that our emissions trajectory is at present above the International Energy Agency (the IEA) Net Zero by 2050 roadmap. We will consider readjusting our reduction pathway to align with new data or developments as they become available.

Currently, different governments are acting at different speeds on decarbonization. This affects the rate at which overall emissions will fall. The reduction in emissions recorded in 2021 is largely attributable to improvements made to the energy efficiency of properties in Switzerland.

UBS hopes to contribute to this reduction by enhancing our mortgage offering, for example by offering products for financing energy-efficient properties, as well as establishing partnerships with real estate specialists outside the financial industry to help our clients with their renovations.

In parallel, during 2022 the majority of UBS's mortgage client advisors in Switzerland were trained to raise awareness of the advantages and possibilities of refurbishment.

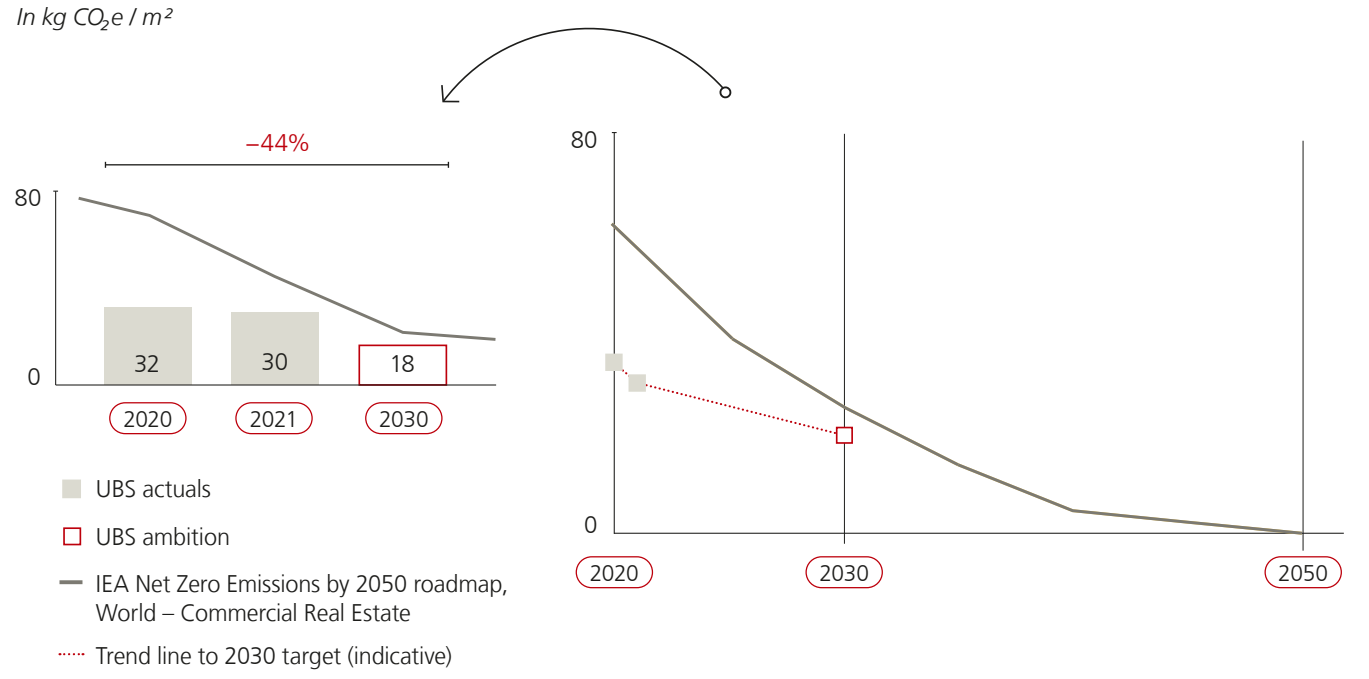
In jurisdictions where energy ratings for residential housing are widely available, further emissions reductions measures can be considered. For example, differentiated mortgage offerings can be offered based on a property's energy efficiency. We provide this option in the UK, where new mortgages or renewals are now contingent either on a governmental Energy Performance Certificate of A–E (on a scale of A–G) or evidence of plans to attain such ratings.

By contrast, the availability of standardized data on emissions characteristics of residential properties remains very limited in the US. Currently, our estimates for this region are based on statistical data at the state level. We are exploring emerging data sources with greater geographic detail on emissions. We also continue to engage with industry associations and other banks to promote the availability of enhanced data more generally.

Commercial real estate

UBS remains committed to reducing the emissions intensity for our commercial real estate portfolio by 44% by 2030 (compared with 2020 levels).

Emissions intensity commercial real estate lending



Our commercial real estate book includes loans that finance rented-out properties in multi-family homes; and any other income-producing real estate. Switzerland accounts for the majority of the lending, with a smaller share in

the US. As for residential real estate, we include scope 1 and 2 emissions. We base the reduction pathway on our assumptions regarding real estate market developments in combination with our offering, e.g., related to energy-efficient buildings and renovations, as well as actions by governmental bodies.

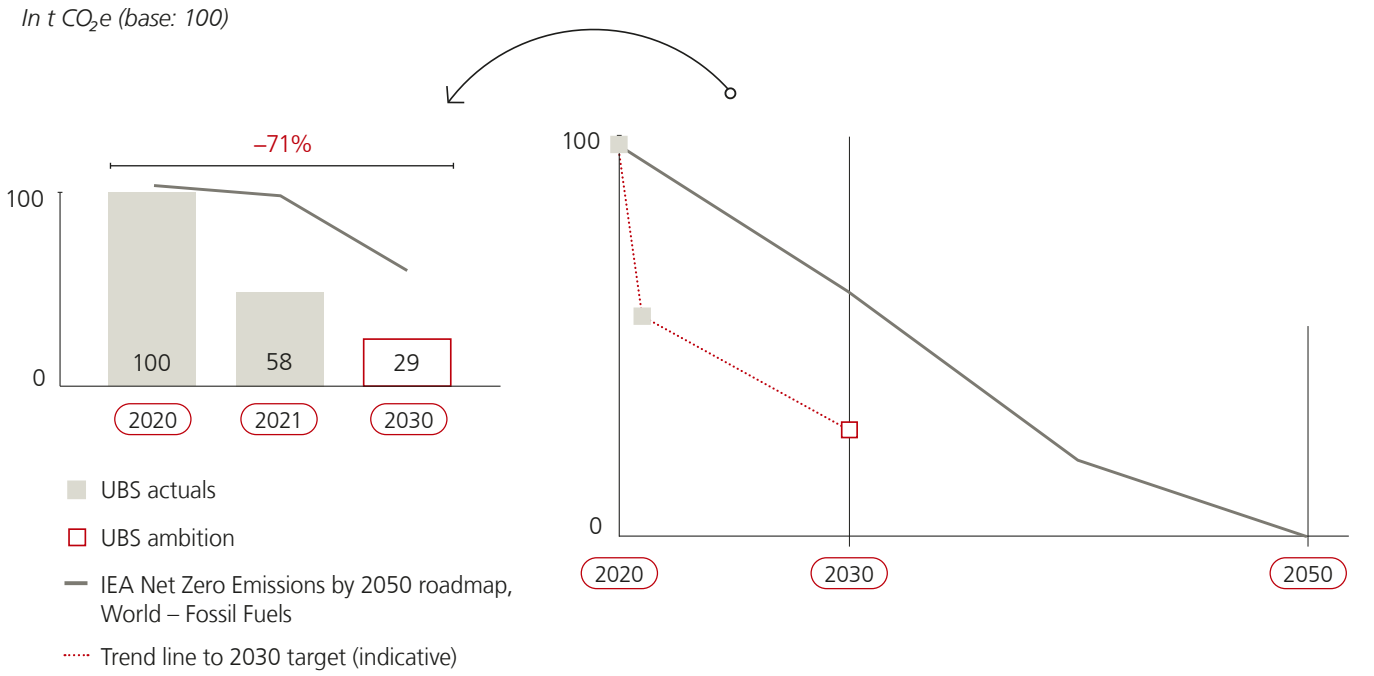
For our Swiss commercial real estate business, new products and services have been developed to support more energy-efficient properties, similar to those for our residential real estate clients. Our client advisors are pivotal in helping clients along this path. That is why we focus on making them aware of sustainability topics and training them on how to advise our clients in the best way possible. In the US, similar observations apply as for residential real estate, with one technical distinction: emissions for commercial real estate are based on statistical values for different building types, rather than on state-level proxies.

