Sustainability Report 2024

Thinking and acting with the long term in mind

UBS

Table of contents

Introduction

The importance of sustainability and culture to UBS

In 2024, we made further progress in advancing our sustainability and culture agenda. We have done so both based on our commitment to further evolving UBS's culture as well as our continued ambition to be a leader in sustainability.

Our sustainability and impact strategy is based on three strategic pillars: (i) *Protect*: manage our business in alignment with our sustainable, long-term strategy and evolving standards; (ii) *Grow*: embed an innovative sustainability and impact offering across all our business divisions; (iii) *Attract*: be the bank of choice for clients and employees.

We support our clients in the transition to a low-carbon world and consider climate change risks and opportunities across our bank for the benefit of our clients, shareholders and all our stakeholders. In 2024, following a review of our own operations target for scope 1 and 2, we decided to set a revised target to reduce scope 1 and 2 emissions to net zero by 2035, which reflects both the integrated organization and latest regulatory guidance. We made progress on these key components of our climate action plan, reducing our net greenhouse gas scope 1 and 2 emissions and energy consumption. For scope 3, we remain committed to our lending sector decarbonization targets to address our financed emissions in specified sectors and have progressed on these.

We further advanced on our multi-year sustainability and climate risk Initiative toward the goal of fully integrating qualitative and quantitative sustainability and climate risk considerations into the firm's traditional risk management and stress-testing frameworks.

In our first fully consolidated environmental, social and governance (ESG) ratings following the acquisition of Credit Suisse, MSCI reaffirmed our AA ESG rating and we increased our S&P Global Corporate Sustainability Assessment score.

Trends

In 2024, sustainability-focused public investment fund markets recorded a new high of USD 3.2trn. While the level of inflows decreased compared to previous years, investors continued to allocate to sustainability-focused funds and ETFs. Investments into alternative asset classes, including hedge funds, real estate and infrastructure, continued throughout 2024. The share of sustainable investing private-market fundraising in total reached an all-time high.

There has been a sharp rise as well as divergence in sustainability-related regulation over the past few years. Regulators, particularly in Europe, have begun to emphasize labeling regimes, introducing new local criteria for sustainable investment solutions.

In an evolving macroeconomic and complex regulatory landscape, we help our clients achieve their sustainability and impact objectives. The transition to a lower-carbon economy, including the associated risks and opportunities, continues to be the main focus for many clients. This is driven both by their own ambitions and by regulatory requirements. Additionally, there is a diversification of sustainable investing into private markets.

People and communities

We are dedicated to being a world-class employer for talented individuals across all our markets and a place where people can unlock their full potential. Our global presence in 51 countries and jurisdictions, combined with the expertise of more than 110,000 employees worldwide, helps us to create better outcomes for our clients, communities and colleagues.

Our employees execute our business strategy and deliver on our client promise. We therefore aim to attract, develop and retain employees who have the capabilities, potential and mindset to help us achieve those aims. Meritocracy continues to be at the forefront of any decision we make.

Corporate citizenship principles are embedded into our employment practices, for example, in the benefits we offer and in our fair pay practices.

In December 2024, we celebrated 25 years of the UBS Optimus Foundation. During this time, Optimus has grown from a small grant-making organization to an influential network of foundations in nine locations working at a global and local level to drive transformative change for marginalized communities. In 2024, we surpassed our goal set in 2021 of mobilizing USD 1bn in philanthropic capital by end of 2025, by reaching a total of USD 1.1bn.

In 2024, we successfully engaged 32% of our global workforce in volunteering activities, many in skills-based programs. We recognize the importance of continuing this effort for those we support, empowering our participating employees and fostering communities that also benefit our business.

Our commitment

We support our clients in understanding the impact of climate change in their business models, their supply chains and their investments, including risks and opportunities. That is why we contribute to the development of methodologies and data that enhance transparency. However, our climate-related ambitions and targets depend on the overall progress made by all sectors and countries, and factors that are beyond our direct control require clear guidance from governments through thoughtful regulations and policies.

Clients remain at the heart of what we do. We therefore remain steadfast in our commitment to be their bank of choice and support them with offerings that meet their evolving needs.

Colm Kelleher
Chairman of the Board of Directors

Sergio P. Ermotti
Group Chief Executive Officer

UBS was among the companies that first signed the UN Global Compact in 2000 and is also a member of the UN Global Compact Network Switzerland, meaning we are committed to its principles on human rights, labor standards, the environment and anti-corruption. As reflected in detail in this report, we have a comprehensive set of goals and activities in place pertaining to the principles of the UN Global Compact.

About this report

Overview

The reporting period for this UBS Group Sustainability Report is 1 January to 31 December 2024, which is aligned with the financial reporting period of UBS Group AG. All 2024 data included in the report is therefore for this period. Historical data (for 2022 and prior) pertains to pre-acquisition UBS, unless otherwise stated. Data showing progress against our decarbonization sectorial targets pertains to 31 December 2023 (due to the unavailability of relevant 2024 data, as explained in the respective section of this report).

Unless otherwise noted, the information included in this report is presented at the consolidated level for UBS Group AG.

› **Refer to "Note 28 Interests in subsidiaries and other entities" in the "Consolidated financial statements" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for supplementary information regarding certain significant subsidiaries**

This report has been prepared with reference to the Global Reporting Initiative (GRI) and in accordance with our Basis of preparation. It also comprises the non-financial disclosures required for UBS Group AG and its subsidiaries, including UBS AG, under the Swiss Code of Obligations Art. 964b, including the Swiss Ordinance on Climate Disclosures. A table at the end of this report (Appendix 3) provides the references to such non-financial information.

› **Refer to the GRI Content index, available at *ubs.com/sustainability-reporting*, for more information on the metrics with references to GRI standards**

› **Refer to the Basis of preparation document, available at *ubs.com/sustainability-reporting*, for more information on the metrics definitions, approaches and scope**

› **Refer to the "Supplement to Managing sustainability and climate risks" section of the Supplement to this report, available at *ubs.com/sustainability-reporting*, for information on the implementation of the environmental risk regulations in Singapore and the Hong Kong SAR by UBS, and disclosures in connection with the legal entity reporting requirements of the ESG Sourcebook in the Business Standards section of the UK Financial Conduct Authority Handbook, and for information pertaining to UBS Group AG's approach to the "Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor"**

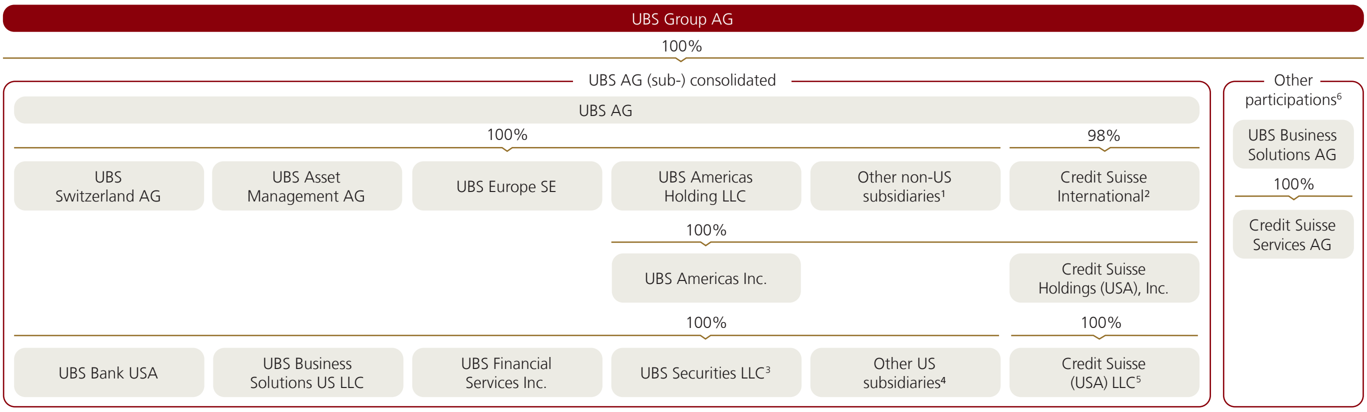
› **Refer to "Key terms and definitions" in the "Appendix 3 - Other supplemental information" section of this report for terms and abbreviations used in this report**

Credit Suisse integration – explanations and related assumptions

On 12 June 2023, UBS Group AG acquired Credit Suisse Group AG, succeeding by operation of Swiss law to all assets and liabilities of Credit Suisse Group AG, and became the direct or indirect shareholder of all the former direct and indirect subsidiaries of Credit Suisse Group AG. UBS Group AG is a holding company and conducts substantially all its operations through UBS AG, and subsidiaries thereof. UBS aims to substantially complete the integration of Credit Suisse into UBS by the end of 2026.

The legal structure of the UBS Group

The chart below gives an overview of our principal legal entities and our legal entity structure.



1 Other non-US subsidiaries are held either directly or indirectly by UBS AG. 2 Of which 98% held by UBS AG and 2% held by UBS Group AG. 3 Of which 99% directly held by UBS Americas Inc. and 1% held by UBS Americas Holding LLC. 4 Other US subsidiaries are typically held either directly or indirectly by UBS Americas Inc. 5 Other US subsidiaries are held directly by Credit Suisse (USA) LLC. 6 And other small former Credit Suisse Group entities now directly held by UBS Group AG.

› **Refer to the "Risk factors" and "Regulatory and legal developments" sections and the "Integration of Credit Suisse" section of the UBS Group AG Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Assurance and agreed-upon procedures

UBS's sustainability metrics, as disclosed in the UBS Group AG Sustainability Report 2024, have been assured by Ernst & Young Ltd, Basel (EY). EY's procedures covered 29 metrics subject to reasonable assurance in key areas such as climate and 230 metrics subject to limited assurance. A list of these metrics and level of assurance can be found in the assurance report.

In 2024, we also engaged EY to perform agreed-upon procedures (AuP) on our lending sector decarbonization targets to assist us in determining whether these have been set in line with reference scenarios mentioned and informed by certain requirements taken from pertinent global standards and initiatives.

› **Refer to "Appendix 3 – Other supplemental information" in the "Appendix" section of this report for the assurance report**

› **Refer to the Lending sector decarbonization targets AuP report, available at *ubs.com/sustainability-reporting*, for more information on agreed-upon procedures on our lending sector decarbonization targets**

Explanation of dependencies

Certain activities of UBS that pertain to the implementation of its sustainability and impact strategy are directly impacted by factors that UBS cannot influence directly or can only influence in part. These include pertinent governmental actions (e.g. when it comes to the achievement of the Paris Agreement and thus the achievement of our firm's climate-related ambitions); the quality and availability of (standardized) data (e.g. in such areas as emissions); the development and enhancement of required methodologies and methodological tools (e.g. on climate risk); the ongoing evolution of relevant definitions (e.g. sustainable finance); and the furthering of transparency (e.g. pertaining to company disclosures of data). Areas where these dependencies are of particular relevance (including, in particular, regarding the examples noted above) are explained in the relevant sections of this report.

17 March 2025
UBS Group AG

Contacts

Information to stakeholders about the content of this report is provided by the stakeholder management team, part of UBS Group Sustainability and Impact.

cr@ubs.com

Terms used in this report, unless the context requires otherwise	
"UBS," "UBS Group," "UBS Group AG consolidated," "Group," "the Group," "we," "us" and "our"	UBS Group AG and its consolidated subsidiaries
"UBS sub-group"	All UBS Group entities, excluding Credit Suisse AG and its consolidated subsidiaries, Credit Suisse Services AG, and other small former Credit Suisse Group entities now directly held by UBS Group AG
"UBS AG," "UBS AG consolidated"	UBS AG and its consolidated subsidiaries
"Pre-acquisition UBS"	UBS before the acquisition of the Credit Suisse Group
"Credit Suisse AG"	Credit Suisse AG and its consolidated subsidiaries before the merger with UBS AG
"Credit Suisse Group" and "Credit Suisse Group AG consolidated"	Credit Suisse Group AG and its consolidated subsidiaries, before the acquisition by UBS
"Credit Suisse"	Credit Suisse AG and its consolidated subsidiaries before the merger with UBS AG, Credit Suisse Services AG, and other small former Credit Suisse Group entities now directly held by UBS Group AG
"UBS Group AG" and "UBS Group AG standalone"	UBS Group AG on a standalone basis
"Credit Suisse Group AG"	Credit Suisse Group AG on a standalone basis
"UBS AG standalone"	UBS AG on a standalone basis
"Credit Suisse AG standalone"	Credit Suisse AG on a standalone basis
"UBS Switzerland AG"	UBS Switzerland AG on a standalone basis
"UBS Europe SE consolidated"	UBS Europe SE and its consolidated subsidiaries
"1m"	One million, i.e. 1,000,000
"1bn"	One billion, i.e. 1,000,000,000
"1trn"	One trillion, i.e. 1,000,000,000,000

In this report, unless the context requires otherwise, references to any gender shall apply to all genders.

Our integration journey – key measures taken in 2024

In 2024, our focus continued to be on the integration of Credit Suisse, with our progress described in the shareholder letter in the UBS Group AG Annual Report. We have also continued the integration process across our sustainability and culture activities, with key measures set out in the table below.

Governance	**We advanced with the integration of governance bodies and policies** We near-completed the integration of Credit Suisse sustainability activities into the operational processes and structure of the UBS Group by decommissioning further Credit Suisse governance bodies and policies. In 2025, we aim to fully integrate the remaining Credit Suisse sustainability-relevant governance bodies, policies and procedures into the overall UBS Group sustainability governance in accordance with the overall UBS Group integration efforts and timeline.
Strategy	**We apply our sustainability and impact strategy Group-wide** We applied within the overarching sustainability and impact strategy of the UBS Group a limited number of sustainability-related policies, processes and activities that continued at Credit Suisse in 2024.
Environment	**We progressed on our Group-wide climate ambition** We developed and introduced the Group-wide Company Transition Assessment Scorecard (CTAS), which assesses how advanced a company is on its transition path toward decarbonization. We worked on defining a more strategic and scalable toolset for calculating, monitoring and reporting the integrated firm's climate-related metrics covering the financing of corporate loans and facilitated emissions. Guided by our technology and ESG (environmental, social and governance) data strategy, we developed a fully cloud-based toolset that will be fully operational in 2025. We concluded our first integrated ISO14001 environmental management surveillance audit for our in-house environmental program and set a new scope 1 and 2 target reflecting the integrated organization and latest guidance.
Social	**We are building a unified culture** We leveraged a dedicated forum chaired by the Head Group Human Resources and Corporate Services and composed of senior management representatives and selected external advisors to steer culture integration across our firm. We consolidated the former Credit Suisse Foundations with the UBS Optimus Foundation, with the alignment of their philanthropic foundation program portfolios underway. We rolled out our Group-wide Responsible Supply Chain Management framework and our Global Procurement and Vendor Management Policy and Guidance to Credit Suisse.
Supporting opportunities	**We leverage the power of the integrated firm for the benefit of clients** We continued to align our sustainability-related governance structures and policies and brought together our processes and teams to enhance collaboration and leverage our combined strengths. We applied UBS sustainable investing policies to the Credit Suisse products when onboarded to the UBS shelf. This process is being carried out in waves and will continue until at least the end of 2025. We continued with having in operational use the legacy Credit Suisse Sustainable Investment Framework (the SIF) for Credit Suisse Wealth Management and Credit Suisse Asset Management clients still being serviced through the Credit Suisse systems.
Managing sustainability and climate risks	**We integrated the firm's sustainability and climate risk appetite** We further enhanced our transition and physical risk methodologies and updated the sustainable finance and carbon and environmental market guidelines, to address emerging sustainability and climate risks.

› **Refer to the "Integration of Credit Suisse" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

General information

Our business model

UBS – who we are

UBS is the largest truly global wealth manager and the leading bank in Switzerland. These key pillars of our strategy are enhanced by focused and competitive investment bank and asset management capabilities. Staying close to our clients, whether they are individuals, institutions or businesses, and providing financial advice and solutions to help them to achieve their goals is of the upmost importance to us. We have a capital-generative and well-diversified business model with strong competitive positions in our target markets. Our business model, our strong and risk-aware culture and our superior client service, as well as our respected brand with over 160 years of history and our capital prudence, have made it possible to consistently and sustainably both grow profits and deliver a high return on equity over the long term. The acquisition of the Credit Suisse Group has further accelerated our growth strategy by providing our client franchises with additional scale, complementary capabilities and talent in line with our ambition to position UBS for sustainable, high-quality returns and long-term growth.

We are focused on driving sustainable long-term growth while maintaining risk and cost discipline

Our objective is to generate value for our shareholders and clients by driving sustainable long-term structural growth and attractive capital returns. To accomplish this, we are building on our scale, content and solutions, while remaining disciplined on capital, risk and costs. Maintaining a balance sheet for all seasons remains the foundation of our success. This gives us the capacity to invest strategically and will enable us to deliver against our financial targets and ambitions, which are outlined in the "Targets, capital guidance and ambitions" section of this report.

Our growth plans are rooted in an attractive business mix that is also a source of our competitive strength. Our asset-gathering businesses are characterized by being structurally attractive from a capital consumption perspective and generate more than half of our revenues[1], while representing around 40% of our risk-weighted assets (RWA)[1]. Roughly another third of our RWA[1] are in Personal & Corporate Banking in Switzerland, our home market and an attractive, stable and well-diversified economy, with low historic credit losses. Furthermore, we operate a capital-light Investment Bank, which is limited to 25% of Group RWA.[1]

Moreover, our aim is to maximize our impact and that of our clients to create long-term sustainable value. We also have a responsibility toward the communities we serve and our employees. We have outlined selected environmental, social and governance (ESG) aspirations, which we expect to support our financial targets and ambitions.

We have a global, diversified business model

Our invested assets of more than USD 6trn are regionally diversified across the globe. We give our clients access to a broad, relevant and customizable range of solutions, which, together with our thought leadership and capabilities, position us well to become their partner of choice. Our strategic ambitions reflect the long-term outlook on demographic and social trends affecting wealth distribution, product demand and client experience.

Half of our wealth management clients' invested assets are in the Americas, where we are among the top players in the world's largest wealth pool, with solid wealth generation prospects. The Investment Bank has invested in growing its Global Banking, Global Markets and Research capabilities in the region, and it is focused on cross-regional and cross-divisional collaboration to drive growth.

In Asia Pacific, which is the fastest-growing wealth market, we are by far the largest wealth manager,[2] and we are building on that scale to drive growth. We are further developing our businesses in the region to deliver our leading capabilities, leveraging our expanded and diversified footprint, strengths in cross-divisional collaboration and global connectivity.

In EMEA we are focused on improving profitability and driving focused growth by optimizing our domestic footprint and providing a comprehensive offering for entrepreneurs.

Finally, in Switzerland we have a highly integrated business and aim to reinforce our position as the leading bank. We are driving our digital transformation, enhancing the client experience and improving efficiency, while focusing on capturing selected growth opportunities. We are also delivering on our commitments to our home market, as we continue to provide around CHF 350bn of credit to Swiss companies and the economy.

We collaborate as one UBS to deliver integrated coverage for clients

We strive to serve our clients as one firm, with collaboration across our business divisions being a cornerstone of our strategy and a key differentiator, as we deliver the best of UBS. For example, our asset-gathering franchises work in synergy to offer clients a comprehensive product suite paired with exclusive, premium personalized services. The Investment Bank complements these by delivering insights, execution capabilities and risk management expertise to both our wealth and Swiss corporate clients. We regularly enhance this integrated approach to support our growth, as demonstrated by recent initiatives, such as the establishing of the division-agnostic Unified Global Alternatives and the creation of Global Wealth Management Solutions.

Supporting sustainability

We help our clients achieve their sustainability and impact objectives while navigating the evolving macroeconomic and complex regulatory landscape. To help us realize this ambition, our sustainability and impact strategy is based on three strategic pillars: (i) Protect – manage our business in alignment with our sustainable, long-term Group strategy and evolving standards; (ii) Grow – embed an innovative sustainability and impact offering across all our business divisions; and (iii) Attract – be the bank of choice for clients and employees. We support our clients in the transition to a low-carbon world and consider climate change risks and opportunities across our bank for the benefit of our clients, shareholders and all our stakeholders.

We are investing in our technology to drive business outcomes

We have a proven technology strategy in place to focus on delivery and experience for our clients and employees, while we are preparing for the future. We are constantly modernizing our technology to support an already strong foundation; we have a robust infrastructure, 70% of which is in the public and private Cloud, that maintained over 99.999% availability over the last year and maintains high security standards.

This foundation facilitates our integration and enables us to embrace and implement innovation, such as generative artificial intelligence (AI), to bring technology products and solutions to the next level.

We are evolving into an AI-driven institution, using generative AI to drive growth, improve client service, and increase productivity. In the fourth quarter of 2024, we announced the deployment of 50,000 Microsoft Copilot licenses, the largest in the global financial services industry at the time. This initiative is already showing increased usage of generative AI tools, with 1.75 million prompts across all tools in 2024, and it is expected to substantially expand in 2025. We will continue delivering AI initiatives across our businesses, including re-inventing how we do software engineering.

We invest in partnerships with leading academic institutions worldwide and other key players to develop ideas, drive outcomes across the firm and foster pioneering AI research.

We are committed to driving innovation and excellence, ensuring that our technology advancements meet the expectations of our clients, employees, and stakeholders.

Our efforts are supported by our governance and controls that are designed to safeguard the interests of our clients, employees and other stakeholders.

› **Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

1 Excluding Non-core and Legacy.
2 Asian Private Banker, 23 January 2024.

Our stakeholder engagement

We engage with UBS's stakeholders, such as clients, employees, investors, policymakers, legislators and regulators, along with representatives of the business community, society and non-governmental organizations (NGOs), on a regular basis and on a wide range of topics. This engagement helps us to better understand stakeholder expectations and concerns and to manage pertinent issues and challenges. In recent years, the exchange of views and ideas with stakeholders on sustainability-related issues has grown in importance. Such interactions are undertaken through various dedicated channels.

Employees

Our employees want to be heard and to be involved in shaping their daily experience. As such, we offer opportunities throughout the year for employees to connect with management and provide feedback on topics such as strategic alignment, employee engagement, well-being, our work environment and line manager effectiveness. As an example, initiatives such as our regular Ask the CEO event, give employees the chance to learn about (and ask questions about) topics such as strategy.

Our multi-faceted employee listening strategy is adaptable, captures feedback in a timely way and drives meaningful improvements to the employee experience. We conduct employee life cycle surveys, short "pulse" surveys to understand what is top of employees' minds and in-depth analyses, such as virtual focus group sessions. In 2024, those conversations allowed participants from every business division and function to share their perspectives and insights on the integration and provided employee sentiment data points to track progress. Group-wide surveys measure cultural indicators, such as line manager effectiveness and employee experience.

Clients

Our clients' needs and their preferred communication channels continually evolve. Our objective is to engage with clients in the ways most convenient for them. We use a variety of channels, in particular digital channels and regular client relationship and service meetings, as well as various corporate roadshows and dedicated events, with a mix of hybrid and in-person events.

Global Wealth Management interacted with its clients through a broad range of forums and channels in 2024, from personalized private briefings with subject matter experts to segment-specific virtual and in-person events and large-scale initiatives. Through marketing and media campaigns, events, advertising, publications and digital-only solutions, we helped drive greater awareness of UBS among prospective clients and reinforced trust-based relationships between advisors and clients. We proactively engaged with clients to reassure them about the acquisition of the Credit Suisse Group and highlighted the benefits of the combined organization for them. This was done through individual meetings and calls and by opening up certain flagship events and conferences to clients of the combined firm. Our global footprint means that we were well positioned to take advantage of the opportunities in every region. We have continued to deliver capabilities to clients, for example through digitally enabled e-banking and sales tools, while also setting up new units, such as Global Wealth Management Solutions, Unified Global Banking and Unified Global Alternatives, adding even greater connectivity across all our businesses. We have also continued to roll out artificial intelligence (AI) to positively impact our business and serve our clients better. We expect generative AI will continue to help us generate more personalized advice and solutions more quickly and in a sustainable and responsible way, ensuring a more efficient experience for our clients around the globe.

Personal & Corporate Banking holds regular client events (leveraging a number of formats, such as webcasts and in-person, virtual or hybrid events), covering a wide range of topics. In 2024, we further enhanced our digital engagement strategies to reach more clients and strengthen relationships with existing ones. We utilize various channels, including social media, online displays, search engines and helplines, as well as our branch network.

In Asset Management, we continue to host our global program of client events and engagement activities. These include our annual *The Red Thread* market outlook roadshow, which we host in key locations across the world, as well as our flagship *UBS Reserve Management Seminar*, which marked its 30th year of operation in 2024. The event brings together institutional investors to debate relevant topics and share best practices, and the accompanying survey provides one of the most authoritative depictions of central banks' investment views. Alongside this, our teams continued the high level of interaction with clients globally, supported by digital tools and our publication of macro and thematic insights. We also hosted a broad range of hybrid events, including our investment series, to help our clients better understand market challenges and opportunities, and we continued to engage with clients through our social media and online channels.

The Investment Bank hosted more than 240 conferences and educational seminars globally in 2024, providing clients with access to corporations, experts, research and capital introductions. The events covered a diverse range of topics, including macroeconomic, geopolitical and sector- and region-specific themes, in addition to regulatory, product and market trends. More than 50,000 clients took part in such events over the year. We leverage our intellectual capital and relationships and use our execution capabilities, differentiated research content, bespoke solutions, client franchise model and global platform to expand coverage across a broad set of clients. *UBS Live Desk,* built within the *UBS Neo* platform, provides clients with a stream of fast-paced commentary from UBS traders. The *UBS Analytical Research Community (UBS-ARC)* is a proprietary, interconnected research network of industry leaders, subject matter specialists, executives, academics and analysts in the Americas region.

Client feedback and surveys

We engage with our clients on a regular basis and on a wide range of topics. This engagement helps us to better understand clients' expectations and concerns, including those pertaining to sustainability, and to manage pertinent issues and challenges. Feedback received from clients relevant to our policies is considered in the regular reviews of policies and incorporated where applicable. Our client insight and feedback teams are responsible for gathering and processing all demands and issues raised through our central channel, available online.

Investors

We have regular interactions with institutional investors, financial analysts and other market participants, such as credit-rating agencies, including on sustainability topics. These interactions take place through the UBS Investor Relations team, with subject matter experts engaged as required, and help us to learn about investors' concerns and address them as effectively as possible. The annual general meeting is also an open forum for shareholders to voice their concerns or inquiries that may then feed into our approach on material topics.

Governments and regulators

Financial market stability is largely dependent on the overall economic, regulatory and political environment and the conduct of firms within the sector. We actively participate in political and regulatory discussions to share our expertise on proposed regulatory and supervisory changes. Our lobbying priorities and engagements – both direct and indirect through our trade associations – are a reflection of our strategy and priorities. In Switzerland, they must be aligned with the general political engagement approach defined by the Political Board Swiss Chapter. In the US, our lobbying priorities are presented to and approved by the Region Americas' top management group at the beginning of each year.

Regarding the stability of the financial system, UBS advocates for an internationally aligned regulatory framework, including capital and liquidity rules, anti-money laundering and digital regulation. Moreover, in the wake of the Credit Suisse rescue, we advocate for targeted and balanced amendments to the too-big-to-fail (TBTF) framework to address the lessons learned from the recent crisis. We also actively engage in discussions relating to corporate responsibility and sustainability. Sustainability and sustainable finance continue to remain key focus topics in our interactions with our financial regulators and supervisors. These are subject to ongoing oversight and control by the second and third lines of defense.

In recognition of the vital function of Switzerland's political parties, UBS provided a total of CHF 1.2m[1] to political parties in both 2023 and 2024 as a contribution toward their operational costs. These financial contributions are direct and calculated based on the number of parliamentary seats the respective party holds at the federal and cantonal level. Swiss parties are eligible to apply for a financial contribution if they commit to free competition, the market economy and the Swiss financial center. They should also have a national focus and either form a parliamentary group in the federal parliament or be represented in at least one cantonal government.

1 Beyond the above there were no additional contributions, including in-kind.

Society

We regularly interact with various stakeholders across broader society. This supports our efforts to consider views and insights from a range of backgrounds and further enhances the experience UBS provides both inside and outside the firm. This includes UBS's ambition to maximize its impact in local communities in which it operates by providing financial and human support through strategic grant making and employee volunteering. Our partnerships in academia further contribute to our efforts to engage with thought leaders in universities and other academic institutions.

We also engage with NGOs and appreciate their input and insight, as they help us consider our approach to, and understanding of, societal issues and concerns. NGOs have long established themselves as critical watchdogs of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2024, discussions with NGOs remained particularly focused on climate change, including the transition to a low-carbon economy. Other topics discussed included sustainable finance, human rights and nature.

Meanwhile, our media teams maintain direct and long-term relationships with media representatives across all our business regions and provide them with timely information on a wide range of global, regional and local topics. We also actively engage in dialogue with analysts at ESG rating and research agencies, which helps us to evaluate our sustainability performance and activities and provides a useful means for benchmarking. In 2024, we provided detailed information about our sustainability performance to a range of agencies, either in response to questionnaires or via calls (with ESG analysts) and our Sustainability Report regularly serves as a key source of information for these agencies.

Assessment of the significance of environmental, social and governance (ESG) topics to UBS

Assessing the significance of ESG topics helps us to ensure that our sustainability disclosures reflect our stakeholders' expectations and concerns. It also informs our discussions as we evolve our approach to sustainability. Our approach is grounded in recognizing the importance of engaging with subject matter experts and listening to key stakeholders to inform and evolve our sustainability strategy.

Note: For 2024, we have used the results from the 2023 Global Reporting Initiative (GRI)-based assessment outlined below, as no material changes to the assessment were identified. This assessment supports our interactions with our stakeholders, including regulators, that would want to understand the relevance of ESG topics to our disclosures.

Methodology

Definitions

Our assessment methodology was focused on impact reporting for a multi-stakeholder audience. To assess our impact, we leveraged the GRI Universal Standards 2021 revised definitions, customizing these for the following:

- The "impact" is the effect the organization has or could have on the economy, the environment and people, including on their human rights, which in turn can indicate its contribution (negative or positive) to sustainable development. Note: impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible.
- The "topics" represent the organization's most significant impacts on the economy, the environment and people, including impacts on their human rights.

The degree of significance ("very high," "high" or "medium") was qualitatively assessed with the help of internal subject matter experts. Their inputs considered the scale and scope of actual or potential impact (on the economy, the environment or society), the likelihood and irremediability.

Process

Our process consolidated both past significant topics that remain relevant and newly identified topics. In 2023, we refreshed our assessment, starting with a review of our organizational context (i.e. activities, business relationships, sustainability context, stakeholders), before completing the three main process steps outlined below.

Step 1: Desk research	Step 2: Stakeholder consultation	Step 3: Final review
– We developed an initial list of topics and subtopics based on internal and external sources. – Integrated impact of integration of Credit Suisse.	– We consulted internal subject matter experts, including those interacting with stakeholders directly, to add, refine and prioritize our self-assessed list of significant topics.	– We had the outcome of the assessment and final list of topics verified by senior management and reviewed for external assurance purposes.

Organizational context

Before identifying our actual or potential impacts, we considered the sustainability context across our activities and business relationships, including:

- our strategy;
- our sustainable finance products and services, business relationships and stakeholders; and
- new products or services (for the climate materiality assessment only, pertaining to risks and opportunities).

In this context, we identified which stakeholders and experts should inform the determination of our significant topics. Internal subject matter experts were consulted via group discussions.

Governance

Reviewed by the UBS Group Board of Directors' Corporate Culture and Responsibility Committee (the CCRC), the assessment process was managed by a group of employees who deal with stakeholder expectations and concerns in their respective roles. Their regular engagement with clients, employees, investors, suppliers, regulators and governments, communities, and civil society ensured that the views of these stakeholders were adequately considered. The assessment team applied the following three principles to arrive at the outcome of the assessment:

- Completeness: the team reviews the long and short lists and their aggregation into a prioritized list.
- Accuracy: the team challenges the approach, provides access to relevant resources and helps to overcome hurdles throughout the process.
- Relevance: the team reviews all decisions in terms of relevance for the stakeholders they represent.

Execution

Desk research – identifying impact

We conducted initial desk research to identify general areas where negative or positive impacts are mostly likely to be present relative to our own activities, business relationships and stakeholders. During this scoping exercise, we considered, in particular, the internal and external stakeholder sources listed below.

Internal sources	External sources
– UBS climate risk materiality assessment – UBS climate-related opportunities materiality assessment – UBS's 2022 GRI-based materiality topics list	– G7 Communiqué – G20 Communiqué – WEF Global Risk Report – ECOFACT's Top 5 Trending Topics – FINMA Risk Monitor – Peers' material topics disclosed – ECB's climate-related risks to financial stability May 2022 – PRI's Strategic Plan 2021–2024

Stakeholder consultation

During the assessment process, we considered feedback from clients, investors, NGOs, media, policymakers and employees via polls and open discussions. We also regularly gather feedback on emerging issues and the quality of our reporting and impact from various sources, including other experts at our firm, stakeholder inquiries, questionnaires and rating firms.

Outcome

The topics considered as significant for UBS fall into three impact categories: the economy, the environment and society.

Significant ESG topics[1, 2]

Significant topics and impact category	Related subtopics	Description
Sustainable finance	– sustainable and impact investing – sustainable financing – blended finance – financial inclusion – transition finance – natural capital and nature finance – engagement and stewardship – ESG research	As a global financial services firm, UBS has a role to play in mobilizing capital to support the transition to a more sustainable world and prevent a negative impact. Our impact arises as a result of our business relationships and the financial services we provide, for example, in the way we partner with our clients to help them mobilize their capital toward a more sustainable world and help protect our clients' assets from the impacts of climate change and loss of biodiversity.
Regulatory compliance	– client protection: data confidentiality; transparency (clear terms and conditions of products); fair pricing schemes; easy-to-understand products and services – combating financial crime: anti-corruption and anti-money laundering; crime and manipulation detection processes – conduct: compliance with laws, rules, tax authorities and regulations; integrity of the financial system; our Code of Conduct and Ethics; forward-looking engagement with risk topics and risk prevention – data confidentiality – financial stability and resilience: going concern leverage ratio (phase-in, %); CET1 capital ratio; managing risk-weighted assets within an increasingly stringent risk framework; clear strategy – legal and litigation risk – responsible marketing	Our firm operates in a highly regulated industry and compliance with legal and regulatory requirements is a prerequisite for our license to operate. Our impact arises as a result of how we comply with and navigate the ever-evolving regulatory and legal landscape to protect and serve the interests of all our stakeholders or mitigate negative impacts on them.
Climate and nature	– our approach to environmental matters – environment-related investments, financing and research – sustainability and climate risk management – energy and resource efficiency, reduction of emissions and resource consumption (energy, paper, water) – standards in product development, investments and financing and for supply chain management decisions	We understand that we have a responsibility to identify, manage or mitigate potential adverse impacts on the environment. Our impact arises from our own environmental footprint, which we aim to reduce with a focus on energy, water, paper, waste and travel.
Client experience	– delivering excellence – best services and practices – understanding clients and their needs	Responding to clients' expectations and delivering exceptional service are essential for our long-term future performance. We aim to differentiate our impact through our promise to deliver a client experience that is personalized, relevant, on time and seamless.
Technology	– technology as a differentiator – front-to-back digitization to deliver a seamless client experience – cyber risks, data security and protection – digital culture and workspaces – integrated digital product and service offering – data management (incl. ESG data management and governance)	We are making technology a differentiator for our clients and employees. It is our responsibility to balance the increasing demand for digitalization and our commitment to improve energy efficiency. We also need to protect our clients and operations against the threat of cyberattacks that could lead to negative impacts, such as financial and reputational damage.
Corporate governance	– internal policies and guidelines – governance structure – strategy – risk management – board succession planning – transparency	To deliver the best for our clients and stakeholders, we hold ourselves to the highest standards and a well-defined strategy and business model. Our impact arises in the way we sustain long-term business success and contribute to sustainable growth. We make an impact on a truly global scale by working with other thought leaders.
Employees	– corporate culture – hiring, developing and retaining talent – workforce inclusion, employment conditions and opportunities – flexible work arrangements – employee support, including benefits, occupational health and well-being – employee listening and engagement – performance management process, along with fair pay – employee representation	We cannot succeed without our employees. That is why we drive our culture and foster our employees' continuous career development. An effective people management strategy helps us attract, develop and retain talented individuals and ensures we take responsibility as an employer worldwide. Our impact arises in the way we offer a place where people can unlock their full potential, and in the way we support employee health and well-being.

Social impact and human rights	– client philanthropic investments – corporate community engagement, partnerships and volunteering – deploying resources (including philanthropic capital) to support and build an impact economy – sustainability and climate risk management (including human rights) – standards in product development, investments and financing and for supply chain management decisions	We aspire to support a more inclusive society by building the impact economy, by working with a wide range of stakeholders to help clients that wish to maximize their impact on the environment, health, education and child protection, while optimizing the contribution of our firm to our local communities through employee volunteering and corporate philanthropy. To manage our supply chain's impact, we include ESG standards within our sourcing and procurement activities.
Operational efficiency and effectiveness	– cost and process efficiency – focus on core competencies – flexibility to adapt to the changing regulatory and public policy environment – outsourcing / nearshoring / offshoring, automation – location strategy – product and execution excellence – business disruption and vulnerability; disruption of the value chain	Ensuring efficient and effective operations is fundamental to our ability to remain competitive, to invest for the future and to be resilient in the face of revenue volatility. Impact occurs within our business, which in turn affects how we serve our clients and support our employees.

Economy Environment Society

1 This table is arranged in order of most to least significant impact, as the outcome of our internal assessments and pre-set threshold to determine which topics are significant.
2 Certain activities of UBS that pertain to the implementation of its sustainability and impact strategy are directly impacted by factors that UBS cannot influence directly or can only influence in part. These include pertinent governmental actions (e.g. when it comes to the achievement of the Paris Agreement); the quality and availability of (standardized) data (e.g. in such areas as emissions); the development and enhancement of required methodologies and methodological tools (e.g. on climate risk); the ongoing evolution of relevant definitions (e.g. sustainable finance); and the furthering of transparency (e.g. pertaining to company disclosures of data).

Governance

Our sustainability governance

The role of our supervisory bodies – the Board of Directors of UBS Group

The Board of Directors of the UBS Group (the BoD) has ultimate responsibility for the success of the Group and for delivering sustainable shareholder value within a framework of prudent and effective controls. The BoD decides on the Group's strategy and the necessary financial and human resources, on the recommendation of the Group Chief Executive Officer (the Group CEO), and also sets the Group's values and standards to ensure its obligations to shareholders and other stakeholders are met. The BoD oversees the overall direction, supervision and control of the Group and its management. It also supervises compliance with applicable laws, rules and regulations. The Chairman of the BoD, together with the Group CEO, takes responsibility for UBS's reputation and is closely involved in, and responsible for, ensuring effective communication with shareholders and stakeholders, including government officials, regulators and public organizations.

As of 31 December 2024, the UBS Group BoD consisted of 12 non-executive members and the Group Executive Board (the GEB) consisted of 15 executive members (2023: 12 and 16 respectively). All non-executive members are also elected as members of the UBS AG BoD. Except for the President of UBS Switzerland AG, all GEB members are executive members of UBS AG.

As of 31 December 2024, the UBS AG BoD consisted of 12 non-executive members and the Executive Board consisted of 14 executive members. The number of members is unchanged from 2023.

26.7% (2023: 37.5%) of members of the UBS Group GEB and 41.7% (2023: 33.3%) of members of the BoD were women, while for UBS AG women made up 21.4% of members of the Executive Board and 41.7% of members of the BoD.