Given the importance of data for steering emissions reductions across commercial and residential real estate, efforts to improve data quality will continue in all regions where we finance properties. Periodic adjustments or restatements in future reporting are therefore likely.

Fossil fuels

UBS remains committed to reducing the absolute financed emissions associated with loans to oil and gas companies by 71% by 2030, compared with 2020 levels.

Absolute emissions fossil fuels lending



Our target-setting for this sector is guided by the IEA Net Zero by 2050 scenario. In 2021, more than 85% of our total loan exposure was to clients that have themselves committed to net zero and stated their commitment to achieve the Paris Agreement 1.5°C goals. We continually engage with our clients to support their net-zero transition and offer them our sustainable financing solutions at their choosing, such as loans for which certain aspects (e.g., loan margin) are tied to the achieving of their overall company emission reduction targets. We also provided lending in 2021 to a client to fund the ongoing carbon capture usage and storage (CCUS) conversion of an asset, enabling the client to create carbon capture credits.

› **Refer to the "Strategy" section of this report for more information about our sustainable finance products and services**

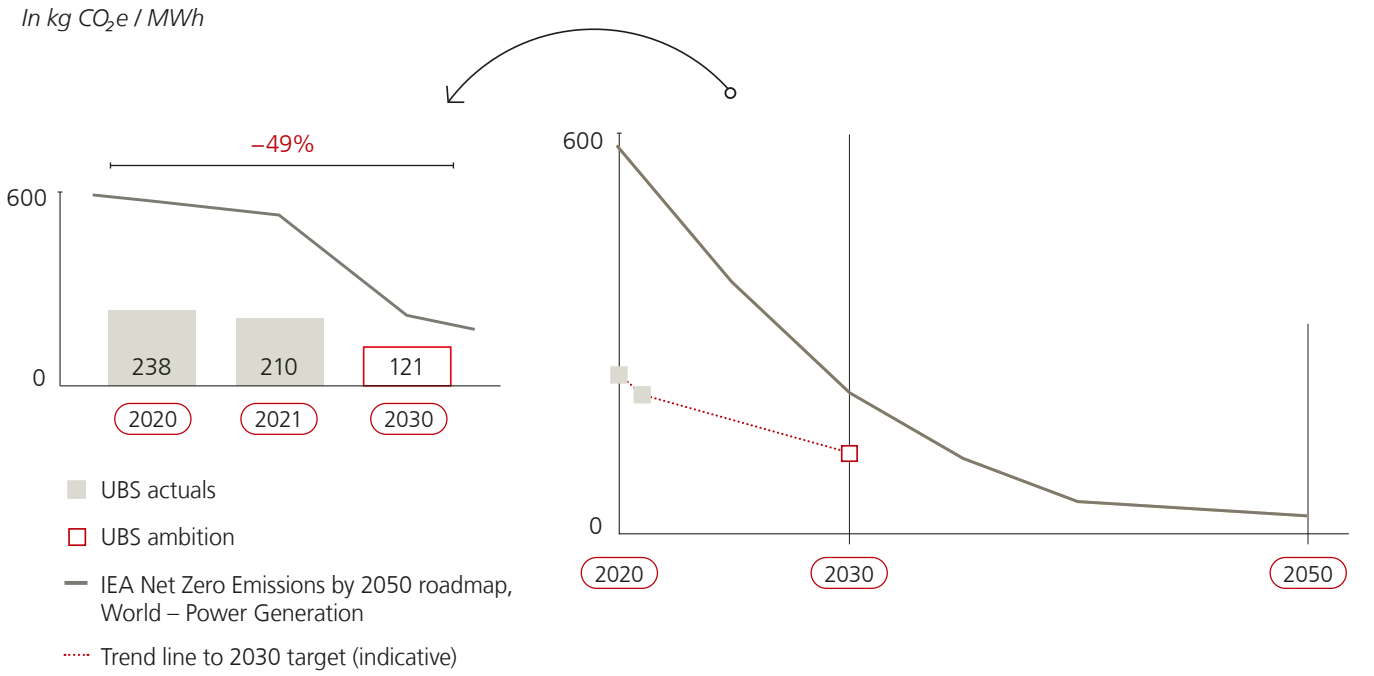
Given the risks associated with climate change and the changing market demand for fossil fuels, we regularly screen fossil fuel-related transactions against our corporate guidelines, and our lending aims to support companies in their transition journeys. Our baseline and target for fossil fuels include scope 1, 2 and 3 emissions. Scope 3 emissions are associated with the combustion of fossil fuels and contribute to the majority of emissions within this sector. For this sector, we have decided to track our progress with an absolute emission metric. As absolute emission metrics are more sensitive to data quality improvements over time, we have decided to index our baseline and target to 100 in order to avoid frequent subsequent restatements.

Our assessment of the fossil fuel sector includes exploration, production and refinery activities, as well as integrated companies operating across the value chain. Our baseline and target exclude activities such as transportation, retailing and trading. Scope 3 emissions measurement methods are yet to be developed for these activities, including in the context of commodity trade finance (CTF). We continue to pay close attention to the development of emissions measurement standards for these areas. We will assess the adoption of standards if applicable, and if they are of sufficient maturity. To ensure progress on emissions reductions in the area of CTF, we have established an internal approach based on the mix of commodities traded. Increasingly, our CTF business aims to be focused on less carbon-intensive or circular-economy commodities, for example, biofuels.

Power generation

We remain committed to reducing the emissions intensity associated with lending to power generation companies by 49% by 2030 (compared with 2020 levels), taking into account scope 1, 2 and 3 emissions.

Emissions intensity power generation lending



Scope 1 emissions account for the majority of emissions from the power generation sector. The intensity metric (kg CO_2e/MWh) monitors emissions related to the production of electricity and promotes the transition toward an increasing share of renewable energy sources.

We have decided to consider scope 1, 2, and 3 emissions. Our baseline and pathway include CO_2e emissions resulting from electricity production. Activities related to the transmission and trading of electricity are not included in our baseline and target.

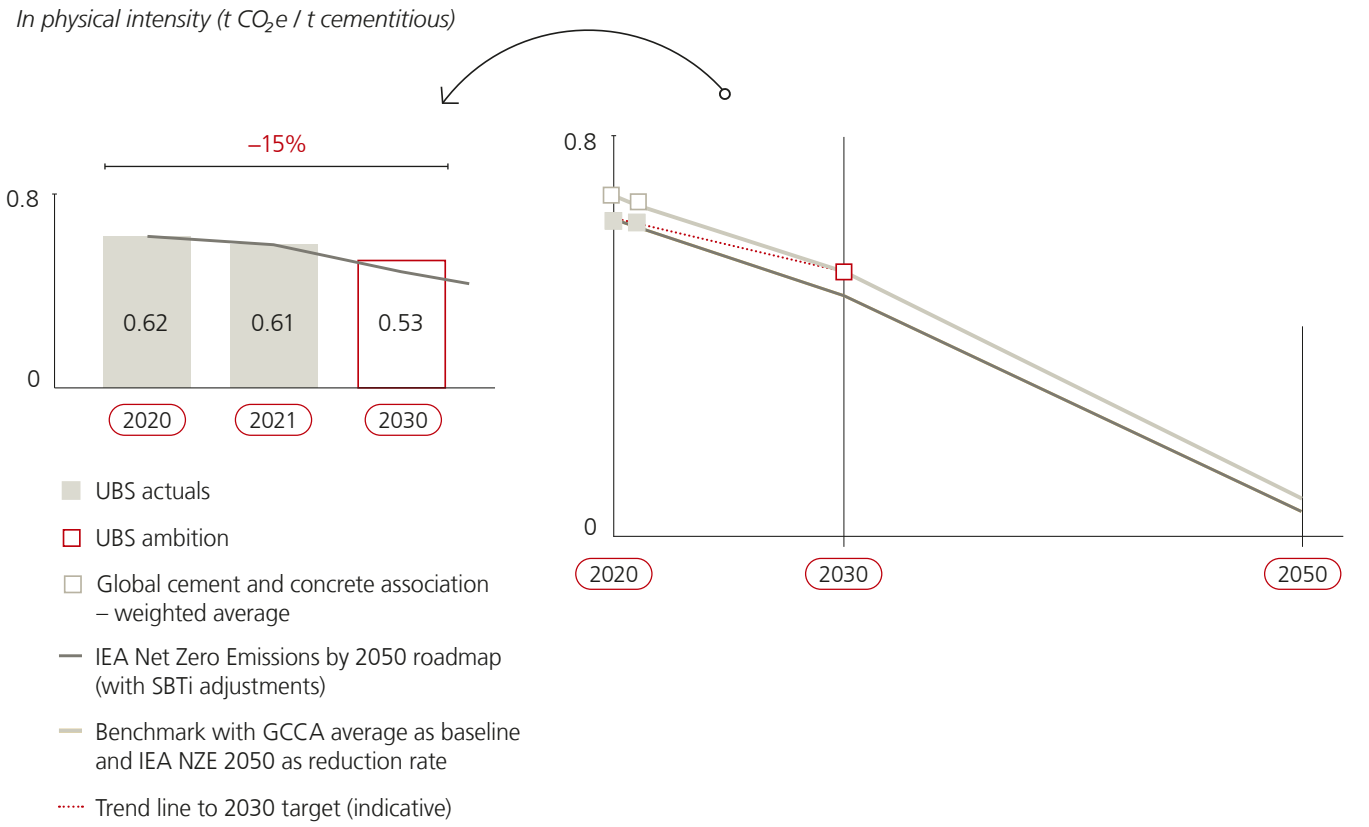
Our lending to this sector is focused on companies with a considerable share of renewable energy production or a diversified production mix. This high share of renewable energy production, particularly in our home market of Switzerland, has led to our emissions intensity being below the IEA benchmark. An increasing number of clients have themselves committed to net-zero objectives, some of which with accelerated interim targets to achieve net zero by 2040 or 2045. We will continue to support the transition of our clients, while at the same time also facilitating energy supply.

› **Refer to the "Strategy" section of this report for more information about our sustainable finance products and services**

Cement

In 2022, we committed to reducing the emissions intensity associated with lending to cement companies by 15% by 2030 (compared with 2020 levels), taking into account scope 1 and 2 emissions.

Emissions intensity cement lending



Based on an analysis performed in 2022, we have introduced a net-zero target to reduce scope 1 and 2 emissions for cement by 15% by 2030.

Cement is a priority sector for the NZBA, accounting for approximately 7% of global GHG emissions.[2] At the same time, cement is recognized as a sector for which emissions have proven particularly hard to reduce. This explains why benchmark emissions scenarios for this sector assume that most of the emissions reductions will need to take place in the longer term, with a significant dependency on technological innovation for the decarbonization to materialize by 2050.

The technical challenges to reduction become evident when observing the evolution of actual emissions for the cement industry compared with the scenarios of the IEA. The scenarios originally established projected a decrease of emissions from 2015 to 2020. In fact, industry actuals ended up rising, partly due to increased real estate demand in regions with less efficient producers. Considering this higher point of departure for 2020, we have established our target pathway for this sector based on the rate of reduction projected by the IEA, but applied to a starting point reflecting the actual industry average for 2020.

Regarding our lending exposure to this sector, we have a relatively small book (USD 0.5 billion in total gross exposure in 2022), with a material share of the exposures concentrated on a small number of clients. We believe our main clients in the cement industry are best in class in terms of ESG disclosures and externally verified emissions reduction targets. The energy transition agenda is front of mind for these clients, driving conversations on strategic options to develop sustainable solutions for the cement industry. Our advisory teams have provided insight into markets and the thinking of investors and asset managers around cement's ESG matters. Given the stated dependency on investments in technological change, we see this sector as of particular importance for collaboration between the financial sector and the real economy.

2 Based on information from the International Energy Agency Net Zero by 2050 report, available on *https://www.iea.org/reports/net-zero-by-2050.*

Net-zero targets in relation to UBS lending emissions

	2022		2021						
	Gross exposure (USD billion)[1]	Outstanding exposure (USD billion)[2]	Gross exposure (USD billion)[1]	Outstanding exposure (USD billion)[2]	Financed emissions, scopes 1 and 2 (mt CO_2e)[3]	Financed emissions, scope 3 (mt CO_2e)[3]	PCAF score, scopes 1 and 2[4]	PCAF score, scope 3[4]	Economic intensity (mt CO_2e / USD billion)[3]
Exposure covered by target									
Real estate									
– *Residential real estate*	156.9	155.2	152.9	149.7	1.1		4		0.01
– *Commercial real estate*	45.5	45.0	43.6	43.1	0.4		4		0.01
Fossil fuels (coal, oil and gas)[5]	0.5	0.0	0.7	0.1	0.1	0.4	3	4	5.10
Power generation	1.8	0.4	1.2	0.5	0.2	0.1	3	5	0.56
Cement	0.5	0.0	0.5	0.0	0.0		2		2.32
Exposure not covered by target									
Other non-financial corporate sectors	49.0	24.4	52.9	25.9	1.3	0.0	5	5	
Total non-financial corporates and real estate mortgages	254.4	225.0	**251.8**	**219.4**	**3.1**	**0.5**	**4**	**5**	
Lombard, financial services, commodity trade finance, private individuals, credit cards	195.8	163.0	207.3	179.2					
Total loans and advances to customers	450.2	388.0	**459.1**	**398.6**					

1 Gross exposure includes total loans and advances to customers and guarantees as well as irrevocable loan commitments (within the scope of expected credit loss). **2** Outstanding exposure includes total loans and advances to customers (within the scope of expected credit loss). **3** Based on outstanding exposure. Refer to section "Appendix 3 – Climate-related methodologies – lending" for details on the calculation methodologies. **4** PCAF scores shown represent weighted average based on outstanding exposures. **5** Commodity Trade Finance excluded.