› **Refer to the "Corporate Governance" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors,* for more information**

The BoD's role on ESG topics

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

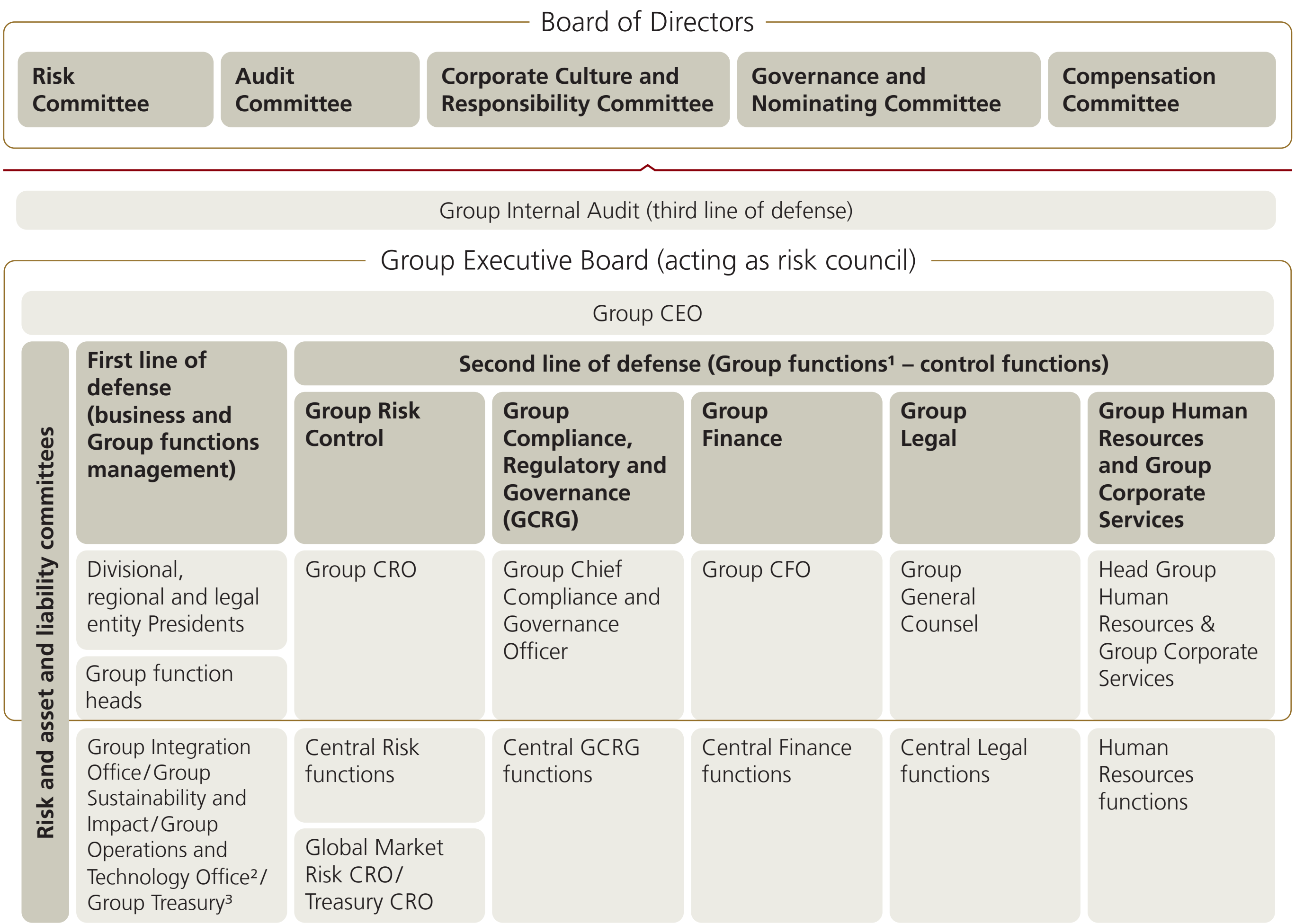
› **Refer to the "Supplement to Governance" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for more information**

The BoD's Corporate Culture and Responsibility Committee (the CCRC) is the supervisory body primarily responsible for corporate culture and sustainability. It is chaired by the Chairman of the UBS Group, with four BoD members as committee members. Permanent guests include the Group CEO, the Group Chief Risk Officer (the GCRO), the GEB Lead for Sustainability and Impact (S&I), the Chief Sustainability Officer (the CSO) and the Group General Counsel. The CCRC oversees our Group-wide sustainability and impact strategy and key activities across environmental and social topics. These include climate, nature and human rights. Annually, it considers and approves the firm's sustainability and impact objectives. As part of this process, it also considers the impact and financial materiality of climate- and sustainability-related risks and opportunities on UBS.

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

The role of our supervisory and administrative bodies

The GEB develops the Group strategy and is responsible for managing our assets and liabilities in line with that strategy and our regulatory commitments, and in the interests of our stakeholders. As determined by the BoD's Risk Committee, the GEB manages the risk profile of the Group as a whole and has overall responsibility for establishing and implementing risk management and control. For the management of risks, UBS maintains a risk governance framework. This framework also governs ESG risks.



1 Our Group functions are support and control functions that provide services for the business divisions and include the following major areas: Group Services (which consists of the Group Operations and Technology Office (GOTO), Corporate Services, Compliance, Regulatory and Governance, Finance, Risk Control, Human Resources, Communications & Branding, Legal, the Group Integration Office, Group Sustainability and Impact, and Chief Strategy Office) and Group Treasury. 2 Including the Cyber Information Security Office. 3 Group Treasury reports to the Group CFO. ▲

Our risk governance framework operates along three lines of defense. Our first line of defense, business management, owns its risks and is accountable for maintaining effective processes and systems to manage them in compliance with applicable laws, rules and regulations, as well as internal standards, including identifying control weaknesses and inadequate processes.

Our second line of defense, control functions, is separate from the business. Control functions provide independent oversight, challenge financial and non-financial risks arising from the firm's business activities and establish independent frameworks for risk assessment, measurement, aggregation, control and reporting, protecting against non-compliance with applicable laws, rules and regulations.

Our third line of defense, Group Internal Audit (GIA), reports to the Chairman of the BoD and to the Audit Committee. This function assesses the design and operating effectiveness and sustainability of processes to define risk appetite, governance, risk management, internal controls, remediation activities and processes to comply with legal and regulatory requirements and internal governance standards.

› **Refer to the "Non-financial risk framework" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for information about our approach to managing non-financial risks**

Ensuring (availability of) appropriate skills and expertise

The BoD and the GEB are well diversified and composed of members with a broad spectrum of skills, educational backgrounds, experience and expertise from a range of sectors that reflect the nature and scope of the firm's business. The Governance and Nominating Committee maintains a competencies and experience matrix to identify gaps in the competencies and experiences considered most relevant to the BoD, taking into consideration the firm's business exposure, risk profile, strategy and geographic reach. In recent years, the composition of the BoD has been systematically shaped in response to the identified requirements. We consider the continuous education of our BoD and GEB members to be an important priority and support their participation in various training sessions. In addition to a comprehensive induction program for new BoD members, continuous training and topical deep dives are part of the BoD and GEB agenda.

Our sustainability governance

Our sustainability and corporate culture activities are grounded in our Principles and Behaviors and overseen at the highest level of our organization. Our Code covers our commitment to acting with the long term in mind and creating value for clients, employees, communities and investors. This includes our commitment to protecting the environment and fulfilling our compliance obligations.

UBS Group AG sustainability governance

Integration of Credit Suisse

In 2024, we advanced with integrating Credit Suisse sustainability activities. It is our aim to complete integration in accordance with the overall UBS Group integration efforts and timeline.

› **Refer to "Appendix 1 – Governance" section to this report for more information about active and retired sustainability governance for Credit Suisse**

Group Sustainability and Impact (GSI)

GSI develops the Group's sustainability and impact (S&I) strategy and oversees the strategy's implementation by the business divisions and Group functions responsible for execution. GSI operates as a Group function under the leadership of the GEB Lead for S&I. Each of the senior managers listed below reports directly to the GEB Lead for S&I. Specifically, the senior manager roles directly reporting to the GEB Lead for S&I are the Chief Sustainability Officer, the Head of Social Impact and Philanthropy and the GSI Chief Operating Officer. Senior managers may hold more than one role and, where required, may have additional responsibilities and reporting lines in the Group's legal entities.

GEB Lead for Sustainability and Impact

The GEB Lead for S&I has overall responsibility for the management and control of the GSI function. In particular, the GEB Lead for S&I is responsible for the oversight of matters, such as maintaining an appropriate and adequate functional organization designed to ensure compliance with applicable laws and regulations. Additionally, where necessary, the GEB Lead for S&I represents UBS in interactions with regulatory authorities on Group-wide sustainability- and impact-related topics in close coordination with the Group CEO, other GEB members and Governmental and Regulatory Affairs. In relation to disclosures, the annual UBS sustainability reporting and disclosure process is managed by the GEB Lead jointly with Group Finance.

› **Refer to the "Supplement to Governance" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for an explanation and depiction of the sustainability governance at the UBS Group, including the main bodies involved in this governance**

Chief Sustainability Officer

The Chief Sustainability Officer (CSO), jointly with the Head of Social Impact and Philanthropy (SIP), supports the GEB Lead for S&I in setting the Group-wide S&I strategy, in alignment with the business divisions and Group functions. The CSO and team develop and maintain frameworks and methodologies to drive Group-wide consistency. In addition, the CSO team monitors new GSI regulatory consultations and owns and drives Group advocacy efforts, in partnership with the GSI Chief Operating Officer (GSI COO) and GSI-aligned Group functions. The CSO maintains and annually reviews our S&I commitments, memberships or contracts at Group, divisional, functional or regional level for completeness and alignment with the Group-wide S&I strategy.

Head of Social Impact and Philanthropy

The Head of SIP and team oversee the UBS charitable entities, including Optimus Foundation entities and donor-advised fund entities. Their remit includes overseeing the strategy, corporate structure and governance, financial matters and relevant risks and controls. The SIP team reviews inherent reputational risks relating to social impact grants and escalates high reputational risks to the GEB Lead for S&I, in line with the UBS Reputational Risk Management Policy. They also manage the SIP client and employee offering through the delivery of philanthropic insights, advice and execution services to existing and prospective clients.

GSI Chief Operating Officer

The GSI Chief Operating Officer (GSI COO) and team manage the end-to-end processes and the service delivery, operating and control environment of GSI, together with business divisions and Group functions, ensuring timely escalation of relevant matters impacting GSI and effective oversight of operational performance. Furthermore, they support the GEB Lead for S&I in developing Group-wide S&I objectives, in alignment with business divisions and Group functions, to implement the Group-wide S&I strategy and monitor the progress against these objectives. In addition, the team manages the annual UBS sustainability reporting process, jointly with Group Finance.

Oversight of objective-setting and monitoring processes

UBS runs an annual objective-setting process for objectives related to sustainability and impact matters, which includes environmental (including climate-related) and social topics. As delegated to the GEB Lead for S&I by the Group Chief Executive Officer (the Group CEO), the GEB Lead for S&I is responsible for setting the Group-wide S&I strategy and developing Group-wide S&I objectives in alignment with business divisions and Group functions. The annual strategy review and objective-setting process is done to identify priorities and strategic focus areas across the Group. Progress made in implementing Group-wide S&I objectives is reported as part of UBS's annual sustainability disclosure.

Swiss law requires Swiss companies to achieve net-zero greenhouse emissions in their own operations by 2050. This requirement is integrated into the firm's methodologies and approaches. Adherence to these requirements is primarily driven by three GEB members: the GEB Lead for S&I, along with risk teams led by the Group Chief Risk Officer, and compliance teams under the Chief Compliance and Governance Officer, and is considered in the annual GEB performance assessments. UBS considers the performance assessments in determining the performance award decisions. However, there is no direct link between senior management compensation and specific climate goals. In line with Swiss law, and as set out in this report, UBS has announced a climate plan to achieve net zero by 2035 across its own operations (scope 1 and 2), well ahead of the 2050 deadline.

› **Refer to the "Supplement to Governance" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for additional information about our sustainability governance**

In 2024, to further support our evolved S&I strategy, we revised our GSI governance structure and internal forums, which now comprise the GSI Business Development & Client Forum (the GSI BDCF) and the GSI Execution Forum (the GSI EF).

GSI Business Development & Client Forum

The GSI BDCF is established under the authority of the GEB Lead for S&I. The forum is focused on client, product and impact approaches in relation to the overall UBS S&I implementation activities, together with the business divisions. The GSI BDCF is the most senior administrative body overseeing the Group-wide S&I activities.

GSI Execution Forum

The GSI Execution Forum reports to the GSI BDCF and is established under the authority of the GSI COO to help discharge their role and responsibilities. The forum is responsible for the oversight of the front-to-back operating environment and for the implementation of the Group-wide S&I strategy through Group-wide strategic objectives and outcomes.

Other senior management roles with Group-wide sustainability responsibilities

Chief Risk Officer Sustainability

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

GSI Chief Financial Officer

The GSI Chief Financial Officer (the GSI CFO) is the primary lead on sustainability topics for the Group Chief Financial Officer (the GCFO), working closely with the Group Controller and the GEB Lead for S&I. The GSI CFO oversees the external sustainability disclosures and associated requirements in partnership with Group Legal, Group Compliance, Regulatory and Governance, Group Risk and GSI. The GSI CFO additionally ensures that UBS operates an effective control environment, underpinning our sustainability disclosures and reporting processes.

Head of Group Compliance, Regulatory & Governance (GCRG) Sustainability

The Head of GCRG Sustainability is responsible for the integration of ESG requirements into the UBS non-financial risk framework and non-financial risk appetite objectives in line with firm-wide standards as part of the broader GCRG mandate. GCRG is responsible for developing the Group's risk management and control framework for non-financial risks (compliance risk, operational risk control and financial crime prevention). The GCRG function provides ongoing monitoring of the adequacy of our control environment for these risks and drives the review and, where necessary, the required adaptations to our internal frameworks to ensure that our independent control and oversight capabilities evolve in line with emerging regulations and changes across business activities.

Head of Sustainable Finance Legal

The Head of Sustainable Finance Legal is responsible for the ongoing delivery of legal advice to the CSO, business divisions and Group functions in relation to sustainability matters. The Sustainable Finance Legal (SFL) team acts as a center of excellence fully dedicated to sustainability-related legal risks and opportunities. This includes, but is not limited to, the interpretation of and provision of support for the implementation of sustainability-related laws and regulations in the EU, the UK, Switzerland and Asia Pacific, and regional and global international standards applicable, in particular, to sustainable products, services and activities. In addition, SFL monitors the regulatory developments in the space of greenwashing along with sustainability-related disputes (including regulatory enforcement actions), human rights and environmental due diligence regimes across the globe.

Key sustainability topics

Climate program

The climate program coordinates the implementation and execution of our ambition to support our clients in the transition to a low-carbon world and embed considerations of climate change risks and opportunities in our firm for the benefit of our stakeholders. It does so in line with UBS's fiduciary responsibilities and includes members from the business divisions and Group functions. As part of the program, our in-house environmental management is steered by Group Real Estate and Supply Chain (GRESC).

› **Refer to the "Assurance and certification" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for information about our application of the environmental management standard ISO 14001**

Other key sustainability topics

Human rights

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

› **Refer to our Human Rights Statement, available at *ubs.com/sustainability-reporting*, for more information**

Business conduct and corporate culture

In our Code of Conduct and Ethics (the Code), the Board of Directors (the BoD) and the Group Executive Board (the GEB) set out the principles and practices that define our ethical standards and the way we do business, which apply to all aspects of our business. The Corporate Culture and Responsibility Committee (the CCRC) of the BoD is also responsible for conducting the annual review process for the Code and for proposing amendments to the BoD. This review process includes a prior review of the Code by the GEB and is led by the Group CEO. In undertaking this assessment, it reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of UBS's corporate culture.

› **Refer to the Code of Conduct and Ethics of UBS, available at *ubs.com/code*, for more information**

Principles for identifying, preventing, escalating and managing conduct risks are established in the Group-wide Conduct Risk Management Framework. These principles are aligned to the Code and the Group-wide escalation framework and include:

- our strategy and business model, along with our incentives and rewards, which are designed to actively manage conduct risk. Above all, our culture and our Principles and Behaviors are the strongest mitigant to our exposure to conduct risk;
- a review of relevant management information, which is critical to giving a view of the risk landscape and where risks may be crystallizing;
- policy, appetite and governance, which are key components of our conduct risk framework and contribute to its sustainability.

Identifying actual or potential conduct risks is the responsibility of every UBS employee, who must take appropriate steps to identify and escalate any actual or potential conduct risks they may see in their day-to-day-activities and have a duty to lead by example, role model UBS's Behaviors and support our risk culture of "see something, say something."

Ongoing monitoring ensures the firm's activities and those of employees are monitored to detect issues with a potential impact on clients and markets and to detect individual cases of employee misconduct.

We are committed to incentivizing the right behavior by establishing reward principles and internal control frameworks to support adherence to internal and external standards, laws, rules and regulations.

Violations, whether it is of our Code, UBS policies or external laws, rules or regulations, may result in a disciplinary action, up to and including dismissal. Furthermore, employees' conduct is taken into account in year-end performance and reward decisions.

We have a global mandatory training module, Conduct and Culture, that educates all UBS employees on adherence to the three keys to success, understanding the Code, identifying conduct risk and how it can arise from within any part of the organization, and culture and ethics.

Additionally, all employees must affirm annually that they have read and will adhere to the Code and other key policies, supporting a culture where ethical and responsible behavior is part of our everyday operations. By following and affirming the Code, we foster a culture where responsible behavior is ingrained in a way that protects our clients, our people and our reputation and ensures stability and sustainable performance. This safeguards our ability to create lasting value for our shareholders, clients and societies.

Significant matters requiring immediate senior management awareness and action are managed in accordance with our Group-wide escalation framework, which lays out: (i) minimum requirements for escalations; (ii) applicable escalation paths for distinct governance dimensions; and (iii) the interplay between governance dimensions. The framework is complemented by relevant divisional / functional / legal entity / local annexes detailing specific escalation requirements, which outline taxonomies, thresholds, processes and protocols. The framework does not replace day-to-day information exchange, decision-making mechanisms or regular reporting. As such, the escalation framework does not replace existing governance, line management, any of the existing monitoring / reporting requirements or regular risk assessments that may result in the need to report and follow up.

The firm has a global Whistleblowing Protection for Employees Policy and framework, with established internal whistleblower reporting channels, including hotlines and an online platform, where the whistleblower can remain anonymous if preferred.

All employees are required to complete mandatory Speak Up training every two years, with new joiners required to complete it upon onboarding. This training aligns with the Whistleblowing Protection for Employees Policy, raising awareness of available reporting channels. Throughout the year, there are activities such as communication from the GEB, newsletters, whistleblowing campaigns and regular employee surveys, aimed at encouraging employees to speak up and raise awareness with regard to the various whistleblower reporting channels that can be used to raise concerns.

For staff receiving whistleblowing reports, there are procedures and guidance on handling such reports to ensure each whistleblowing concern is taken seriously and investigated. Whistleblowing reports made through the dedicated whistleblowing channels (hotlines and online platform) are received and appropriately triaged by the relevant Regional Head of Investigations and their delegates (selected investigators in their team), who are trained on how to handle such whistleblowing reports.

There are controls and processes in place to check for potential retaliation against known whistleblowers. For example, if a whistleblower is potentially at risk of redundancy, this individual is flagged to the Investigations Operating Group to assess whether the redundancy decision is made independently of the whistleblowing.

Our framework and Group Investigations Policy define clear roles and responsibilities, including reporting requirements, for ensuring accurate and complete quarterly reporting to the BoD and the GEB, as well as to regulators.

Our Group Investigations function is responsible for delivering and overseeing all investigations, including incidents of corruption and bribery. These must be conducted and governed in a way that ensures the investigations are independent, objective and reliable as defined in our Group Investigations Policy, which governs the conduct of all investigations, including whistleblowing investigations. Roles and responsibilities in the overall Group Investigations framework are defined at two levels: (i) cross-functional governance bodies that have responsibilities across the investigations portfolio; and (ii) prescribed roles and responsibilities over certain individual investigations.

Policy effectiveness is assessed through our non-financial risk framework. All policies are accompanied by controls that are designed to prevent non-financial risks from materializing, ensuring UBS operates within its risk appetite. These controls are regularly evaluated for both design and operational effectiveness. Should the firm operate beyond its risk appetite or if a non-financial risk event occurs, corrective actions are taken to return to within the defined appetite. This may involve remediating deficient controls, adjusting risk tolerance, modifying the firm's risk profile or accepting the risk. Independent assurance processes are in place to promptly identify and address heightened non-financial risks.

Non-financial risks are regularly reported to the GEB and the BoD. The BoD oversees UBS's risk management and culture, approving the risk management and control framework of the Group. The GEB, acting as the risk council, holds overall responsibility for establishing and supervising the implementation of risk management and control principles, and for managing the Group's risk profile as determined by the BoD and the Risk Committee. Monthly reports summarize relevant changes to the firm's risk profile and the Annual Non-Financial Risk Report highlights the identified key risk themes and activities undertaken to manage related exposures.

Combating financial crime

The GEB oversees our efforts to combat money laundering, corruption and terrorist financing. Our first line of defense owns the anti-money-laundering (AML) and terrorist-financing risk front to back for its respective clients and their activities and has the primary responsibility for managing that risk. Dedicated staff in our second line of defense support the organization in developing, maintaining and implementing Group financial crime programs, including control and oversight. Our third line of defense is the reinforcement component led by Group Internal Audit and independently evaluates the financial crime control frameworks.

UBS complies with applicable laws and regulations and is committed to meeting industry standards regarding the effective prevention of money laundering and financing of terrorism. We take comprehensive measures to prevent and detect non-compliance with laws and regulations and do not tolerate or facilitate criminal activity or breaches of the letter or spirit of applicable laws, regulations, rules and policies designed to prevent such activities.

We do not engage in business activities that present unacceptably high levels of money laundering, fraud, sanctions or corruption risk. Additionally, we do not engage in activities that pose risks that cannot be effectively managed by the existing control environment. Although it is not possible to eliminate such residual risk entirely, we have appropriate policies, procedures, controls and processes in place to manage the relevant risks.

We assess the money laundering, fraud, sanctions and bribery and corruption risks associated with all of our business operations annually against our control framework and take action, where appropriate, to further mitigate these risks.

Public-private partnerships

We are a founding member of the Wolfsberg Group, an association of global banks that aims to develop standards for the financial services sector to prevent financial crimes, such as money laundering, fraud, corruption and terrorist financing, and to develop industry standards for know-your-client (KYC) due diligence and ongoing transaction monitoring.

The Wolfsberg Group brings together banks from around the world at its annual forum and regional outreach meetings focused on financial crime topics. It also delivers an annual academy to support the development of junior Financial Crime Prevention (FCP) officers and works on guidance papers in related key areas of financial crime. UBS is actively involved with this group.

We are a member of various public-private partnerships operating globally that have been set up to foster closer working relationships between financial institutions and law enforcement, most notably the Joint Money Laundering Intelligence Taskforce operations group in the UK, which has worked on a number of human trafficking and modern slavery cases.

Prevention and detection of corruption and bribery

Our Group Policy Against Bribery & Corruption (ABC Policy) is consistent with the principles of the United Nations Convention against Corruption. Our policy sets out a zero-tolerance approach to bribery and corruption; UBS is committed to detecting and preventing bribery and corruption and requires employees and associated persons to do business in a fair and transparent manner, in compliance with the principles of the policy.

Every employee is responsible for the following:
- compliance with the UBS Group’s zero-tolerance approach to bribery and corruption and the requirements set forth in the policy and related procedures;
- taking reasonable steps to detect and prevent bribery;
- maintaining accurate books and records to fairly reflect employees’ expenditure;
- reporting cases of concern or doubt to Financial Crime Prevention Anti-Bribery and Corruption (FCP ABC) or based on the Group’s Whistleblowing Protection for Employees Policy.

Delegated by the Global Head Financial Crime Prevention to Anti-Bribery and Corruption (ABC) Taxonomy Owner, the Global ABC Head, supported by the specialized teams, is responsible for establishing and maintaining an ABC framework and incorporating the principles of the policy as minimum global standards. To this end, we have controls in place and hold ourselves accountable for detecting, stopping and reporting bribery and corruption matters; we do not tolerate any form of corruption or bribery, including facilitating payments, nor do we offer or accept improper gifts or payments.

The ABC framework comprises: policy, procedures, training and communications, risk assessments, controls across all key risks areas, investigations and incident management, and monitoring and assurance (including independent audit). The framework aligns with globally recognized standards and laws, rules and regulations designed to prevent and mitigate bribery and corruption risks across all jurisdictions in which we operate (e.g. UK and US legal and regulatory requirements for ABC frameworks, including the UK Bribery Act and the US Foreign Corrupt Practices Act). There is a global team of dedicated anti-bribery and corruption officers responsible for setting and maintaining the framework standards. The board and senior management set out the ABC policies and risk appetite, and all employees are accountable for compliance. The ABC framework includes controls across all key risk areas: employees, third parties (vendors and intermediaries), charitable and political donations and sponsorships, hiring, gifts and business entertainment, deals, mergers and acquisitions, and client-related ABC risk. There is regular control testing to ensure that the program and controls are appropriately designed, operationally effective and adhered to in line with policy requirements.

Where corruption or bribery incidents arise, these are identified through controls monitoring, self-declaration or reporting (e.g. through the whistleblowing mechanism) or through ongoing due diligence or risk assessments. Each incident is assessed for severity and impact, with senior management involved for the more serious incidents. Incidents that are breaches of the Group's policies, including the ABC Policy, are dealt with in line with the Employee Incidents Policy and framework and may result in disciplinary action, including dismissal, in serious cases.

The ABC risk appetite of the UBS Group (including business division appetite and significant Group entity appetite) is defined within the Anti-Bribery and Corruption Risk Appetite Statement (RAS), which is governed by the Non-Financial Risk Framework Policy and aims to define the risk appetite of the firm in relation to bribery and corruption risks. The ABC RAS is subject to annual approval and review by the Board of Directors (the BoD).

Inherent risks for bribery and corruption within the organization are not dissimilar to those faced by other multinationals; specifically, third-party risk, employee insider threat risk and client risk. The organization has a robust framework in place to monitor and mitigate the risk of bribery or corruption arising through such inherent risk sources across all levels of the organization. Specifically, the framework includes controls coverage of functions where such inherent risk is more likely to arise, such as those functions and teams that actively engage with clients and third parties and those involved in employee hiring (i.e. business first-line teams and third-party and employee management functions). Additionally, the framework and policy are applicable to all employees, including executive- and board-level management.

The Group Investigations team, including investigators and the investigations committee, are independent, with a separate reporting line to the ABC framework and team management. This allows for fair and independent investigation of both internal or external concerns relating to bribery or corruption.

The effectiveness of the ABC framework, including incident management reporting, is subject to frequent and regular updates at both first- and second-line management forums, including up to the BoD. The reporting includes provision of qualitative and quantitative risk indicators, covering both inherent and control risk. When a threshold is exceeded, this may indicate an increased risk of bribery and corruption. Assessment of these risk indicators on a regular basis prompts the identification of excess(es) of the thresholds under the program's risk appetite assessments, which will trigger a review of whether (further) action is deemed necessary at a divisional / entity and / or Group level to avoid undue risk, thereby focusing on staying within the overall ABC risk appetite.

The ABC Policy is translated into multiple languages and is accessible to all employees through our internal policy repository and relevant intranet ABC site. There is mandatory training for all employees on the policy requirements (see details below for further information on training provision under the ABC framework). Furthermore, an annual declaration and commitment to this policy is required from all UBS staff, including a statement of compliance with regard to any past or current bribery- or corruption-related incidents.

In 2024, all employees of UBS, including its senior management and governance bodies, received adequate training on financial crime prevention matters, which covers AML / KYC, sanctions, fraud and anti-corruption. All staff are required to complete the Global Financial Crime Prevention refresher module on an annual basis. The frequency for each training course is specified by the course owner (onetime, annual, bi-annual).

ABC training is mandatory for all UBS Group employees, including the GEB and the BoD, and is rolled out on an annual basis. All new joiners are required to complete a more substantial training course within 30 days of joining, then all employees are required to complete an annual refresher training course within 60 days of rollout (with a test score of 80% required to pass). The training covers the full ABC Policy and framework, including topics on risk identification, assessment and escalation of bribery and corruption.

Additional targeted training is delivered online or in person to selected functions on specific financial crime risks associated with the business lines or activities they are involved in, as needed.

Web-based training modules are regularly updated to address compliance issues, including financial crime standards, and to incorporate learning from both internal and external events and geopolitical developments.

Onboarding and ongoing monitoring

UBS performs risk-based initial due diligence on all customers, which is designed to establish their identity and ownership, the nature of their business activities, and the source(s) of their wealth and funds. This includes formal processes for mitigating the risk of impersonation fraud in circumstances where we are not doing business on a face-to-face basis. Where the client represents a potentially elevated risk according to the Group AML & KYC Policy, enhanced due diligence is performed.

We do not establish or maintain relationships with parties when the KYC information cannot be sufficiently established or where we have reason to believe the party has or intends to use UBS products or services for illicit activities. We do not open accounts for relationships that do not meet our standards or that pose unacceptable financial crime or reputational risks for the firm.

After a client onboarding is completed, ongoing due diligence and name screening are performed during the life cycle of the client relationship. Clients are subjected to regular risk rating and client activities and transactions are subject to AML transaction monitoring. In addition, ongoing periodic KYC reviews are conducted with varying frequency, driven by the client risk rating.

Our Group AML & KYC Policy sets out the process and criteria relating to the identification, senior management sign-off, periodic review and ongoing monitoring of clients deemed to be Politically Exposed Persons (PEPs), along with other customers who have links with jurisdictions or industries that pose elevated levels of financial crime risk.

We apply KYC rules and use advanced technology to help identify suspicious transaction patterns and compliance risk issues. We continue to invest in our detection capabilities and core systems as part of our FCP program. Red flags must be referred to FCP if any UBS staff become aware of potentially suspicious activities during the client life cycle and this may result in investigation, suspicious activity report filing and / or client exit, as appropriate. When a UBS employee is suspected of or identified as acting or failing to act in accordance with applicable laws or regulations or in violation of UBS policy, we escalate this to Group Investigations for further assessment under the Group Investigations Policy. Our Group Investigations Policy defines clear roles and responsibilities, including reporting requirements, for ensuring accurate and complete quarterly reporting to the BoD and the GEB, as well as to regulators.

We adhere to the global Financial Action Task Force standards and local laws and regulations with regard to record-keeping.

Our entire financial crime framework is subject to regular controls testing, in both the first and second lines of defense, which includes a cycle of regular peer review testing executed by a designated team within the Group's FCP function. Additionally, our Group Internal Audit team performs a rigorous cycle of independent audit reviews covering the financial crime framework globally and cross-divisionally and we are subject to ongoing supervision by regulatory authorities in all the markets in which we operate.

Conduct and culture

The Code sets out the principles and commitments that define our ethical standards and the way we do business. The Code commits all UBS employees to do whatever we can to combat money laundering, fraud, corruption and terrorist financing.

Additionally, the Code requires that UBS employees do not help or advise our clients, or any other party, to evade taxes or misreport taxable income and gains. It also states that we should not contract with third parties who provide services for UBS or on our behalf, where those services help others improperly evade taxes.

› **Refer to the Code of Conduct and Ethics of UBS, available at *ubs.com/code*, for more information**

Strategy

Our sustainability and impact strategy

We are guided by our ambition to be a leader in sustainability. This is reflected in our vision to be the bank for the next generation. To help us realize that vision, our sustainability and impact strategy is based on three overarching strategic pillars: Protect, Grow and Attract, representing a natural evolution in our strategic approach.

Sustainability and impact vision: the bank for the next generation		
Protect Manage our business in alignment with our sustainable, long-term Group strategy and evolving standards.	**Grow** Embed an innovative sustainability and impact offering across all our business divisions.	**Attract** Be the bank of choice for clients and employees.

Protect

As part of our continued commitment to protect our clients' assets and those of our firm, we are focused on managing our business by aligning to the sustainable long-term Group strategy and evolving standards. We maintain a strong control and risk framework, as well as a robust sustainability data strategy, to support our risk management processes, regulatory requirements and product offerings.

› **Refer to the "Environment" section of this report for more information about our decarbonization approach and efforts**
› **Refer to the "Managing sustainability and climate risk" section of this report for more information about our sustainability and climate risk management approach**

Grow

We continue to expand our sustainability and impact offerings across all business divisions to meet our clients' evolving needs. For example, we identify and offer innovative sustainable financing and investment solutions, with the aim to support our clients through the world's transition to a low-carbon economy. To facilitate this, we established a dedicated Group Sustainability and Impact (GSI) Business Development & Client Forum (the GSI BDCF) under the authority of the Group Executive Board (the GEB) Lead for Sustainability and Impact, focused on client, product and impact approaches.

› **Refer to the "Governance" section of this report for more information about the GSI BDCF**
› **Refer to the "Supporting Opportunities" section of this report for more information about our innovative sustainability and impact offering**

Attract

We aspire to be the bank of choice for clients and employees alike, maintaining top quartile sustainability ratings and positioning UBS as the go-to employer through our engagement and education programs. In 2024, our MSCI AA rating was reaffirmed[1] and we increased our S&P Global Corporate Sustainability Assessment (CSA) score to 72,[2] compared with 69 in 2023.

› **Refer to the "Social" section of this report for more information about UBS's employees and its philanthropic activities**

1 Source: MSCI ESG Ratings & Climate Search Tool, UBS Group AG ESG Rating 2024.
2 Source: S&P Global, UBS Group AG 2024 CSA Score as of March 2025, out of a maximum of 100.

Our key aspirations and progress

We work with a long-term focus on providing appropriate returns to our stakeholders in a responsible manner.

We are committed to providing transparent aspirations, goals and targets and reporting on the progress made against them. This table provides an overview, with more detailed information provided throughout this report.

Ambitions	Topics	Our aspirations, goals or targets	Progress in 2024
1. Protect	Climate	Lending sector decarbonization targets have been established to address our financed emissions by aligning specified sectors to decarbonization pathways.[1] Reduce emissions intensity associated with UBS in-scope lending by 2030 from 2021 levels for: – Swiss residential real estate by 45%; – Swiss commercial real estate by 48%; – power generation by 60%; – iron and steel by 27%; and – cement by 24%. Reduce absolute financed emissions associated with UBS in-scope lending by 2030 from 2021 levels for: – fossil fuels by 70%.	Calculated progress against pathways for lending sector decarbonization targets.[2] Changes in emissions intensity associated with UBS in-scope lending (end of 2023 vs 2021 baseline): – Swiss residential real estate reduced 11%; – Swiss commercial real estate reduced 9%; – power generation reduced 33%; – iron and steel reduced 20%; and – cement reduced 3%. Changes in absolute financed emissions associated with UBS in-scope lending (end of 2023 vs 2021 baseline): – fossil fuels reduced 80%.
		Reduce our scope 1 and 2 emissions to net zero by 2035 (90% reduction of scope 1 and net scope 2 emissions by 2035 vs 2023 baseline, neutralizing the remaining 10% with high-quality carbon removals).	Scope 1 and net scope 2 emissions reduced 35% vs 2023 baseline.
		Reduce our absolute energy consumption by 35% by 2030 vs 2023 baseline.	Absolute energy consumption reduced 10% vs 2023 baseline.
		Achieve 100% renewable electricity aligned to RE100 in markets where feasible by 2026.	Achieved 99.8% renewable electricity aligned to RE100.
	Environment	Paper: Use 100% recycled and Forest Stewardship Council (FSC) paper for our operations by 2025.	Reached 49.9% share of recycled and FSC paper in our operations in 2024.
		Waste: Achieve 60% recycling ratio for our office waste by 2025.	Achieved 52.9% recycling ratio in 2024.
		Water: Reduce water consumption by 5% by 2025 vs 2019 baseline.	Water consumption reduced 8% vs 2019 baseline.
2. Grow	Market opportunities	Embed an innovative sustainability and impact offering across all our business divisions.	Increased sustainable investing invested assets to USD 296bn (2023: USD 282bn).[3]
			Facilitated 96 green, social, sustainability or sustainability-linked (GSSS) bond transactions globally against our target of 100 (2023: 102).[4]
			The total on-balance sheet drawn exposure of sustainable loans granted to corporate and institutional clients booked on the UBS Switzerland AG platform amounted to USD 2.0bn as of end 2024 (excluding mortgages).[5]
		Supporting our clients to achieve their sustainable investing goals: 20% of Asset Management's fund offering globally will be sustainable-investing products, providing choice for clients.	As of end 2024, 23.4% of Asset Management's fund offering consisted of sustainable-investing products.[6]

Ambitions	Topics	Our aspirations, goals or targets	Progress 2024
	Social impact and philanthropy	Raise USD 1bn in donations to our client philanthropy foundations and funds (cumulative for 2021–2025).	Achieved a UBS Optimus Foundation donation volume of USD 366m in 2024 (2023: USD 328m), totaling USD 1.1bn since 2021, thus surpassing our goal (all figures include UBS matching contributions).[7]
		Reach 26.5 million beneficiaries by 2025 (cumulative for 2021–2025).	Reached 7.4 million beneficiaries in 2024 (2023: 7 million)[8] and 25.9 million beneficiaries across our social impact activities since 2021.[9]
3. Attract	Bank of choice	Maintain top quartile position in key ESG ratings by the end of 2026.	Achieved top quartile position vs direct peers as defined in UBS compensation report in: – MSCI: AA rating, "Leader" in industry group; – S&P Global Corporate Sustainability Assessment: Score of 72. Constituent of the Dow Jones Sustainability Indices (DJSI); – CDP: A– rating. Included in the leadership band.

Cautionary note: We have developed methodologies that we use to set our climate-related targets and identify climate-related risks and that 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.

1 Our climate transition plan does not cover all our business activities. We may add ambitions for additional scope 3 activities over time and on a best-efforts basis based on the availability of appropriate measurement frameworks and data, and the materiality of the relevant activity to UBS. We will continue to publicly disclose our progress on an annual basis and, while we continue to take steps to align our in-scope business activities with the ambitions set out above, it is important to note that progress toward our targets may not be linear. We regularly review our targets and update our disclosures in line with new or enhanced regulatory developments, evolving best practices for the financial sector and climate science. Such reviews may lead us to revise previously agreed voluntary commitments, metrics and methodologies. Metrics are based on gross lending exposure consisting of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments. Refer to the "Basis of preparation" section of the Supplement to the UBS Group Sustainability Report 2024, available at ubs.com/sustainability-reporting for more information about exclusions and parts of the value chain within sectors covered by metrics and targets. 2 Refer to the "Environment" 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: corporations disclose their emissions in annual reporting only a few months after the end of a financial year, and specialized third-party data providers take between 12 and 18 months to collect disclosed data and make it available to data users. Consequently, the baselines for our decarbonization targets are calculated based on year-end 2021 lending exposure and 2020 emissions data. Our 2023 emissions actuals are based on year-end 2023 lending exposure and 2022 emissions data. For asset financing (i.e. real estate) there is no time lag, and exposure and emissions actuals refer to the same year. 3 The figures do not include invested assets classified under the Credit Suisse sustainable investment framework but include invested assets of Credit Suisse portfolios, which have been migrated onto UBS platforms and vetted against UBS's sustainable investing policies or merged with existing UBS sustainable investing portfolios. This process is being carried out in waves and will continue until at least the end of 2025. The 2023 figure has been restated. For more information, see the "Supporting Opportunities" section of this report. 4 These metrics include transactions meeting the UBS Sustainable Finance Guideline, as described in the "Sustainability and climate risk policy framework" section of the Supplement to this report, available at ubs.com/sustainability-reporting. 5 Loans booked on the Credit Suisse platform are not in scope of this metric. As Credit Suisse loans migrate to the UBS infrastructure, a due diligence against the UBS Sustainable Product Guidelines framework will be performed. 6 Measured over a three-year rolling period. The scope includes UBS Asset Management sponsored and managed traditional and alternative funds. Mandates, White Label, UBS Asset Management single investor and feeder funds are excluded. As of 2024, products managed by Credit Suisse Asset Management that are categorized in accordance with the legacy Credit Suisse sustainable investing framework are within the scope of the total number of funds but not the total number of UBS Asset Management sustainable investing funds. They will only be included once migrated onto UBS Asset Management product shelves, i.e. once corresponding data has been onboarded to UBS systems, they are fully meeting the requirements of UBS's Group Sustainable Investing Policy, and are classified as a UBS sustainable investing product. This process is being carried out in waves and will continue at least until the end of 2025. 7 Figures provided for the UBS Optimus Foundation are based on unaudited management accounts and information available as of January 2025. Audited financial statements for UBS Optimus Foundation entities are produced and available per local market regulatory guideline. 8 Figures prior to 2024 exclude beneficiaries reached through Credit Suisse-led programs. 9 Some of the beneficiaries reached were due to activities funded through mandatory contributions required in India and South Africa due to respective corporate social responsibility laws. The cumulative reported figure does not represent unique beneficiaries. Where the same individual was enrolled in a program in the previous year, they are still counted in the following year as they are considered to have received different levels of support over the period.