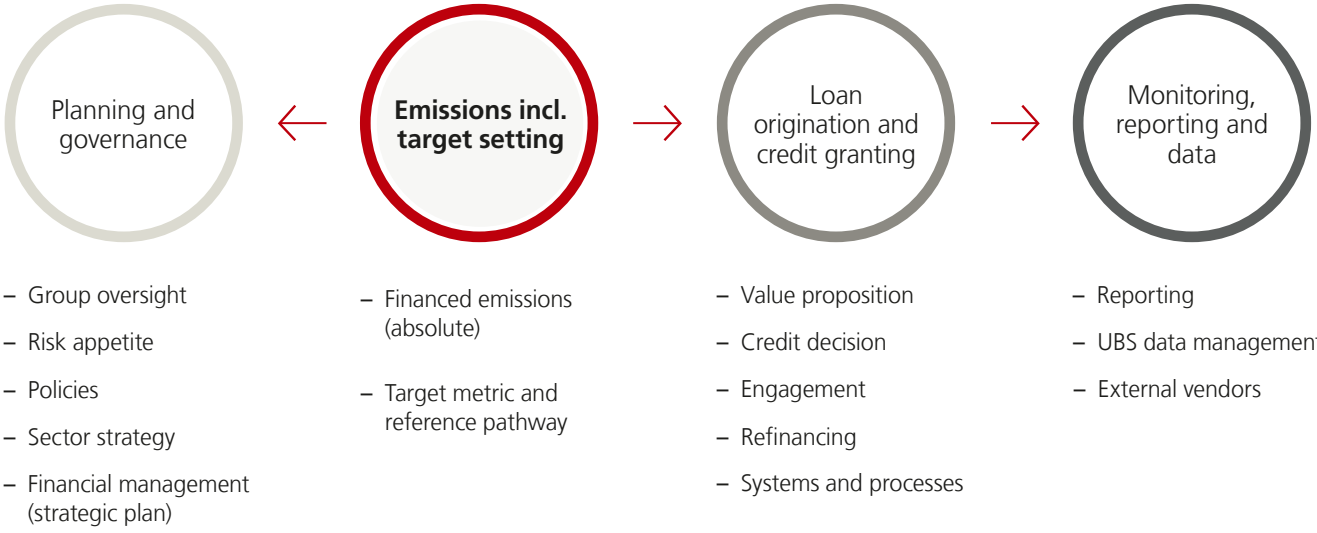
The sectors for which interim targets have been set represent USD 205.3 billion, or 46%, of the USD 450.2 billion in total gross exposure for 2022, and 81% of the USD 254.4 billion in gross exposure for which data and methodologies are available to estimate emissions. These sectors account for 2.2 metric megatons (mt) of CO_2e emissions financed, or 63% of the total financed emissions of 3.6 mt (3.1 mt for scopes 1 and 2 and 0.5 mt for scope 3). This amounts to the first approximation of our total financed emissions. We expect these numbers to be restated over time as the availability and quality of data improve.

A significant share of the remaining 37% of our estimated total financed emissions relates to lending to sectors outside of the NZBA's current scope. As further discussed in Supplement 3, "Climate-related methodologies," the gross exposure for the remaining sectors in the NZBA's current scope (transportation, aluminum, steel and agriculture) is USD 5.5 billion. However, only USD 0.7 billion of that total is to parts of the value chain currently addressed by net-zero target-setting approaches (e.g., PACTA for Banks and the World Business Council for Sustainable Development). Parts of the value chain that are not within the scope of these methodologies are considered to have less decision-making power or capacity to reduce carbon emissions. In addition, physical emission intensity metrics are often not relevant for these parts of the value chain. As a result, the potential for setting meaningful net-zero targets for lending to further sectors is at present limited.

› **Refer to the "Appendix 4 – Metrics and targets" section of this report for further details about the above statements and calculations**

As can be seen in the table above, a significant share of our gross exposure (USD 195.8 billion) is to areas such as Lombard, financial services firms and CTF. Guidelines and methodologies for all of these areas have yet to be developed. We are evaluating methodological options for assessing Lombard loans from a sustainability perspective.

Building blocks of the sustainable lending operating model



Supporting the net-zero goals of our investing clients

Asset Management

In 2020, our Asset Management business division became a founding member of the Net Zero Asset Managers initiative (the NZAMi) and published its net-zero interim target, committing to align 20% of total assets under management (AuM) to be managed in line with net zero by 2030.[1]

During 2022 we made progress across the foundational pillars required to deliver on this target. This included enhanced data sourcing and governance, developing asset-class-specific net-zero-aligned frameworks, and extending our long-standing climate engagement program. During 2023, we intend to implement revisions to fund documentation and investment management agreements to align with our net-zero-aligned frameworks. We also aim to launch our corporate engagement program on natural capital in 2023.

› **Refer to the "Appendix 4 – Metrics and targets" section of this report for Asset Management's methodology for defining net-zero-aligned investment portfolios**

We continue to invest in the necessary data and infrastructure to support management and monitoring of portfolios, issuer alignment and real economy decarbonization.

We recognize that approaches to achieving net zero are likely to evolve over time as data availability and quality continue to improve. Currently, our target setting is focused on carbon-intensity metrics. We draw on a wide variety of data sources to inform our assessment of climate-related risk and opportunities. Over time we expect to enhance our decarbonization approach with additional metrics, such as external verification, temperature alignment, climate solutions and scope 3 metrics.

The transition of investment portfolios will require real-economy emission reductions. We see our active ownership strategy as a powerful tool in influencing corporate behavior to achieve real-economy outcomes. We have had a dedicated climate engagement program in place since 2017 to address climate-related risks with measurable progress tracked. The program is focused on driving ambitious and credible transition strategies across portfolio holdings. Our net-zero engagement approach is underpinned by taking a sector-specific approach, extending beyond governance and targets into relevant business model objectives. We continue to set increased expectations for companies on target setting, quantified disclosures on decarbonization actions, capital deployment in line with a net-zero pathway, and progress toward stated commitments. We are also widening our engagement coverage to the highest-emitting companies across our investment universe, expanding the range of sectors and geographies.

Alongside these actions, we believe that we have an important role to play in working collaboratively with our clients on climate risk education, providing access to best practices in climate risk management, climate-related opportunities and approaches for net-zero-aligned portfolios. We also recognize that our industry still has a great deal of work to do in developing globally consistent methodologies and disclosures. We are actively participating

1 The 20% alignment target amounted to USD 235 billion at the time of the commitment in 2021. By 2030, the weighted average carbon intensity of funds is to be 50% below the carbon intensity of the respective 2019 benchmark.

in industry initiatives and other forms of collaboration, such as the Task Force on Climate-related Disclosures (the TCFD), the development of regional best practice climate-related guidance, such as the new Swiss Climate Scores, and the IFRS International Sustainability Standards Board (the ISSB) consultation on climate standards disclosure.

Global Wealth Management

Our Global Wealth Management business division continues to work toward mainstreaming sustainable and impact investments for our private clients. We believe that material sustainability issues matter for financial performance and know that clients have an interest in many of these topics. Our Chief Investment Office (CIO) remains convinced that the net-zero transition will prove to be one of the most consequential investment trends in subsequent decades. We offer advice and solutions that help guide and implement this view to the extent possible and where relevant in line with our fiduciary duties.

In addition, we leverage our knowledge and industry partnerships to explore and develop carbon-focused offerings. This includes the private markets, where we continue to be the partner of choice for leading asset managers for their impact investing vehicles, including those that focus on climate and transition-related opportunities. In 2022, we launched a *Low Carbon Transition* module for use in our My Way offering, and we intend to offer additional modules with an explicit carbon focus.

› **Refer to the "Strategy" section of this report for more information about our sustainable finance products and services**

Reducing our direct climate impact

Our supply chain goal for 2035 is to tackle scope 3 emissions, specifically emissions from purchased goods and services, by engaging with our key vendors to reach net zero. Reaching net zero across our operations not only lowers costs, it also creates the opportunity to extend our client base by becoming the financial provider of choice for those who are working to reduce their own scope 3 emissions. As the frequency and depth of climate regulation increases, prioritizing our alignment to standards such as the TCFD also helps to reduce the risk of business disruption resulting from new climate legislation. Being in a position where we can act rather than react is, in our view, advantageous.

Reducing our environmental footprint

Environmental targets and performance in our operations

We are making good progress toward our targets. Our total net GHG emissions remained at a significantly lower level (–93%) than the baseline year (2004).

Our environmental and greenhouse gas (GHG) reporting has been prepared based on a reporting year from 1 July 2021 to 30 June 2022. This differs from UBS's financial reporting period (1 January 2022 to 31 December 2022).

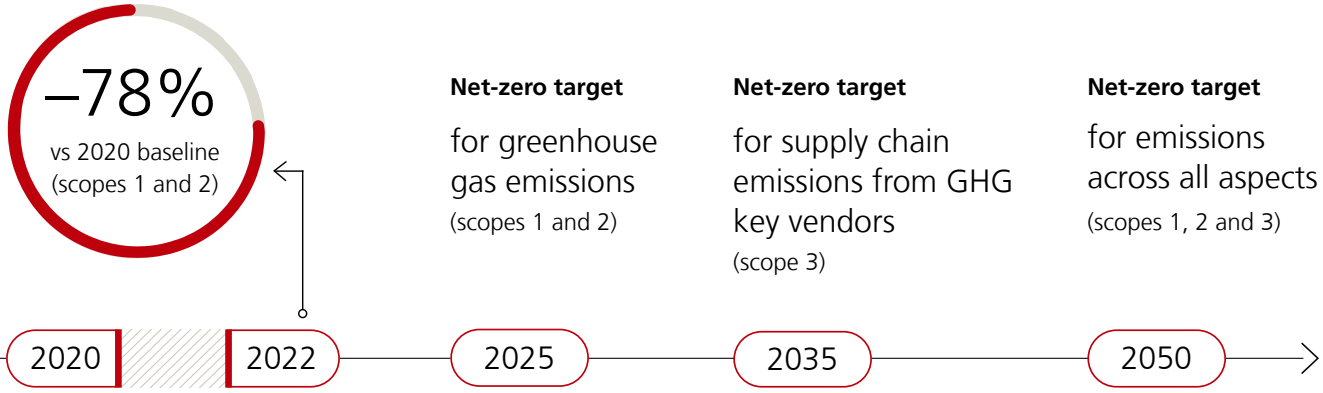
Environmental targets and performance in our operations[1]

	GRI[2]	2022	% target 2025	Baseline	% change from baseline	Progress / Achievement[3]	2021	2020
Total net greenhouse gas emissions (GHG footprint) in t CO_2e[4]	305	25,324		360,501[5]	(93)	green	29,936	75,110
Scope 1 and net scope 2 GHG emissions in t CO_2e	305	12,443	0	56,246[6]	(78)	green	14,300	56,246
Energy consumption in GWh	302	466	(15)	537[6]	(13)	green	509	537
Share of renewable electricity (%)	302	99	100	85[6,7]	(1)	green	100	85
Paper consumption in kg per FTE[8]	301	46	(50)	66[6]	(30)	green	50	66
Share of recycled and FSC paper (%)	301	76	100	82[6]	(6)	amber	80	82
Waste in kg per FTE[8]	306	86	(10)	133[6]	(36)	green	92	133
Zero waste to landfill (%)[9]	306	36	0	34[6]	8	amber	35	34
Waste recycling ratio (%)	306	51	60	52[6]	(99)	amber	52	52
Water consumption in million m3	303	0.54	(5)	0.70[6]	(23)	green	0.54	0.70

Legend: CO2e = CO2 equivalents; FTE = full-time employee; GWh = gigawatt hour; kWh = kilowatt hour; km = kilometer; kg = kilogram; t = metric ton

1 Detailed environmental indicators are available at ubs.com/environment. Reporting period 2022 (1 July 2021 to 30 June 2022). 2 Reference to GRI Sustainability Reporting Standards (see also globalreporting.org). 3 Green: on track / achieved; amber: improvements required 4 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG 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, waste disposal and upstream leased assets). 5 Baseline year 2004. 6 Baseline year 2020. 7 100% renewable electricity was achieved as of July 1, 2020. Due to the environmental reporting period, the full effect of this not displayed until the 2021 reporting period. 8 FTEs are calculated on an average basis including contractors. 9 In locations where UBS has influence and where alternatives are available.

Greenhouse gas footprint – our journey to net zero



Climate strategy and GHG emissions

Our GHG footprint consists of direct (scope 1) emissions from gas, oil and fuel consumption, indirect (scope 2) emissions from electricity and district heating and other indirect emissions (scope 3) from leased assets, paper, waste and business travel. Air travel emissions have been offset since the year 2007, and we have also voluntarily purchased carbon offsets equivalent to our historical scope 1 and 2 emissions dating back to the year 2000.

We have set ambitious goals to reach net zero for scope 1 and 2 emissions by 2025. Our first priority in reaching this goal is reducing emissions at source. We are accelerating the switch from fossil fuel heating systems to heat pumps or district heating in our real estate and refurbishing our buildings to make them more energy efficient. Our second priority is ensuring that we have enough high-quality carbon removal certificates available from 2025 onward to net the residual emissions. Our focus here is on technology solutions, as we want to ensure that the captured CO_2 is permanently stored. To this end we opted in 2022 to contract more than 80,000 metric tons of carbon removal.