Environment

Our climate transition plan

We have drawn up a climate transition plan, including our overarching climate approach, along with specified key policies and principles, targets and actions. This transition plan has been approved by the Corporate Culture and Responsibility Committee (the CCRC) of the Board of Directors and is included in our annual objective-setting process for sustainability and impact matters.

› **Refer to the "Governance" section of this report for more information about our sustainability and climate governance and our objective-setting process, and to "Key policies and principles" in the "Appendix 1 – Governance" section of this report for more information about our sustainability- and climate-related key policies and principles**

Our climate approach

Our climate approach is guided by our climate ambition and its underlying key objectives.

Our climate ambition

We will support our clients in the transition to a low-carbon world and embed considerations of climate change risks and opportunities into our firm for the benefit of our stakeholders, now and in the future.

Our key objectives

Supporting our clients' low-carbon transition

- Mobilizing capital toward an orderly transition to a low-carbon economy.
- Aligning our in-scope lending activities to the objectives of the Paris Agreement.
- Supporting the transition of our financing and investing clients to low-carbon and climate-resilient business models.
- Embedding climate considerations into our financing, investment and capital markets offering.

Reducing our climate impact

- Minimizing our own operational footprint and utilizing resources in an efficient and sustainable way.
- Measuring and managing our travel footprint, including reducing air-travel-related emissions.
- Interacting with our suppliers on emissions reductions and managing our supply chain responsibly.

Managing the risks of climate change to our business

- Identifying, measuring, monitoring, managing and reporting sustainability and climate risks.
- Applying our sustainability and climate risk policy framework.
- Further integrating sustainability and climate risk regulatory requirements into financial risk management and stress-test frameworks.
- Ensuring that the sustainability and climate risk policy framework is integrated into our Group- and organization-wide activities.

Our climate approach is aligned to our sustainability and impact strategy, which is based on three overarching strategic pillars: protect, grow and attract. In relation to our climate approach, our strategic ambition manifests as:

- **Protect** our business by managing climate risks and supporting our clients' low-carbon transition to protect their assets.
- **Grow** our business by embedding an innovative UBS climate transition offering across all business divisions.
- **Attract** and be the bank of choice for clients and employees by being recognized as a leader in climate, and leading by example in our own operations.

› **Refer to the "Strategy" section of this report for more information about the sustainability and impact strategy**

Our climate-related targets

By 2050, the global economy aims to transition to net zero. For example, across our own operations (scopes 1 and 2), UBS plans to achieve net zero by 2035, well ahead of 2050.

We have defined the following targets:

Scopes 1 and 2: Reducing our scope 1 and 2 emissions to net zero by 2035.[1]

Scope 3: Addressing our financed emissions by aligning specified sectors to decarbonization pathways.[2]

In 2024, we have updated our climate targets to consider the following:
– alignment with upcoming regulatory requirements and market standards;
– a review of the combined organization, reflecting the current state of planning within the firm; and
– ongoing macro-developments in public policy and climate science projections across the sectors in which we operate.

Our climate-related targets have been set based on the methodologies, data and assumptions currently in use. Following a review of our own operations target for scopes 1 and 2 (as disclosed in the UBS Group Sustainability Report 2023) for the integrated organization, we have set a new 1.5°C-aligned scope 1 and 2 net-zero target to be achieved by 2035. The target reflects our enlarged corporate real estate portfolio following the acquisition of the Credit Suisse Group and considers the latest definition of a "net-zero target" in the Corporate Sustainability Reporting Directive (CSRD).[3]

We remain committed to our lending sector decarbonization targets to address our financed emissions in specified sectors. All these targets are 1.5°C-aligned except for targets for Swiss residential real estate and Swiss commercial real estate, which are aligned to a below-2°C scenario.[4] In 2024, we also engaged EY to perform agreed upon procedures on our lending sector decarbonization targets to assist us in determining whether these have been set in line with reference scenarios mentioned and informed by certain requirements taken from pertinent global standards and initiatives.

Our Asset Management business division is committed to supporting our clients in achieving their climate-related investment goals. In the UBS Group Sustainability Report 2023, we referred to the target set by Asset Management aiming, by 2030, to align 20% of UBS AG Asset Management's total assets under management (AuM) with net zero. Given the integration taking place within Asset Management, we are reviewing the legacy target set prior to the acquisition of the Credit Suisse Group, taking into account all AuM of the combined businesses. Therefore, we have withdrawn the target. We remain committed to supporting the Paris Agreement climate goals in line with global efforts. We recorded USD 64.4bn of total assets as having a net-zero ambition at the end of 2024, compared with USD 35.5bn at the end of 2023.

We regularly review our targets and update our disclosures in line with new or enhanced regulatory developments, evolving best practices for the financial sector and climate science. Such reviews may lead us to revise previously agreed voluntary commitments, metrics and methodologies.

Our climate transition plan does not cover all our business activities. We may add ambitions for additional scope 3 activities over time and on a best-efforts basis based on the availability of appropriate measurement frameworks and data, and the materiality of the relevant activity to UBS. We will continue to publicly disclose our progress on an annual basis and, while we continue to take steps to align our in-scope business activities with the ambitions set out above, it is important to note that progress toward our targets may not be linear.

Our priority is to support our clients in the transition to a low-carbon world, including their transition-financing needs. In the area of client investments, our ability to meet our ambitions depends on our obligations to our clients, including fiduciary duties as an investment manager and on the terms of the mandates agreed with clients. We continue to embed sustainability and climate considerations into our operating model, leading to regular adjustment of evaluation and decision-making frameworks, governance structures, control and monitoring processes and underlying systems.

Our climate-related ambitions and targets have a critical dependency on the overall progress made by all sectors and countries. Collaboration across the private and public sectors is required. The decarbonization of the global economy, emissions reductions by clients and the realization of our own targets and ambitions all depend on various factors outside our direct influence. Clear guidance from governments through thoughtful regulations, policies and incentives, the development and scaling of key technologies and broader changes in the behavior of society are needed.

1 Refer to the "Reducing our own environmental impact" section of this report for details about our scope 1 and 2 net-zero target.
2 Refer to the "Supporting our financing clients' low-carbon transition" section of this report for details about our lending sector decarbonization targets.
3 Definition of a net-zero target by the CSRD: Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means: (i) achieving a scale of value chain emissions reductions consistent with the abatement required to reach global net zero in 1.5°C pathways; and (ii) neutralizing the impact of any residual emissions (after approximately 90–95% of GHG emission reduction with the possibility of justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of CO_2.
4 For Swiss real estate mortgage lending (commercial and residential real estate), our targets are using the percentage decarbonization rate implied by the Energy Perspectives 2050+ ZERO Basis scenario (below-2°C scenario) as a minimum rate to be followed. This scenario is a representative, country-specific pathway, reflective of the government's climate strategy. It also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act.

Our climate roadmap

Our climate roadmap – what we are aiming for

2006 – Launched our first climate strategy, focused on our own emissions

2012 – Expanded our climate strategy, to also include risk management, investments, financing and research

2017 – Started applying TCFD recommendations to our climate disclosures

2020/21 – Commenced assessing and disclosing climate exposures in our in-scope investing and financing activities

2024 – Advisory vote on the UBS Group AG Sustainability Report 2023 including our actions on climate passed by shareholders at the Annual General Meeting (93.37%)

by 2030

Addressing our own emissions
- Reduce our scope 1 and net scope 2 emissions by 57% compared with our 2023 baseline
- Source 100% renewable electricity from qualifying generation by 2026 in line with RE100 technical guidance, in markets where credible renewable electricity generation and tracking systems exist
- Reduce our absolute energy consumption by 35% compared with our 2023 baseline

Addressing the emissions of our in-scope lending activities
- Reduce emissions intensity associated with UBS in-scope lending from 2021 levels for:[1]
  - Swiss residential real estate by 45%
  - Swiss commercial real estate by 48%
  - power generation by 60%
  - iron and steel by 27%
  - cement by 24%
- Reduce absolute financed emissions associated with UBS in-scope lending from 2021 levels for:[1]
  - fossil fuels by 70%
- Continue disclosing in-scope ship finance portfolio according to Poseidon Principles (PP) trajectories with the aim to align therewith[2]

by 2035

Addressing our own emissions
- Reduce our scope 1 and 2 emissions to net zero

by 2050

Supporting the global economy's aim to transition to net zero

1 While we continue to take steps to align our in-scope business activities to our targets, it is important to note that progress toward our targets may not be linear and that the realization of our own targets and ambitions is dependent on various factors that are outside our direct influence. We regularly review our targets and update our disclosures in line with new or enhanced regulatory developments, evolving best practices for the financial sector and climate science. Refer to the "Climate-related methodologies – decarbonization approach for our financing activities" section of the Supplement to the UBS Group Sustainability Report 2024, available at ubs.com/sustainability-reporting, for more information about parts of the value chain within sectors covered by metrics and targets. Metrics are based on gross exposure, which includes total loans and advances to customers, guarantees and irrevocable loan commitments. Refer to the "Basis of Preparation" section of the Supplement to the UBS Group Sustainability Report 2024, available at ubs.com/sustainability-reporting, for more information about the exclusions from the scope of the analysis. 2 As part of our ship finance strategy, ships within the scope of the Poseidon Principles (PP) are assessed based on criteria that aim at aligning the portfolio to the Poseidon Principles decarbonization trajectories. The PP are a framework for assessing and disclosing, on an annual basis, the climate alignment of in-scope ship finance portfolios to the ambition of the International Maritime Organization (the IMO), including its 2023 Revised GHG Strategy for GHG emissions from international shipping to decrease to net zero by or around 2050 with interim targets in 2030 and 2040 on a well-to-wake (WTW) basis (compared with 2008 levels).

Supporting our clients’ low-carbon transition

It is our priority to support our clients in the transition to a low-carbon world. To support this aim, we have defined a set of targets and actions related to our financing and investing activities, which are outlined below.

Supporting our financing clients’ low-carbon transition

Our lending sector decarbonization targets

Lending sector decarbonization targets for 2030 have been established for Swiss real estate mortgages (residential and commercial real estate) and for financing of in-scope activities in the fossil fuels (oil, gas and coal), power generation, iron and steel and cement corporate sectors.

Our approach to target-setting is based on industry guidance and our calculation methodology is based on global standards such as the GHG Protocol Corporate Accounting and Reporting Standard and the Partnership for Carbon Accounting Financials (the PCAF).

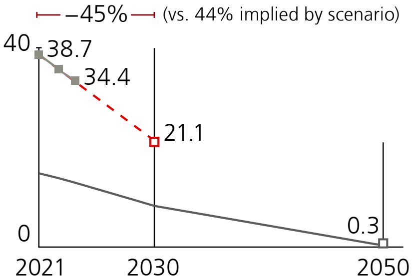
Our 2030 targets were approved and are continued to be overseen by the CCRC, and are managed by the business divisions in collaboration with Group Sustainability and Impact (GSI) and the Group functions under the leadership of the Group Executive Board (GEB) Lead for Sustainability and Impact.

› **Refer to the “Climate-related methodologies – decarbonization approach for our financing activities” section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for more information about our target-setting methodology and full financed emissions disclosures**

› **Refer to the “Basis of preparation” section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for more information about our climate-related lending metrics**

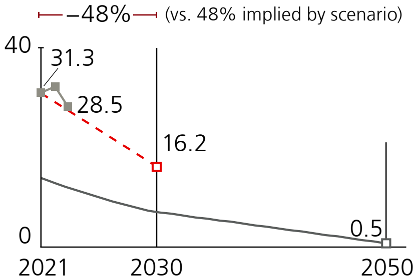
Overview of lending sector decarbonization targets and progress

Swiss residential real estate[1]
kg CO_2e/m^2 ERA[2]



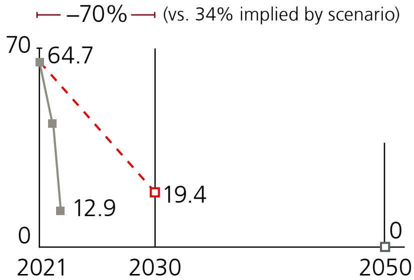
- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- Implied EP2050+ ZERO Basis – residential buildings
- Indicative trend line to 2030 target

Swiss commercial real estate[1]
kg CO_2e/m^2 ERA[2]



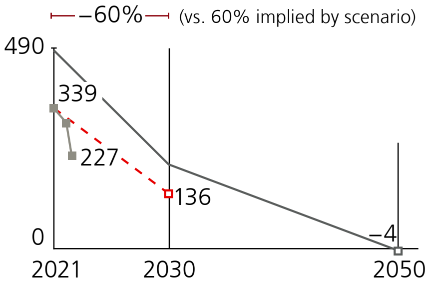
- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- Implied EP2050+ ZERO Basis – residential buildings & services
- Indicative trend line to 2030 target

Fossil fuels[3]
million metric tons CO_2e



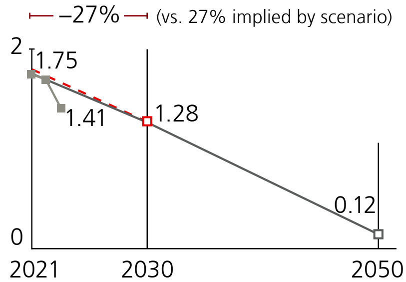
- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- Indicative trend line to 2030 target

Power generation[4]
kg CO_2e/MWh



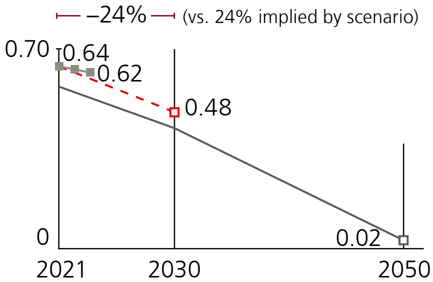
- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- IEA NZE 2050
- Indicative trend line to 2030 target

Iron and steel[4]
metric t CO_2/metric t steel



- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- IEA NZE 2050 (adjusted)
- Indicative trend line to 2030 target

Cement[4]
metric t CO_2/metric t cementitious



- UBS actuals (2021–2023)
- UBS target
- 2050 convergence point
- IEA NZE 2050 (adjusted)
- Indicative trend line to 2030 target

1 Residential real estate includes owner-occupied properties and properties rented out on a non-commercial scale. Commercial real estate includes rented-out properties in multi-family homes, any other income-producing real estate, and own-use commercial real estate. For Swiss real estate lending (residential and commercial), our 2030 targets are using the percentage decarbonization rate implied by the Energy Perspectives 2050+ (EP2050+) ZERO Basis scenario (below 2°C scenario) as a minimum reference rate. This scenario is a representative, country-specific pathway, reflective of the government's climate strategy. It also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act. 2 ERA: Energy Reference Area. 3 For fossil fuels (oil, gas and coal), we defined an absolute emissions reduction target and applied the Absolute Contraction Approach, which means the use of contraction of absolute emissions to get to net zero. We selected the scenario IEA NZE by 2050 (IEA's World Energy Outlook of October 2023 update) as a reference to base our 2030 target. This scenario is one of the most recent and widely accepted models that achieves a temperature increase of 1.5°C by the end of the century (1.5°C-aligned scenario). Our 2030 target is more ambitious than the reduction implied by this scenario. 4 For corporate sectors with intensity-based targets (power generation, iron and steel and cement) we have used the Sectoral Decarbonization Approach (SDA). The SDA assumes global convergence of key sectors' emissions intensities by 2050 and we set our 2030 targets to be in line with this assumption. We use the percentage decarbonization rate implied by the scenario IEA NZE by 2050 (IEA's World Energy Outlook of October 2023 update) as a reference to base our 2030 target.

Decarbonization levers and key actions underpinning our lending sector decarbonization targets

To underpin our lending sector decarbonization targets, we assessed the impact of two decarbonization levers. Through lever 1, we assess the effects of our clients' disclosed decarbonization commitments on our future expected portfolio intensities. Lever 2 focuses on managing our portfolio to achieve the remaining required intensity reductions.

In addition, we identified key actions relevant to both levers, outlining how we support our clients in realizing their decarbonization commitments and how we manage our portfolio toward achieving our targets: i) providing products and services; ii) engaging with clients; and iii) monitoring progress against targets through our decarbonization control framework.

Lever 1: Clients' disclosed decarbonization commitments

To understand the current decarbonization ambitions of our clients, we conducted a review of our clients' currently disclosed decarbonization commitments and transition plans. On this basis, we assessed the future potential aggregated reduction of our portfolio intensities for the power generation, iron and steel and cement sectors, assuming that our clients realize their decarbonization commitments and transition plans. Through actions 1 and 2 outlined below, we aim to support our clients in realizing their decarbonization commitments.

We recognize that our clients' realization of their emission reductions has dependencies on various factors and that financial institutions have limited direct influence over clients' transition abilities or the speed at which the transition happens. We constantly track our clients' progress toward their disclosed commitments and assess the influence of them meeting their commitments on our own trajectories.

Lever 2: Portfolio management

To work toward the remaining required reduction of our portfolio intensities to realize our lending sector decarbonization targets, we aim to manage our portfolio. This can be done at the business selection stage, which is in line with our sustainability risk process. It may trigger enhanced due diligence for transactions in carbon-intensive sectors that have higher climate-related impacts and risks, as well as trigger the pre-deal assessment review of deals against our set decarbonization thresholds. It can also be done through the exit from or maturity of our Non-core and Legacy loans, which contribute to the adjustment of our lending exposure and associated carbon intensity. Through actions 1 and 2 outlined below, we aim to support our clients' climate transition, while action 3 allows us to track our performance and manage progress toward our targets.

Although we continue to take steps to align our in-scope business activities with our decarbonization targets, it is important to note that progress toward our targets may not be linear. Our priority is to support our clients in the transition to a low-carbon world, and their transition-financing needs. Collaboration across the private and public sectors is required. The decarbonization of the global economy, emission reductions by clients and the realization of our own targets and ambitions all depend on various factors outside our direct influence. Clear guidance by governments through thoughtful regulations, policies and incentives, the development and scaling of key technologies and broader changes in the behavior of our society are needed.

› **Refer to "Non-core and Legacy" in the "Our businesses" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Action 1: Providing products and services

We offer sustainable and sustainability-linked financial advice and solutions (advisory, lending, basic banking and transition financing solutions) to support our clients' climate transition. These solutions can be on-balance sheet (e.g. green or sustainable loans and mortgages) or off-balance sheet (e.g. access to debt and equity capital markets). They can also include transaction structuring.

For example, in Personal & Corporate Banking, we offer sustainability-linked loans (SLLs) to incentivize the borrowers to achieve their sustainability performance targets. Our SLL offering is open to eligible corporate clients from all sectors that wish to reflect their sustainability ambitions in their funding strategy and to benefit from meeting agreed sustainability performance targets. The SLLs have specific sustainability-related key performance indicators that are agreed with each client.

We continue to develop and refine our sustainable finance solutions and approaches on an ongoing basis.

› **Refer to the "Supporting Opportunities" section of this report for more information about our sustainable finance product and service offering, and specifically to the "Personal & Corporate Banking" section for more information about our corporate client business**

Action 2: Engaging with clients

In 2024, to support our review of our clients' disclosed decarbonization commitments and transition plans (lever 1), we developed the Company Transition Assessment Scorecard (CTAS). The CTAS was designed to support a range of purposes in the future, including the support of our clients' climate transition through engagement. By understanding our clients better, we aim to work alongside them to assist with their climate transition efforts. This can include encouraging the disclosure of current emissions, setting future decarbonization targets in line with Paris Agreement-aligned pathways and developing credible transition plans.

› **Refer to the "Supporting our climate approach: key enabling actions" section of this report for more information about the CTAS**

Action 3: Monitoring progress against targets through our decarbonization control framework

We implemented a decarbonization control framework to track our performance and manage progress toward our lending sector decarbonization targets. This framework has been approved at GEB level and has been integrated into our sustainability and climate risk policy framework.

For in-scope sectors, the performance and associated changes in the lending portfolio are discussed during quarterly performance reviews with business division representatives (Global Wealth Management, Personal & Corporate Banking and the Investment Bank) and our sustainability and climate risk unit. This includes an analysis of trends and significant changes in exposures, emissions or criteria that are deemed to influence the target metrics. Possible measures to be taken by the business divisions are also discussed.

For in-scope corporate sectors for which decarbonization targets have been set, we have established a pre-deal assessment process to review the impact of relevant transactions that are within the scope of our lending sector decarbonization targets. For each in-scope sector, risk tolerance thresholds have been defined at business division and Group levels. An internal tool enables the business divisions to evaluate the potential impact of a new transaction on the portfolio. An escalation process has been put in place should a transaction exceed these thresholds. Transactions are then also reviewed by the business division representatives and can be further escalated up to GEB level if required. The risk tolerance thresholds are defined annually and the utilization of the agreed thresholds is monitored on a quarterly basis. Relevant staff in the business divisions have been trained on these requirements.

Performance against targets and outlook

For the in-scope lending sectors for which decarbonization targets have been set, the following sections describe, for each sector:

- the scope of the target and relevance for our business divisions;
- the progress against the sector target and the indicative trend line, including the main drivers for the reduction or increase of absolute emissions / emissions intensity;
- the impact of the decarbonization levers and a description of key actions taken, where relevant (note that not all levers apply to all target sectors); and
- a description of the key dependencies.

Our lending sector decarbonization targets have a critical dependency on the overall progress made by all sectors and countries.

Swiss residential real estate

The scope of the decarbonization pathway for residential real estate lending is limited to our financing activity in Switzerland across Personal & Corporate Banking and Global Wealth Management.

The required 45% reduction to realize our 2030 target is slightly more ambitious than the decarbonization rate implied by the Swiss government's Energy Perspectives 2050+ ZERO Basis (EP 2050+) scenario for residential buildings, which is 44%. For the target scope, this scenario is a representative, country-specific pathway, reflective of the government's climate strategy. The EP 2050+ also informs Switzerland's decarbonization ambitions for real estate as set out in the Swiss Climate and Innovation Act.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 11% against the 2021 baseline, with an emissions intensity of 34.4 kg CO_2e / m^2 ERA (Energy Reference Area). The reduction was primarily driven by an increased share of financed properties with non-fossil-fuel heating. Our estimated emission intensity is 1% below the 2023 level of our indicative trend line to 2030 (34.8 kg CO_2e / m^2 ERA).

To further decarbonize our real estate portfolio in alignment with the Swiss government's decarbonization ambitions, we remain dependent on technical advances and concerted policy action, for example, by incentivizing improved building efficiency and the use of non-fossil-fuel heating systems. We will continue to work with the government and our industry peers to align on the required actions.

We remain committed to doing our part and supporting our clients in reducing the emissions intensity of their properties. This includes raising the awareness of our existing and prospective clients regarding the climate impact of real estate and helping our existing clients decarbonize their properties through renovations. For example, we provide access to an online renovation journey and calculator for owner-occupied real estate, enabling our clients to work out expected renovation costs and timelines, the CO_2e emissions footprint and the energy consumption levels before and after renovation. For renovations or acquisitions of energy-efficient properties, we offer preferential financial conditions to clients through our UBS Mortgage Green, UBS Mortgage Energy and UBS Mortgage Renovation products. In 2024, our partner Norm Technologies launched an offering for our new and existing mortgage clients to carry out a tailored, digital energy analysis for them to gain an improved understanding of the climate impact of their properties.

Swiss commercial real estate

The scope of the decarbonization pathway for commercial real estate lending is limited to our financing activity in Switzerland across Personal & Corporate Banking and Global Wealth Management.

The required 48% reduction required to realize our 2030 target is in line with the decarbonization rate implied by the Swiss government's EP 2050+ scenario for residential buildings and services, which is also 48%.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 9% against the 2021 baseline, with an emission intensity of 28.5 kg CO_2e / m^2 ERA. The reduction was primarily driven by an increase in the share of financed properties with a good-quality building envelope that reduces heat loss. Our estimated emissions intensity is 2% above the 2023 level of our indicative trend line to 2030 (28.0 kg CO_2e / m^2 ERA).

To further decarbonize our real estate portfolio in alignment with the Swiss government's decarbonization ambitions, we remain dependent on technical advances and concerted policy action, for example, by incentivizing improved building efficiency and the use of non-fossil-fuel heating systems. We will continue to work with the government and our industry peers to align on the required actions.

We remain committed to doing our part and supporting our clients in reducing the emissions intensity of their properties. This includes helping our existing clients to decarbonize through renovations and providing the respective financing. In 2024, we launched the UBS Loan Green, which is designed for clients planning new low-energy constructions or energy-efficient renovations, or purchasing energy-efficient properties. The product provides tailored financing and comprehensive expert advice and accepts various building certifications.

Furthermore, in 2024, we teamed up with Wincasa, a leading Swiss property services provider, to launch a new advisory solution, UBS Renovation Services, for investment property owners planning energy upgrades. The service offers tailored analysis of the renovation potential, a detailed feasibility study and coordination of construction planning and management through a network of specialized real estate companies.

Fossil fuels (oil, gas and coal)

Our fossil fuel portfolio is concentrated in a small number of corporate clients in the Investment Bank and Personal & Corporate Banking with limited exposure from Global Wealth Management.

As at the end of 2023, our estimated total financed emissions for the fossil fuels portfolio have decreased by 80% against the 2021 baseline, accounting to 12.9 million metric tons of CO_2e. From 2021 to 2022, there was a 29% reduction, primarily driven by an overall reduction of the financed portfolio and a significant decrease in exposure to coal. In 2023 our portfolio had a number of loans that were classified as non-core, and as of 31 December 2023, these loans were no longer held in line with the strategy of the Group, primarily driving the remaining reduction. Our estimated financed emissions are 76% below the 2023 level of our indicative trend line to 2030 (54.6 million metric tons of CO_2e).

With the remaining concentrated portfolio, we would not expect the same level of emission reductions over the next few years. Achieving our target requires collaboration across the private and public sectors due to the reliance on fossil fuels for energy security and because it is the most affordable source of energy in many countries.

Power generation

Our power generation portfolio mainly consists of corporate clients in the Investment Bank, Personal & Corporate Banking and Global Wealth Management.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 33% against the 2021 baseline, with an emissions intensity of 227 kg CO_2e / MWh. The reduction was primarily driven by a decrease in exposure to clients with relatively high carbon intensity, including loans that were classified as non-core. In Personal & Corporate Banking, our clients in the power generation sector, who have a significant share of renewable energy production in Switzerland, further contributed to our emissions intensity being below the International Energy Agency (the IEA) benchmark. Our estimated emission intensity is 23% below the 2023 level of our indicative trend line to 2030 (294 kg CO_2e / MWh).

We expect a further decrease in intensity based on our assessment of our clients' disclosed decarbonization commitments, assuming that our clients realize those decarbonization commitments.

We aim to manage our portfolio by engaging with our clients to support them in adapting their energy mix and increase our own exposure to sources of energy with lower emissions. We expect the reduction of loans that were classified as non-core to further contribute to a decrease in the portfolio intensity.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the right policies, incentives and frameworks to be in place. Recent data indicates that investment of around USD 2trn per annum is going toward clean energy, which represents two thirds of the global energy investment. This increase is mainly driven by emissions reduction targets and the need to guarantee energy security.[1]

Iron and steel

Our iron and steel portfolio is concentrated in a small number of clients in the Investment Bank and Personal & Corporate Banking with limited exposure from Global Wealth Management.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 20% against the 2021 baseline, with an emissions intensity of 1.41 metric tons of CO_2 / metric ton of steel. The reduction was primarily driven by existing clients reducing their carbon intensities, a decrease in loans that were classified as non-core, and an increased share of exposure to secondary steel production clients with lower intensities. Our estimated emissions intensity is 14% below the 2023 level of our indicative trend line to 2030 (1.64 CO_2 / metric ton of steel).

We expect a further decrease in intensity based on our assessment of our clients' disclosed decarbonization commitments, assuming that our clients realize those decarbonization commitments.

We will continue to finance our clients' transition to support shifting production to reduce the sector's reliance on coal while increasing scrap production and the use of direct reduction and electric arc furnaces.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the commercialization and scaling up of low-carbon steelmaking technologies, which requires research and development, and robust policy and market incentives.

Cement

Our cement portfolio consists of corporate clients in Personal & Corporate Banking and the Investment Bank.

As at the end of 2023, our estimated emissions intensity for the portfolio had decreased by 3% against the 2021 baseline, with an emissions intensity of 0.62 metric tons of CO_2 / metric ton of cementitious. The reduction was primarily driven by a decrease in intensity by our existing clients. Our estimated emissions intensity is 2% above the 2023 level of our indicative trend line to 2030 (0.60 metric tons of CO_2 / metric ton of cementitious).

1 https://www.iea.org/reports/world-energy-investment-2024/

We believe our main clients in the cement industry are best in class in terms of ESG (environmental, social and governance) disclosures and externally verified emissions reduction targets, some of which include interim 2030 targets. We will continue to finance our clients' transition, potentially increasing our exposure with appropriate sustainability-linked product offerings or project ring-fencing, and advising on various transactions, such as the acquisition of assets, disposal of certain business lines, equity raises and share buybacks.

Reaching our target requires collaboration across the private and public sectors. The sector remains dependent on the right policies and incentive frameworks being in place. Specifically in the cement sector, production emissions intensity has remained flat in recent years, highlighting the need for technological disruption.

UBS AG 2024 Poseidon Principles disclosure (shipping)

The Poseidon Principles are a framework for assessing and disclosing, on an annual basis, the climate alignment of in-scope ship finance portfolios (individual vessels weighted by their loan exposure with the reporting financial institution) to the ambition of the International Maritime Organization (the IMO), including its 2023 Revised GHG Strategy for GHG emissions from international shipping to decrease to net zero by or around 2050 with interim targets in 2030 and 2040 on a well-to-wake (WTW) basis (compared with 2008 levels).[1]

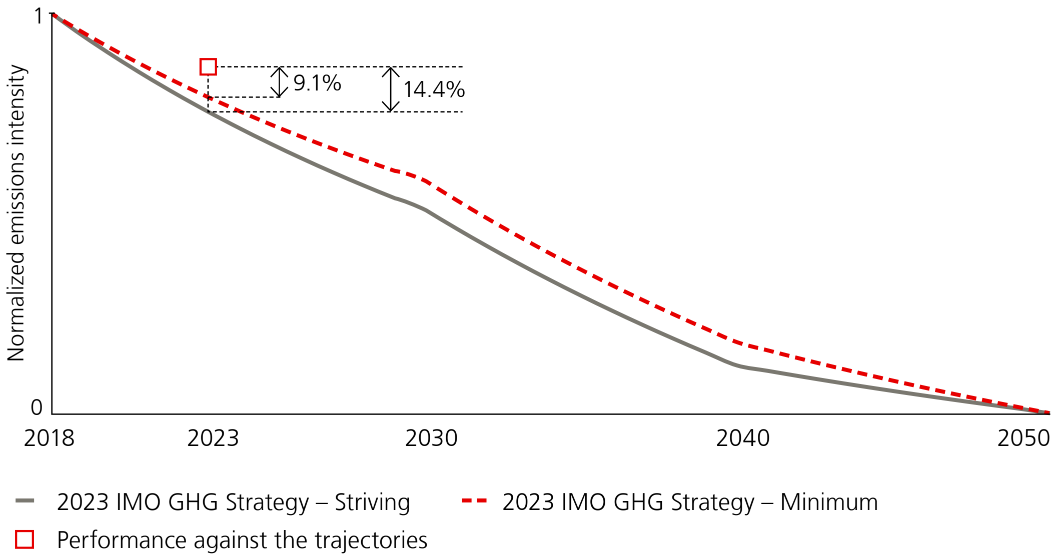
This is the fourth year of disclosure under the Poseidon Principles and the first-time reporting in the name of UBS AG. The result is based on the Credit Suisse AG ship finance portfolio as at the end of 2023 and, therefore, precedes the completion of the legal merger of the two firms. The reported alignment deltas are reflective of the IMO's revised GHG reduction ambition, with the underlying methodology adopted by the Poseidon Principles in 2023, as further updated in the reporting year.[2]

Poseidon Principles disclosure (UBS AG – Credit Suisse AG portfolio)

	For the year ended	
	31.12.23	31.12.22
Shipping (delta alignment to "IMO 2023 minimum trajectory")	9.1%	11.5%
Shipping (delta alignment to "IMO 2023 striving for trajectory")	14.4%	15.7%

Shipping – Portfolio Climate Alignment Score (UBS AG – Credit Suisse AG portfolio)

2023 IMO GHG Strategy ("IMO Revised GHG Strategy")



1 The IMO Revised GHG Strategy sets out the following absolute reduction levels of ambition: (i) to reduce total annual GHG emissions by at least 20%, striving for 30%, by 2030 (compared with 2008); (ii) to reduce total annual GHG emissions by at least 70%, striving for 80%, by 2040 (compared with 2008); (iii) GHG emissions to peak as soon as possible and to reach net-zero GHG emissions by or around 2050 (the Poseidon Principles trajectories are based on a net zero by 2050 consideration); and (iv) carbon intensity to decrease in order to reduce CO_2 emissions per transport unit by at least 40% by 2030 (compared with 2008). The Revised GHG Strategy considers well-to-wake CO_2e emissions, i.e. it includes upstream emissions, as well as accounts for the impact of methane (CH_4) and nitrous oxide (N_2O). The updated IMO trajectories are not 1.5°C-aligned.

2 The Poseidon Principles Annual Disclosure Reports are published under https://www.poseidonprinciples.org/finance/resources. For the 2024 reporting cycle (based on 2023 data), the Poseidon Principles Technical Guidance v.5.1 was used.

In 2024, we experienced a strong reporting level and responsiveness from our clients, with further improvements in data quality. This is a testament to the established Poseidon Principles and regulatory frameworks, such as the IMO Data Collection System (DCS) and IMO Carbon Intensity Index (CII) rating systems.

The results continue to be materially driven by, and may fluctuate each reporting year due to, the continuous implementation and tightening of regulations, a broader adoption of technical improvement measures and the limited direct influence over operational aspects by ship owners and reporting financial institutions. In the long term, we expect that technology-related aspects of decarbonization, such as the adoption and availability of new low-emission technologies and related fuel supply, could further drive the portfolio alignment performance.

The Poseidon Principles continue to be a relevant factor in our ship finance client and transaction due diligence. Related processes and tools have been further refined and embedded in our organization.

By understanding our clients' decarbonization strategies better, we continue to work alongside them to support their climate transition efforts. The improvement of data availability and transparency and our continuous participation in decarbonization initiatives, including the Poseidon Principles, support our client discussions and portfolio optimization.

Our approach to measuring facilitated emissions from our capital markets business

Our role in capital market transactions helps our clients to access capital for their businesses. We facilitate capital-raising by clients, and we believe it is important to monitor the related emissions from these transactions. The Investment Bank offers clients access to the primary and secondary public capital markets and private capital transactions.

Facilitated emissions differ from financed emissions in two respects: firstly, they are off-balance sheet (representing services rather than financing) and, secondly, our role is completed within a short time frame rather than a long-term loan-related exposure. As a result, and in line with industry guidance, we distinguish between on-balance sheet "financed" and off-balance sheet "facilitated" emissions.

By disclosing our facilitated emissions for selected carbon-intensive sectors for public capital markets transactions, we aim to provide transparency regarding the emissions we facilitate as a result of our capital market activities. Our facilitated emissions are calculated following the PCAF's Global GHG Accounting and Reporting Standard – Part B Facilitated Emissions (first version, December 2023) for facilitated emissions, including public equity capital markets and public debt capital markets, where we held a lead bookrunner or lead manager / co-manager role in the transaction. Facilitated emissions are not shown for the 2024 reporting year, due to the inherent time lag in the availability of emissions data.

It is important to note that these facilitated emissions are dependent on the capital markets activity during the year and our market share is expected to fluctuate in our year-on-year reporting.

We continue to review and assess emerging industry guidance and target-setting methodologies for facilitated emissions.

We review and assess Global Banking transactions and employ a robust business selection process for mandates that are accepted. This means that, in our capital markets activities for carbon-intensive sectors, we consider the potential climate and sustainability impacts of the transaction and related material risks and opportunities, in line with our sustainability and climate risk policy framework.

Facilitated emissions for selected carbon-intensive sectors (UBS Group)

	For the year ended											
	31.12.23						31.12.22					
	Facilitated amount (USD bn)	Facilitated emissions, scopes 1 and 2 (million metric t CO_2e)	Facilitated emissions, scope 3 (million metric t CO_2e)	PCAF score, scopes 1 and 2[2]	PCAF score, scope 3[2]	Facilitated intensity (million metric t CO_2e / USD bn)	Facilitated amount (USD bn)	Facilitated emissions, scopes 1 and 2 (million metric t CO_2e)	Facilitated emissions, scope 3 (million metric t CO_2e)	PCAF score, scopes 1 and 2[2]	PCAF score, scope 3[2]	Facilitated intensity (million metric t CO_2e / USD bn)
Selected carbon-intensive sectors[1]	6.5	1.3	1.8	1.6	1.7	0.46	12.0	2.0	2.3	1.6	2.3	0.35[4]
Selected carbon-intensive sectors as % of total	5.3%						5.7%					
Other sectors	117.7						197.7					
Total facilitated amount[3]	124.2						209.7					

1 Selected carbon-intensive sectors are the following: fossil fuels (coal, oil and gas), power generation, iron and steel, aluminum, cement, automotive and air transportation. Agriculture and real estate are excluded due to the limited data availability. Refer to the sector approach in the "Climate-related methodologies – decarbonization approach for our financing activities" section of the Supplement to the UBS Group Sustainability Report 2024, available at ubs.com/sustainability-reporting, for more information about the parts of the value chain within scope. 2 The PCAF data quality score has been combined for the key sectors and weighted by the facilitated amount. 3 Includes all sectors. 4 Facilitated intensity is reported to two decimal places and may therefore differ from the values presented in the UBS Group Sustainability Report 2023.

› **Refer to the "Supporting Opportunities" section of this report for more information about the Investment Bank's capital market activities**

› **Refer to the "Basis of preparation" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for more information about our methodology to calculate facilitated emissions**

Supporting our clients' neutralization of residual emissions

Our climate transition plan prioritizes emission reductions in line with science-based climate targets and credible trajectories to achieve these targets. In addition, we anticipate that the deployment of carbon removal solutions will be needed to supplement the emission reduction strategies of some of our clients and counterbalance hard-to-abate emissions. We aim to support our clients in the deployment of solutions to neutralize residual emissions in line with science-based decarbonization pathways. As best practice guidance, regulation, methodologies and technologies develop, our approach to decarbonization, including neutralization, will continue to evolve.