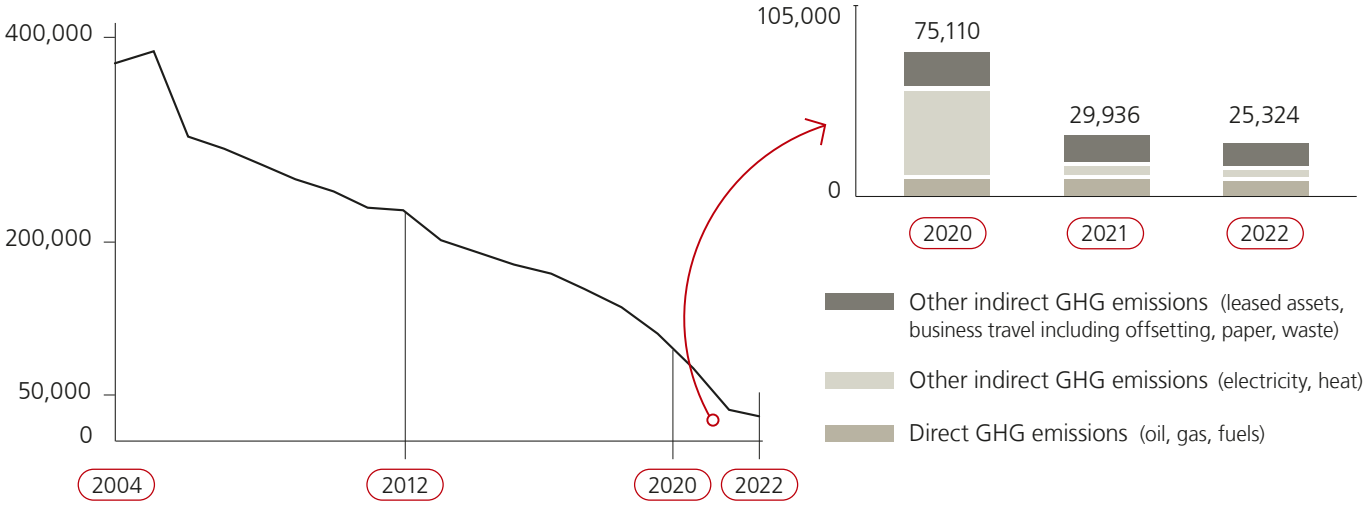
We are working with two Swiss companies, Climeworks and neustark, which are both pioneering innovative carbon removal technologies. While neustark endeavors to remove CO_2 from the atmosphere and permanently store it in

recycled concrete, Climeworks' Orca direct air capture and storage facility in Iceland captures CO_2 directly from the atmosphere and stores it underground in basalt rock for thousands of years. The solution provided by neustark is the first-ever technological carbon removal approach with a Gold Standard-approved methodology. We were also among the five companies joining the NextGen CDR Facility (NextGen) as founding buyers to scale up carbon removal technologies and catalyze the market for high-quality carbon removal.

During the transition phase to net zero by 2025, we are also purchasing carbon offsets that are equivalent to our net scope 1 and 2 emissions, as well as our scope 3 air travel emissions as part of beyond-value chain mitigation. In 2022, we supported a number of nature-based projects, which were verified against the Verra VCS standard and all achieving the additional CCB (climate, community and biodiversity) Standard. These included: Delta Blue Carbon Mangrove restoration in Sindh Province, Pakistan; Southern Cardamom REDD+ forestry protection in Cambodia and Chudu Forestry Regeneration in Xichuan County, southwest China.

UBS's greenhouse gas (GHG) footprint

In metric tons CO_2e



Sustainable real estate

Our commitment to sustainability is evident throughout our real estate footprint and the continual improvement of our sustainable real estate guidelines, a critical step in driving our locations' evolution toward achieving our long-term ambitions. We strive to align our real estate footprint with the needs of our clients, our employees and our businesses. This means rightsizing our portfolio, increasing the collaboration space and transforming our workplace as digitalization redefines the way we do business and use our space. Our buildings are built to the highest standards, as confirmed by our certification by internationally recognized green-building standards.

Total number of LEED certifications in UBS regions

UBS locations	LEED Platinum	LEED Gold	LEED Silver	LEED certified
Switzerland	1	1		
EMEA	5	2		
Americas	5	23	5	4
Asia Pacific	9	9		

› For more details on Leadership in Energy and Environmental Design (LEED) certifications refer to usgbc.org/projects

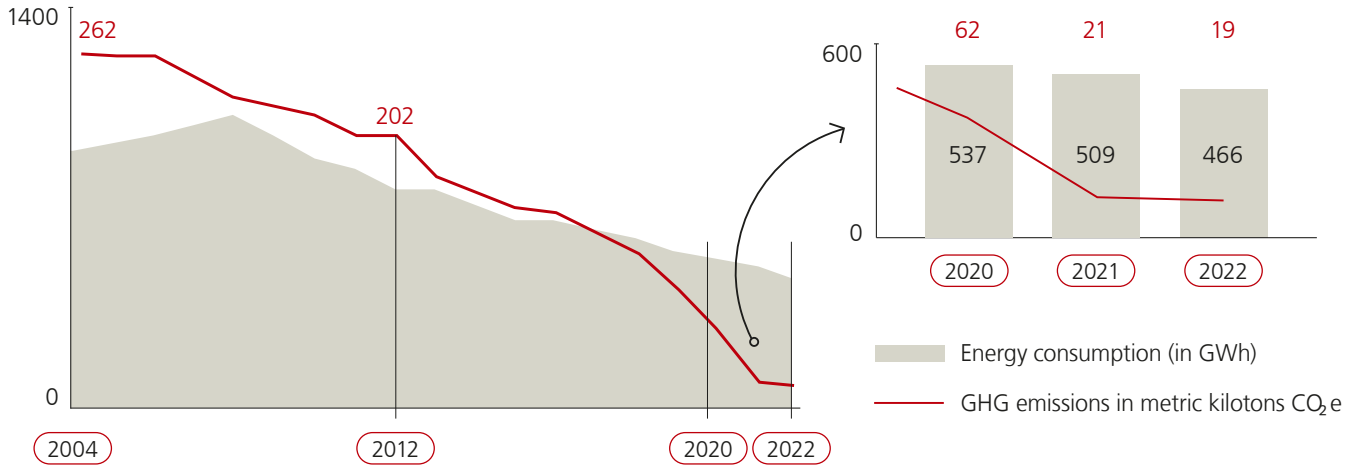
Energy consumption

In 2022, we used 466 gigawatt hours (GWh), an 8% reduction compared with 2021. Our success was mainly driven by firm-wide environmental and energy management measures and the transition to a flexible hybrid working model. To ensure successful implementation of our environmental and energy management measures, as well as for monitoring purposes, we have been externally audited and have had the accuracy of our energy reporting certified (ISO 14064:2018).

We recognize the need to reduce emissions at source and apply an "only use what you need" philosophy. Data centers account for a significant proportion of global carbon emissions. At UBS, our 14 biggest data centers account

for over 38% of our total electricity consumption. Our Sustainable Technology initiative is aimed at reducing that figure and boosting awareness of the issue among technology professionals and other stakeholders. UBS has already committed to a 15% reduction in energy consumption by 2025. A series of flagship consolidation projects will significantly contribute toward that goal.

Energy consumption and related greenhouse gas emissions



Footnote: GHG emission = Direct GHG emissions (scope 1) + Gross indirect GHG emissions (Gross scope 2) – GHG reductions from renewable electricity + GHG emissions from leased assets not included in scopes 1 and 2.

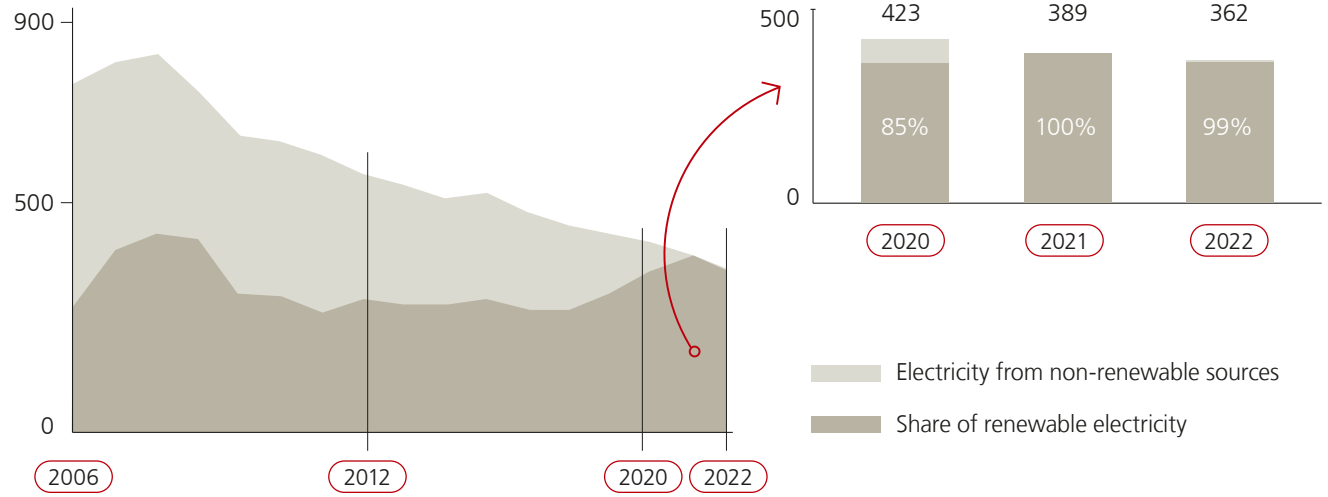
Renewable energy

Since July 2020, 100% of our electricity has come from renewable sources, leading to significant reductions in our GHG emissions. In the reporting period for 2022, we sourced 99% renewable electricity, in line with RE100, despite challenging circumstances. The remaining 1% is a result of local considerations in Qatar, with low renewable electricity production volumes combining with the unusually high demand from the 2022 men's football world cup.

We cover the majority of our consumption with renewable energy products from utilities through long-term agreements or purchase renewable energy credits (RECs). We remain committed to procuring 100% renewable electricity and wherever possible invest in on-site renewables for our strategic sites.

Electricity consumption and share of electricity from renewable sources

In GWh



Business travel and offsetting CO_2 emissions

In 2022, as expected, we saw an increase in business travel as the effects of the pandemic faded. Our commitment is to continue to put sustainability at the heart of our business travel program, and we are still 2/3s below pre-pandemic levels. Through transparent internal reporting of emissions associated with travel, targeted awareness

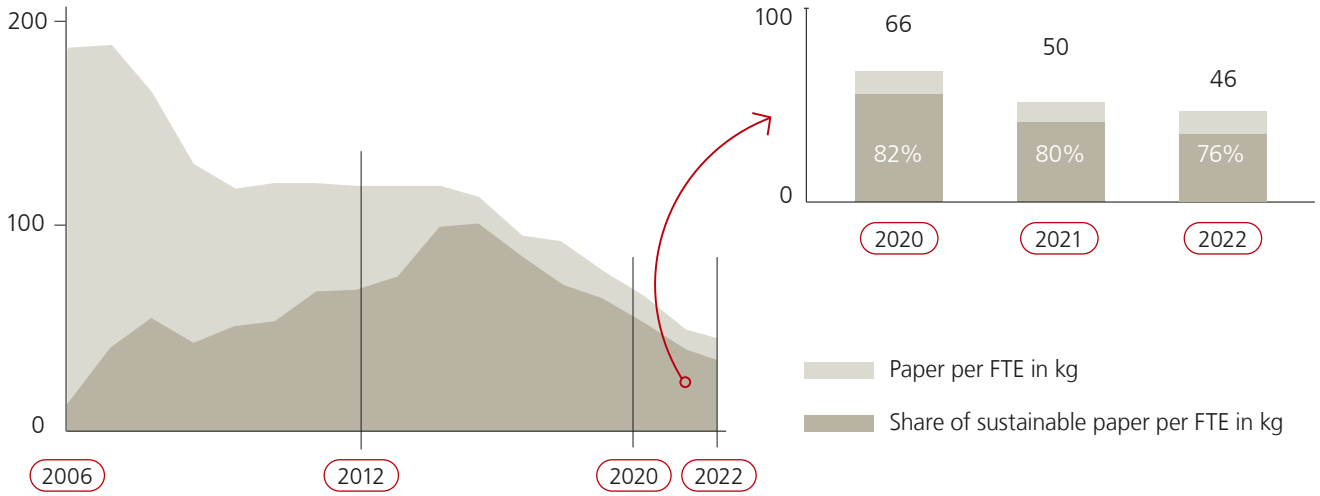
measures and offering the most sustainable travel alternatives, we work to keep the environmental impact of travel at a low level. Since 2007, we have been offsetting all of our CO_2 emissions from business air travel. In 2022, we supported a number of nature-based projects, as set out above.

Paper

We reduced our paper consumption per FTE in 2022 by 8% year on year. Our paper usage consisted of 21% copier / printer paper, 52% client output, 8% publications and the remainder being various paper products. Globally, around 77% of our paper consumption originates from recycled sources or those certified by the Forest Stewardship Council (the FSC).

Paper per FTE

In kg



Note: FTEs are calculated on an average basis including FTEs that were employed through third parties on short-term contracts.

Waste and recycling

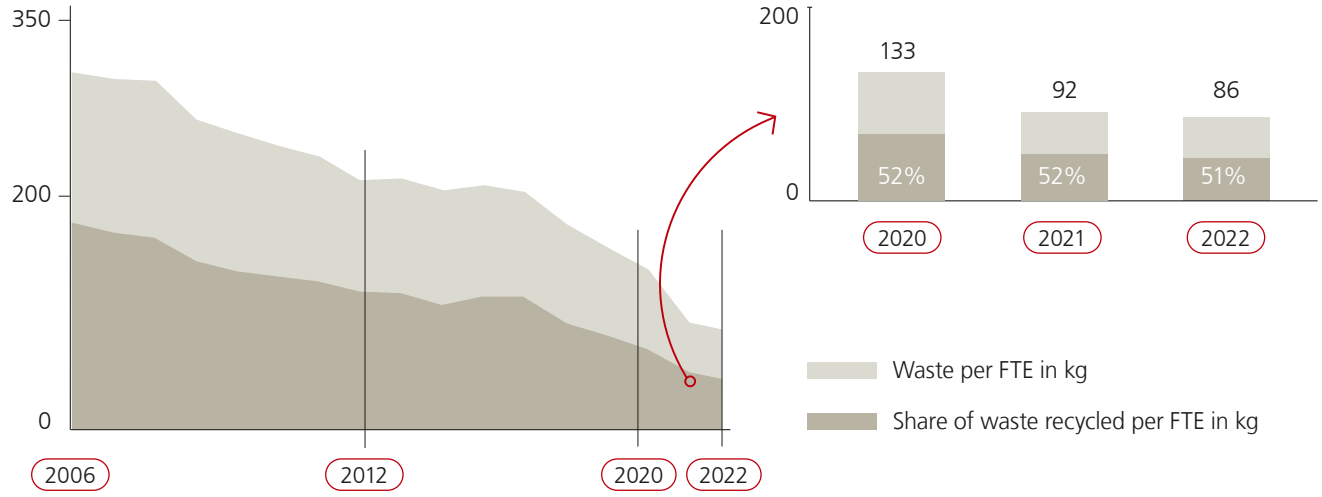
Our ongoing waste reduction activities have enabled us to reduce the amount of waste generated per FTE. The donation, recycling and resale of unwanted office furniture has been made at sites across the globe. We also target a reduction in food waste through close collaboration with our catering partners.