High-integrity participation in carbon markets plays a role that is supplemental to sectoral and economy-wide decarbonization. We have made a strategic investment in Carbonplace, a consortium-led venture to build an infrastructure layer to scale the global voluntary carbon market. Through its embedded network of banks, registries and data providers, Carbonplace enables our clients and other market participants to buy, sell, hold and retire voluntary carbon credits on a transparent, secure and scalable settlement platform. Furthermore, the Investment Bank completed a first-of-a-kind carbon finance transaction that aims to provide returns to investors from the sale of credits generated by carbon dioxide removal projects, enabling our clients to directly invest in the development of high-quality technological carbon removals. We support transparent investment in carbon markets that are aligned with the current publicly available consensus on high integrity standards and robust governance (including the Voluntary Carbon Markets Integrity Initiative Claims Code of Practice, the Integrity Council for the Voluntary Carbon Market Core Carbon Principles and the Oxford Principles for Net-Zero-Aligned Carbon Offsetting).

Supporting our investing clients' low-carbon transition

We are committed to supporting our investing clients in the transition to a low-carbon world in line with our obligations to our clients, including fiduciary duties as an investment manager and on the terms of the mandates agreed with clients. We offer a distinct approach to client investments, which focuses on solutions and engagement activities that empower clients to achieve their transition goals. We have identified six key strategic actions to support our investing clients in Asset Management and Global Wealth Management. It is important to note that not all these strategic actions are relevant to both business divisions, or to all regions within a division, and our progress, where applicable, may not be linear or simultaneous.

- Develop our platform of available climate-related strategies, products and solutions to facilitate our investing clients' transition to a low-carbon world.
- Engage investee companies to encourage them to adopt credible climate transition plans and manage climate-related risks and opportunities (applicable to Asset Management only).
- Collaborate with third-party fund managers to understand their climate transition plans and approach to consider climate-related risks and opportunities (applicable to Global Wealth Management only), where the legal framework allows.
- Support clients' progress on their climate objectives through education sessions and thought leadership, along with portfolio construction and transparency, aiming to assist clients who seek awareness of mitigating climate risks and identifying transition opportunities in their investments.
- Provide employees with the training, tools and information necessary to support our clients to navigate the transition to a low-carbon world in accordance with their climate objectives.
- Engage with policymakers on key topics such as regulations and policy development.

Details by business division on each strategic action are provided in the respective sections below.

› **Refer to the "Supporting our climate approach: key enabling actions" section in this report for more information about our Group initiatives**

Asset Management

Asset Management is committed to supporting our clients in achieving their climate-related investment goals. In the UBS Group Sustainability Report 2023, we referred to the target set by Asset Management aiming, by 2030, to align 20% of UBS AG Asset Management's total assets under management (AuM) with net zero. Given the integration taking place within Asset Management, we are reviewing the legacy target set prior to the acquisition of the Credit Suisse Group, taking into account all of the AuM of the combined businesses. We have therefore withdrawn the target. We remain committed to supporting the Paris Agreement climate goals in line with global efforts. At the end of 2024, we recorded USD 64.4bn of total assets as having a net-zero ambition, compared with USD 35.5bn at the end of 2023.

Aligned to our overall approach for supporting our investing clients, Asset Management has adopted key policies, guidelines and frameworks, along with actions to manage our climate-related impacts and realize opportunities. These policies and actions are outlined below.

Our climate-related policies, guidelines and frameworks

Specific policies, guidelines and frameworks are in place and aim to manage climate-related impacts and the realization of opportunities within Asset Management.

The climate risk integration guidelines describe the approach toward integrating the physical and transition risks of climate change into the assessment of public market issuers and investment portfolios. The guidelines identify companies with elevated climate risks and set steps for assessment of the specific risks and mitigation actions, which are incorporated into investment decision-making. The scope of the framework covers listed equity and corporate bonds. The most senior level accountable for the implementation of the guidelines is the head of the Sustainable Investing team.

The net-zero alignment framework has been established to guide the internal classification and development of products and solutions meeting clients' needs for net-zero investing. The framework describes a range of methodologies for determining the net-zero ambition of investment products and covers investments in public equities and corporate bonds, sovereign bonds, direct real estate, direct infrastructure, carbon markets and private debt. In 2024, the framework was reviewed and updated to reflect further developments of industry guidance. The most senior level accountable for the implementation of the guidelines is the head of the Sustainable Investing team.

› **Refer to "Key policies and principles" in the "Appendix 1 – Governance" section of this report for details about the Group-wide policies, guidelines and frameworks**

Climate-related investing metrics

The table below provides metrics related to the investments of our Asset Management division. Investment-associated emissions are provided based on the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD) and are derived from the GHG emissions (scopes 1 and 2) attributed to the issuers and the positions within the investment portfolios we manage. The metrics are calculated for portfolios where emissions data is available and primarily covers our equity, fixed income and multi-asset portfolios, accounting for 48% of the total invested assets of Asset Management.

The design of the table has been changed from the one used for the UBS Group Sustainability Report 2023 with a view to simplifying the presentation of the metrics. It now includes three commonly used metrics for investment-associated emissions for Asset Management. Furthermore, it provides carbon intensity metrics for equity and fixed income asset classes.

Absolute carbon emissions increased year on year primarily due to inclusion of Credit Suisse portfolios and greater coverage for fixed income portfolios. Carbon intensity for Asset Management decreased as a result of an overall fall in carbon intensity across the equities asset class driven by increased equity market valuations, partially offset by a rise in the carbon intensity of fixed income.

Climate-related investing metrics – portfolio emissions (Asset Management)

	For the year ended	
	31.12.24	31.12.23
Asset Management Investment-associated carbon emissions:		
Carbon emissions (absolute in million metric tons of CO_2e)[1,2]	54.8	41.3
Carbon intensity (in metric tons of CO_2e per USD m invested)[1]	56.5	62
Carbon intensity (in metric tons of CO_2e per USD m of revenue)[1]	101.2	103.6
Equities Asset Class		
Carbon intensity (in metric tons of CO_2e per USD m invested)[1]	38.5	45.6
Carbon intensity (in metric tons of CO_2e per USD m revenue)[1]	90.4	101.5
Fixed income Asset Class		
Carbon intensity (in metric tons of CO_2e per USD m invested)[1]	108.3	84.2
Carbon intensity (in metric tons of CO_2e per USD m revenue)[1]	130.9	122.5

1 Based on data for scope 1 and 2 GHG emission of investee companies from a third-party data provider and positions held in investment portfolios. Note the scope of the portfolio emissions metrics reported for 2024 is Asset Management, and includes Credit Suisse portfolios which have migrated onto UBS platforms by the end of the year. This process is carried out in waves and will continue until the end of 2025 at a minimum. The scope of the metrics reported for 2023 is UBS AG Asset Management only and excludes Credit Suisse portfolios. 2 2023 absolute carbon emissions have been restated from 46.3 to 41.3 million metric tons of CO_2e.

Our key climate-related actions

Asset Management aims to manage its climate-related impacts and realize opportunities through the actions described below. These actions are only partially and indirectly connected to the investment-associated emissions we report for Asset Management and for the selected asset classes.

Action 1: Develop our platform of available climate-related strategies, products and solutions

Asset Management integrates considerations of climate change risks across a range of the products and solutions that it offers. From the viewpoint that climate change represents a financial risk across a broad range of investments, it assesses the potential scale of risks arising from transition and the risks associated with the effects of climate change on operating assets and supply chains. In 2024, Asset Management added further specific climate-related risk indicators into its proprietary ESG risk dashboard, generating a risk signal across several risk dimensions, including transition and physical risks. This makes it easier to identify investments where the risks are higher, assess how these risks are being managed and provide a forward-looking view that informs portfolio manager investment decisions.

Across our private markets business, there is a climate risk management process to identify, assess and potentially mitigate climate risks to improve the adaptation and / or resiliency of our portfolios to climate-change-related hazardous events and the transition to a net-zero world. This approach is embedded throughout the investment life cycle for underlying assets of portfolios, where relevant and possible. Assessment of transition risk using the IEA net-zero roadmap is applied to direct infrastructure investments. Standardized due diligence questionnaires are used in our multi-manager investment businesses (real estate, private equity and infrastructure) to understand climate risks at fund and asset levels, where possible. In addition, our Multi-Managers Real Estate business independently assesses physical risk and transition risk using the S&P Trucost and CRREM decarbonization pathways, respectively.

In addition, Asset Management offers specific products that address different aspects of climate change. Examples include strategies that invest in climate solutions, the energy transition, infrastructure debt and green real estate, and in indexed strategies.

In 2024, we expanded the number of portfolios that we offer with a net-zero alignment ambition in the equities and direct real estate asset classes.

The table below shows progress related to total assets with a net-zero ambition.

The increase in the value of assets with net-zero ambition was driven by an increase in the number of net-zero ambition portfolios and market performance. The classification of additional net-zero ambition portfolios resulted from newly launched portfolios, changes to existing portfolios and a refinement to the Asset Management's net-zero alignment framework to align with current industry standards and best market practice.

Climate-related investing metrics: Opportunities – net-zero investing (Asset Management)

	For the year ended	
	31.12.24	31.12.23
Assets with net-zero ambition (USD bn)[1]	64.4	35.5
Number of net-zero ambition portfolios[1]	49	35
Net-zero ambition assets share of total assets under management (%)[2]	3.6	2.9

1 Credit Suisse portfolios are in the process of being assessed in the context of the Asset Management's net-zero alignment framework to identify portfolios with a net-zero ambition and are therefore not reflected in the reported metrics. 2 For 2024, the total assets under management represent Asset Management including Credit Suisse. For 2023, the total assets under management represent UBS AG Asset Management excluding Credit Suisse.

› **Refer to the "Supporting Opportunities" section of this report for more information about examples of climate and / or transition products**

Action 2: Engage investee companies

Asset Management has had a dedicated climate engagement program focused on investee companies in place for over six years. This program is based on selecting companies that make a significant contribution to portfolio emissions across listed equity and corporate fixed income investment portfolios. This engagement is based on a set of expectations published on our website from which company specific engagement objectives are developed, supplemented with an evidenced-based research framework, along with sector-specific standards addressing governance, corporate transition plans and exposure to sector-specific decarbonization levers across business operations and the value chain.

In its private markets business, Asset Management's active ownership on climate change is integrated into the management of its funds and is implemented by all operational functions throughout the ownership cycle of an underlying project. This spans from development or acquisition to the ongoing asset management, renovation and maintenance, through to sale.

Action 3: Support clients' progress on their climate objectives

Asset Management recognizes that its approach to climate change investment is determined by clients' choices. Therefore, we aim to play a role in helping our clients to achieve their climate objectives, working collaboratively with them on climate risk management by providing information about best practices and approaches for portfolios with a net-zero ambition. This includes supporting climate-oriented portfolio construction through internal transition readiness assessment methodologies, transparency on climate-relevant data metrics and thought leadership.

In 2024, Asset Management supported clients in a variety of ways reflecting the specific needs of the clients involved. We created thought pieces and guidance for clients on climate change aspects of investing. We supported a client in meeting the need for decarbonizing the sovereign part of a portfolio. We also assisted a retail bank with developing a net-zero multi-asset offering for its client, along with methodology and building blocks for a fund-of-funds solution. A further example is our development of a net-zero ambition corporate bond fund for Swiss institutional clients. As a result, we have increased the shelf of products that we offer to clients with a climate-related perspective.

During the year, Asset Management published a Climate Aware report showing decarbonization path visualizations. It also published a series of insights on approaches to COP29, physical risks, battery power and natural capital, as well as an engagement for impact report, an IPE special report and a climate report that provided an overview of its commitment and actions to the energy transition.

Action 4: Provide employees with training, tools and information

Asset Management provides relevant training, tools and information to its employees to support clients in the transition to a low-carbon world. With the aim of enabling the alignment of the activities of Asset Management's employees to the division's sustainable investing goals, Asset Management delivered an ESG talk series and updated Group foundational sustainable investing training aimed at an Asset Management audience. It enhanced role-specific sustainable investing know-how by running the first Berkeley UBS external certification program. It also conducted regulatory learning sessions educating investment professionals on sustainable investing regulatory and greenwashing risks.

› **Refer to the "Supporting our climate approach: key enabling actions" section of this report for more information about our Group-wide training and culture activities**

Action 5: Engage with policymakers
Asset Management undertakes engagement with the industry and government with the aim of providing input to policy and regulation in the development of well-functioning markets.

With respect to climate change, Asset Management engages with key stakeholders such as national and international policymakers through industry forums, including the European Fund and Asset Management Association Stewardship, Market Integrity and ESG Investment Standing. In Switzerland, Asset Management is a member of Swiss Sustainable Finance and the Asset Management Association Switzerland Working Groups on Sustainable Finance, including a focus on developing the Swiss Climate Scores methodologies and the Swiss Stewardship Code.

› **Refer to the "Supporting our climate approach: key enabling actions" section of this report for more information about the Group's initiatives on industry, governments and public sector engagement**

Global Wealth Management
Global Wealth Management is a distributor of investment solutions, including those that focus on climate. We recognize that some investors may have decarbonization ambitions or an interest in investing in the transition to a low-carbon world, therefore we aim to provide a range of solutions for private investors and family offices to address their own decarbonization targets where possible. We may seek to do this through allocations to climate-related solutions in our discretionary mandates where relevant and available, and by curating climate investment options for advisory portfolios. The focus on providing a range of credible solutions is complemented by building investor awareness, driving solutions innovation across asset classes and strategies, and providing investors with the tools to understand their portfolios in a climate context. However, the available solutions, approaches and climate-related data and information will differ by region.

Our key climate-related actions

Action 1: Develop our platform of available climate-related strategies, products and solutions
Global Wealth Management aims to support climate change mitigation by providing options for private investors and family offices to address their own decarbonization objectives where possible. In 2024, Global Wealth Management continued to increase the number of investment solutions across asset classes and strategies to support clients' decarbonization objectives.

› **Refer to the "Supporting opportunities" section of this report for more information about our products and solutions**

Action 2: Support clients' progress on their climate objectives
We aim to support our clients in making progress on their climate objectives through education, investment research, and portfolio construction and transparency. Our investment specialists provide investment insights to clients and advisors on various climate-related and transition-investing topics, given the importance of climate change for capital markets and business models. This includes incorporating climate considerations into portfolios, setting portfolio decarbonization targets and building exposure to carbon markets.

In 2024, we continued to provide coverage of climate-related and broader sustainable investing topics in publications for private clients. Our Chief Investment Office identified three key sustainability themes for the year that encompass different areas of the transition to the low-carbon world: the industrial transition, sustainable infrastructure, and water and agriculture. Throughout the year, we provided a private investor perspective on investment opportunities tied to the transition. Our analysts covered a broad range of topics, including, but not limited to, longer-term investment themes (e.g. energy efficiency, the energy transition(s), smart mobility, the circular economy, and the blue economy), investments in renewable energy infrastructure, decarbonization of high-climate-impact sectors (e.g. cement, steel and shipping), climate risks and opportunities tied to artificial intelligence, implications for the transition from global election outcomes. We activated this content internally and externally through a variety of channels, including video content, social media campaigns and podcasts in collaboration with industry partners, as well as through our website.

We also continue to see a greater focus on climate transparency in select regions. Since the introduction of the Swiss Climate Scores in 2023, we have continued to inform advisors on this content and made reports published by Asset Management and third-party managers available through our platform. We also incorporated key environmental statistics into the after-sales materials for relevant investment modules we offer to our clients.

Action 3: Collaborate with third-party fund managers
We work closely with third-party fund managers on developing new sustainability and climate solutions, where relevant and as legal frameworks allow for it. We aim to identify relevant and compelling investment opportunities and credible tools and to support the launch of new solutions where such are possible and relevant for client portfolios. For example, in 2024, we co-designed and launched an energy transition infrastructure fund for clients interested in investing in transition-related real assets. We also host regular "innovation sessions" with managers on our platform to discuss market trends, development ideas and new strategies. These sessions include a focus on sustainability and transition.

We continue to believe that the transition to a low-carbon world requires an "all-of-the-above" approach, where investments in clean energy infrastructure and green technologies are complemented by effective and credible shareholder and bondholder engagement with heavy polluters on decarbonization. As such, we dedicate a portion of our discretionary portfolios to impactful engagement strategies, including those that invest in companies with the objective of engaging on decarbonization, and regularly collaborate with these managers on their impact measurement and reporting capabilities.

Action 4: Provide employees with training, tools and information

In growing our employees' capabilities around climate and the transition, we aim to provide them with the training, tools and information necessary to support our clients in navigating the transition to a low-carbon world. In Global Wealth Management, we continued the rollout of an education curriculum covering sustainability and sustainable investing topics in certain regions. This curriculum offered to advisors covered climate-relevant topics and considerations for investing around the transition.

› **Refer to the "Supporting our climate approach: key enabling actions" section of this report for more information about our Group-wide training and culture activities**

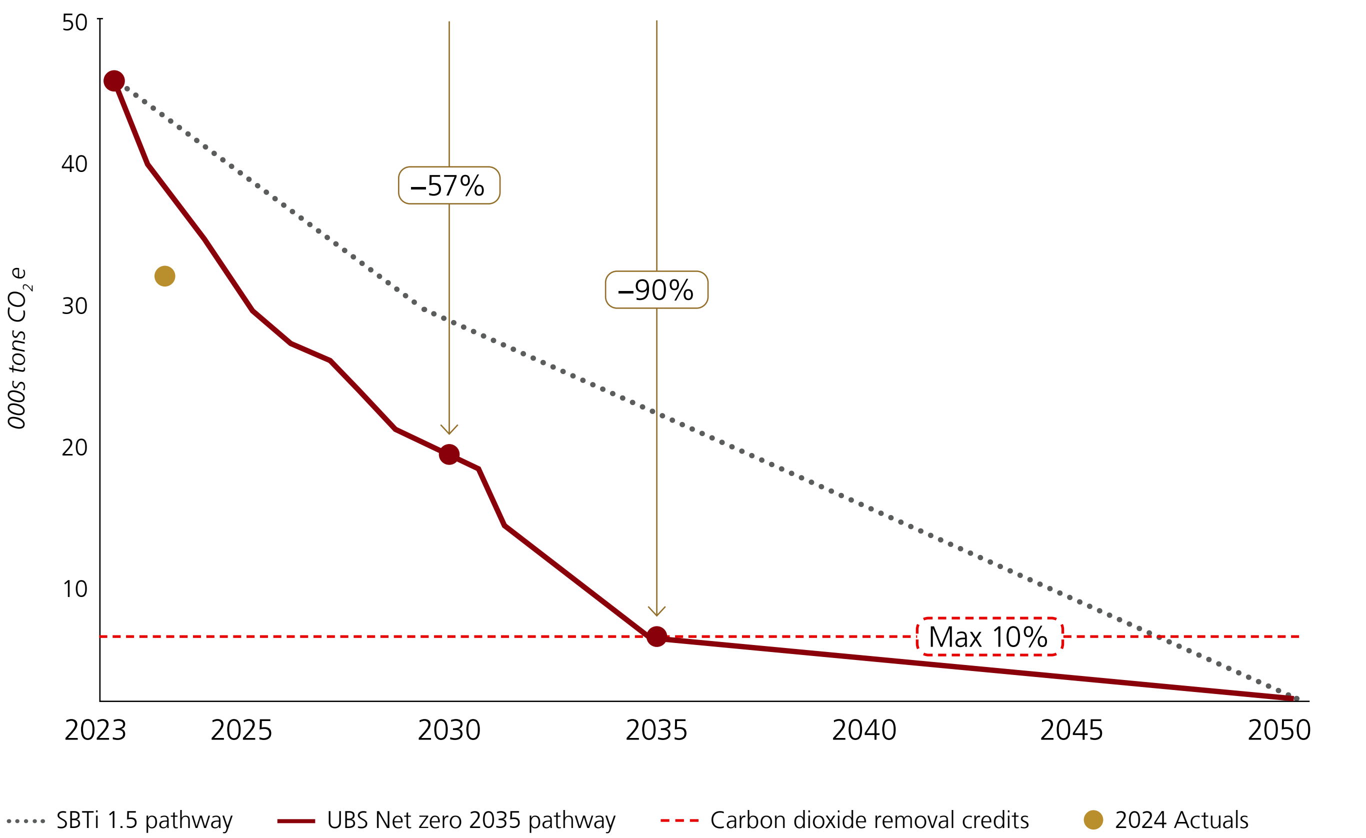
Reducing our own environmental impact

Reporting to the Head Group Human Resources and Corporate Services, Group Real Estate and Supply Chain (GRESC) has overall responsibility for managing environmental and climate-related impacts arising from our own operations and supply chain. GRESC partners with Group Operations and Technology Office (GOTO), who manages technology-related environmental impacts, from hardware and data centers. GRESC ensures that implementation, monitoring and improvement efforts comply with local legislation and adhere to the international environmental management standard ISO 14001 globally and the international energy management standard ISO 50001 in the EMEA region. GOTO drives the optimization of our technology within our data centers and the cloud, ensuring optimal efficiency measures across our energy-intensive assets while encouraging development practices that consider efficiency and reduce our overall environmental impact. To mitigate our climate-related impacts, we have defined a scope 1 and 2 emissions reduction target and actions to guide our transition toward net zero.

Our scope 1 and 2 net-zero target

We have replaced our original 2025 scope 1 and 2 target as disclosed in the UBS Group Sustainability Report 2023 with a new scope 1 and 2 net-zero target to be achieved by 2035 that is in line with net-zero guidelines. The new target reflects our enlarged corporate real estate portfolio following the acquisition of the Credit Suisse Group and considers the latest definition of a "net-zero target" in the Commission Delegated Regulation (EU) 2023/2772 (CSRD).[1] We aim to, at a minimum, reduce our emissions by 90% against our 2023 baseline of 46,278 metric tons of CO_2e before neutralizing any residual emissions through the purchase of carbon removal credits.

Decarbonization pathway modeling



Note: UBS Net zero pathway will be updated annually based on latest forecast information.

This target covers our scope 1 and market-based scope 2 emissions across all our global own operations. As part of the pathway toward 2035, we also defined a 2030 interim target to reduce our scope 1 and net scope 2 emissions by 57% against our 2023 baseline. This interim target does not include the use of any carbon removal credits.

› **Refer to the "Reducing our environmental footprint – additional information" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for details about our scope 1 and 2 emissions**

1 Definition of a net-zero target by the CSRD: Setting a net-zero target at the level of an undertaking aligned with meeting societal climate goals means: (i) achieving a scale of value chain emission reductions consistent with the abatement required to reach global net zero in 1.5°C pathways; and (ii) neutralizing the impact of any residual emissions (after approximately 90–95% of GHG emission reduction with the possibility of justified sectoral variations in line with a recognized sectoral pathway) by permanently removing an equivalent volume of CO_2.

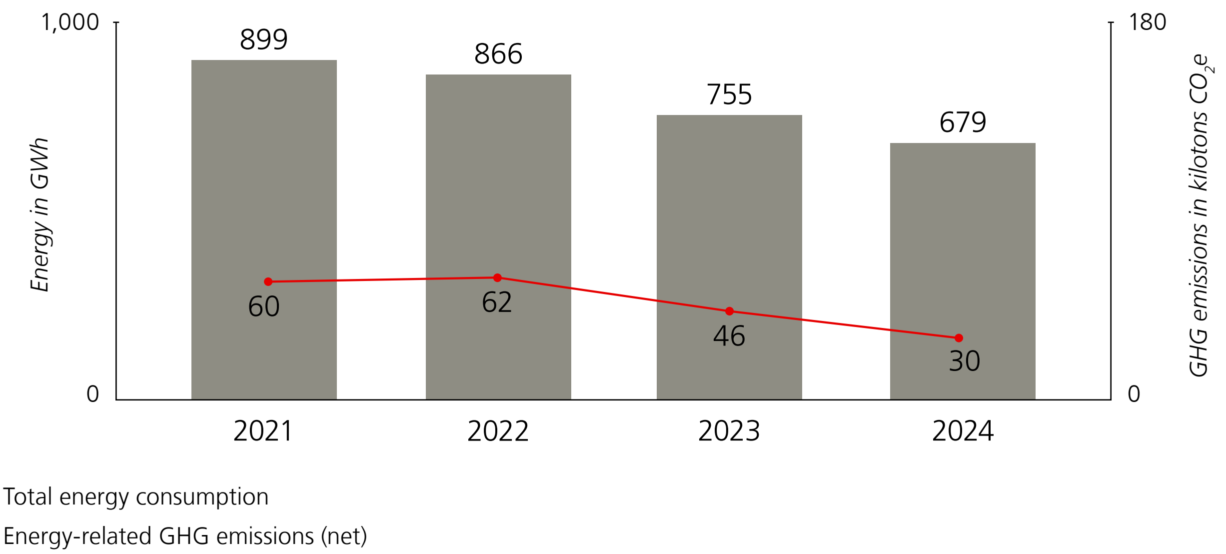
When developing the new scope 1 and 2 target, we reviewed sectoral net-zero pathways (e.g. real estate) but concluded that there was no sectoral pathway that reflected the structure of our operations. We have followed the latest guidance from the SBTi and use its Absolute Contraction Approach[1], limiting global warming to 1.5°C. Demonstrating our commitment to climate action, we have set a more ambitious target, aiming to achieve net zero by 2035, well ahead of 2050 – the deadline under the SBTi Absolute Contraction Approach.

For our own operations and the scope of our scope 1 and net scope 2 emission reduction targets, business growth and technological advancement may lead to changes in workforce numbers, impacting real estate- and service-related needs. The continued advancement of low-emission technologies for space heating and countries' net-zero targets will positively impact the target achievability. We recognize that the impact of such developments is difficult to quantify and therefore needs to be closely monitored. Projections of real estate demand changes will be factored into the annual model review to ensure early course correction if required. Another development that will impact target achievement is the availability of renewable electricity in line with RE100 requirements as global demand increases with production not necessarily following at the same pace.

In 2024, our scope 1 and net scope 2 emissions reduced by 35% against our baseline. This reduction was mainly driven by the consolidation of our real estate footprint and our increased coverage of renewable electricity.

Accompanying our scope 1 and 2 net-zero target, we also aim to reduce by 2030 our absolute energy consumption by 35% compared with our 2023 baseline. The ambition level of this energy reduction target was set through forecasting the expected energy usage reductions resulting from the implementation of the decarbonization levers and actions described below. In 2024, we achieved a 10% reduction in energy use compared with our baseline, driven by the consolidation and energy optimization of our real estate and data centers. Our energy reduction target also contributes to mitigating the risk of not being able to secure full coverage of renewable electricity.

Energy consumption and related greenhouse gas emissions UBS Group



We have also set a target of sourcing 100% renewable electricity from qualifying generation by 2026 in line with RE100 technical guidance, in markets where credible renewable electricity generation and tracking systems exist. This will cover our corporate real estate portfolio, including data centers. In 2024, 99.8% of the electricity we used across our global real estate portfolio was from renewable sources, with 30% of bundled electricity and 70% of unbundled electricity coming from such sources. Out of our total gross scope 2 emissions, 91% is covered by contractual instruments.

We have set 2023 as our baseline year for our scope 1 and 2 net-zero target and our energy reduction target. The updated baseline reflects material changes for the combined firm and an adjusted scope of our renewable-source electricity commitment to address markets with limited procurement availability of electricity from renewable sources in line with RE100. All three targets are led and managed by GRESC in collaboration with GOTO. We have actively engaged relevant stakeholders in the development of these targets by collecting strategic assessments from topic experts, regional representatives and real estate managers.

We aim, at a minimum, to review our targets every five years and, from 2030 onward, to update the base year and target values after every five-year period to ensure consistency with the most recent climate science and best practices. It is important to note that progress toward our targets may not be linear, with year-on-year volatility expected due to the nature of operational requirements and business development.

1 As per the SBTi Corporate Net-Zero Standard Criteria v1.2, March 2024.

As part of our global emission accounting to model our 2035 reduction target, we have also assessed the prevalence of locked-in emissions within the scope of our target. We own and control some buildings with significant on-site fossil fuel use (such as those heated with natural gas or oil) and are aiming to either replace such systems or move out of the real estate, wherever possible. For some locations, we are also dependent on municipal action to develop or decarbonize district heating systems, as electrification with the current infrastructure or location is not a viable alternative.

Decarbonization levers and key actions underpinning our own operations targets

To achieve our targets related to our own operations as outlined above and to manage our climate-related impacts in our own operations, we have identified key decarbonization levers and actions required in our real estate operations and service portfolio. The decarbonization levers are aggregated types of mitigation actions. Therefore, actions are structured by decarbonization lever.

Lever 1: Phase out fossil fuels and switch to greener alternatives (scope 1)

We have established a four-part action plan to phase out fossil fuels and implement greener alternatives in order to significantly reduce our associated scope 1 emissions. By deploying a series of targeted actions, we can transition to more sustainable practices and energy sources, ensuring a cleaner and more resilient future for our own operations.

Action 1: Phase out fossil-fuel-powered own vehicles

Across all regions, we plan to phase out our fossil-fuel-powered own vehicles by 2035. In markets where this is not feasible, we will pursue the best available industry options, such as hybrid vehicles, while continuing to seek greener alternatives. This will help us ensure compliance with emission standards and optimized operational efficiency while minimizing our carbon footprint.

Action 2: Switch to more sustainable fuel alternatives and battery replacements

In 2024, we developed high-level plans, which extend through 2035, to reduce and replace fossil fuels in critical engineering power systems. We will seek to replace those fuels with more sustainable alternatives, such as biofuels, hydrogenated vegetable oils and battery replacements.

We initiated a cross-regional market analysis of fuel alternatives in 2024, to be completed by 2025, to ensure appropriate replacements can be procured accordingly to meet our 2035 scope 1 and 2 net-zero target. The outcome of this market analysis will inform our further detailed planning.

Action 3: Eliminate usage of heating oils and natural gas

We aim to eliminate oil- and natural-gas-based heating systems within our own operations by 2035, in line with industry decarbonization efforts. We plan to achieve this by identifying and targeting real estate assets for electrification and switching to district heating to maximize the operational and cost efficiency of each asset's life cycle.

Action 4: Transition to low-GWP refrigerants

We have initiated the replacement of refrigerants with alternatives with lower global warming potential factors. We plan to complete this action across all regions by 2035.

Lever 2: Reduce our operational emissions (scope 2)

In parallel with reducing our scope 1 emissions, we are also focusing on reducing our operational emissions through strategic enhancements to our corporate real estate portfolio. By implementing three key actions, we plan to create more energy-efficient workspaces and real estate.

Action 1: Consolidate and optimize our corporate real estate portfolio

In collaboration with the individual business divisions, we will prioritize the selective exits from, and downsizing of, underutilized spaces in our real estate globally through 2035 and beyond. We also plan to optimize our corporate real estate portfolio's energy usage either via retrofitting (Action 2) or, in some cases, by relocating to more sustainable buildings. During 2024, we achieved a 52% reduction of our scope 2 market-based emissions across the consolidated portfolio against our 2023 baseline.

We are reducing energy consumption in our own data centers as a result of migrating to third-party co-location data centers and cloud providers where the power usage effectiveness ratio is substantially more efficient.

Action 2: Upgrade and retrofit our corporate real estate portfolio

To effectively address our real estate energy footprint, we intend to upgrade and retrofit our real estate portfolio and fit out in line with internationally recognized building standards, such as Leadership in Energy and Environmental Design (LEED) by the USGBC. We expect to improve and extend the existing energy management system within the EMEA region, with greater implementation of ISO 50001 to drive energy efficiency within our own operations.

In 2024, we achieved multiple green building certifications across our offices globally as part of our transition toward more sustainable real estate. In Switzerland, we are renovating the Paradeplatz 6 building in Zurich, with the aim of achieving LEED Platinum certification for the building by 2027. In Monaco, the refurbishment of our Villa Belgica building achieved the Building Research Establishment Environmental Assessment Method (BREEAM) Excellent rating. In West Kowloon, Hong Kong, our newest flagship office is on track to be completed by 2027. We are aiming for it to be the most sustainable office built for our Asia Pacific operations.

UBS locations	LEED Platinum	LEED Gold	LEED Silver	LEED certified
Switzerland	1	1		
EMEA	5	2		
Americas	5	23	5	4
Asia Pacific	11	9		

Action 3: Support the decarbonization of district heating and cooling systems
Although we recognize that we do not exert any direct operational control over external district heating and cooling systems, we plan to support their decarbonization in connection with our real estate consolidation strategy. To achieve this objective, we intend to establish an engagement plan for stakeholder management activities within the next few years, including fostering partnerships and exerting influence with stakeholders (e.g. local communities and utility companies) to promote the decarbonization of district heating systems.

Lever 3: Transition to renewable electricity generation (scope 2)
The uptake of renewable electricity generation is critical for supporting the transition to a low-carbon electricity market. Since 2020, we have been working on maximizing the use of renewable energy in our own operations globally. In accordance with our commitments, we want to source 100% of the electricity we use from renewable-source-qualifying generation by 2026 in line with RE100 technical guidance, in markets where it is feasible to do so.

We aim to leverage our position in the global electricity market to support the transition to a global low-carbon grid through the key actions listed below.

Action 1: Identify and implement opportunities for direct power purchase agreements
We will regularly review our real estate ownership and lease arrangements to identify substantial, long-term opportunities to source our electricity for these volumes directly from renewable electricity generators through power purchase agreements. This will support the build-out of new electricity generation plants and strengthen the chain of custody between the generation source and the end use of electricity, while decreasing the carbon content of the grid in the longer term.

Action 2: Improve the transparency of the chain of custody for renewable energy certificates
We will work with our key electricity suppliers to improve the transparency of the chain of custody for renewable energy certificates associated with the supply of electricity to our assets. We will ensure that existing products / electricity tariffs meet RE100 technical criteria and we will identify opportunities to support new products / tariffs that improve our compliance, driving a more competitive and RE100-aligned marketplace in the future.

Action 3: Build competitive renewable energy certificate supply solutions
In electricity markets where our volumes are not large enough to facilitate tariff negotiations, or where regulated markets restrict the electricity tariff options available to us, we will continue to purchase additional renewable energy certificates to meet our residual needs.

We will undertake competitive tendering for broker services and maintain those contracts through our corporate vendor management practices to ensure the renewable energy certificates we purchase remain aligned to evolving technical standards. We will also support renewable electricity generators where their products cannot be sold within local energy products / tariffs.

Action 4: Actively contribute to consultations on renewable electricity tracking systems in markets where infrastructure is not developed
In a few countries where we operate, the infrastructure to measure and track electricity volumes generated from renewable sources is either underdeveloped or non-existent, compromising the availability of renewable energy certificates in line with RE100 technical criteria. In these areas, we will be a strong advocate for the development of tracking infrastructure, participating in consultations to help change the market, with a view to extending our coverage of electricity from renewable sources into countries where renewable energy procurement is unfeasible.

Action 5: Assess and install on-site renewable generation of electricity at our owned assets
We regularly review our real estate ownership and lease arrangements to identify those assets where we expect to have long-term operational control and available infrastructure (e.g. roof space) that could facilitate the installation of on-site renewable generation of electricity. We will continue to make the necessary investments in on-site renewables where physically and economically feasible, ensuring we minimize our dependency on grid offerings and reducing the risk of unforeseen market developments that may compromise our ability to source renewable electricity tariffs or renewable electricity certificates.

Carbon removals and credits

We plan to purchase technological carbon removal credits to neutralize residual emissions for our 2035 scope 1 and 2 net-zero target. We estimate that we will eventually retire around 5,000 metric tons annually based on our existing contractual agreements for this purpose. In 2022, we signed two landmark partnerships with Climeworks and neustark to provide us with carbon removal credits. Both companies are pioneers in innovative carbon removal technologies. We were also among the five companies that joined the NextGen CDR Facility (NextGen) as founding buyers to scale up carbon removal technologies and catalyze the market for high-quality carbon removal. These partnerships continued in 2024.

Furthermore, since 2007, we have been committed to purchasing biogenic carbon reduction and removal credits that correspond to 100% of our air travel emissions for the Group. In 2024, we retired 75,211 credits from biogenic sinks for our voluntary air travel commitment, with an average "A" rating from third-party carbon ratings agency BeZero Carbon at the time of retirement.

We only purchase credits from technological and biogenic sinks that are assessed against the Integrity Council for the Voluntary Carbon Market (ICVCM) Core Carbon Principles and verified against either the Gold Standard or Verra, among other international standards. Our carbon credit purchases are strictly aligned to our internal Carbon and Environmental Markets Guideline, which sets out minimum requirements for such market instruments.

We acknowledge that standards and methodologies for carbon credits are still evolving. We will continue to improve our portfolio through market partnerships and industry engagement toward a standardized quality benchmark for the future.

› **Refer to "Key policies and principles" in the "Appendix 1 – Governance" section of this report for more information about our Carbon and Environmental Markets Guideline**

Carbon credits canceled (UBS Group)

	For the year ended
	31.12.24
Carbon credits canceled in reporting year (tCO_2e)	75,211

Internal carbon pricing

We continue to apply a forward-looking shadow price of USD 400 per metric ton, covering all our scope 1 and net scope 2 emissions, to incentivize the use of low-emission technologies in real estate projects. Through this shadow price, we also aim to incentivize the replacement of fossil-fuel heating systems, real estate relocation and fuel transition in critical engineering power systems. The price applied reflects the blended mix of permanent carbon removals that are required to neutralize any residual emissions that cannot otherwise be abated as part of our existing long-term contracts to purchase high-quality credits from technological sinks, as described in the section above.

GHG intensity per net revenue

Total revenues for the year end 2024, as disclosed in the UBS Group income statement, have been used as equivalent to net revenues for the purpose of calculating the GHG intensity per net revenue.

The total GHG emissions (location- and market-based) exclude scope 3, category 15.

GHG intensity per net revenue (UBS Group)

	For the year ended	
	31.12.24	31.12.23
Total GHG emissions (location-based) per net revenue (t CO_2e / USD m)	24.61	37.38
Total GHG emissions (market-based) per net revenue (t CO_2e / USD m)	22.13	34.31

Our environmental targets and performance in our own operations

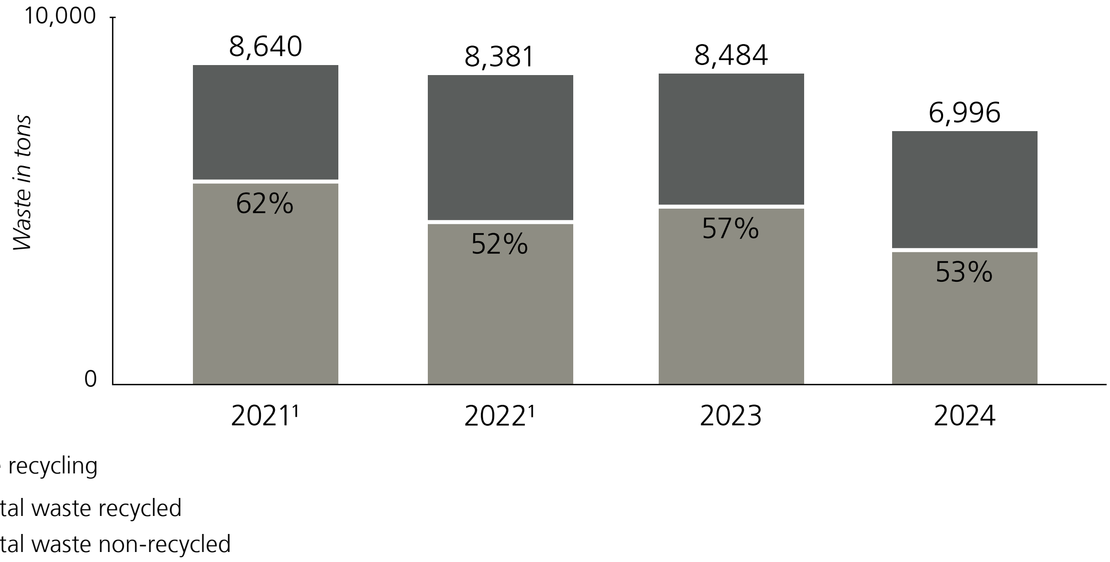
Environmental performance and key focus areas

We also work toward minimizing our own operational footprint across key environmental focus areas and supporting our employees, suppliers and clients to do the same. We have identified the following key environmental focus areas beyond climate: waste, paper and water; travel; and biodiversity.

Waste, paper and water

In 2024, we reduced our landfill waste by 7.8% compared with 2023, resulting in a global decrease of approximately 148.7 metric tons. In 2021, we published a global target that reflected our aim to reach zero waste to landfill by 2025 in locations where we have influence. After conducting local market research and exploring pilots in each region for the implementation of zero waste to landfill, we have concluded that it is not operationally feasible for us to reach this target. It will therefore be retired. We continue to measure our waste-to-landfill tonnage and aim to explore options to set a target that is more in line with market and operational reality. Our ISO 14001 environmental management program and additional contract spot checks ensure that our waste management partners operate in accordance with contractual and legislative obligations. Globally, our total waste volume decreased significantly in 2024 compared with 2023. We will continue to raise employee awareness to further increase the portion of recycled waste.

Waste and related waste streams UBS Group



1 2021 and 2022 pro-forma include former Credit Suisse data.

Paper consumption per full-time employee decreased by 22.4% in 2024 compared with 2023, reflecting the impact of increasing digitalization across the firm, awareness campaigns aimed at our employees, some restrictions on internal printing and our ongoing efforts to reduce the number of printers in our offices. While the total paper consumption decreased significantly, the share of sustainable paper in the remaining volume decreased compared with 2023. Of the total amount of paper used (printing paper and paper products), 49.9% was either sourced as recycled or was certified by the Forest Stewardship Council or an equivalent body. These measures help reduce the environmental impacts associated with paper production and manufacturing processes, such as deforestation and energy usage. We will continue to work with our vendors to increase the share of evidenced sustainable paper and paper products in the course of the coming year.

To enhance water efficiency in our facilities, we have expanded our office environmental programs. For example, we monitor water use and optimize flushing times and overflow management. Our water usage increased by only 1.7% in 2024 compared with 2023, despite the higher levels of staff working in our offices.

Travel

In 2024, we saw an increase in business travel. Our travel volumes (358m Pkm) for the combined organization following the integration of Credit Suisse are substantially below the UBS-only pre-pandemic levels of 2019 (459m Pkm). We remain committed to putting sustainability at the heart of our business travel program. Reflecting this commitment, we have focused our efforts on three key areas:

- strengthening our reporting with the enhanced carbon intensity metrics, thereby providing comprehensive insights into travel-related emissions, both before and after trips, to measure and manage our travel footprint;
- updating our travel policy to encourage employees to opt for eco-friendly transportation options whenever possible, and strengthening our partnerships with hotels that have embraced sustainable practices, marking them prominently with green flags at the point of sale to help our staff make informed and conscious choices; and
- continuing to purchase high-quality carbon offsets that correspond to 100% of our air travel emissions for the Group.

Biodiversity

We have taken steps to increase biodiversity across our offices and raise awareness among our staff. For example, we have installed green roofs at selected office locations, combined with employee volunteering activities, such as Clean-Up Day and a program to highlight the critical role that bees play in our natural ecosystem, which all served to shine a spotlight on the critical role of biodiversity.

Our reporting on environmental targets and indicators in our own operations

The information about our environmental targets and indicators is included in our yearly GHG emissions report, which is prepared in accordance with the ISO 14064 1:2018 standard. This report is subject to yearly external verification in accordance with the ISAE 3410 standard and considering the ISO 14064 3:2019 standard.

We have successfully passed the ISO 14001 audits every year since implementation, including 2024. In the EU and the UK, our activities (excluding legacy Credit Suisse locations) are certified according to the ISO 50001:2018 energy management system standard. These sets of extensive audit standards ensure the appropriate policies and processes are in place, both for the management of environmental and energy topics within our own operations and for affirming their daily implementation.

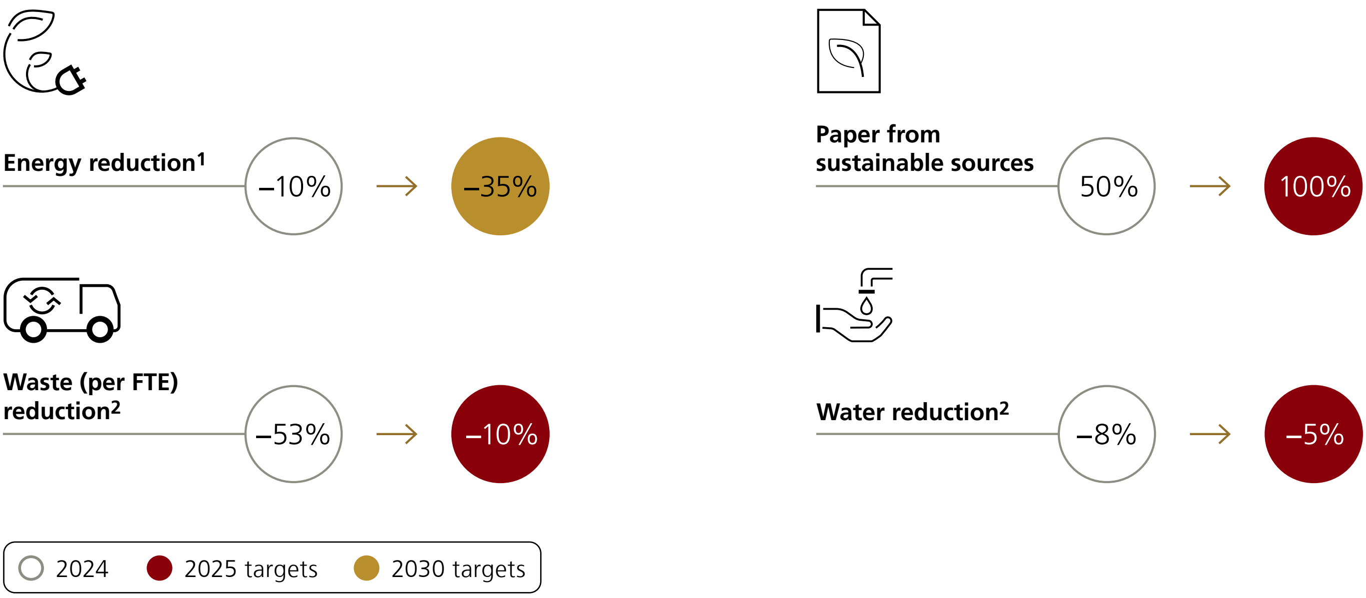
Environmental targets and performance in own operations[1]

		Actuals (for the year ended)			Targets			Progress (2024 vs baseline)		
	GRI[2]	31.12.24	31.12.23	31.12.22	2025	2030	2035	Baseline	% change	Status[7]
Scope 1 and net scope 2 greenhouse gas emissions in t CO_2e (reduction target in %)	305-1, 305-2	30,274	46,278	61,627		(57%)	(90%)	46,278[3]	(35%)	green
Energy consumption in GWh (reduction target in %)	302-1-e	679	755	866		(35%)		755[3]	(10%)	green
Share of renewable electricity	302-1	99.8%	95.6%	91.1%		100%	100%	76.6%[4]	30%	green
Paper consumption in kg per FTE (reduction target in %)[5]	301-1-a	21.5	27.7	26.9	(50%)			54.9[4]	(61%)	green
Share of sustainable paper (recycled and FSC)	301-1-a-ii	49.9%	71.5%	52.7%	100%			63.2%[4]	(21%)	amber
Waste in kg per FTE (reduction target in %)[5]	306-3	62.7	69.8	66.3	(10%)			133.5[4]	(53%)	green
Zero Waste to Landfill[6]	306-5-c-iii	24.8%	22.2%	30.5%	0%			31.6%[4]	(22%)	amber
Waste recycling ratio	306-4	52.9%	57.4%	52.2%	60%			50.2%[4]	5%	amber
Water consumption in m m^3 (reduction target in %)	303-5	1.23	1.21	1.04	(5%)			1.33[4]	(8%)	green

Legend: CO_2e = CO_2 equivalents; FTE = full-time employee; GWh = giga watt hour; km = kilometer; kg = kilogram; m m^3 = million cubic meter; t = metric ton

1 Refer to the "Environment" section of the Supplement to the UBS Group Sustainability Report 2024, available at ubs.com/sustainability-reporting, for detailed information about our environmental indicators. Reporting period 1 January - 31 December. 2 Reference to GRI Sustainability Reporting Standards (see also www.globalreporting.org). 3 Baseline year 2023 4 Baseline year 2019 5 FTEs are calculated on an average basis including contractors 6 In locations where UBS has influence and where alternatives are available. This is the last time we are reporting against this target as it is being retired. See details in section 'Waste, paper and water' 7 Green: on track; Amber: improvements required

Environmental performance and targets



1 Reduction target relates to 2023 baseline. 2 Reduction target relates to 2019 baseline.

Sustainable Technology Guild

The Sustainable Technology Guild continues to raise awareness of sustainable software development among our technology teams that will have a positive environmental impact through the optimization of technology energy use. It is actively developing measurement solutions for the applications hosted in our data centers and those in the public cloud. The primary focus of the Guild continues to be minimizing the energy consumption of our technology estate and the introduction of green software engineering practices.

Managing the environmental impact of our supply chain

Our key climate-related actions

Increased transparency and reporting of climate information by vendors

We are tracking the scope 1 and 2 emissions reporting of our GHG key vendors. Vendors that collectively account for more than 50% of our calculated scope 3, category 1, 2, 4 and 9 emissions are classified as "GHG key vendors." On this basis, we identified 95 GHG key vendors.[1]

Overview of climate-related disclosures of our GHG key vendors (UBS Group)

	2022[2]	2023	2024
GHG key vendors that disclosed emissions and declared in CDP a stated net-zero target[1]	49% (41 / 83)	65% (62 / 95)	78% (74 / 95)

1 Shows GHG key vendors that disclosed emissions and declared in CDP a stated net-zero target versus GHG key vendors that did not disclose emissions and / or did not declare in CDP a stated net-zero target. We do not independently verify our vendors' goals or progress toward them. 2 2022 numbers are based on 83 GHG key vendors identified at that time and did not include Credit Suisse vendors. We have since revised and updated the list of GHG key vendors from 83 to 95 in 2023 to include Credit Suisse vendors. Numbers have, therefore, been tracked against 95 vendors from 2023 onward.

In 2024, 70% (341 out of 487) completed voluntarily climate disclosures on the non-profit, third-party platform run by CDP. Though this is the same as the percentage achieved in 2023 (307 out of 440), the absolute number of vendors completing their disclosures increased 11% from 307 in 2023 to 341 in 2024.

Raising awareness on environmental matters through the sustainable procurement guide

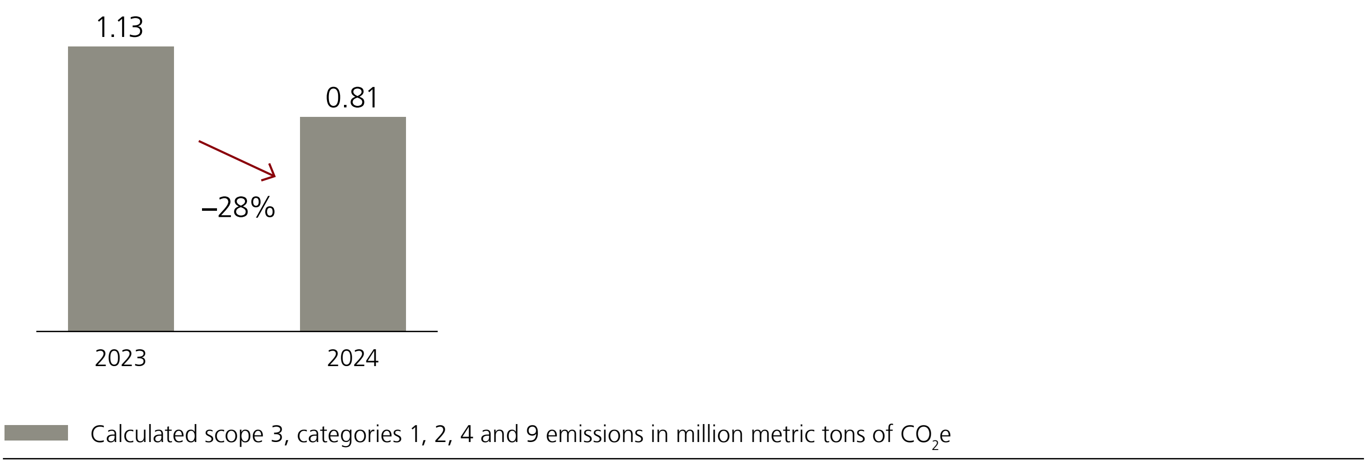
In 2024, we curated a sustainable procurement guide to support vendors. From environmental certification to waste management and sustainability reporting, this guide provides insights on how our vendors can take significant steps toward reducing their environmental footprint, promoting ethical and inclusive practices in their supply chain and contributing to the well-being of ecosystems.

› **Refer to our climate disclosure guideline for vendors and our sustainable procurement guide for vendors, available at *ubs.com/suppliers*, for more information**

Reduce supply-chain-related carbon emissions

We reduced our scope 3, category 1, 2, 4 and 9 emissions by 28% to 0.81 million metric tons of CO_2e in 2024 from 1.13 million metric tons of CO_2e in 2023. This reduction was achieved through a combination of: (i) spend reduction; (ii) carbon reduction initiatives; (iii) closure of vendor facility offshore development centers (ODCs); (iv) updated emissions factors (including updated multi-regional input / output emission factors per industry, updated and higher number of supplier-specific emission factors used (where disclosed and verified) and, for cloud, activity-based emissions data used); and (v) improved data quality and refinement of calculation methodology. Our focus is to reduce our emissions further by identifying and implementing multi-year carbon reduction initiatives.

Supply-chain-related carbon emissions



1 Unique vendors in line with UBS's vendor inventory. In 2023, we have revised and updated the list of GHG key vendors from 83 to 95 to include Credit Suisse vendors.

Managing our supply chain responsibly

Through our Responsible Supply Chain Management (RSCM) policy, we include ESG standards in our sourcing and procurement activities.

Identifying, assessing and monitoring high-impact vendors

In 2024, 100% of new vendors were screened for environmental and social risks. In 2023, the same screening process was conducted for 100% of new vendors. In addition, we identify high-ESG-impact vendors when establishing new contracts or renewals based on whether the vendors are providing goods and services that could either have a substantial environmental and social impact or be sourced in markets with potentially high social or governance risks. Such high-impact vendors are assessed against our RSCM policy. These vendors are required to provide disclosures about their management practices along with corresponding evidence, which is evaluated by a specialist team. Actual and potential negative impacts considered in the assessment of vendor practices include, but are not limited to, the following:

– adverse environmental impacts due to inefficient use of resources (e.g. water and energy), poor environmental practices and emissions during the life cycle of a product;
– hazardous substances, emissions, pollutants and the limited recyclability of products that adversely affect people, nature and the environment;
– modern slavery, forced labor or child labor;
– unfair employment practices, such as low wages, excessive overtime and the absence of occupational health and safety measures;
– anti-corruption; and
– insufficient management of subcontractors and suppliers regarding sustainability aspects.

Should our assessment reveal any non-compliance with our policy, we define and agree, together with the vendor, on vendor-specific improvement measures and we closely monitor the implementation progress of these remediation actions. A lack of improvement may lead to the termination of the vendor relationship. Vendors are reassessed after 24 months to ensure that, even in long-term contracts, our expectations regarding environmental and social aspects are being met and continuously supervised. We also regularly screen active vendors as part of our sustainability and climate risk control processes.

All high-impact vendors go through assessments against our RSCM policy. We also undertake assessments on some non-high-impact vendors where we have significant ongoing relationships. In 2024, we carried out risk-based due diligence assessments of 445 vendors of newly sourced contracts, renewals and ongoing contracts (versus 266 UBS vendors in 2023 and 15 Credit Suisse vendors). If a high-impact vendor does not provide appropriate evidence in line with our expectations, that will result in corrective action needing to be taken by the supplier to implement a policy and / or process for the non-compliant requirement within 12 to 18 months.

To drive positive change in our supply chain, we also require our vendors to improve their management practices in line with our sustainability goals and industry best practices. Of the vendors assessed, 33% were considered in need of improving their management practices (versus 42% in 2023). Specific remediation actions were agreed upon and implementation progress is being closely monitored. We have increased our overall RSCM assessment coverage of vendors by spend to 51% in 2024 from 20% in 2023. Contracts in high-risk countries include specific contractual requirements relating to environmental management, human rights and labor rights. If we were to become aware of a case of modern slavery or human trafficking occurring within our direct supply chain, we would address it through our governance processes. Depending on the severity of the case, or if satisfactory remediation were not possible, the supplier relationship could be terminated.

In 2024, none of our vendor relationships were terminated as a result of our assessments and no human rights issues involving active, directly contracted vendors were identified or reported. In part, this was due to having carried out our assessment process prior to signing contracts. We have also trained our supply chain function staff on human rights and modern slavery.

Embedding supplier sustainability in our everyday activities

The goods and services we buy, and where and whom we buy them from, are all crucial elements of our sustainability impact. We are committed to making a positive environmental and social impact, and we expect the same from our suppliers. Our Global Procurement and Vendor Management Policy and Guidance considers the ESG impacts of products and / or services when selecting a vendor. In 2024, this policy was extended to also cover Credit Suisse and is being applied to Credit Suisse legacy vendors as well.

In 2024, we trained our vendor relationship managers on ESG to enable them to have impactful discussions on ESG performance with their vendors. As an example, in 2024, we noted an improved year-on-year CDP rating for one of the IT service providers that we have been engaged with over the last few years. The improvement in its ESG performance is a significant milestone that underscores the positive influence of our partnership.

We expect our suppliers to uphold high standards of ethics, mitigate risks and honor global and local labor laws, human rights and environmental responsibilities. Suppliers are required to follow our global supplier policies, which include a policy on anti-bribery and corruption, sanctions, fraud and anti-facilitation of tax evasion.

Inclusive growth in the supply chain

In 2024, we continued our efforts globally to support inclusive growth by using diverse suppliers that are often underrepresented in supplying the needs of major corporations. These are firms certified / recognized by a local / national government authority or advocacy organization, including, but not limited to, those certified as women-owned; minority-owned, including location-specific qualifications such as aboriginal-owned in Canada and indigenous-owned in Australia; veteran-owned, including ownership by service-disabled veterans; persons-with-disabilities-owned; LGBTQ+-owned; disadvantaged-owned, including historically underutilized businesses; and small business enterprises, as defined and recognized by their respective national or state government criteria.

We identify and include diverse vendors as part of our "rule of one" guidance which aims to include at least one diverse supplier in every competitive tender. The "rule of one" guidance does not give a diverse supplier an added advantage in the competitive tender, but provides an opportunity for a diverse supplier to participate in the tendering event. The success of the diverse supplier's bid is based on their own competitive merits with respect to cost, quality and sustainability, without further consideration of the diversity of the supplier. Globally, our diverse spend accounts for 9% of third-party spend, up from 8.5% in 2023. The share of diverse spend has increased despite a significant reduction in overall third-party spend from 2023 to 2024.

› **Refer to *ubs.com/suppliers,* for more information about how we work with our suppliers, including our Responsible Supply Chain Management policy, our Supplier Diversity focus and our Supplier Code of Conduct**

› **Refer to our "Global Supplier Policies," available at *ubs.com/global/en/our-firm/suppliers/contracting-standards.html,* for more information about our standard contractual terms with suppliers**

Supporting our climate approach: key enabling actions

Beyond the individual actions related to supporting our clients' low-carbon transition and reducing the environmental impact of our own operations and supply chain as described in the above sections, we have identified five key enabling actions as listed below to support the implementation of our climate approach and "enable" the implementation of more specific targets and actions.

Governance and accountabilities (1)

Our sustainability- and climate-related activities are overseen at the highest level of our organization, and we have a clearly defined Group-wide sustainability governance in place, including a dedicated climate program.

› **Refer to the "Governance" section of this report for more information about our sustainability governance**

Industry, government and public sector engagement (2)

We actively participate in political discussions to share our expertise on proposed regulatory and supervisory changes and engage in trade associations' exchanges relating to sustainability and climate (e.g. via the International Institute of Finance, the Association for Financial Markets in Europe and the Swiss Bankers Association). In Switzerland, where we are headquartered, we participated in the consultation for a new Swiss Financial Market Supervisory Authority (FINMA) circular on nature-related financial risks in 2024, where we expressed our support for an approach that is aligned with the Basel Committee on Banking Supervision (BCBS) Principles for the effective management and supervision of climate-related financial risks. Furthermore, we launched the Swiss Climate Scores, as we believe they are a key instrument for further increasing transparency on the climate alignment of financial products. On a regional basis, we engage with policy makers in the EU, the UK, the Americas and key Asia Pacific jurisdictions. In particular, we have participated in several industry association efforts in the EU regarding consultations issued by prudential regulators (e.g. the European Banking Authority draft guidelines for the identification and management of ESG risks under the Capital Requirements Directive).

Training and culture (3)

Educating our workforce on sustainability and sustainable finance is an important part of ensuring we meet our sustainability and climate ambitions. In 2024, we continued to coordinate the delivery of sustainability training and awareness activities across UBS through a dedicated sustainability education workstream, with the number of headcount instances of specialized and awareness training totaling 430,405. For example, the Sustainability and climate risk unit trained relevant staff on sustainability and climate risks along with emerging risks such as greenwashing.

Elsewhere, in 2024, we provided a variety of climate-related trainings on a Group-wide basis. These included:
- a series of information sessions following the publication of our UBS Sustainability Report 2023 to raise awareness and understanding of our own progress in relation to our climate objectives; and
- climate-related training as part of our all-staff Global Learning Week initiative, including webinars focused on net-zero fundamentals, nature, greenwashing and impact accounting.

We expect sustainability training and education to become an increasing focus for regulators in the coming years. We keep abreast of this changing landscape through regular updates with our regulatory monitoring teams and continue developing climate- and net-zero-specific training for employees and the Board of Directors.

› **Refer to the "People and culture make the difference" section of this report for more information about training and culture**

Data and analytics (4)

We implemented various data and analytics solutions to better service our clients and operations.

As part of the efforts to integrate Credit Suisse, we needed to develop a foundational toolset for calculating, monitoring and reporting the combined firms' climate-related metrics covering financing corporate loans and facilitated emissions. In 2023, we successfully completed the related building activity and met all the quality assurance criteria set by our internal control functions.

In 2024, we worked on defining a more strategic and scalable toolset. Guided by our technology and ESG data strategy, we developed a fully Cloud-based toolset, which will be operational in 2025. The new toolset will enable us to enhance and more frequently calculate, monitor and report our climate-related metrics. This will allow our business divisions to make more informed decisions on their decarbonization pathways and transition financing activities, and facilitate tracking of progress against our lending sector decarbonization targets.

The new toolset will also enable us to more effectively implement changes related to new climate-related standards, methodologies and metrics.

Company Transition Assessment Scorecard (5)

In 2024, we introduced the Company Transition Assessment Scorecard (CTAS) to evaluate how advanced a company is on its path to decarbonization. The CTAS was designed with multiple future purposes in mind, including managing climate transition risks, supporting clients' climate transition efforts through engagement and product development and business planning.

The CTAS categorizes companies into one of eight climate transition readiness categories using a rules-based approach. This approach is based on sector-agnostic criteria covering emissions disclosure, decarbonization commitments and targets, decarbonization plans, and the actual carbon performance of the company.

Initially, and in response to regulatory requirements, the CTAS is used as an input for our Climate Risk Rating Models (CRRM), in particular the transition risk rating model. This model assigns a climate transition risk rating at the counterparty level, which is then used across various processes across: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting and disclosure. Although a company's CTAS score, when available, serves as an input into the CCRM and the credit selection process, it is not used as the sole criterion for credit application decisions.

Companies are categorized by utilizing publicly available data from external third-party sources, which means it is limited to public companies providing relevant disclosures. The CTAS will be annually reviewed and updated. The scope of the CTAS may be broadened in the future by incorporating additional databases or making enhancements that enable the inclusion of companies lacking public data.

Overview

Module	Factor	Unaware	Aware	Strategic 1 – Committed to aligning	Strategic 2 – Aligning toward net zero	Strategic 3 – Aligned targets and plans	Aligned to net zero	Achieving net zero	Climate solution
Emissions disclosure	Disclosure of GHG emissions		✓	✓	✓	✓	✓	✓	✓
Commitments and targets	Long-term net-zero commitment			✓	✓	✓	✓	✓	
	Medium- / short-term net-zero targets				✓	✓	✓	✓	
	Net-zero commitment recognized by third party					✓	✓	✓	
	Interim targets validated by third party					✓	✓	✓	
Decarbonization plan	High-level plan				✓	✓	✓	✓	
	Credible plan					✓	✓	✓	
Carbon performance	Carbon performance in line with pathway						✓	✓	
	Carbon performance at (or close to) net zero							✓	

Note that the categories from "Unaware" to "Achieving net zero" reflect a company's progress toward reducing its negative impact on the environment. On the other hand, the category "Climate solution" is an overarching category that goes beyond this and includes companies enabling the transition through their business model by generating green revenues and aligning their capital expenditures accordingly.

› **Refer to the "Managing sustainability and climate risks" section of this report for more information about how we manage financial and non-financial climate transition risk**

Supporting our approach to climate – climate-related materiality assessment

Methodology for assessing climate opportunities

Supporting the global economy's transition to net zero by 2050 will require vast amounts of investment. Banks can help to effectively and efficiently allocate the capital necessary for the transition, which in turn creates opportunities for the banking sector and its client base. Estimates of the overall opportunity vary, but the United Nations Framework Convention on Climate Change (the UNFCCC) suggests the global transformation to a low-carbon economy is expected to require investment of at least USD 4trn to USD 6trn per year.[1]

To assess the opportunities that are specifically relevant to UBS, we evaluate a range of potentially relevant climate-related categories, encompassing commercial products and services, social finance, resource efficiency and energy consumption, operational resilience and green funding. Our assessment has been performed annually since 2021.

Our current methodology follows a two-step approach: i) identifying relevant opportunities; and ii) assessing their relative materiality for the Group over the short, medium, and longer terms. It is important to note that sustainability overall, and climate specifically, are continuously evolving topics, for example in terms of applicable political and regulatory frameworks, as well as client and market dynamics, which means our annual assessment always represents a point-in-time analysis and needs to undergo continual challenging and review, so that it consistently provides an accurate representation of our opportunity space on climate.

We have identified individual opportunities across four distinct areas of our business.

Commercial products and services

Identifying commercially relevant, climate-related business opportunities starts with the sustainable finance ambitions annually set by our business divisions (Non-core and Legacy excepted). The link to our ambitions ensures that relevant opportunities are systematically screened and selected. We identify business opportunities that can be realized through our existing or new climate-related products and services.

Individual climate-related products and services are organized into six categories, broken down into 11 sub-categories. A survey-based, qualitative materiality assessment[2] is performed at the sub-category level by an internal panel of sustainable finance experts. The expert panel assesses the expected relative materiality of the individual sub-categories, along with the time horizon over which these are expected to start contributing to UBS's business outcomes. Materiality here is interpreted in terms of three equally weighted dimensions: i) revenue potential; ii) strategic relevance; and iii) impact on the environment and stakeholders ("double materiality"). The scores are subsequently aggregated into UBS Group-level values for each of the product categories.

The assessment is done in a qualitative manner based on expert judgment in order to take account of the inherent difficulties involved in making more precise and / or quantified assessments of future commercial developments. This applies particularly in an area such as climate, where regulatory and policy frameworks, and market conventions and industry trends, are still subject to considerable change and evolution.

The following commercial categories of products and services were included in our assessment:

Climate-related investment products

These products include, for example, our net-zero-ambition, climate-aware, climate-transition, low-carbon and Paris-Agreement-aligned portfolios, carbon-referencing structured products and dedicated climate-focused investment modules. We also see opportunities within real estate and private market investment strategies related to climate mitigation, such as batteries and cold storage or energy-efficient properties.

Carbon-related financial services and products

This includes helping clients in different business lines identify and assess opportunities related to carbon credits (in both compliance and voluntary markets).

Climate-related financing products and solutions

These include green balance sheet lending to corporate and private clients, structuring and underwriting green bonds for corporate and sovereign issuers, and supporting and financing innovative climate start-ups, along with green infrastructure finance (e.g. renewable energy).

Advice on strategic climate opportunities

This includes corporate advisory work incorporating climate factors, for example in valuation and analysis, and, more specifically, advising on transactions where climate considerations are clearly identifiable as part of the transaction rationale from the point of view of either an acquirer or a target company.

1 Based on information from the UNFCCC, see https://unfccc.int/sites/default/files/resource/cma2022_L21_revised_adv.pdf.
2 To guide this assessment, we have used the definition for materiality as provided by the Global Reporting Initiative (the GRI).

Thematic research

This includes in-depth climate-related research and thought leadership work, looking across and delving into relevant developments for the transition to a low-carbon economy, including at a sectoral level, and links to the financial industry, financial markets and scientific research. In a highly dynamic field, climate-related research plays a key role in keeping our clients and ourselves abreast of key trends.

Data analytics and metrics

These include data-driven analytical tools available in various business lines, which are being continually developed and further refined to cover relevant sustainability- and climate-related aspects in greater depth and breadth. Examples of their application include the portfolio management process, quantitative modeling, climate exposure analytics within client reporting and data-powered strategic insights work. We also have a range of tools and calculators focusing on aspects such as emissions, renovations or subsidies, which support our clients' decision-making on their decarbonization journey.

Platforms

These include innovative platform solutions enabling clients to gain access to climate-related products such as green mortgages and, in future, voluntary carbon credits. Such platform solutions enable UBS to scale up and achieve an impact going beyond some of our own operational limitations (e.g. our balance sheet, geographical reach or product range).

Social Impact

In addition to our commercial offering, our clients have access to solutions that help them to realize their philanthropy goals, including climate-related ones. Through our Philanthropy Services teams within Social Impact, we provide grants and social finance investments for climate-related projects within the environment and climate portfolio of the UBS Optimus network of foundations. Its environmental and climate strategy focuses on two pillars, "Sustainable Land Use" and "Coastal and Marine Ecosystems," and helps clients to identify and select potential opportunities, with an emphasis on supporting development and increasing financing for climate mitigation, resilience and biodiversity enhancement using nature-based solutions. Our program directors for climate and environment assess and select these opportunities in terms of their fit with the UBS Optimus network of foundations' climate and environment strategy, the quality of the organization's team and track record, and the potential for scale, and also for their expected results in key impact areas, including work on climate change mitigation, adaptation and enhancing biodiversity. They are then reviewed and approved by a senior-level approval committee. Experts from our Philanthropy Services and the UBS Optimus network of foundations teams provide a summary assessment of the materiality of this portfolio of projects, which is then included in the overall assessment.

Our philanthropy opportunities are assessed for materiality and have scores assigned across the two dimensions of mitigation and adaptation by experts from Social Impact. While we consider these opportunities relevant for our assessment and for UBS as an organization, they do not carry direct revenue potential. Within the materiality score, we rate the revenue potential as zero, distinguishing philanthropic opportunities from the commercially relevant opportunities. By definition, philanthropy opportunities always have a lower score than commercial opportunities, from a financial relevance perspective.

Own operations

We are committed to reducing our operational impact on the environment and have set clear reduction targets for our use of resources, as well as formulating ambitious net-zero commitments. Experts from our Group Corporate Services team, responsible for managing our operational footprint, have assessed the materiality of opportunities arising from efforts in this area. These opportunities can be grouped into three distinct categories: resilience, energy consumption and resource efficiency.

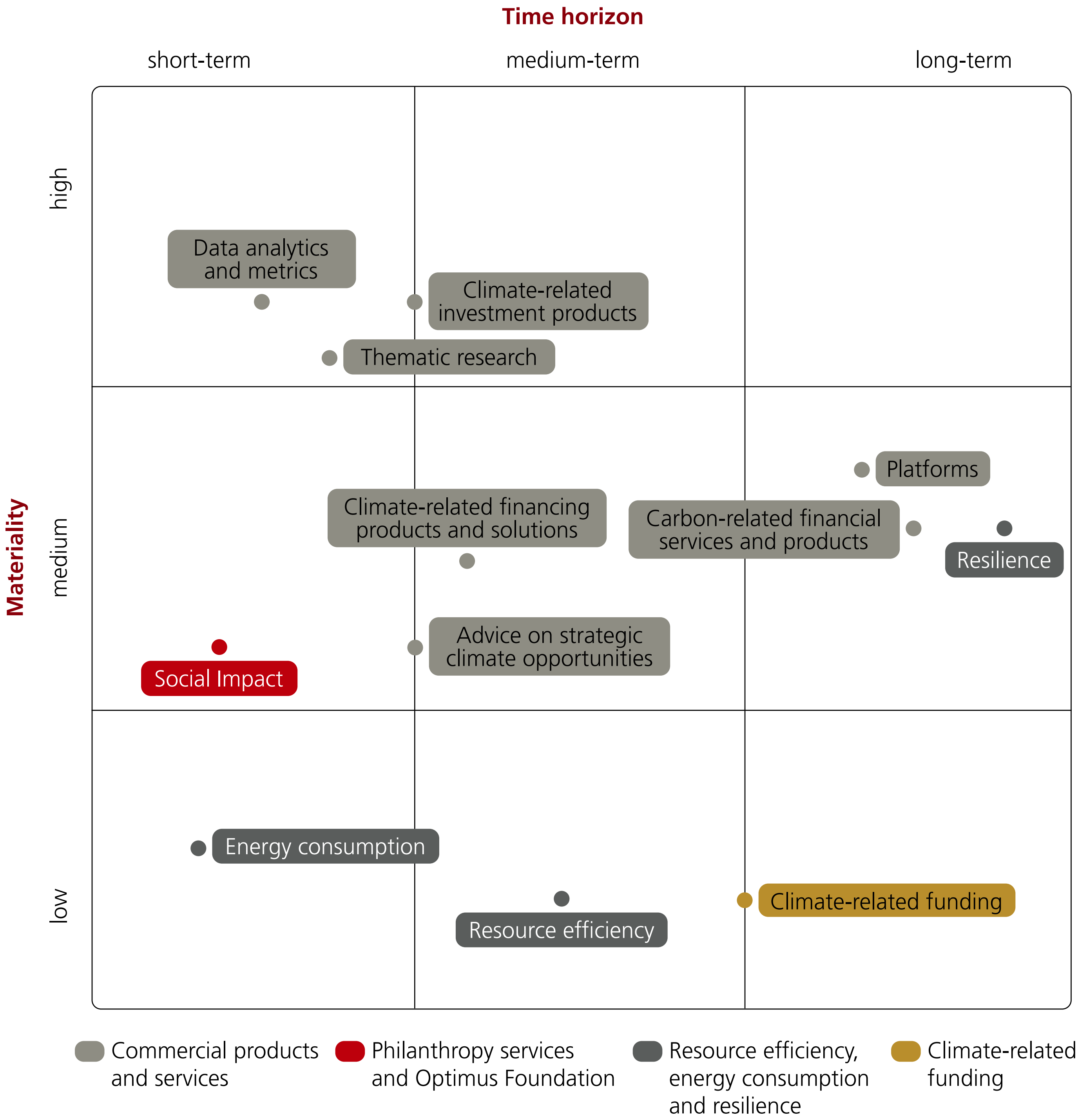
Climate-related funding

Through our Green Funding Framework and in partnership with relevant business lines, we continually assess new opportunities for climate-related funding that could contribute to expanding our investor base or achieving favorable funding costs. As part of this assessment, experts from Group Treasury review the materiality of opportunities for funding, such as green or sustainability-linked bonds.

› **Refer to the "Supporting opportunities" section of this report for more details about our sustainable and climate finance product offering and achievements in 2024**
› **Refer to the "Social Impact" section of this report for more details about the activities of Social Impact**
› **Refer to the "Environment" section of this report for more details about our in-house environmental management**
› **Refer to our Green Funding annual investor report, available at *ubs.com/greenbonds***

Materiality results for 2024 climate-related opportunities

The summarized results for UBS from the various expert assessments in 2024 and building on prior-year outcomes are displayed in the infographic below, placing individual categories within low / medium / high materiality and short- / medium- / long-term time-horizon segments. We define short-term as less than three years, medium-term as three to 10 years and long-term as beyond 10 years. Categories are displayed on a relative scale. Given our capital-light business model, it is in line with our expectations that climate-related investment products are the highest-ranked immediate commercial product opportunity. The highest relative degrees of materiality are also seen for data analytics and metrics and thematic research as key enablers for a wider range of other business opportunities with clients. Resilience is seen as the most important climate-related operational opportunity.



Assessing the materiality of climate-driven risks

Impacts from climate-driven risks arise through changing climate conditions (physical risk) and efforts to mitigate the effects of a changing climate (transition risk). These climate risk drivers affect banks, the financial system and the broader economy through both micro- and macroeconomic channels.

Annually, the sustainability and climate risk (SCR) unit coordinates a systematic risk materiality assessment of climate-related risks in accordance with the ISO-14001 environmental management standard. The degree of materiality is determined by assessing the financial product or service and the associated climate risks. Items rated as having an increased potential risk are mapped to relevant risk controls. The assessment considers transmission channels, risk drivers, additional amplifiers and / or mitigants and the full range of time horizons.

Risk-rating process

First, UBS evaluates the inherent risk posed to UBS at the product / service level utilizing an expert-based framework (aligned with Basel Committee on Banking Supervision guidance) through the following key transmission channels:

(i) traditional risk category, across financial and non-financial risks (e.g. liquidity for financial, regulatory compliance, or reputational for non-financial);

(ii) risk driver (e.g., climate policies, low-carbon technology for transition risk) and impact drivers (e.g. creditworthiness) considering potential impact (e.g. probability of default); and

(iii) additional risk amplifiers (e.g. macroeconomic feedback loops) and / or risk mitigants (e.g. internal controls).

Inherent risk ratings are given on a qualitative scale ranging from low to high.

Then, overall proximity of UBS activities to potential negative impact on climate is evaluated alongside the risk-rating process, resulting in an impact rating at the product / service level based on the same scale.

The most relevant time horizon for inherent risks and impacts is determined ranging across short-term (less than three years), medium-term (three to ten years) and long-term (beyond ten years).

Initial ratings and time horizons are proposed by leveraging internal subject-matter expertise, scientific and regulatory publications, market trends analyses, risk monitoring, transaction landscape and the relevant business and / or product model. The qualitative expert-driven initial ratings are then reviewed and approved in partnership with relevant business division representatives.

Finally, inherent risk ratings and impact ratings across products and services are aggregated to Group level. The climate-driven risk ratings by risk driver and traditional risk category (shown on the Y-axis on the chart below) are plotted against the time horizon (shown on the X-axis on the chart below).

Assessment outcome

In the graph below, we show the climate-driven risk ratings by risk driver (light gray) and traditional risk category (dark gray). For traditional risks, we aggregate results into financial risk categories, including credit, market, treasury, and liquidity risks, and non-financial risk categories, including business, continuity, compliance, and reputational risks.

Physical risk (D1) is assessed as potentially lower risk to UBS in comparison to transition risk (D2-market sentiment and D3-policy). This is primarily due to UBS's product footprint and greater uncertainty associated with the timing and impact of climate-related transition risks.