Zero waste to landfill

In 2022, we sent approximately 2,300 metric tons of waste to landfill globally. We are working with local teams to explore opportunities to reduce general waste volumes and divert remaining general waste from landfill, in buildings where UBS has influence and alternatives are available.

Waste per FTE

In kg



Note: FTEs are calculated on an average basis including FTEs that were employed through third parties on short-term contracts.

Water

Helping to address the global water crisis is a key focus of our environmental program. To ensure increased water efficiency in our premises, we continue the implementation of our real estate infrastructure policy. This helps us to accelerate our water savings, through measures such as rainwater collection and aerator taps.

The table below shows our environmental indicators per full-time equivalent employee, with the full table shown on the following page.

Environmental indicators per full-time employee	Unit	2022	Trend	2021	2020
Direct and intermediate energy	kWh / FTE	6,339	↘	6,922	7,596
Business travel	Pkm / FTE	1,142	↑	227	3,749
Paper consumption	kg / FTE	46	↘	50	66
Waste	kg / FTE	86	↘	92	133
Water consumption	m³ / FTE	7.3	→	7.4	9.9
Greenhouse gas (GHG) footprint	t CO_2e / FTE	0.34	↓	0.41	1.06

Legend: FTE = full-time employee; kWh = kilowatt hour; Pkm = person kilometer; kg = kilogram; m³ = cubic meter; t = metric ton
Note: FTEs are calculated on an average basis including FTEs that were employed through third parties on short-term contracts.

Environmental indicators[1]

		GRI[3]	2022[2] Absolute normalized[4]	Trend[5]	2021[2] Absolute normalized[4]	2020[2] Absolute normalized[4]
	Total direct and intermediate energy consumption[6]	**302**	**466 GWh**	↘	**509 GWh**	**537 GWh**
Environment	**Total direct energy consumption[7]**	**302**	**44 GWh**	↓	**56 GWh**	**52 GWh**
	natural gas		**83.5%**	→	87.6%	87.7%
	heating oil		**10.9%**	↑	8.7%	7.5%
	fuels (petrol, diesel, gas)		**4.9%**	↑	3.1%	4.0%
	renewable energy (solar power, etc.)		**0.7%**	↗	0.7%	0.8%
	Total intermediate energy purchased[8]	**302**	**422 GWh**	↘	**453 GWh**	**485 GWh**
	electricity		**362 GWh**	↘	**389 GWh**	**423 GWh**
	electricity from gas-fired power stations		**0.035%**	↑	0.0%	5.9%
	electricity from oil-fired power stations		**0.0%**	→	0.0%	1.2%
	electricity from coal-fired power stations		**0.001%**	↑	0.0%	7.1%
	electricity from nuclear power stations		**0.0%**	→	0.0%	0.6%
	electricity from hydroelectric power stations		**37.1%**	↓	54.3%	35.3%
	electricity from other renewable resources		**62.9%**	↑	45.7%	49.9%
	heat (e.g., district heating)		**60 GWh**	↘	**64 GWh**	**62 GWh**
	Share of electricity from renewable sources	**302**	**99.9%**	→	100%	85%
Travel	**Total business travel**		**84 m Pkm**	↑	**17 m Pkm**	**265 m Pkm**
	rail travel[9]		**5.8%**	↓	13.4%	4.5%
	road travel[9]		**8.3%**	↓	23.1%	4.1%
	air travel		**85.8%**	↑	63.5%	91.5%
	Number of flights (segments)		**40,493**	↑	**7,498**	**124,426**
Paper	**Total paper consumption**	**301**	**3,386 t**	↘	**3,670 t**	**4,635 t**
	post-consumer recycled		**9.7%**	↑	1.8%	15.7%
	new fibers FSC[10]		**66.8%**	↘	77.8%	65.8%
	new fibers ECF + TCF[10]		**23.5%**	↑	20.3%	18.4%
	new fibers chlorine-bleached		**0.01%**	↓	0.03%	0.03%
Waste	**Total waste**	**306**	**6,313 t**	↘	**6,743 t**	**9,429 t**
	valuable materials separated and recycled		**50.7%**	→	52.1%	52.4%
	incinerated		**12.8%**	→	13.3%	14.0%
	landfilled		**36.5%**	↗	34.6%	33.7%
	Total water consumption	**303**	**0.54 m m³**	→	**0.54 m m³**	**0.70 m m³**
Greenhouse Gas (GHG)	**Direct greenhouse gas (GHG) emissions (scope 1)[11]**	**305-1**	**8,570 t**	↓	**10,726 t**	**9,972 t**
	Gross location-based energy indirect GHG emissions (scope 2)[11]	**305-2**	**110,470 t**	↘	**124,756 t**	**136,524 t**
	GHG reductions from renewable energy[12]		**(106,597) t**	↘	(121,182) t	(90,250) t
	Market-based energy indirect GHG emissions (scope 2)[11]	**305-2**	**3,873 t**	↗	**3,574 t**	**46,274 t**
	Gross other indirect GHG emissions (gross scope 3)[11]	**305-3**	**23,344 t**	↑	**15,683 t**	**42,350 t**
	GHG offsets (business air travel)[13]		**(10,463) t**	↑	(47) t	(23,485) t
	Net other indirect GHG emissions (net scope 3)[11]		**12,882 t**	↓	**15,635 t**	**18,865 t**
	Total gross GHG emissions		**142,384 t**	↘	**151,165 t**	**188,846 t**
	Total net GHG emissions (GHG footprint)[14]		**25,324 t**	↓	**29,936 t**	**75,110 t**

Legend: GWh = gigawatt hour; Pkm = passenger kilometer; t = metric ton; m³ = cubic meter; m = million; CO2e = CO2 equivalents

1 All figures are based on the level of knowledge as of January 2023. 2 Reporting period: 2022 (1 July 2021 to 30 June 2022), 2021 (1 July 2020 to 30 June 2021), 2020 (1 July 2019 to 30 June 2020). 3 Reference to GRI Sustainability Reporting Standards (see also globalreporting.org). 4 Non-significant discrepancies from 100% are possible due to roundings. 5 Trend: the respective trend is stable (□) if the variance is less than 5/10/15%, low decreasing / increasing (□,□) if it is less than 10/20/30% and decreasing / increasing if the variance is bigger than 10/20/30% (□,□). 6 Refers to energy consumed within the operational boundaries of UBS. 7 Refers to primary energy purchased that is consumed within the operational boundaries of UBS (oil, gas, fuels). 8 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating). 9 Rail and road travel (2020): Switzerland only, (2021; 2022) selected countries where data is available. 10 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free. 11 Refers to ISO 14064 and the "GHG Protocol Corporate Standard" (ghgprotocol.org), the international standards for GHG reporting: GHG emissions reported in metric tons of CO2e; scope 1 accounts for direct GHG emissions by UBS; scope 2 accounts for gross indirect GHG emissions associated with the generation of imported / purchased electricity (location-based reflects grid average emission factor, market-based reflects emission factors from contractual instruments), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, paper consumption and waste disposal. 12 GHG savings by consuming electricity from renewable sources. 13 Offsets from third-party GHG reduction projects measured in CO2 equivalents (CO2e). These offsets neutralize GHG emissions from our business air travel. 14 GHG footprint equals total gross GHG emissions minus GHG reductions from renewable energy and CO2e offsets.