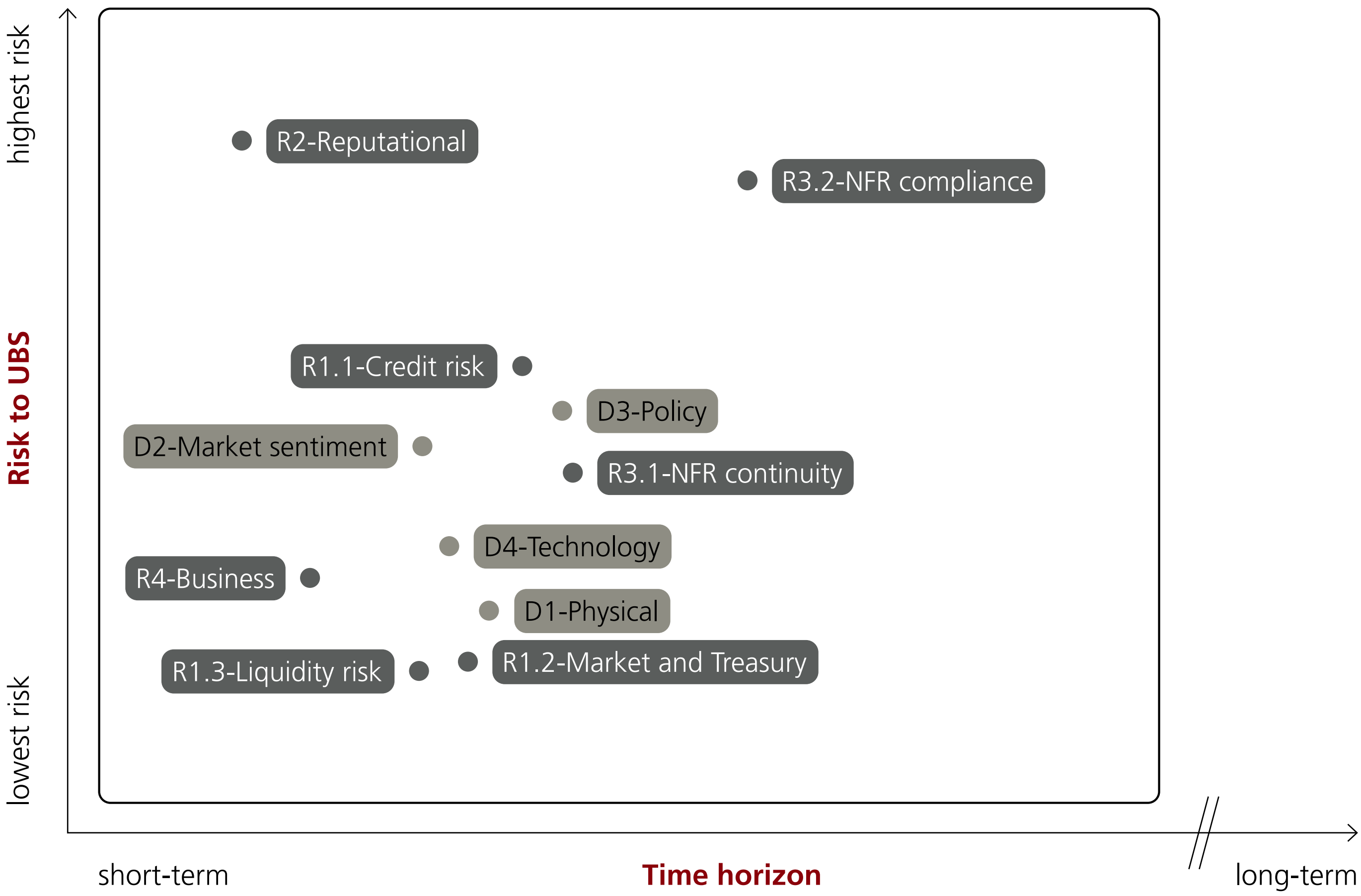
Selected non-financial risks (Reputational-R2, R3.2-NFR Compliance) are rated as relatively higher risk to UBS, due to the focus on regulatory compliance (banks being regulated on climate risk management) and liability, as well as a regulatory focus on sustainable product labeling (truth-in-marketing regulations). Due to UBS's established approach to sustainability- and climate-driven business risks (R4), these are rated lower when compared to, for example, inherent reputational risk exposure.

Climate-driven liquidity (R 1.3) and market and treasury risks (R 1.2) are assessed as having relatively lower potential to affect UBS in the short term, in comparison to credit risk (R 1.1), which is assessed as having higher potential to affect UBS in a comparable time horizon, due to the overall UBS portfolio characteristics. This is mainly driven by potential direct or indirect transition costs, or exposure to chronic and acute physical risks in locations likely to be impacted by climate change. Such effects could lead to a deterioration in creditworthiness, which in turn would have an impact on Expected Credit Losses (ECLs).

› **Refer to "Note 20 Expected credit loss measurement" in the "Consolidated financial statements" section of the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for supplementary information about the assessment of impact of sustainability and climate risk on the weighted-average ECL**

Climate-driven risks by risk driver and risk type

2024 Inherent average climate risk and impact



Physical risk drivers

D1-Physical: Impacts from extreme weather events and incremental climate change may affect the value of physical assets that UBS owns and finances. These impacts should be diligently addressed in accordance with UBS's financial risk assessment. We consider the risks to our own physical assets through our comprehensive business continuity planning and physical climate risk identification process. Incremental changes in climate (e.g., rising temperatures and changes in precipitation patterns) can exacerbate extreme events, making them more frequent and severe, which in turn affects economic output and productivity. Such events could reduce the value of properties held as collateral. We see adverse weather risks occurring more frequently in the short term. The relevance of physical risks equally derives from geographical and sectoral disaggregation. Based on physical risk heatmaps, our exposure to climate-sensitive regions is considered moderately low. Similar conclusions are reached based on the sectoral disaggregation of our businesses.

Transition risk drivers

D2-Market sentiment: Protecting our clients' assets is a strategic pillar in our approach to climate. Amid the growing demand for climate-focused products and services, we aim to actively respond to market changes driven by the low-carbon transition and our clients' interest in managing climate-related risks. We address this potential risk through our sustainability- and climate-focused product and service offering.

D3-Policy and regulatory: As a global financial services firm active in wealth management, asset management, investment banking and the provision of services to corporate and institutional clients, UBS may be affected directly and indirectly by new carbon pricing regulation and energy transition policies. These measures can be designed to both constrain the impacts of climate change and / or promote an adaptive response to climate change impacts. They could impact our own operations, as well as the business operations of our corporate clients, given that such clients rely on the firm to finance their activities across a range of sectors. We routinely assess the impact of current and emerging regulations, either directly affecting our operations or indirectly affecting those sectors where we have clients.

D4-Technological change: Together with corporate clients that rely on UBS to finance their activities in a range of sectors, UBS may be both directly and indirectly exposed to technological changes. UBS analyzes changes, such as the rise of electric vehicle and battery technologies in the automotive sector, or energy storage technology advancement impacts on the power utility sectors, through scenario analysis approaches.

Climate-driven risks

R1.1-Credit risk: We assess the potential impact of climate-driven risks on UBS through counterparties' ability to repay their debt and our ability to fully recover the value of the loan in the event of a default, due to collateral devaluation.

R1.2-Market & Treasury risks: We assess the potential impact of climate-driven risks on the value of our financial assets, by altering or revealing new information about potential future economic conditions or the value of real or financial assets, resulting in downward price shocks and an increase in market volatility.

R1.3-Liquidity risk: We assess the potential impact of climate-driven risks on liquidity adequacy, buffers and funding conditions directly or indirectly through our ability to raise funds and liquidate assets and / or our customers' demand for liquidity.

R2-Reputational: We assess the potential impact of climate-driven risks caused by unfavorable perception, or a lessening of our reputation, from the point of view of clients, industries, shareholders, regulators, employees or the general public, which may lead to potential financial losses and / or loss of market share. Reputational risk is considered across all business activities, transactions, and decisions and includes sustainability-related reputational risks, such as, for example, greenwashing risk.

R3.1-NFR Continuity: Our business continuity is associated with climate-sensitive investments and businesses. We understand the UBS sustainability impact, and risks and opportunities that affect our value and the operational environment. We plan and create strategic direction, develop tangible and measurable targets, and link these to operations development.

R3.2-NFR Compliance: Climate-driven operational risk may increase with regulatory compliance and liability. The aim is to improve the firm's risk profile through a more effective and efficient compliance function focused on the most important risks. We identify, manage, and mitigate these risks to avoid material impact on UBS.

R4-Business: We assess the potential non-financial impact on UBS from inadequate or failed internal processes, people and systems and / or externally due to physical climate events or stakeholder legal action. UBS mitigates the above risks with global operations and interregional capabilities to provide business.

› **Refer to the "Managing sustainability and climate risks" section of this report for more details about climate-related risks**

Social

People and culture make the difference

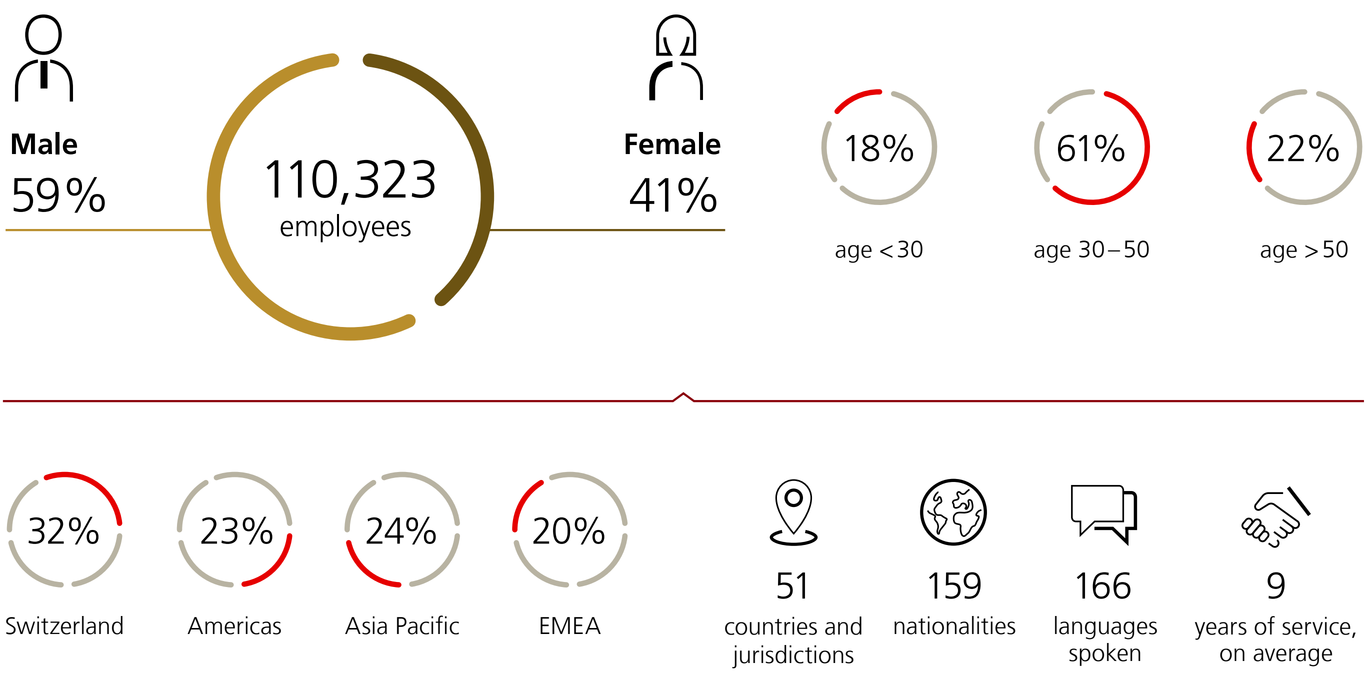
Driving sustainable performance

We are dedicated to being a world-class employer for talented individuals across all our markets and a place where people can unlock their full potential. Our global presence in 51 (2023: 52) countries and jurisdictions, combined with the expertise of 110,323 employees worldwide, helps to position us to create better outcomes for our clients, communities and colleagues.

Our employees execute our business strategy and deliver on our client promise. We therefore aim to attract, develop and retain employees who have the capabilities, potential and mindset to help us achieve those aims. Corporate citizenship principles are embedded into our employment practices, for example in the benefits we offer and in our fair pay practices. As a founding member of the World Economic Forum's Good Work Framework, we partner with like-minded companies to develop and implement metrics that support high-quality work worldwide.

› **Refer to the "Driving social impact" section of this report for more information about our community impact and employee volunteering activities**

Our workforce in a nutshell[1,2]



1 Calculated as of 31 December 2024 on a headcount basis of 110,323 internal employees only (108,648 FTE). The number of external staff as of 31 December 2024 was approximately 20,335 (workforce count). 2 Gender data is self-reported in HR systems and does not include those who have chosen not to disclose as a male or female employee.

› **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about our workforce**

The three keys and our corporate culture

Our culture is grounded in our three keys to success: our Pillars, Principles and Behaviors. These keys support our business decisions and our approach to people management. Bringing together two global, systemically important banks and building a unified culture across our combined organization continued to be top priorities in 2024, overseen by a dedicated culture integration forum. In addition, the Corporate Culture and Responsibility Committee of the Board of Directors (the BoD) monitors and reviews the activities related to the development of the Group's corporate culture.

› **Refer to *ubs.com/global/en/our-firm/our-culture.html* for more information about our three keys to success**
› **Refer to the "Governance" section of this report for more information about key governance bodies pertaining to ESG matters**

We support culture-building through a number of Group-wide, divisional and regional initiatives. Examples of that include our Group Franchise Awards program, which recognizes employees for cross-divisional collaboration and for suggesting innovation or simplification ideas. Our global peer-to-peer appreciation program, called Kudos, acknowledges colleagues' exemplary behavior, promoting excellence, fostering belonging, and increasing engagement and employee satisfaction. Launched in 2024, a global initiative called Crafting our Future uses interactive in-person sessions to ensure leaders at all levels are aligned with our strategic priorities and our culture.

Hiring, developing and retaining talent

In 2024, we hired a total of 8,525 (2023: 11,435) external candidates across the Group and developed 2,168 (2023: 3,720) graduates and other trainees, apprentices and interns in various programs. The difference in year-on-year external hiring numbers was largely due to prioritizing internal mobility in our talent sourcing processes along with proactive internal recruiting efforts. We are one of the largest providers of multi-year apprenticeships in Switzerland. We also sponsor a multi-year apprenticeship program in the UK and summer internship and work-study programs in the US, EMEA, Asia Pacific and Switzerland.

› **Refer to the Supplement to the UBS Group Sustainability Report 2024 and to *ubs.com/global/en/careers/awards.html* for employer ratings and recognitions**

We are committed to offering hybrid working options wherever possible. In 2024, most employees were eligible to work partially from home, depending on their role, regulatory restrictions and location, along with divisional or functional requirements. Such arrangements, along with options such as flexible locations or hours, part-time working, job sharing and partial retirement, support employee engagement and retention and help us attract a wider range of candidates.

Our talent management approach includes structured talent and succession reviews to help us identify future leaders, ensure business continuity and proactively manage employee development. In this respect, cross-divisional and international mobility for early-career talent, mid-career professionals and senior leaders is a central element. Our Group-wide talent offering is supplemented by programs in the business divisions, functions and regions. These programs cater to a broad audience ranging from senior leaders to emerging junior talent. We also offer targeted development for new and experienced line managers. Regular leadership events align business heads with our strategy and further our corporate and cultural integration. Our Win As One Team initiative, for example, empowers leaders to cultivate high-performing teams that embody our core values and uphold the highest standards of behavior.

Our Career Navigator platform supports internal mobility with a suite of self-service tools and resources to explore career paths, search for jobs and short-term rotation opportunities, and connect with mentors. Furthermore, line managers are expected to support both individual development and internal mobility. In 2024, 52.6% (2023: 38.8%) of all roles were filled by internal candidates.

Internal training is delivered via our UBS University platform. The offering includes client advisor certification and regulatory, business and line manager training alongside modules on culture, sustainable finance, artificial intelligence, data literacy, well-being and other topics. Launched in 2024 in collaboration with a leading US university, our new sustainability investment program gives professionals across the firm the knowledge and tools they need to make sustainable investment decisions that may lead to higher risk-adjusted returns. In addition to internal training, we partnered with a leading external provider in 2024 to offer thousands of additional learning opportunities to all staff.

All employees are required to meet initial and ongoing training and competency requirements appropriate to the activities they undertake on the firm's behalf. Furthermore, we may require employees to complete mandatory or business-required training, in line with our mandatory learning policy.

We invested approximately USD 0.1bn in training in 2024, with permanent employees completing more than 3.0m learning activities (including mandatory training on compliance, business and other topics). This equated to an average of 24.8 (2023: 15.3) training hours per employee.

Performance management

Our performance management approach (MyImpact) reflects our strategy and supports our high-performance culture. Annually, employees set objectives that foster accountability, translating business objectives into outcome-focused individual objectives and further aligning the organization to what matters most. All employees also receive a specific risk objective that reflects how we manage risk and supports a strong and proactive risk culture. We consider both performance- and behavior-related objectives because we value what an employee accomplishes and how our behaviors – accountability with integrity, collaboration and innovation – are demonstrated.

An embedded feedback app enables employees to give and receive feedback in real time throughout the year, supporting continuous improvement and course correction where needed. In 2024, more than 371,000 (2023: 296,330) instances of feedback were given across the combined organization. Annual performance reviews evaluate employees against their objective outcomes, feedback and behavior, and 100% (2023: 100%) of eligible employees received a performance review for the year.

Employee engagement

Our employees want to be heard and to be involved in shaping their daily experience. As such, we offer opportunities throughout the year for employees to connect with management and provide feedback on topics such as strategic alignment, employee engagement, well-being, our work environment and line manager effectiveness. As an example, initiatives such as our regular "Ask the CEO" event give employees the chance to learn about (and ask questions about) topics such as strategy and direction.

Our multi-faceted employee listening strategy is adaptable and captures feedback in a timely way. We conduct employee lifecycle surveys, short "pulse" surveys to understand what is on top of employees' minds and in-depth analyses, such as virtual focus group sessions. In 2024, those conversations allowed participants from every business division and function to share their perspectives and insights on the integration and provided employee sentiment data points to track progress. Group-wide surveys measure cultural indicators, such as line manager effectiveness and employee engagement. Our 2024 Group-wide survey, which had a 77% employee response rate, assessed indicators such as line manager effectiveness, engagement, culture and pride. An engagement score of 83% in that same survey confirmed that our employees recommend us as an employer. All of these scores were above the financial services benchmark.[1] We continue to strive to be an employer of choice in the financial sector.

Employee representation

In addition to seeking out employee feedback, we maintain an open dialogue with our formal employee representation groups. Our Human Rights Statement and our Code of Conduct and Ethics (the Code) outline our responsibility to respect the rights of our workers. The UBS European Employee Forum and the European Works Council, Credit Suisse Group AG include representatives from all European Union Member States where the UBS Group has a presence. They consider topics related to our performance and operations. Local works councils consider benefits, workplace conditions and reorganizations, among other topics. Collectively, these groups represent 52.0% (2023: 51.5%) of our global workforce.

Where applicable, our operations are subject to collective bargaining agreements. Benefits are aligned with local markets and often go beyond legal requirements or market practice.

Fair and equitable pay

Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We have embedded clear commitments in our compensation policies and practices and apply the same fair pay standards across all locations. We annually review our approach and policies, in line with established equal pay methodologies, to support our continuous improvement.

As part of our commitment to equal pay, we regularly conduct internal reviews on pay equity, and our statistical analyses show a differential between male and female employees in similar roles across our core financial hubs of less than 1%. If we find any gaps not explained by business or by appropriate employee factors such as role, responsibility, experience, performance or location, we look at the root causes and address them.

We also aim to ensure that all employees are paid at least a living wage. We regularly assess employees' salaries against local living wages, using benchmarks defined by the Fair Wage Network. Our analysis in 2024 showed that employees' salaries were at or above the respective benchmarks.

› **Refer to the UBS Compensation Report 2024, available at *ubs.com/annualreporting*, and to *ubs.com/sustainability-reporting* for our 2024 UK Gender & Ethnicity Pay Gap Report**

Employee support

We are committed to being a responsible employer and to caring for our employees. That is one reason we offer flexible working arrangements and promote employee health and well-being. Social, physical, mental and financial well-being elements are woven into our HR policies and practices. For example, our support for employee well-being includes a range of programs, benefits and workplace resources, along with a specialized eLearning curriculum to help employees better manage their health, foster well-being and strengthen their resilience. A dedicated well-being portal consolidates our global offering and promotes regional networks, initiatives and resources.

In 2024, employees across the firm participated in virtual fitness challenges, mental health initiatives, volunteering activities and financial education events, and everyone had access to a specialized mindfulness app. We also progressed with our #WorkingWithCancer commitment through a mentorship program, informational sessions and coffee corners.

Benefits and assistance

All our employees have access to competitive benefits, such as healthcare, well-being and retirement benefits, insurance (such as life and disability insurance) and flexible leave policies, where applicable. All employees are also covered by policies to protect against employment injury or disability. Parental leave, including adoption leave, is available to all employees, as indicated in local HR policies, and all locations offer family-related leave. Benefits are set in the context of local market practice and are regularly reviewed for competitiveness.

1 Benchmarks provided by Ipsos Karian and Box as of the third quarter of 2024.

Employee assistance programs and internal teams help employees and their family members manage personal or work-related issues that may affect their well-being. The absentee rate of the UBS Group excluding Credit Suisse in 2024 was 2.1% (2023: 1.9%) globally and Credit Suisse's absentee rate was 2.4% (2023: 2.3%) of total scheduled days in Switzerland[1], according to the number of illness or accident absences recorded in the respective self-service HR tools.

Should business or organizational circumstances arise that lead to employee redundancy, we offer redeployment and outplacement services with a focus on redeployment within UBS. We believe these measures help skilled employees affected by restructuring to favorably position them in the labor market. Employees considering retirement also have access to various resources to help prepare them for this transition.

- **Refer to the "Health and safety statement", available at *ubs.com/sustainability-reporting*, for more information about UBS's health and safety statement**
- **Refer to *ubs.com/employees,* for more information about benefits and assistance**

Equal opportunities and whistleblowing

We provide equal employment and advancement opportunities for all individuals. We are an equal opportunity employer, and our policies do not tolerate harassment of any kind. We have measures in place to prevent discrimination, bullying, victimization, harassment (including sexual harassment) and retaliation, along with an anti-harassment representative who independently reviews relevant training, policies and protocols.

Employees are encouraged to raise concerns openly and to report potential violations of the Code. Group-wide, staff have multiple ways, including a telephone hotline and an online whistleblowing form that offers confidential and, if preferred, anonymous ways, to raise concerns about any potential breaches of laws, regulations, rules or other legal requirements, policies, professional standards, sexual misconduct or harassment, or any violation of the Code. We do not tolerate any form of retaliation against any employee who reports a concern that they reasonably believe is a breach or violation.

Workforce inclusion

We are committed to being a diverse and inclusive workplace based on meritocracy, and aim to build a culture of belonging where all employees are recognized and valued, and where everyone can be successful and thrive. At UBS, we aim to hire and retain the best people for the right roles, to deliver for our clients, our businesses, our shareholders and the communities we serve. In order to achieve this, we have a diverse workforce with a variety of skills, experiences and backgrounds that reflects the diversity of our clients to serve them at our best. It is also critically important to us that we respect an environment where all our employees are treated fairly and able to reach their potential. In every location in which we operate, we continue to act in accordance with the current law and regulations and will monitor any changes to ensure we remain consistent.

- **Refer to the "Supporting opportunities" section of this report for more information about our clients**
- **Refer to the "Driving social impact" section of this report for more information about the topic of community and society**
- **Refer to the "Managing our supply chain responsibly" section of this report for more information about our suppliers**

Our workforce inclusion strategy is built on four pillars: transparency, hiring, developing and belonging. We leverage these four pillars to help support our entire workforce across a variety of personal characteristics including, but not limited to, gender, culture, race, ethnicity, sexual orientation and identity, disability, family, veteran status, and generations, to create an inclusive culture for everyone.

Transparency

Transparency is the foundation framework through which we enable leaders to deliver the strategy, and everyone is held responsible. We leverage various communication channels and line manager objectives to drive awareness, benchmarking, thought leadership and feedback to inform the strategy, and data monitoring with respective characteristics, including management dashboards and toolkits, to support our entire workforce.

In 2024, 26.7% (2023: 37.5%) of members of the GEB 41.7% (2023: 33.3%) of members of the BoD, and 33.8% (2023: 30.3%) of senior managers who reported directly to a member of the GEB were female employees.

Our workforce inclusion strategy is reinforced by our public commitments to support all employees, including, but not limited to, the UN Women's Empowerment Principles, the Valuable 500 and the Race at Work Charter (UK). Of particular note is our commitment to the Valuable 500, a global business collective of CEOs and their companies focused on advancing disability inclusion that we have partnered with since 2021. Disability-focused initiatives in 2024 included making improvements to our recruitment processes for candidates, sponsoring disability-focused employee networks, enhancing training and awareness efforts for all employees, and continuing to increase physical and digital accessibility for employees and clients alike.

- **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about our workforce**

1 Credit Suisse data reflects only Swiss absences.

Hire

We aim to hire the best people for the right roles with meritocracy at the forefront of any decision we make, to deliver for our clients, our businesses, our shareholders and the communities we serve. We offer a wide range of programs to attract a diverse talent slate. Our junior talent programs, such as our apprenticeship programs in Switzerland and the UK and our global internship program, prepare young talent for successful careers with us. Our UBS Career Comeback program supports candidates on career breaks who want to re-enter the corporate world.

› **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about our workforce**

Develop

We provide employees the visibility and opportunities to enable successful and thriving careers. Mentorship and sponsorship, embedded in (and supplemental to) talent development programs help ensure employees have a range of development opportunities. Through a mix of online and in-person training, self-directed learning and coaching, we further support our employees' career journeys and aspirations. For example, in 2024, our Growth Alignment Experience for Associate Director- and Director-level employees in the US doubled in size to 100 participants, who had applied to be part of the program. Over a six-month period, participants worked with external coaching professionals to enhance their strategic planning skills, expand their networks and build connections. Employees in the UK and Switzerland at the Authorized Officer, Associate Director and Director levels were offered programs including Not in Your Image, a nine-month career development program for building skills and leadership readiness.

In the US, we work with the Executive Leadership Council's Institute for Leadership Development and Research, along with organizations like the Hispanic Association on Corporate Responsibility, to support leadership-development-focused opportunities across our workforce, facilitating individual growth that in turn builds our talent pipeline.

Belong

A sense of belonging helps drive engagement and is important for overall well-being. Inclusive leadership and fair and transparent policies and practices provide organizational support for belonging, and vital to these efforts are our various employee network chapters across the firm that connect employees on a variety of employee-led topics. Our networks, which are open to all employees, also supplement members' awareness, development and support through mentoring, reverse mentoring and allyship programs.

› **Refer to *ubs.com/inclusion*, for additional information about inclusion topics and status**

› **Refer to *ubs.com/employees* or *ubs.com/careers,* for more topics of interest to employees and potential applicants**

Driving social impact

We aim to support the transition to an economy that considers the well-being of people and planet. Through the UBS Optimus network of foundations (the UBS Optimus Foundation), which is an independent network, and in partnership with philanthropists, employees, implementation organizations and institutional partners, we want to find innovative ways to drive systemic and catalytic impact for marginalized communities at scale, both globally and locally, especially for children and young people. In 2021, we set a goal of mobilizing USD 1bn in philanthropic capital (which was reached in 2024) and reaching more than 26.5 million people by the end of 2025 (cumulative total since 2021).

We know working together is key to achieving this impact and systemic change. That is why, in addition to providing insights, advice and execution services to clients and prospective clients, we have increased our efforts in the areas of blended finance, collaborative philanthropy and impact transparency.[1] In blended finance, we have facilitated opportunities and partnerships in innovative financing structures leveraging public and private capital. In collaborative philanthropy, we have brought together clients and partners on joint initiatives addressing global issues, such as improving the quality of primary school education in Ghana and Colombia. Additionally, our new impact rating tool, introduced in 2024, simplifies assessment of impact across projects, sectors and solutions, aligning with established methodologies, such as the Impact Management Project's dimensions of impact.

Our clients and partners are invited to be part of our impact ecosystem by supporting various initiatives and approaches.

Blended finance

The UBS Optimus Foundation partners with clients, governments, development finance institutions and our business divisions to promote and launch blended finance initiatives that use catalytic capital from public and philanthropic sources to increase private-sector investment in sustainable development.

UBS Collectives

Our three *UBS Collectives* bring philanthropists together to co-fund programs, share knowledge and join a unique learning journey. This includes insight trips, where the philanthropists work and exchange knowledge with experts and experience the impact on the ground.

The *UBS Collectives* were launched in 2020 and focus on issues central to our strategy: innovative financing of education and health outcomes (the *UBS Accelerate Collective*), catalyzing the blue-carbon market (the *UBS Climate Collective*), and promoting and implementing family-based care (the *UBS Transform Collective*). The first cohorts concluded their journey at the end of 2024, contributing their time and expertise to support 23 UBS partners across eight countries.

› **Refer to the UBS Optimus Foundation Annual Review 2023, available at *ubs.com/optimus-foundation/annual-review,* for more information**

UBS Global Visionaries

Through our UBS Global Visionaries program, we aim to accelerate the impact of social entrepreneurs by: (i) creating opportunities for the entrepreneurs to connect with our clients, prospective clients and employees; (ii) increasing the entrepreneurs' abilities through learning and coaching programs; and (iii) raising awareness of the entrepreneurs' endeavors by leveraging our brand and platforms. Since the program started in 2016, we have onboarded and supported 90 entrepreneurs to accelerate their impact.

Helping our clients structure their philanthropy: donor-advised funds

Donor-advised funds offer clients an alternative charitable-giving vehicle to set up their own foundations, offering greater choice and personalization, and are managed in line with their usual investment approach. UBS offers these services in Switzerland, Singapore, the UK and, since 2023, the Hong Kong SAR. In 2024, USD 329m in donations was received into these UBS charitable entities (2023: USD 318m).[2,3]

The UBS Optimus Foundation

In 2024, the UBS Optimus Foundation raised USD 366m in donations (2023: USD 328m), including UBS matching contributions, and committed USD 310m (2023: USD 306m) in grants from the foundations.[2,4]

In 2024, the UBS Optimus Foundation celebrated its 25th anniversary by launching four initiatives[5] that build on our achieved impact and strategic partnerships. These initiatives will be supported by a USD 25m gift from UBS that will be used to provide matching contributions of up to 100%[6] and seed capital to launch them.

In addition to mobilizing our clients' resources to advance the missions of our portfolio of partners, we also seek to ensure both the firm and employees are engaged in our Social Impact strategy. We do this mainly through charitable contributions and employee volunteering.

Charitable contributions

We have provided direct cash contributions through our affiliated foundations in Switzerland, through partnerships in the communities where we operate and through contributions to the UBS Optimus Foundation. The combined value of these contributions in 2024 was USD 74m.

Employee volunteering

We have global targets for employee engagement through volunteering, which are built from the bottom up and on a best-efforts basis. In 2024, we successfully engaged 32% of our global workforce in volunteering (2023: 38%), and 39% of the 230,258 volunteer hours were skills based (2023: 45% of 199,633 volunteer hours).[7,8]

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1 Currently, our impact transparency focus is on ensuring that all grants and investments supported by the UBS Optimus Foundation undergo consistent and transparent diligence, approval, management and reporting processes, in line with industry standards.
2 Figures provided for the UBS Optimus Foundation and donor-advised funds are based on unaudited management accounts and information available as of January 2025. Audited financial statements for the UBS Optimus Foundation and donor-advised foundation entities are produced and available per local market regulatory guideline.
3 2023 figures exclude Credit Suisse.
4 The UBS Optimus Foundation receives donations from all of the business divisions, with the majority coming from Global Wealth Management.
5 Blue economy, innovative financing in tertiary education, scaling primary education and reaching the last mile for quality health care.
6 100% up to USD 10,000 and 25% thereafter.
7 2023 figures exclude Credit Suisse-led volunteering programs.
8 Reported employee volunteering hours include volunteering activities completed both during and outside of working hours. In the case of hours committed outside of working hours, in line with Business for Societal Impact (B4SI) guidelines, these are only counted where volunteering can be attributed to UBS support or encouragement for the employee to commit their time.

Charitable contributions

UBS's overall charitable contributions are measured using the Business for Societal Impact (B4SI) framework and are broken down as follows.[1]

Cash

This category includes direct cash contributions from the firm, including through partnerships in the communities that we operate in, support given through its affiliated foundations in Switzerland and contributions to the UBS Optimus network of foundations.[2]

Employee time

This is the cost to UBS of the time that employees spend on community programs during working hours. It is calculated by multiplying the number of volunteer hours during working hours by the average hourly salary.

In-kind

These are contributions of products, equipment, services and other non-cash items from UBS to communities, primarily the cost of making our premises available to our partner charities for events.

1 From 2024, all charitable contributions reporting has been integrated, reflecting contributions made across the UBS Group. The 2023 and 2022 comparative figures reflect contributions made across UBS AG pre-integration of Credit Suisse. 2 All direct cash contributions are recognized on a cash rather than accrual basis. Separately, we recognize contributions made by the UBS Optimus network of foundations on an accrual basis, reflecting committed grants made in the reporting period. The cash contribution does not include contributions totaling USD 5.8m in 2024 that are required by law (in India and South Africa). This is consistent with B4SI methodology. Lower cash contributions in 2023 compared with 2022 were due to the decision to exclude business-related contributions, since these are donations made outside of our strategic social impact strategy and do not support the longer-term impact we are striving to achieve with our strategic grantee and volunteering partners.

Contributions by type (UBS Group AG consolidated)[1]

USD m	2024	2023	2022
Cash contributions[2]	73.90	62.58	76.15
Time contributions	23.13	16.64	15.53
In-kind contributions	0.01	0.08	0.06
Total	97.05	79.30	91.74

1 From 2024, all charitable contributions reporting has been integrated, reflecting contributions made across the UBS Group. The 2023 and 2022 comparative figures reflect contributions made across UBS AG pre-integration of Credit Suisse. 2 All direct cash contributions are recognized on a cash rather than accrual basis. Separately, we recognize contributions made by the UBS Optimus network of foundations on an accrual basis, reflecting committed grants made in the reporting period. The cash contribution does not include contributions totaling USD 5.8m in 2024 that are required by law (in India and South Africa). This is consistent with B4SI methodology. Lower cash contributions in 2023 compared with 2022 were due to the decision to exclude business-related contributions, since these are donations made outside of our strategic social impact strategy and do not support the longer-term impact we are striving to achieve with our strategic grantee and volunteering partners.

Respecting human rights

UBS is committed to respecting and promoting human rights, as set out in the UN Guiding Principles on Business and Human Rights. When assessing the firm's potential human rights impacts, we focus on three key stakeholder groups (employees, clients and vendors), as well as society at large.

› **Refer to the "General information" section of this report for more information about our interactions with stakeholders, including civil society groups**

Employees: UBS is committed to respecting human rights standards through its human resources policies and practices, and to meeting the obligations that a responsible company is required to comply with. These are reviewed on a regular basis in an effort to make sure we continue to respect human and labor rights.

› **Refer to the "People and culture make the difference" section above and to "Key policies and practices" in the appendix to this report for more information about UBS's human resources policies and practices**

Clients: UBS aims to provide its clients with innovative investment solutions on themes related to human rights, such as health, education, gender and / or equality. In addition, we take human rights risks into account in solutions that address a broader range of sustainability issues. We identify and manage actual and potential adverse impacts on human rights to which our clients' assets and our own assets are exposed, most notably through our sustainability and climate risk policy framework (including human rights). Our clients also have access to solutions that help them to realize their philanthropy goals, including those related to human rights.

› **Refer to the "Strategy" section of this report for more details about our sustainability and impact strategy, key aspirations and progress**

› **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about the "Sustainability and climate risk policy framework", including SCR assessments undertaken in 2024 (including human rights-related)**

› **Refer to the "Driving social impact" section of this report for more details about our approach to philanthropy services**

Vendors: UBS is committed to reducing the negative societal impacts of the goods and services it purchases. That is why, when we are establishing new contracts or renewals, we identify high-impact vendors based on whether they provide goods and services that either have a substantial social impact or are sourced in markets with potentially high social risks. Vendors that do not meet the minimum applicable standard, because they are associated with actual and potential human rights risks, have to agree to and comply with a remediation plan before signing a contract with us.

› **Refer to the "Responsible Supply Chain Standard" and the "UBS Supplier Code of Conduct" for more details about our responsible supply chain management and assessments, available at *ubs.com/sustainability-reporting*, for more information**

UBS's human-rights-related commitments and actions are set out in the UBS Human Rights Statement. The statement shows the structures (governance and policies) and mechanisms (procedures and processes) UBS has in place to support its commitments. UBS also publishes a Modern Slavery and Human Trafficking Statement pursuant to the UK 2015 Modern Slavery Act and to the Australian 2018 Modern Slavery Act.

› **Refer to the UBS Human Rights Statement and the UBS Modern Slavery and Human Trafficking Statement, available at *ubs.com/sustainability-reporting, for more information***

› **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about "UBS Group's approach to the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor"**

Cyber and information security

At UBS, the security of our clients' assets and data is one of our top priorities. As cyber threats to systems and data increase in volume and sophistication, we continually focus resources and investments on critical cyber and information security capabilities, with specialist teams working to safeguard our clients' assets and data.

Our principles and policies guide how we develop and deploy technological solutions. The cyber and information security (CIS) program is designed to identify, prevent, detect and respond to CIS events, with the goal of maintaining the integrity and availability of our technology infrastructure. Appropriate technical and organizational measures are implemented to ensure that data remains confidential and protected against accidental, unauthorized or unlawful destruction, and loss, alteration, disclosure or access.

Additionally, UBS has a Group-wide incident response process designed to detect, investigate, and respond to information security threats and incidents that have a potential impact on UBS systems and data. This process enables any UBS person to report incidents and data breaches, and it also includes processes such as notifying impacted clients about relevant incidents, in line with all applicable laws and regulations.

In 2024, we have enhanced the CIS awareness and education program for all UBS employees and external workforce, including an increase in staff testing, refreshed mandatory training, including for highly privileged users, and a firm-wide Cyber Awareness Month campaign.

› **Refer to the "Cyber and information security" section of UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors,* for more information**

Helping clients stay cybersafe

UBS invests in critical cyber and information security capabilities to protect clients' assets and data and provides cybersafety tips through its website and mobile applications.

› **Refer to Cyber Security at UBS for more information, available at *ubs.com/global/en/our-firm/cybersafe.html*, and to Cybersecurity, information security and data privacy at UBS, available at *ubs.com/global/en/sustainability-impact/sustainability-reporting.html***

Supporting opportunities

Our sustainable finance ambitions

Finance has an important role to play as companies and individuals consider how best to approach the transition to a more sustainable, lower-carbon world. Banks and investment managers can support this transition by allocating capital effectively and efficiently and helping to mobilize the vast amounts of investment and financing required. In addition, we are committed to supporting our clients' sustainability ambitions, whether their focus is on reducing the carbon emissions footprint of their businesses or portfolios or on encouraging a fairer and more prosperous society.

We provide a broad range of sustainability and impact products and services across our core business areas, targeting four key objectives in serving our clients:
– The power of choice: we want to give our investing clients the choices they need to meet their specific sustainability objectives.
– An orderly transition: we aim to support our clients through the world's transition to a low-carbon economy, for instance, by offering innovative sustainable financing and investment solutions.
– Managing risks and identifying opportunities: we offer research and thematic insights, as well as data and analytics services. Combined with targeted advice, these are designed to help clients better understand and mitigate risks and identify new opportunities.
– Making sustainable finance an everyday topic: we want to make sustainability topics tangible throughout our interactions with clients. To help us do that, we provide support in the form of tools, platforms and education.

Assessing sustainable finance opportunities

The regulatory environment continues to evolve, and so do the associated business and investment opportunities for our clients, as well as for us. As part of the UBS Group sustainability and impact annual strategic review and objective setting process, our business opportunities are assessed on a Group and divisional level and also through a topical lens (e.g. in thematic priority areas, such as climate, nature or impact).

Furthermore, since 2021 we have performed a dedicated climate opportunities materiality assessment on an annual basis, looking at financial and impact materiality related to our firm-wide climate-related product and services offering. In order to ensure that climate aspects are reflected in our forward-looking business strategy, business divisions formulate specific commercial objectives for climate during the objective-setting process.

› **Refer to "Supporting our approach to climate – climate-related materiality assessment" in the "Environment" section of this report for a description and results of the climate opportunities materiality assessment**

Our approach to sustainable finance

It is important to set out how we define sustainable finance, as no uniformly accepted definition currently exists in the financial industry. In accordance with our ambitions, our sustainable finance product offering is organized across three key areas:
– **Investing**: sustainable investing solutions for private and institutional investors;
– **Financing**: sustainable financing solutions for real estate and corporate purposes; and
– **Research, advisory, data, platforms and client interactions**: solutions guiding our clients on their sustainability objectives, such as sustainability-related analytics, scoring, reporting, tools and client support through our interactions with them.

Sustainable investing

Our approach to sustainable investing is defined in our Group Sustainable Investing Policy. For us, sustainable investing includes any product or service with an underlying investment strategy that, in addition to targeting market-rate financial returns, aims to explicitly:

i) align with one or more specific sustainability-related objectives; or

ii) contribute to achieving one or more specific sustainability-related objectives,

while also considering corporate governance factors (e.g. sound management structures, remuneration of staff and tax compliance) and potential adverse impacts on broader sustainability, where relevant.

Our sustainable investing approaches are "Sustainability focus" and "Impact investing". These categories, as they stand, are part of our global sustainable investing framework, which is not tailored to or defined by any specific local regulatory requirements or definitions. Specifically, the "Sustainability focus" approach refers only to our framework definition, and not to existing regulations.

The way that we define sustainable investing is being reviewed to ensure that it appropriately considers evolving market practice, client expectations and relevant regulatory guidance. For an investment product or service to be considered part of our sustainable investing offering, the explicit alignment with or contribution to one or more sustainability-related objectives must be demonstrated within the underlying investment strategy. Strategies focused only on the integration of sustainability risks and / or exclusions and / or active ownership, without a contribution to sustainability-related objectives, would not qualify as sustainable investing for us.

Our investing approaches can be summarized as follows:

Traditional investing	Sustainable investing	
	Sustainability focus	Impact investing
– Targets market-rate investment returns – No explicit sustainability objectives – Manages sustainability and all risks related to investment performance – May use sustainability-related tools, but these do not drive the strategy	– Targets market-rate investment returns – Has explicit sustainable intentions or objectives that drive the strategy – Underlying investments may contribute to positive sustainability outcomes through products, services and / or proceeds	– Targets market-rate investment returns – Has explicit intentions to generate measurable, verifiable, positive sustainability outcomes – Impact attributable to investor action and / or contribution

› **Refer to the Supplement to this report, available at *ubs.com/sustainability-reporting*, for more information about ESG integration and exclusion**

The legacy Credit Suisse sustainable investment framework[1] (the SIF) continues to be in operational use for portfolios that have not been fully onboarded to the UBS product shelf. This framework will be phased out over time and in line with integration progress, without any bearing on our established sustainable investing approach and governance. We no longer report Group-level invested assets information associated with the SIF, as the migration is ongoing.

Sustainable financing

Our sustainable financing instruments are governed by our Sustainable Finance Guideline, which is part of the sustainability and climate risk policy framework. The guideline defines criteria for labeled financing instruments (e.g. for marketing or promotion purposes).

The main financing instruments we offer to our clients include green, sustainable, sustainability-linked and social bonds. All are subject to specific criteria, aligned to commonly used industry and market standards (e.g. those issued by the International Capital Market Association (ICMA), the Loan Market Association (LMA), the Loan Syndication & Trading Association (LSTA), the Asia Pacific Loan Market Association (APLMA)) and regulatory requirements such as the EU Green Bond Standard (EuGB).

› **Refer to "Key terms and definitions" in the "Appendix 3 - Other supplemental information" section of this report and to the "Sustainability and climate risk policy framework" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for our definitions of sustainable bonds and loans**

Meeting diverse needs

We serve a broad range of clients across our four main business divisions. The table below provides an illustrative overview of sustainable finance products and services offered to clients by each of those divisions. While a good illustration of the breadth of products and services available to clients across UBS's business activities, it is not an exhaustive representation of our sustainable finance and investing offering, which varies by jurisdiction, booking center and client domicile, and is also subject to client eligibility and preference considerations. Not all products and services are available to all clients and / or in all regions.

1 The SIF was established in 2020 and is utilized to classify investment solutions in an effort to seek consistency and set minimum standards across different asset classes, locations and regulatory regimes. Classification can also help match clients' interests with relevant investment solutions. The SIF classification does not supersede any regulatory commitment, nor does it determine or indicate whether an investment solution will be labeled as "sustainable" (or any other such term) under any given regulatory regime.
The SIF focuses on:
Exclusion: positions assessed not to be significantly involved in controversial business fields or incidents;
Integration: positions assessed to be integrating ESG into their strategy;
Thematic: positions assessed to be in alignment with specific United Nations Sustainable Development Goals (the SDGs); and
Impact: positions assessed to be explicitly and intentionally contributing toward specific SDGs.

A sustainable finance offering for all our clients

	Investing	Financing	Research, advisory, data analytics, platforms and other services
Global Wealth Management	– Sustainable discretionary mandates – Sustainable modules for traditional discretionary mandates – Sustainable investing solutions for advisory mandates – Sustainable separately managed accounts (SMA)[1] – Sustainable public market investment funds (actively managed and indexed) – Sustainable private market funds (including infrastructure and real estate) – Sustainable hedge funds – Sustainable structured products – Direct investments in sustainable equities and bonds	– Real-estate-related financing[2]	– Sustainable investing research and thought leadership – Sustainability reporting – Philanthropy solutions – Renovation journey, tools, partnerships and ecosystems[2]
Personal & Corporate	– Sustainable discretionary mandates – Sustainable modules for traditional discretionary mandates – Sustainable public market investment funds (actively / passively managed) – Sustainable private market funds (including infrastructure and real estate)	– Real-estate-related financing – Green, social, sustainability and sustainability-linked bonds – Sustainability-linked loans	– Sustainable deposits solution – Carbon footprint sizing – Renovation journey, tools, partnerships and ecosystems – Sustainability reporting and analysis – Sustainability research and thought leadership – Philanthropy solutions
Investment Bank	– Thematic sustainability-related products (e.g. carbon, climate)	– Green, social, sustainability and sustainability-linked bonds – Green, social, sustainability and sustainability-linked loans	– ESG advisory – ESG research
Asset Management	– Sustainable separately managed accounts (SMA)[1] – UBS sustainable public market funds (actively managed and indexed) – UBS sustainable private market funds (including infrastructure and real estate) – UBS sustainable hedge funds – Sustainable mandate solutions (actively managed and indexed)		– Sustainability thought leadership – Sustainability analytics and reporting for clients (standardized and customized)

Disclaimer: Sustainable offering varies by jurisdiction, booking center and client domicile and is subject to client eligibility and preferences. Not all products and services are available to all clients.

1 Clients booked in the US. 2 Clients booked in Switzerland.

› **Refer to the "Basis of preparation" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for details on products that are included in sustainable product metrics**

Developments in 2024

– Our total sustainable investing invested assets reached USD 296bn, representing an increase of 5% year on year.[1]
– The sustainable investing portion of our total invested assets was 4.9% (2023: 6.3%).[2]
– In the Investment Bank, we facilitated 96 green, social, sustainability or sustainability-linked (GSSS) bond transactions globally (2023: 102).[3]
– We are the second-largest manager of open-ended funds and exchange-traded funds (ETFs) by sustainable investing invested assets, using Morningstar's classification.

1 Figures do not include invested assets classified under the Credit Suisse SIF but include invested assets of Credit Suisse portfolios, which have been migrated onto UBS platforms and vetted against UBS's sustainable investing policies or merged with existing UBS sustainable investing portfolios. This process is being carried out in waves and will continue until at least the end of 2025.
2 In line with the progressing integration, for 2024 we report the share of sustainable investing assets as a percentage of UBS Group total invested assets. For 2023, we report the sustainable investing proportion of UBS AG total invested assets, excluding any invested assets booked by and for Credit Suisse AG.
3 These metrics include transactions meeting the UBS Sustainable Finance Guideline, as described in the "Sustainability and climate risk policy framework" section of the Supplement to this report, available at ubs.com/sustainability-reporting.

Sustainable investing

Sustainability-oriented public market funds recorded a new high of USD 3.2trn[1] as of the end of December 2024, supported by strong market performance in the third quarter. Europe remains by far the largest market, with an 84% market share. European investors also continued to allocate the most into sustainability-oriented funds and ETFs, although the volume of inflows decelerated compared to previous years. Higher interest rates continued to drive allocations into global fixed income and money market investments in 2024, supporting demand for sustainable investing fixed income funds, which attracted the majority of sustainable investing inflows last year.[2]

While sustainability-oriented funds and ETFs continued to attract net inflows in 2024, they were outpaced by inflows into traditional products for the first time since 2021. In our view, this was largely driven by the relatively small number of available sustainable fixed income products as compared to equity products specifically for private and retail investors. Ongoing developments in terms of sustainable investment product regulations and classifications led to continued fund renaming and reclassifications in the industry, further blurring the line between sustainability-oriented and traditional investment products offered in the market and allocated by investors. Furthermore, in recent years, some jurisdictions have developed rules restricting the consideration of sustainability factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. Sustainability-oriented investments are and will continue to be adversely affected by these existing and upcoming rules.

In addition to public market funds, sustainable investments into alternative asset classes, including hedge funds, real estate or infrastructure, continued with strong momentum throughout the year. According to Preqin,[3] the share of sustainable investing products in private market fundraising reached an all-time high of 21% in 2024, through the end of April.

Sustainability remains a key consideration for our clients. According to the 2024 UBS Billionaire Ambitions Report,[4] representing opinions from billionaires with a combined wealth of USD 14trn, the percentage of respondents investing for impact has more than doubled over the past 10 years, rising from 13% to 28%.

In addition to investing considerations, our clients are increasingly incorporating sustainability aspects from an operating business perspective. Investors and companies are acutely aware that sustainability in general and topics such as climate and nature have real-world impacts on their financial performance (e.g. the availability of natural resources such as water, physical climate risks or supply chain resilience) and are actively looking to address these topics. According to the 2024 UBS Global Family Office report,[5] more than half (57%) of family offices with an operating business are either already taking sustainability considerations into account or planning to do so in the future. Echoing this, almost half (49%) of respondents say that finding the right approach to addressing the net-zero transition and reducing emissions will be of key importance to their operating businesses over the next one to three years.

Over the course of 2024, our sustainable investing invested assets rose to USD 296bn as of 31 December 2024, compared with USD 282bn at the end of 2023, representing a year-on-year increase of 5%. The positive growth benefited from market performance and Credit Suisse integration-related impacts, partially offset by foreign exchange effects and net new money outflows. Sustainable investing invested assets accounted for 4.9% of UBS Group total invested assets at year-end 2024.

The table below provides additional detail on sustainable investing invested assets for UBS.

Sustainable investments[1]

	For the year ended			% change from
USD bn, except where indicated	31.12.24	31.12.23	31.12.22	31.12.23
UBS Group invested assets	6,086.8	5,714.1	3,980.9	7
Sustainable investing invested assets[2,3,4,5]				
Sustainability focus	276.1	259.8	234.0	6
Impact investing	20.3	21.8	19.2	(7)
Sustainable investing invested assets	296.4	281.6	253.2	5
Sustainable investing proportion of UBS Group invested assets (%)[6]	4.9	6.3	6.4	

1 The table above details UBS Group's sustainable investing invested assets and the evolution thereof. This table does not contain invested assets classified under the Credit Suisse SIF. UBS sustainable investing invested assets contain invested assets of Credit Suisse portfolios which have been migrated onto UBS platforms and vetted against UBS's sustainable investing policies or merged with existing UBS SI portfolios. This process is being carried out in waves and will continue until at least the end of 2025. The Credit Suisse integration-related impact to sustainable investing invested assets in 2024 was approximately USD 9bn, of which USD 8.2bn in Asset Management and USD 0.7bn in Global Wealth Management. 2 For additional detail on UBS's sustainable investment definition and categories, see section "Our approach to sustainable finance" above. 3 Certain products have been reclassified during 2024 for reasons including, but not limited to, an evolving regulatory environment, periodic monitoring of the product shelf, and developing internal classification standards. The impact of these reclassifications on sustainable investing invested assets was immaterial in 2024. 4 Invested assets reported as sustainable investing include limited amounts of instruments not classified as sustainable investments. This includes cash and cash-like instruments that each fund and portfolio holds for liquidity management purposes, as well as client-directed investments included in sustainable investing mandates managed by UBS Asset Management. 5 2024 figures exclude USD 13.2bn of invested assets relating to Global Wealth Management's US business that are undergoing additional validation procedures to ensure alignment with internal UBS frameworks and standards. Prior periods have been restated to exclude USD 10.6bn and USD 12.9bn as of 31 December 2023 and 31 December 2022, respectively. 6 In line with the progressing integration, for 2024 we report the share of sustainable investing assets as a percentage of UBS Group total invested assets. For 2023, we report the sustainable investing proportion of UBS AG total invested assets, excluding any invested assets booked by and for Credit Suisse AG.

1 Morningstar. Figures as published by Morningstar using their Sustainable Investing framework and definitions.
2 Morningstar, Global Sustainable Fund Flows: Q3 2024 in Review.
3 Preqin, ESG in Alternatives 2024.
4 UBS, Billionaire Ambitions report 2024.
5 UBS, Global Family Office report 2024.

Sustainable financing

In sustainable financing markets, global thematic sustainable bond markets (comprising green, social, sustainable and sustainability-linked bonds, jointly referred to as labeled bonds) saw issuance volumes increase by 16%[1] year on year, nearly reaching the record level achieved in 2021, which at the time strongly benefited from COVID-related supply factors. Sovereign, Supranational and Agency (SSA) issuers remain the largest source of labeled bond issuance, accounting for 38% of supply in 2024. Green bond issuance continues to dominate with a 12% year-on-year increase, accounting for 58% of total labeled bonds priced in 2024.

The number of bond transactions facilitated by UBS Investment Bank in 2024 remained strong at 96 (2023: 102).[2]

Labelled transactions facilitated by UBS[1]

	For the year ended			% change from
USD bn, except where indicated	31.12.24	31.12.23	31.12.22	31.12.23
Total labelled transactions				
Number of green, social, sustainability, and sustainability-linked (GSSS) bond deals	96	102	77	(6)
Total deal value of green, social, sustainability, and sustainability-linked (GSSS) bond deals	56.0	53.7	47.6	4
UBS-apportioned deal value of above	12.4	12.8	9.8	(3)
of which climate-related transactions				
Number of green, sustainability and sustainability-linked bond deals	*85*	*93*	*69*	*(9)*
Total deal value of green, sustainability and sustainability-linked bond deals	*48.1*	*49.3*	*42.4*	*(2)*
UBS-apportioned deal value of above	*11.2*	*11.6*	*8.8*	(3)

1 These metrics include transactions meeting the UBS Sustainable Finance Guideline, as described in the "Sustainability and climate risk policy framework" section of the Supplement to this report, available at ubs.com/sustainability-reporting. For 2023 figures, UBS performed an assessment for Credit Suisse green, social, sustainability and sustainability-linked bonds and in the UBS Sustainability Report 2023 included those deemed to be aligned to UBS sustainable bond guidelines.

1 Bloomberg (all values in this paragraph).
2 These metrics include transactions meeting the UBS Sustainable Finance Guideline, as described in the "Sustainability and climate risk policy framework" section of the Supplement to this report, available at ubs.com/sustainability-reporting.

Global Wealth Management

Building on our unrivaled global scale and footprint in wealth management, with invested assets exceeding USD 4.1trn, we aim to help private clients and family offices achieve their sustainability objectives in line with their targeted financial performance. We do this via an end-to-end research-driven investment value chain. The starting point is dedicated sustainability-focused investment research, including strategic asset allocation, thematic and asset-class views, which then translates into high-conviction instrument selection and advice.

This approach aims to provide insights for clients about sustainability risks and opportunities and how to consider them within a portfolio context. These research views inform our sustainable and impact investing solutions, which include multi-asset investment portfolios and a suite of advisory options across equities, bonds and alternative investments.

Integration of Credit Suisse

The acquisition of the Credit Suisse Group offers Global Wealth Management several opportunities to enhance our existing sustainable investing offering with potentially complementary capabilities and resources. These opportunities include tools designed to enhance transparency and reporting on the sustainability characteristics of investments and portfolios, and bringing selected Credit Suisse sustainable and impact investing solutions onto the merged platform. These solutions will be subject to existing Global Wealth Management sustainable investing frameworks, diligence and instrument selection approaches. Deviations in these approaches were identified in 2023, with findings integrated into the migration throughout 2024 and going into 2025. We will phase out dual governance during the migration of solutions, clients and assets, with the aim of aligning under the existing Global Wealth Management sustainable investing governance.

2024 highlights

- Our clients' impact investing assets reached USD 10.5bn (2023: USD 11.2bn).[1]
- Our clients' discretionary assets aligned to a sustainable investing strategic asset allocation reached USD 20.6bn (2023: USD 21.8bn).[2]

Delivering actionable investment insights

The Global Wealth Management Chief Investment Office (CIO) identifies actionable sustainability-related investment opportunities, including strategies across real assets (renewables infrastructure), shareholder engagement, carbon markets, sustainable bonds and thematic areas such as the blue economy, the energy transition(s) and artificial intelligence (AI). We publish a regular series of sustainable investment views, including a monthly *Sustainable Investing Perspectives* series and longer-term-focused quarterly *Sustainable InSights* and *Sustainable Investing in Charts* publications.

Furthermore, we extensively addressed implications for sustainable investing stemming from the elections that took place in 2024, including in the EU and the US, and from international debates, including UN Climate Week 2024, COP29 and COP16. We also enhanced the methodology underpinning the CIO Sustainability Scores for issuers, which now covers approximately 13,000 issuers, informs our investment process within specific strategies and enables issuer-, fund-, and portfolio-level transparency to be delivered to clients by addressing controversies and their materiality across industries.

The underlying sustainable investing research views are integrated into the CIO House View and are accompanied, where relevant, by media such as videos or podcasts to facilitate client reach and accessibility.

Building sustainable portfolios

Our flagship cross-asset sustainable investing portfolio – based on our CIO bespoke sustainable investing strategic asset allocation (SI SAA) – continued to deliver competitive financial performance. This was supported by allocations to high-quality bonds across the multilateral development bank and thematic sustainable fixed income strategies, and by ESG leader equities. We also introduced a dedicated tactical allocation to investments linked to AI as part of our thesis that AI is a key enabler for sustainable solutions.

Changes in our clients' sustainable investing invested assets reflect private investors' broad concerns about capital market performance outside of the US technology sector and the slower-than-expected interest rate cuts, which are yet to positively impact small- and medium-sized companies. The latter represent a meaningful share of sustainable portfolios. In addition, the change in our clients' impact investing assets reflect the return of capital to investors in our earlier private market impact investing solutions, which have now started to mature.

1 Figures do not include invested assets classified under the Credit Suisse SIF but include invested assets of Credit Suisse portfolios that have been migrated onto UBS platforms and vetted against UBS's sustainable investing policies or merged with existing UBS sustainable investing portfolios. This process is being carried out in waves and will continue until at least the end of 2025. The impact on the 2024 changes is negligible. Figures include limited amounts of instruments not classified as sustainable investment, including cash and cash-like instruments that each portfolio holds for liquidity management purposes.
2 Figures include some Credit Suisse discretionary mandates that are managed according to the sustainable investing SAA and are included in the UBS Global Product Catalogue (GPC) while still being booked in the Credit Suisse systems. The amount attributed to these products in 2024 was USD 1.7bn. 2024 figures exclude USD 0.6bn of invested assets relating to Global Wealth Management's US business that are undergoing additional validation procedures to ensure alignment with internal UBS frameworks and standards. Year-end 2023 values have been restated to exclude USD 0.7bn. Figures include limited amounts of instruments not classified as sustainable investment, including cash and cash-like instruments that each portfolio holds for liquidity management purposes, as well as client-directed investments included in sustainable investing mandates.

Providing investment solutions for climate, nature and social challenges

In 2024, Global Wealth Management continued to increase the number of investment solutions across asset classes and strategies to support clients' decarbonization objectives. Included among the new climate solutions we launched were a multi-thematic climate-change-focused equity module and the Macquarie Energy Transition Infrastructure Fund, a clean energy infrastructure solution. We also continued our credit research coverage of individual green bonds, expanding the available universe for clients who prefer direct investments to fund solutions. These complement our existing solutions offering and investment tools that allow for building customized and bespoke allocations. Examples include using water consumption and pollution and waste data to address nature-related risks and opportunities in single stock and bond portfolios.

We continue to explore ways to develop nature-related products and solutions in our wealth and asset management businesses. In 2024, we launched the UBS Rockefeller Ocean Engagement Fund in a collaborative approach with Rockefeller Asset Management. It seeks to provide financial returns and positive impact by engaging with companies that address ocean health issues. This complements our existing strategies that focus on nature drivers, such as the UBS Future of Earth fund.

Within social investments, we continued to raise capital for the UBS Gender Equality ETF, which builds on our partnership with index provider Solactive and expert data provider Equileap. In addition, in 2024 our clients in the Americas had the opportunity to invest in early-stage education technologies and affordable housing, alongside other impact investing solutions. This complements our advancement in social investing, where we previously raised USD 1bn of client assets toward oncology research. In 2024, we saw some of these innovative therapies advance in their stages of regulatory approval, leading to potentially broader applications in the future.

Educating our clients and their advisors

An important part of the advice we provide is supporting our clients, prospective clients and advisors with timely research and education on sustainable investing.

Given the rapidly evolving environment around sustainability and investments, it is crucial for advisors to stay up to date on industry trends, regulatory developments and investment ideas. During 2024, we continued to engage with advisors, for example through the regular Let's Talk SI events for Global Wealth Management product and client-facing staff. We have accelerated training programs for our client-facing staff. For example, approximately 400 of our Asia Pacific Global Wealth Management employees have benefited from certified training from the University of Zurich. We supplement this with Lunch and Learn events to discuss topical interests, to ensure sustainable investing remains relevant even after the training.

Our educational work with investors has also continued to evolve. We conduct dedicated Next Generation and Emerging Successors client sessions on sustainable and impact investing. Sustainable investing is also integrated into many of our core flagship client events, with a focus on actionable investment ideas. It is also featured in our Global Family Office Forums and Philanthropy Roundtable events. In addition, in Asia Pacific, we introduced a new format of CIO-driven investor engagements, in collaboration where relevant with our Chief Sustainability Office and Investment Bank, covering specific themes such as carbon removals or impact investing portfolio construction. In the US, we hosted an event on "Standing Up for the Planet: Conversation with women focused on solutions to climate change" in addition to dedicated discussions on "Seeking alpha: Integrating a Gender-lens in Climate Investing" (during New York Climate Week) and roundtables on affordable housing.

› **Refer *to ubs.com/global/en/wealth-management/sustainable-investing* for more information about Global Wealth Management's sustainable investing insights**

› **Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors* for more information about the overall business and financial profile of Global Wealth Management as important context for the product and financial information provided here**

› **Refer to the "Supporting opportunities" section of this report for more information about the proportion of sustainable investment assets as part of our total invested assets**

Personal & Corporate Banking

In our home market, we aim to be the most progressive financial institution when it comes to providing sustainable and sustainability-linked financial advice and solutions. We are well-positioned to capture transition finance opportunities and contribute to the decarbonization ambitions of our clients.

Integration of Credit Suisse

We formally completed the merger of UBS Switzerland AG and Credit Suisse (Schweiz) AG on 1 July 2024, marking an important milestone. The merger of the Swiss legal entities facilitated the ongoing migration of clients and operations from Credit Suisse platforms to UBS platforms, following business and client- and product-specific requirements. The transfer of Swiss-booked Credit Suisse banking relationships and products to UBS systems is planned for 2025 and 2026. We are monitoring the integration of sustainability-related activities and products of former Credit Suisse (Schweiz) AG, ensuring compliance with the UBS Sustainable Finance Guideline.

2024 highlights

- The sustainable investing products share of clients' investment assets (excluding cash deposits and savings) in Personal Banking stood at 43.4% (2023: 46.5%).[1]
- The total on-balance sheet drawn exposure of sustainable loans granted to corporate and institutional clients booked on the UBS Switzerland AG platform amounted to USD 2.0bn as of the end of 2024 (excluding mortgages).[2]

Private clients

Assisting our clients in meeting their sustainability ambitions remained a focus in 2024. Our clients continued to allocate to sustainable investment solutions during the year, facilitated by access to relevant product offerings such as a sustainable savings account, sustainable investment funds and sustainable pension solutions via our mobile banking app, UBS key4. In addition, clients who use UBS key4 banking can also track the CO_2 footprint of their account transactions.

Corporate and institutional clients

We support companies on three levels. Firstly, we integrate sustainability into strategic client dialogues, taking a holistic view of a client's business operations. This includes identifying key business drivers and obstacles, assessing relevant regulations and understanding the expectations of customers, employees, investors and civil society.

Secondly, we provide practical solutions tailored specifically to a company's needs. Smaller businesses that have not yet addressed sustainability can benefit from simple and cost-effective tools, such as the online platform esg2go or energy management consulting from EnAW (Energie-Agentur der Wirtschaft – Energy Agency of the Economy). More advanced companies, which already have anchored sustainability in their corporate strategy and publish a sustainability report, can leverage sustainable financing options.

Thirdly, we promote partnerships that extend beyond traditional banking, such as in the area of cyber security. Our *UBS Marketplace* platform offers access to a variety of services that, among others, support companies on their journey toward greater sustainability. Additionally, through sector-specific regional client roundtables, we aim to provide a platform where challenges and opportunities related to sustainability can be discussed among clients and best practices shared in a targeted manner and facilitated by us.

Introducing sustainability-linked loans for commodity trade finance and corporate clients

Following the successful launch of sustainability-linked loans for multinational corporations in 2023, in 2024 we launched sustainability-linked loans (bilateral and syndicated loans) for commodity trade finance and corporate clients (small and medium-sized enterprises). We closed several such transactions. For example, we became the banking partner of choice for Retripa, a leading Swiss company specializing in waste disposal and recycling, and we were appointed as the bank partner of choice by neustark, the ETH Zurich university spin-off and start-up specializing in the petrification of atmospheric CO_2 in recycled concrete.

Continuing to support investing needs of institutional clients

Swiss pension funds and insurance companies are aiming to increase their sustainable investments. To support this goal, we are offering tailored sustainable investment solutions made available by Asset Management. In addition, we provide these clients with innovative reports that offer extensive transparency about their portfolio with regard to sustainability aspects.

1 Products booked on Credit Suisse platforms are not included as they have not been migrated onto UBS platforms and vetted against UBS sustainable investing policies or merged with existing UBS sustainable investing portfolios.
2 Loans booked on the Credit Suisse platform are not within the scope of this metric. As Credit Suisse loans migrate to the UBS infrastructure, due diligence against the UBS sustainable product guidelines framework will be performed.

Swiss real estate

We further developed our Swiss real estate offering to support clients who are renovating and refurbishing their properties in a climate-transition-friendly manner. Examples are listed below, including the launch of new products and the creation of new partnerships.

UBS Loan Green

With the rollout of this new product, we aim to support sustainability in investment and commercial properties. It is designed for clients who are planning new low-energy constructions or energy-efficient renovations or purchasing energy-efficient properties. The product provides tailored financing and expert advice and accepts various building certifications. In addition, we support our clients with a contribution to the cost of securing a building certification, up to a maximum amount of CHF 4,000 per client.

The power of partnerships

In 2024, we started to offer a new Switzerland-wide advisory solution, UBS Renovation Service, with Wincasa, a leading Swiss property service provider, to incentivize more sustainable renovation of buildings in the country. The solution supports owners of investment properties throughout an entire renovation project, offering tailored advice, construction coordination and financing services from a single source with the focus on safeguarding the property's long-term value.

Moreover, through our new partnership with Norm Technologies AG, a provider of innovative digital solutions, we offer homeowners a digital and easy-to-use energy analysis and a concrete roadmap for sustainable renovation. In just a few steps, clients can order a tailor-made digital energy certificate by uploading the relevant basic data about their property.

› **Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors* for more information about the overall business and financial profile of Personal & Corporate Banking as important context for the product and financial information provided here**

› **Refer to the "Supporting opportunities" section of this report for more information about the proportion of sustainable investment assets as part of our total invested assets**

Asset Management

With over 20 years[1] of sustainable investing expertise, we continue to offer a range of strategies and customized solutions that aim to deliver sustainable outcomes alongside financial returns. Our sustainable investing capabilities cover active and passive styles of investing and span asset classes. There is rarely a one-size-fits-all solution for clients, which is why we incorporate a variety of approaches. These include active ownership, impact- and transition-focused strategies. We integrate data science into our sustainable investing processes to drive innovation and create more efficient alpha opportunities.

Integration of Credit Suisse

Significant progress was made in 2024 as part of the integration of Asset Management (Credit Suisse). We continue to align our governance structures and policies and are bringing together our processes and teams to enhance collaboration and leverage our combined strengths. We have successfully onboarded the initial migration waves of Credit Suisse products onto the UBS shelf.

In 2025, we will continue progressing in our integration and with the onboarding of Credit Suisse products into the UBS portfolio. Our focus remains on client portfolios in terms of the delivery of sustainability and investment outcomes, creating opportunities and expanding client offerings where possible thanks to our combined organization.

2024 highlights

- Supporting our clients to achieve their sustainable investing goals: 20% of Asset Management's fund offering[2] globally will be sustainable investing products, providing choice for clients. At the end 2024, 23.4% of Asset Management's fund offering consisted of sustainable investing products.
- At the end of 2024, Asset Management managed sustainable investing invested assets of USD 220.4bn (2023: USD 203.4bn).[3]
- At the end of 2024, Asset Management had 49 (2023: 35) net-zero ambition portfolios available for clients with a combined invested assets value of USD 64.4bn (2023: USD 35.5bn).[4]
- Asset Management actively engaged with 321 companies on sustainability-related topics. Of the total of 473 meetings undertaken on sustainability-related topics, 300 included dialogue regarding environmental and social issues (2023: 373 companies, 536 total meetings and 304 meetings on environmental and social issues)
- Asset Management's corporate engagements with investee companies on sustainability-related topics achieved 66.7% positive progress against preset objectives (2023: 56.5%).

Our sustainable investing offering

Asset Management has a broad sustainable investing product shelf that includes traditional and alternative funds, ETFs and mandates with broad sustainability and climate orientations. Examples of such products include strategies that invest in climate solutions, the energy transition, infrastructure debt, green real estate and more. To meet our client preferences and demand we constantly review our suite of sustainability and climate-related portfolios.

Notable climate-related offering developments in 2024

We expanded our offering in the net-zero fixed income space to cover both corporate and sovereign issuers. We partnered with Bloomberg to create The Bloomberg Global Treasury Net Zero Progress Index, a net-zero sovereign progress index. This methodology served as the benchmark index to convert two of our existing funds to net-zero-aligned strategies: the UBS (CH) Investment Fund – Bonds Global ex CHF Government Net Zero Ambition Index, and the UBS (CH) Investment Fund – Bonds Global Corporate Climate Aware Hedged NSL.

We added two low-carbon ETFs to support the preferences of clients that wish to reduce carbon emissions in their ETF investments: the UBS (Irl) ETF plc – MSCI Canada ESG Universal Low Carbon Select UCITS ETF, and the UBS (Irl) ETF plc – S&P 500 Climate Transition ESG UCITS ETF. These strategies target investee companies reducing carbon emission intensities alongside exclusions in fossil fuel extraction and thermal coal power.

1 UBS Asset Management (Americas) Inc. started its first sustainability strategy in 1997.
2 Measured over a three-year rolling period. The scope includes traditional and alternative funds sponsored and managed by Asset Management. Mandates, white label, Asset Management single investor and feeder funds are excluded. As of 2024, products managed by Credit Suisse Asset Management that are categorized in accordance with the legacy Credit Suisse SIF are within the scope of the total number of funds but not the total number of UBS Asset Management sustainable investing funds. They will only be included once migrated onto UBS Asset Management product shelves, i.e. once corresponding data has been onboarded to UBS systems, they are fully meeting the requirements of UBS's Group Sustainable Investing Policy, and are classified as a UBS sustainable investing product. This process is being carried out in waves and will continue at least until the end of 2025.
3 Figures do not include invested assets classified under the Credit Suisse SIF but include invested assets of Credit Suisse portfolios that have been migrated onto UBS platforms and vetted against UBS's sustainable investing policies or merged with existing UBS sustainable investing portfolios. This process is being carried out in waves and will continue at least until the end of 2025. The Credit Suisse integration-related impact to sustainable investing invested assets in 2024 was USD 8.2bn. Invested assets reported as sustainable investing include limited amounts of instruments not classified as sustainable investments. This includes cash and cash-like instruments that each fund and portfolio holds for liquidity management purposes, as well as client-directed investments included in sustainable investing mandates.
4 Credit Suisse portfolios are in the process of being assessed in the context of the Asset Management's Net Zero Alignment Framework to identify portfolios with a net-zero ambition and are therefore not reflected in the reported metrics.

Other offering developments in 2024

We expanded our range of sustainability-related options across our ETFs strategies in fixed income and equities. New launches included the UBS (Irl) ETF plc – EUR Ultra-Short Bond ESG UCITS ETF, the UBS (CH) Investment Fund – Equities Switzerland Small & Mid Cap ESG Passive II, and the UBS (Irl) ETF plc – MSCI Emerging Markets ex China Socially Responsible UCITS ETF. These strategies require investee companies to exceed minimum ESG rating thresholds and minimize or exclude exposure to companies involved in activities that include tobacco production, controversial weapons and severe ESG controversies.

Active ownership

In 2024, we continued our programs of engagement with investee companies, focusing on outcomes that benefit companies, their shareholders and wider society. During the year, we expanded our approach to escalation actions where engagements are making insufficient progress including two instances where we participated in the co-filing of shareholder resolutions. Some highlights from the perspective of our specific environmental and social engagements are included below.

Climate

In the sixth year of our climate engagement program, we expanded the scope from six carbon intensive sectors to include financial institutions. Beyond decarbonization and transition planning, we are also engaging with companies on their plans to build resilience and adapt to chronic physical risks and extreme weather events.

Social

We engage with investee companies on social topics in three focus areas: human capital, human rights and health. In our human rights engagements, we focus on worker safety in vulnerable regions, responsible wage levels, working conditions under extreme heat and flooding, and just transition for workers exposed to climate change transition. In these areas we also worked through the Investor Alliance on Human Rights and FAIRR. In our human capital engagements, we broadened our focus to include both gender diversity and other diversity issues with a view to enhancing the innovation capability of companies. We also engaged on human capital development for AI and human resources challenges. In our health engagements, we observed good progress on company disclosure, and we focused on the strategic direction of healthier products, in part by working through the Access to Nutrition investor network.

› **Refer to the "Environment" section of this report for more information about the climate program**

Impact measurement

Asset Management has formed a collaboration with the Sustainable Development Investments Asset Owner Platform (SDI AOP) to develop impact measurement metrics that may be used for listed equity and fixed income portfolios. In 2024, Asset Management contributed proprietary models to the initiative in order to accelerate the development of datasets that can inform investment decisions and help set a market standard for outcomes reporting.

› **Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information about the overall business and financial profile of Asset Management as important context for the product and financial information provided here**

› **Refer to the "Supporting opportunities" section of this report for more information about the proportion of sustainable investment assets as part of our total invested assets**

Investment Bank

The Investment Bank offers clients global advice and access to the world's primary, secondary and private capital markets. In 2024, we continued to hone our capabilities through initiatives across Global Markets, ESG Research, Global Banking and data-led offerings.

2024 highlights

– We facilitated 96 GSSS bond transactions globally (2023: 102).[1]
– The Investment Bank retained first place in GSSS bond issuance in Brazil.[2]
– We successfully completed two pilot transactions on the Carbonplace platform.

Global Research

In 2024, ESG Research delivered thematic reports on topics including: nuclear energy; the EU, US and Asia Pacific sustainability-related regulatory landscape; views on the ESG and sustainable investing landscape; advanced recycling; biomass; and desalination. More generally, through our research we addressed ways in which ESG factors connect to individual markets, sectors and companies in our coverage. ESG research is supported by UBS Evidence Lab, which provides data-driven insights into ESG-relevant questions, and by UBS HOLT, which provides a clear, objective framework for comparing and valuing over 20,000 companies worldwide.

Global Markets

Within Global Markets, our capabilities include developing products and solutions that aim to support our clients in accessing carbon credits (i.e. emission allowance, reduction and / or removal) and thematic exposure to sustainability sectors. In 2024, we successfully completed two pilot transactions on the Carbonplace platform, a carbon credit transaction network we co-founded in 2022 as part of a consortium of nine banks. We will continue to drive adoption of the platform and advance our carbon portfolio trading offering to clients.

We have also focused on establishing the groundwork for green structured issuance, blended finance, emission allowances and project-based carbon removals financing offerings. Building out this product suite is an important step in offering clients ESG-aligned investment solutions alongside the more traditional product set, particularly as it enables us to demonstrate our origination capabilities.

In this area, we can differentiate ourselves meaningfully from competitors through our collaboration with the UBS Optimus Foundation and our Chief Sustainability Office, with many leading non-governmental organizations and project developers across the climate and nature sectors. It is critical that we realize our ambitions by concentrating on the opportunities our clients will find compelling. That will require us to continue increasing the level of engagement with clients and to drive more product innovation in 2025.

› **Refer to the "Driving social impact" section of this report for more information about UBS Optimus Foundation**

1 These metrics include transactions meeting the UBS Sustainable Finance Guideline, as described in the "Sustainability and climate risk policy framework" section of the Supplement to this report, available at ubs.com/sustainability-reporting.
2 Bloomberg.

Global Banking

Our Global Banking teams, leveraging the expertise of the Corporate Shareholder Advisory group ("CSA"), supported our clients globally by assessing their sustainability profile from the point of view of investors and other stakeholders and linking these profiles to investor demand and valuation.

2024 deal highlights

- Financial advisor to a US-based manufacturing company in connection with a spin-off of its power, renewables and electrification subsidiary. Global Banking helped the company navigate the ESG market and regulatory trends in the EU, assessed the subsidiary's positioning with ESG funds by developing an equity story featuring sustainability to target investor demand, and identified strategic merger and acquisition and growth activities.
- Global coordinator for the USD 2.7bn follow-on green equity offering of a Brazilian water and sanitation company on the Sao Paulo Stock Exchange (B3). The company is the first outside Europe to be granted a "green equity" designation, defined in Brazil by the B3 exchange, with 100% of its revenues and 96% of its capex defined as green by S&P Cicero.

Leveraged and debt capital markets

The Investment Bank arranged USD 56.0bn[1] GSSS financing through 96 bond deals during 2024 (2023: USD 53.7bn and 102 deals). We continued to solidify our market-leading position in the Swiss franc-denominated market, with the Investment Bank's market share at 31%.[2] Next to Switzerland, our transaction activity in the GSSS bond market continued to be particularly strong in Australia and Brazil. In Australia, we led nine SSA Australian dollar-denominated transactions in 2024.

Among these key transactions, we structured and executed the Australian government's inaugural AUD 7bn green treasury bond, the first to be launched from its green bond program as part of its wider sustainable finance strategy. Green treasury bonds are designed to enable investors to back public-sector projects that drive Australia's net-zero transformation forward, support environmental objectives and help finance high-quality sovereign projects with targeted environmental outcomes. They also boost the scale and credibility of the domestic green finance market while attracting green capital to the country.

In July 2024, our joint venture in Brazil, UBS BB Investment Bank, acted as global coordinator and sustainability advisor to a Brazilian cosmetics and personal care company on its BRL 1.3bn sustainability-linked debenture. This was the largest debt instrument ever linked to the Amazon. Its specific key performance indicator focused on the level of inputs sustainably sourced from the Amazon.

› **Refer to the UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors* for more information about the overall business and financial profile of the Investment Bank as important context for the product and financial information provided here**

1 Total face value of GSSS financing.
2 Bloomberg.

Group Treasury activities

In 2024, Group Treasury continued to invest its high-quality liquid assets portfolios (HQLA) under a dedicated ESG investment framework. This framework guides the integration of ESG considerations into the investment process alongside more traditional economic and risk dimensions. The framework supports investments in green, social and sustainability labeled bonds.

At the end of 2024, Group Treasury held USD 7.9bn of green, social and sustainability labeled bonds in its HQLA portfolios, compared with the USD 8bn it held in 2023.

Green Funding Framework

Our Group-wide Green Funding Framework sets out how we intend to connect our sustainability objectives with access to financial markets through a variety of funding products.

› **Refer to *ubs.com/greenbonds* for more details about the UBS Green Funding Framework, external reviews and annual reporting (including impact and allocation reporting)**

Managing sustainability and climate risks

Introduction

Managing sustainability and climate risks is a key component of our corporate responsibility. We define sustainability and climate risk as the risk that we negatively impact on, or are impacted by, climate change, natural capital, human rights and other environmental and social matters. Sustainability and climate risks may manifest as credit, market, liquidity, business or non-financial risks for UBS, resulting in potential adverse financial, liability or reputational impacts.

Group Risk Control (GRC) is responsible for our firm-wide sustainability and climate risk framework and the management of exposure to sustainability and climate (financial) risks on an ongoing basis as a second line of defense. Group Compliance, Regulatory & Governance (GCRG) monitors the adequacy of our control environment for non-financial risks (NFR), applying independent control and oversight. We manage sustainability and climate risk within a dedicated risk management framework. In 2024, the UBS Group (including Credit Suisse) was managed under the same framework.

Our sustainability and climate risk framework continues to evolve through our multi-year initiative focused on meeting regulatory requirements and enhancing core processes, such as reporting and disclosures.

› **Refer to the "Sustainability and climate risk policy framework" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting,* for more information**

Sustainability and climate risk management framework

Our firm-wide sustainability and climate risk management framework and related policies, standards and guidelines form the basis of our management practices and control principles. They enable us to identify and manage potential adverse impacts on the climate, the environment and human rights, as well as related risks affecting us and our clients, while supporting the transition to a low-carbon economy.

Overseen by senior management, the framework applies to the balance sheet, our own operations and our supply chain. It consists of four different phases: (i) risk identification and measurement; (ii) monitoring and risk appetite setting; (iii) risk management and control; and (iv) risk reporting and disclosure.

› **Refer to "Our investment management approach to sustainability and climate risks" in this section for a description of our sustainability and climate risk investment approach**

› **Refer to the "Sustainability and climate risk policy framework" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting,* for more information**

Sustainability and climate risk management framework

1 Risk identification and measurement

Sustainability and climate risks are identified and their materiality is measured

– Annual sustainability and climate risk materiality assessment
– Climate risk heatmaps and climate risk counterparty-level rating model
– Scenario-based climate analysis and stress-testing exercises, including the development of a stress-testing framework

2 Monitoring and risk appetite setting

Sustainability and climate risk exposures, emerging risks and regulations are monitored and metrics reported internally to facilitate risk appetite setting

– Monitoring of sustainability and climate risks (including regulatory monitoring)
– Sustainability and climate risk metrics
– Qualitative and quantitative sustainability and climate risk appetite

3 Risk management and control

Management and control processes ensure that material sustainability and climate risks are identified, measured, monitored and escalated in a timely manner

– Integrate sustainability and climate risk considerations into decision-making processes and related policies
– Develop in-house capacity to enhance risk management, including specialized training and further research and development of tools
– Centralize and execute ESG data strategy

4 Risk reporting and disclosure

Key sustainability and climate risk considerations are included in internal reporting and external disclosures

– Sustainability and climate risk content included in the UBS Group, divisional, regional and legal entity risk reports
– External disclosures of sustainability and climate risk in annual and sustainability reports

Related toolkit

The Group Chief Risk Officer is responsible for the development of the sustainability and climate risk framework and risk appetite, along with its integration into existing Group frameworks. The Chief Risk Officer for Sustainability supports the Group Executive Board by providing leadership on sustainability in collaboration with business divisions and Group functions and is supported by the sustainability and climate risk unit. In addition, the Risk Committee and the Corporate Culture and Responsibility Committee of the Board of Directors jointly monitor the progress of our efforts to address sustainability and climate risk.

› **Refer to the "Supplement to Governance" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for further details on the sustainability governance at UBS**

Our multi-year sustainability and climate risk initiative (the SCR Initiative), launched in 2020 by the sustainability and climate risk unit, continues to build capacity through expertise, collaboration, technology and data. This initiative was created to integrate sustainability and climate risk considerations into our traditional financial and non-financial risk management frameworks, which address these traditional risks across our business divisions and legal entities, in an ever-changing regulatory environment.

In 2024, the SCR Initiative further advanced its efforts toward the goal of fully integrating qualitative and quantitative sustainability and climate risk considerations into the firm's traditional risk management and stress-testing frameworks. Developments in 2024 included introducing climate-driven risk analytics into the credit decision-making process for selected portfolios, introducing climate-driven quantitative risk appetite where mandated, developing climate risk-adjusted stress models and scenario analysis capabilities, expanding climate risk monitoring internally, and further refining processes, governance and methodologies to drive forward more comprehensive sustainability and climate risk reporting and disclosures. Furthermore, to monitor and control the utilization of the divisional contributions toward the 2030 corporate lending sector decarbonization targets, a decarbonization control framework has been established with defined thresholds per sector and business division and at a Group level. These thresholds are defined annually and the utilization against the agreed thresholds is monitored on a quarterly basis.

Sustainability and climate risk management activities conducted in 2024 are described below, across the four phases of the sustainability and climate risk framework.

› **Refer to the "Supplement to Governance" and "Supplement to Managing risks" sections of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting,* for more details about our sustainability and climate risk policy framework**

Risk identification and measurement

We assess the materiality of our sustainability- and climate-driven risks and impacts on an annual basis. This is underpinned by an assessment of how key risk drivers may impact us through financial and non-financial risks (e.g. credit losses or reputational incidences resulting in lost revenues) and by assessing the proximity of our activities to the potential negative impact on the environment (including climate) and human rights.

We aim to identify sustainability and climate risks at divisional and cross-divisional levels, both through the sustainability and climate risk materiality assessment mentioned above and, increasingly, by integrating them into the firm-wide traditional risk identification and measurement processes.

› **Refer to the "Environment" section of this report for details about our climate-related materiality assessment and the underlying methodology**

Our risk identification methodologies collectively define our focus areas and key risk drivers. The results of these efforts contribute to our sustainability and climate risk management strategy by:
- identifying concentrations of climate-sensitive exposure that may make us vulnerable to financial and non-financial risks, facilitating resource prioritization to enhance risk quantification and subsequent management actions; and
- supporting the implementation of a client-centric business strategy, in which we support clients with their sustainability transition and identify clients who can benefit from sustainability-focused UBS products and services.

The outputs of the above process supports senior management in taking informed decisions about sustainability- and climate-related risks and provides stakeholders with key information through our external disclosures.

Transition risk

Climate-driven transition risks, which arise from the efforts to mitigate the effects of climate change, may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate).

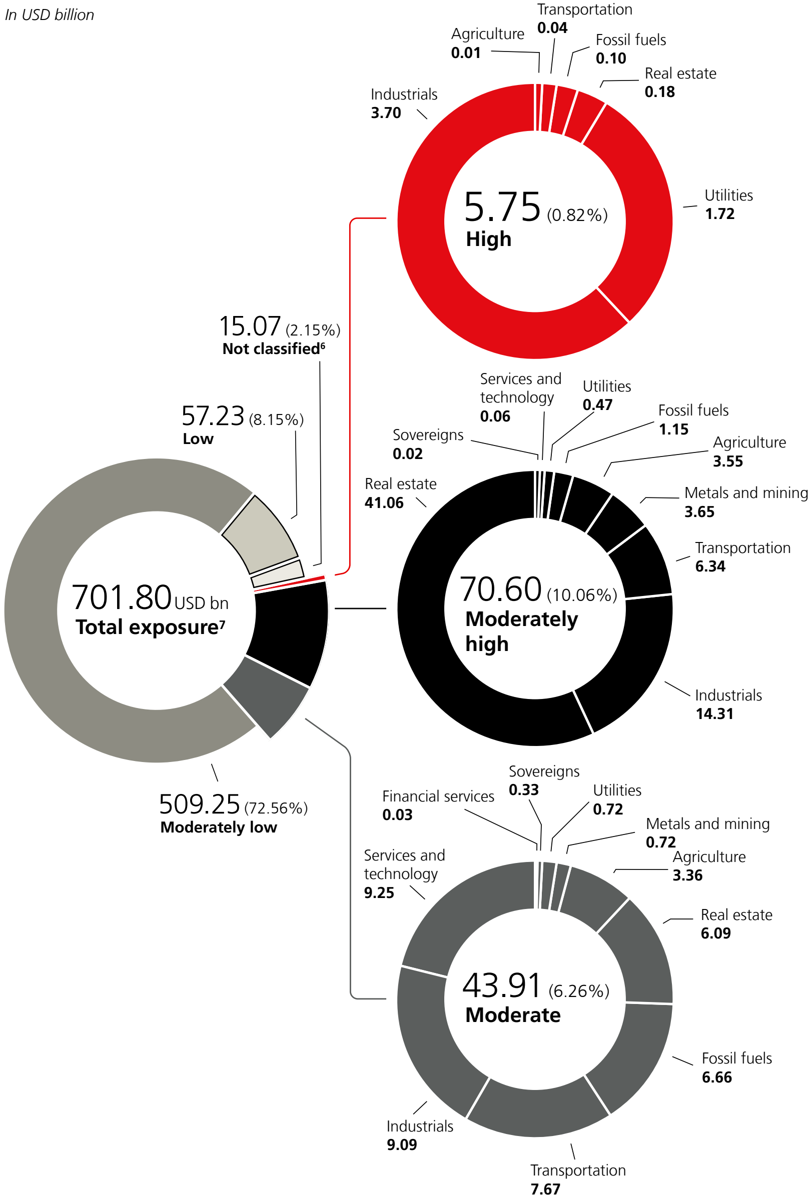
In 2024, UBS developed a transition risk rating model (TR RM), aligned with the transition risk heatmap (TR H) and designed to provide a company-level rating of transition risk, where input data is available The TR RM mainly relies on two inputs: (i) the output of the transition risk heatmap (TR H) and (ii) the Company Transition Assessment Scorecard (CTAS), an internal UBS tool that systematically categorizes listed companies based on publicly available data from external third-party data sources into climate transition readiness categories. Whenever CTAS does not provide an assessment for a company, the model falls back to an existing transition risk heatmap (TR H).

The climate transition risk profile chart shows that, at the end of 2024, the exposure of the UBS Group to climate-sensitive sectors and related business activities has decreased due to accelerated winddown of Non-core and Legacy corporate exposures. Climate-driven transition-risk sensitive exposure accounted for 17.1% of the total gross lending exposure, down from 19.2% in 2023. Key sectors contributing to sensitive exposure continues to be same as 2023 (i.e. real estate, industrials and transportation). Compared to last year, our sensitive exposure to Services and Technology sector has increased, in line with a methodology change where certain business activities that were previously rated non-sensitive are now rated sensitive due to increased reliance on artificial intelligence (AI) and data center operations requiring higher use of power.

› **Refer to the "Supplement to Managing sustainability and climate risks" and the "Basis of preparation" sections of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for details on methodologies**

Climate-driven transition risk profile chart for UBS Group AG[1,2,3,4,5,6]

In USD billion



High

Industrials **3.70**
3.46 Chemicals
0.24 Cement or concrete manufacture

Utilities **1.72**
1.70 Power production: regulated and high-carbon fuels
0.03 Waste water treatment

Real estate **0.18**
0.13 Development and management of real estate
0.05 Real estate financing

Fossil fuels **0.10**
0.07 Refining and marketing
0.03 Shale gas

Transportation **0.04**
0.04 Land-based shipping high-carbon (trucks)

Agriculture **0.01**
0.01 Livestock – beef extensive grazing

Moderately high

Real estate **41.06**
33.79 Real estate financing
7.26 Development and management of real estate

Industrials **14.31**
6.62 Machinery and related parts manufacturing
3.64 Pharmaceuticals
2.01 Consumer durables manufacturing
1.67 Plastics and petrochemicals manufacture
0.34 Chemicals
0.03 Electronics manufacture

Transportation **6.34**
2.23 Airlines – cargo
1.57 Sea-based shipping (high-carbon fuels)
1.02 Transportation parts and equipment supply
0.98 Land-based shipping high-carbon (trucks)
0.45 Airlines – commercial
0.09 Automobile manufacture (high-carbon fuels)

Metals and mining **3.65**
2.83 Mining conglomerates (including trading)
0.60 Production of other mined metals and raw materials
0.21 Production of steel and iron

Agriculture **3.55**
3.55 Food and beverage production

Fossil fuels **1.15**
0.82 Wholesale and trading: crude oil and natural gas
0.21 Conventional oil (on- / off-shore)
0.13 Gas processing (including LNG)

Utilities **0.47**
0.35 Power production: regulated and high-carbon fuels
0.12 Waste water treatment

Services and technology **0.06**
0.06 Media, information technology

Sovereigns **0.02**
0.02 Sovereigns

Moderate

Services and technology **9.25**
9.25 Media, information technology

Industrials **9.09**
4.44 Electronics manufacture
1.87 Other consumer goods manufacturing
1.29 Aerospace and defence activities
1.21 Clothing manufacture
0.14 Plastics and petrochemicals manufacture
0.11 Machinery and related parts manufacturing
0.02 Consumer durables manufacturing

Transportation **7.67**
5.93 Sea-based shipping (high-carbon fuels)
1.06 Passenger ships
0.30 Land-based shipping high-carbon (trucks)
0.16 Airlines – cargo
0.14 Automobile manufacture (high-carbon fuels)
0.08 Transportation parts and equipment supply

Fossil fuels **6.66**
5.88 Wholesale and trading: refined petroleum products
0.35 Downstream oil and gas distribution
0.32 Integrated oil and gas
0.10 Transportation and storage (gas)
0.02 Wholesale and trading: crude oil and natural gas

Real estate **6.09**
3.44 Construction – non-infrastructure
2.44 Real estate financing
0.18 Development and management of real estate
0.03 Construction of buildings and related activities

Agriculture **3.36**
2.67 Food and beverage wholesale / retail
0.31 Crops – high emissions intensity
0.28 Food and beverage production
0.07 Other agricultural services
0.02 Livestock – other

Metals and mining **0.72**
0.44 Metal ore mining not elsewhere classified
0.22 Metal iron ores
0.04 Production of other mined metals and raw materials
0.02 Production of steel and iron

Utilities **0.72**
0.53 Waste disposal and recycling
0.12 Wholesale and trading: electricity and power
0.08 Grid operation and transmission

Sovereigns **0.33**
0.26 Government agencies
0.07 Sovereigns

Financial services **0.03**
0.02 Asset managers and asset owners
0.01 Banks

1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in the UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 2 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. 3 Climate risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 4 Methodologies for assessing climate-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. The Lombard lending rating is assigned based on the average riskiness of collateral. 5 Over the last year, the UBS Group continued its efforts to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 6 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. 7 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

Physical risk

Climate-driven physical risks arise from acute hazards, which are increasing in severity and frequency, and chronic climate risks arise from an incrementally changing climate. Climate-driven physical risks may contribute to a structural change across economies and consequently affect banks and the stability of the broader financial sector. These risks extend to the value of investments and may also affect the value of collateral (e.g. real estate).

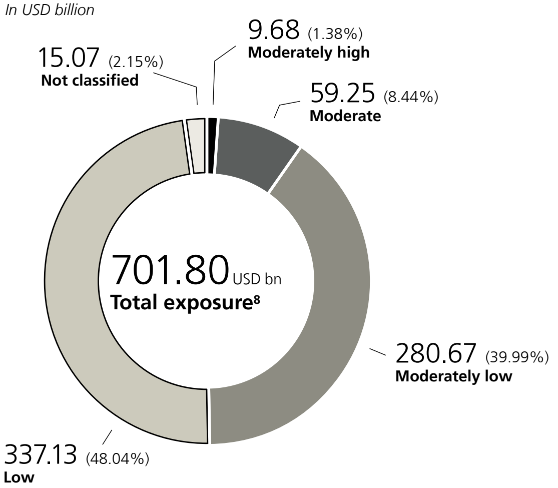
In 2024, UBS developed a physical risk rating model (PR RM), aligned with the physical risk heatmap model (PR HM). The PR RM is designed to provide a company-level indication of physical risk while both models are designed to provide the UBS Group exposure to climate-driven physical risks. The PR RM and PR HM measure how four acute physical risk hazards (wildfires, heatwave, floods and tropical cyclones) may drive physical risk of the companies.

The climate physical risk profile chart shows that, at the end of 2024, the exposure of the UBS Group to climate-sensitive sectors and related business activities has decreased due to accelerated winddown of Non-core and Legacy corporate exposures. Climate-driven physical-risk sensitive exposure accounted for 9.8% of the total gross lending exposure, down from 11.7% in 2023. Geographically, the majority of the sensitive exposure is from the Americas region, followed by Switzerland and other geographical locations. Most of the year-on-year reduction in sensitive exposure is due to Non-core and Legacy exposure winddown in the Americas region. At Group level, most of the climate-sensitive physical risk exposure is located within countries that have a relatively high adaptive capacity to manage physical risk hazards resulting in a moderately low risk profile at regional level.

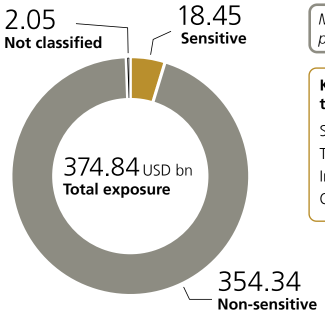
› **Refer to the "Supplement to Managing sustainability and climate risks" and the "Basis of preparation" sections of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for details on methodologies**

Climate-driven physical risk profile chart for UBS Group AG[1,2,3,4,5,6,7]

In USD billion



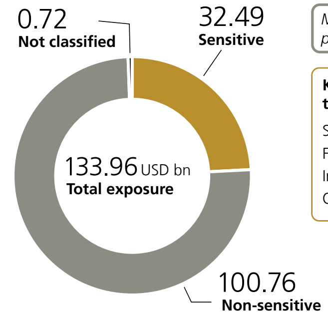
Switzerland[9]



Moderately low weighted average physical risk rating

Key contributing sectors to sensitive exposure	Exposure
Services and technology	**7.51**
Transportation	**4.54**
Industrials	**1.99**
Others	**4.42**

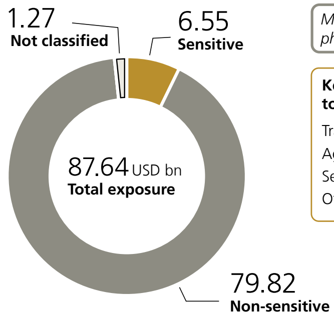
Americas



Moderately low weighted average physical risk rating

Key contributing sectors to sensitive exposure	Exposure
Services and technology	**9.71**
Financial services	**9.68**
Industrials	**5.84**
Others	**7.26**

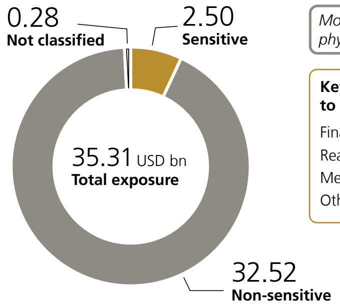
EMEA



Moderately low weighted average physical risk rating

Key contributing sectors to sensitive exposure	Exposure
Transportation	**3.91**
Agriculture	**0.95**
Services and technology	**0.74**
Others	**0.95**

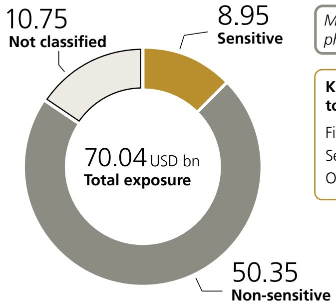
Asia Pacific



Moderately low weighted average physical risk rating

Key contributing sectors to sensitive exposure	Exposure
Financial services	**0.79**
Real estate financing	**0.34**
Metals and mining	**0.33**
Others	**1.05**

Others[10]



Moderately low weighted average physical risk rating

Key contributing sectors to sensitive exposure	Exposure
Financial services	**8.36**
Services and technology	**0.58**
Others	**0.01**

1 Gross lending exposure consists of total on-balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in the UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 2 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. 3 Climate risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 4 Methodologies for assessing climate-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. The Lombard lending rating is assigned based on the average riskiness of collateral. 5 The world map is colour-coded to reflect the exposure-weighted average physical risk rating of a given region. Countries are grouped into regions according to the UBS Country and Region Data Standard. 6 Over the last year, the UBS Group continued its efforts to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 7 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. 8 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating. 9 The Switzerland region includes a trivial exposure (<1%) booked in Liechtenstein. 10 "Others" region includes exposure to countries not available, global funds and multilateral institutions.

Climate scenario analysis

We use scenario-based approaches to assess our exposure to physical and transition risks stemming from climate change. We have introduced several in-house assessments facilitated by industry collaborations to tailor approaches for addressing methodological and data challenges. We have utilized dedicated risk models incorporating systematic and idiosyncratic effects to carry out stress testing exercises covering short-, medium- and long-term horizons.

The work performed includes regulatory scenario analysis and stress test exercises such as the Bank of England's (BoE) 2021 Climate Biennial Exploratory Scenario (CBES), the 2022 Climate Risk Stress Test (CST) of the European Central Bank (the ECB), which assesses banks' preparedness for dealing with financial and economic shocks stemming from climate risk; and the 2024 Swiss Financial Market Supervisory Authority (FINMA) / Swiss National Bank (SNB) climate scenario analysis exercise. These exercises enabled the identification of financial risks from climate change and made it possible for UBS to assess management actions in response to different scenario results and perform counterparty-level analysis. While these exercises showed mild losses and low exposure to climate risk for the entities within scope, given the limited impact to the macroeconomic financial environment, the analysis allowed UBS to enhance its climate risk scenario analysis and stress testing, further developing our capabilities for assessing risks and vulnerabilities from climate change.

In 2024, we also advanced our capabilities surrounding internal climate risk scenario analysis and stress testing for the UBS Group. We refined and expanded our internal climate risk scenarios with a focus on both transition and physical risk projections across a 30-year time frame. In addition, we developed additional climate risk methodologies to enhance and broaden portfolio coverage.

Over the last few years, we have also leveraged industry-wide initiatives, such as the Paris Agreement Capital Transition Assessment (PACTA) exercise launched by the Swiss Federal Office for the Environment (FOEN) in 2020, 2022 and 2024. Through this exercise, we assessed the climate alignment of our listed investments (including equities and bonds), mortgages and direct real estate portfolios. The assessment enabled us to compare our results with the aggregated performance of all participating banks' portfolios, showing the progress made over time and the efforts still needed.

Monitoring and risk appetite setting

Our sustainability and climate risk policy framework defines the qualitative and quantitative risk appetite for sustainability and climate risk and is subject to periodic updates and enhancements.

As part of the sustainability and climate risk monitoring process, we have developed methodologies and metrics to assess our continued exposure to carbon-related assets and climate-related risk-sensitive sectors. When developing our metrics, we consider the inputs and guidance provided by standard-setting organizations, as well as new or enhanced regulatory requirements for climate disclosures. In 2024, we continued working on methodologies covering climate-driven transition and physical risks.

The table below includes climate-related risk metrics for the UBS Group AG, UBS AG on a standalone basis and UBS Switzerland AG and UBS Europe SE, both on a standalone basis. The trend analysis of exposure is available starting 2023 as UBS Group exposures were reported on a consolidated basis post Credit Suisse integration.

The proportion of the UBS Group's total gross lending exposure accounted for by carbon-related assets decreased to 10.9% in 2024 compared to 12.1% in 2023. The UBS Group metrics were reported on a consolidated basis including Credit Suisse exposures starting 2023.

Following the mergers of UBS AG and Credit Suisse AG in May 2024 and of UBS Switzerland AG and Credit Suisse (Schweiz) AG in July 2024, the total gross lending exposures of UBS AG standalone and UBS Switzerland AG have increased due to the inclusion of legacy Credit Suisse exposure. Consequently, the climate-driven transition risk, physical-risk-sensitive exposure and carbon-related assets have increased on an absolute basis, as expected.

Risk management – Climate-related metrics

	For the year ended		% change from
	31.12.24	31.12.23	31.12.23
Climate-related metrics (USD bn)[1, 2, 3, 4]			
Carbon-related assets: UBS Group AG consolidated[1, 2, 3, 4, 5, 6]	76.5	93.9	(18.5)
Carbon-related assets proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 5, 6]	*10.9*	*12.1*	
Carbon-related assets: UBS AG (standalone)[1, 2, 3, 4, 5, 6]	*30.3*	*9.2*	*228.3*
Carbon-related assets: UBS Switzerland AG (standalone)[1, 2, 3, 4, 5, 6]	*46.6*	*27.4*	*69.8*
Carbon-related assets: UBS Europe SE (standalone)[1, 2, 3, 4, 5, 6]	*0.0*	*0.0*	*0.0*
Total exposure to climate-sensitive sectors, transition risk, UBS Group AG consolidated[1, 2, 3, 4, 6, 7, 8]	120.3	149.0	(19.3)
Climate-sensitive sectors, transition risk, proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 6, 7, 8]	*17.1*	*19.2*	
Total exposure to climate-sensitive sectors, transition risk, UBS AG (standalone)[1, 2, 3, 4, 6, 7, 8]	*36.6*	*12.8*	*186.4*
Total exposure to climate-sensitive sectors, transition risk, UBS Switzerland AG (standalone)[1, 2, 3, 4, 6, 7, 8]	*83.0*	*49.8*	*66.6*
Total exposure to climate-sensitive sectors, transition risk, UBS Europe SE (standalone)[1, 2, 3, 4, 6, 7, 8]	*0.0*	*0.0*	*0.0*
Exposure to climate-sensitive sectors, transition risk, Traded products, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 9]	2.1		
Exposure to climate-sensitive sectors, transition risk, Issuer risk, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 10]	6.8		
Total exposure to climate-sensitive sectors, physical risk, UBS Group AG consolidated[1, 2, 3, 4, 6,7,8]	68.9	90.7	(24.0)
Climate-sensitive sectors, physical risk, proportion of total gross lending exposure, UBS Group AG consolidated (%)[1, 2, 3, 4, 6, 7, 8]	*9.8*	*11.7*	
Total exposure to climate-sensitive sectors, physical risk, UBS AG (standalone)[1, 2, 3, 4, 6, 7, 8]	*65.7*	*52.5*	*25.2*
Total exposure to climate-sensitive sectors, physical risk, UBS Switzerland AG (standalone)[1, 2, 3, 4, 6, 7, 8]	*22.6*	*15.1*	*50.0*
Total exposure to climate-sensitive sectors, physical risk, UBS Europe SE (standalone)[1, 2, 3, 4, 6, 7, 8]	*0.0*	*0.0*	*0.0*
Exposure to climate-sensitive sectors, physical risk, Traded products, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 9]	3.3		
Exposure to climate-sensitive sectors, physical risk, Issuer risk, UBS Group AG consolidated[1, 2, 3, 4, 7, 8, 10]	12.6		

1 Methodologies for assessing climate-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. Lombard lending rating is assigned based on the average riskiness of collateral. 2 Metrics for 2023 are recalculated and restated based on the 2024 methodology for comparison purpose. Percentage change is calculated based on the full underlying exposure, which may result in small deviations when calculated using reported figures that are rounded to one decimal. 3 Over the last year, the UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, the metric calculation process benefits from data enhancement even when the methodology remains the same year on year. At the same time, integration work is ongoing and expected to bring in further data alignment in future, which may require restatement of reported metrics. 4 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 5 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, 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. 6 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 7 Climate-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories, i.e. moderate to high. 8 As the transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of the model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 9 For traded products, the metric is calculated using over-the-counter (OTC) derivatives, exchange-traded derivatives (ETDs) and securities financing transactions (SFTs), consisting of securities borrowing and lending, and repurchase and reverse repurchase agreements. 10 For issuer risk, the metric is calculated upon HQLA assets, debt securities, bonds, liquidity buffer securities. After the parent bank merger, the issuer risk in legacy Credit Suisse entities is less than 4% of overall UBS Group and considered non-material and excluded from reported metrics.

The table below presents a view of our risk profile and changes year on year (YoY), within sectors and across climate risks. It first shows our total exposure to each sector (and whether that has increased or decreased compared to 2023), followed by an exposure-weighted risk rating. The table also shows the YoY weighted average transition risk trend followed by sensitive exposure for each of climate transition risk and physical risk. Overall, the UBS Group continues to have an average rating of moderate for transition risk and moderately low for physical risk.

Risk exposures by sector for UBS Group[1,2,3,4,5,6,7]

	Transition risk					Physical risk		
Sector / Subsector	2024 exposure (USD bn)	YoY exposure trend[8]	Weighted average risk rating 2024[9]	YoY weighted average risk trend[8]	2024 climate-sensitive exposure (USD bn)[5]	Weighted average risk rating 2024[9]	YoY weighted average risk trend[8]	2024 climate-sensitive exposure (USD bn)[5]
Agriculture								
Agriculture, fishing and forestry	0.93	↓	Moderate	→	0.42	Moderately low	→	0.54
Food and beverage	6.51	↓	Moderately high	→	6.51	Moderate	→	3.93
Financial services								
Financial services	82.75	↓	Moderately low	→	0.03	Moderately low	→	18.85
Fossil fuels								
Downstream refining, distribution	0.54	↓	Moderately high	↓	0.54	Moderately low	↑	0.26
Integrated oil and gas	0.32	→	Moderate	↓	0.32	Moderately low	→	0.00
Midstream transport, storage	0.10	↓	Moderate	→	0.10	Moderate	↑	0.10
Trading fossil fuels	6.72	→	Moderately high	→	6.72	Moderately low	→	0.73
Upstream extraction	0.24	↓	High	→	0.24	Moderately low	↓	0.02
Industrials								
Cement or concrete manufacture	0.24	↓	High	→	0.24	Moderately low	→	0.03
Chemicals manufacture	3.80	↓	High	→	3.80	Moderately low	↓	1.27
Electronics manufacture	5.29	↓	Moderate	↓	4.48	Moderately low	↓	1.47
Goods and apparel manufacture	5.13	↓	Moderately high	→	5.11	Moderately low	→	2.94
Machinery manufacturing	8.04	↓	Moderately high	→	8.02	Moderately low	→	1.21
Pharmaceuticals manufacture	3.64	↓	Moderately high	→	3.64	Moderately low	↓	1.06
Plastics and petrochemicals manufacture	1.81	↓	Moderately high	→	1.81	Moderately low	↓	0.69
Metals and mining								
Mining conglomerates (incl. trading)	2.83	↓	Moderately high	→	2.83	Moderately low	→	0.07
Mining and quarrying	1.10	↓	Moderate	↑	0.66	Moderately low	→	0.59
Production of metals	0.87	↓	Moderately high	→	0.87	Moderate	→	0.39
Private clients								
Lombard	151.50	↓	Moderately low	→	0.00	Moderately low	→	0.00
Real estate								
Development and management	11.64	↑	Moderately high	→	11.04	Moderately low	↓	0.68
Real estate financing[10]	83.34	↓	Moderate	→	36.28	Moderately low	→	2.48
Private clients with mortgages[10]	250.59	↓	Moderately low	→	0.00	Low	→	0.00
Services and technology								
Services and technology	35.93	↓	Moderately low	→	9.31	Moderately low	→	18.85
Sovereigns								
Sovereigns	2.91	↓	Moderate	↓	0.34	Moderately low	→	0.04
Transportation								
Air transport	2.98	↓	Moderately high	→	2.84	Moderate	→	2.50
Automotive	1.20	↓	Moderate	↓	0.23	Moderate	→	1.08
Rail freight	0.90	↑	Low	→	0.00	Moderate	→	0.77
Road freight	1.32	↑	Moderately high	→	1.32	Moderately low	↓	0.64
Transit	0.49	↓	Moderately low	→	0.00	Moderately low	↓	0.33
Transportation parts and equipment supply	1.10	↓	Moderately high	→	1.10	Moderate	→	0.64
Water transport	8.55	→	Moderately high	→	8.55	Moderately low	→	5.21
Utilities								
Power generation	2.76	↓	High	↑	2.24	Moderately low	↓	1.42
Waste treatment	0.68	↓	Moderately high	→	0.68	Moderately low	↑	0.19
Not classified[11]	15.07	↓	Not classified	→	0.00	Not classified	→	0.00
Grand Total	701.80	↓	Moderate	→	120.25	Moderately low	→	68.94

1 Methodologies for assessing climate-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. Lombard lending rating is assigned based on the average riskiness of loans. 2 Metrics for 2023 are recalculated and restated based on the 2024 methodology for comparison purpose. 3 Gross lending exposure consists of total on balance sheet loans and advances to customers and off-balance sheet guarantees and irrevocable loan commitments (within the scope of expected credit loss) and is based on consolidated IFRS numbers (inclusive of purchase price allocation adjustments recorded in UBS Group as a result of the acquisition of Credit Suisse in compliance with IFRS 3, Business Combinations). 4 UBS continues to collaborate to resolve methodological and industry data challenges, and seeks to integrate both impacts to and dependencies on a changing natural and climatic environment, into how UBS evaluates its risks and opportunities. 5 Climate-related risks are scored between 0 and 1, based on sustainability and climate risk transmission channels. Risk ratings represent a range of scores across five rating categories: low, moderately low, moderate, moderately high, and high. The climate-sensitive exposure metrics are determined based upon the top three of the five rated categories i.e. moderate to high. 6 Over the last year, UBS Group continued its effort to integrate Credit Suisse systems and data. As a result, metric calculation process benefits from data enhancement even when methodology remains same year-on-year. At the same time, integration work is ongoing and expected to bring in further data alignment in future which may require restatement of reported metrics. 7 As transition and physical risk rating models and physical risk heatmap model are embedded further into the risk management framework, we may identify new use cases that could trigger validation of model for identified use cases and associated enhancements. As a consequence, restatement of reported metrics may be required. 8 A material change in the risk profile (discrete risk score, weighted average per sub-sector) is considered as >5% shift up, or down year on year. Similarly, for absolute exposure. 9 Displayed ratings represent exposure-weighted averages for a given sector scope. 10 The real estate segments have been aligned with the expected credit loss segments UBS applies under IFRS. Real estate financing includes rental or income-producing real estate financing to private and corporate clients secured by real estate. Private clients with mortgages include lending to private clients secured by owner-occupied real estate and personal account overdrafts of those clients. 11 Not classified represents the portion of UBS's business activities where methodologies and data are not yet able to provide a rating.

Risk management and control

In 2024, we continued to develop solutions to integrate sustainability and climate risks into traditional risk categories, such as our credit, market, liquidity, non-financial and reputational risk frameworks. We progressively enhanced our four-stage approach (defined above in the sustainability and climate risk management framework) by leveraging research on how sustainability and climate risk drivers may be transmitted to our clients (and their assets) and ultimately to the firm in the form of financial and non-financial risks. Our approach supports the ongoing management of sustainability and climate risks as they manifest across traditional risk categories and has been built in line with principles outlined by the Basel Committee on Banking Supervision (the BCBS) and the Task Force on Climate-related Financial Disclosures (the TCFD, now organized under the ISSB). As Swiss financial regulator FINMA has mandated financial institutions to implement nature-related financial risks in their due diligence processes by 2028 (FINMA Circular 2026/1 on nature-related financial risk), UBS is building its capabilities to embed the management of these risks in its due diligence processes.

Our progress is summarized in the following table.

Managing sustainability and climate risks within traditional risk categories

Traditional risk category	Sustainability and climate risk transmission channels.	Key developments
Credit risk	Our potential credit losses driven by risks from a changing physical climate, the transition to a low-carbon economy. Climate-related risk drivers can impact household, corporate or sovereign income and / or wealth. Physical and transition risk drivers increase our potential losses as soon as they have a negative effect on a borrower's ability to repay and / or fully recover the value of a loan in the event of default.	In 2024, we further embedded climate-related risks into our credit risk management framework. By collaborating across business divisions and between both the first and second lines of defense, we developed innovative solutions tailored to the risk profiles and material drivers of risk within our businesses: Investment Bank: The current credit-granting process has been amended to identify and measure the potential for credit losses driven by climate-related risks for corporate lending and leveraged finance. At the transaction level, this is achieved by integrating tools such as sector-level climate-related risk heatmaps and company-level due diligence scorecards into the credit approval analysis and decision-making process. In addition, where mandated, concentration triggers have been set up and are monitored and reported on a quarterly basis for all relevant counterparties. Furthermore, at the divisional level, progress has been made to enhance and automate reporting of the full Investment Bank lending portfolio, on a quarterly basis. Global Wealth Management: The current credit-granting process identifies and assess potential credit losses driven by climate-related risks for Lombard lending in Switzerland and international locations by integrating climate-related due diligence questions and leveraging the climate risk heatmaps in the credit assessment at a transaction level. The approach encompasses Lombard loans to operating companies and those backed by concentrated equity posted as collateral and we aim to further enhance the scope across regions and products in future. Furthermore, progress was made to enhance and automate reporting of the combined Global Wealth Management Lombard lending portfolio, on a quarterly basis. Personal & Corporate Banking: The current credit-granting process identifies and assesses potential credit losses driven by climate-related risks by integrating climate-related due diligence questions and leveraging the climate risk heatmaps in the credit assessment at a transaction level. This approach was rolled out in 2023 to the P&C Multinationals business and expanded in 2024 to include a wider coverage of the corporate client portfolio as well as the commodity trade finance business. Furthermore, at the divisional level progress was made to enhance and automate reporting of the combined Personal and Corporate lending portfolio, on a quarterly basis.
Market risk (traded and not traded)	Potential financial impacts on the firm from price shifts and / or market volatility. A changing physical environment (including climate change) may affect the value of companies reliant on the natural environment and / or how the market perceives such companies. The transition to a low-carbon economy through climate policies, low-carbon technologies, demand shifts and / or market perception may also impact the value of our positions and / or lead to a breakdown in correlations between risk factors (e.g. prompting a change in market liquidity and / or challenging assumptions in our model).	In 2024, we assessed the risk from planned portfolios, in line with our multi-year sustainability and climate risk initiative, and established solutions for integrating climate-related risks into our market risk management framework. Progress on integrating climate-related risks into our market risk management was incrementally driven by enhancing analytical capacity, applying the climate risk rating model in our market-risk monitoring systems and developing stress testing capabilities. We have adapted our in-house long-term scenarios to the specifics of short-term market risk analytical requirements. Enhancing analytical capacity: Leveraging existing sector-level heatmap methodologies and our in-house scenario development capacity, we sought to perform a loss-driven materiality assessment. By linking the risk ratings with adverse-scenario-driven shocks, we were able to further examine the correlations between risk factors and understand the short-term loss potentials for climate. In 2024, we were able to introduce a climate risk rating model for the first time. Automation: Market risks systems facilitate for daily monitoring, reporting and control. By integrating these with our centralized climate sector-level heatmap together with climate risk rating model, we are able to understand and react to drivers of climate impacts on our portfolios through regular assessments and monitoring. Quantitative risk appetite: For selected legal entities, climate risk concentration triggers were introduced in 2023 based on the sector-level climate risk heatmaps. The solution facilitates daily monitoring of positions that are considered inherently sensitive to climate risks, including an automated breach escalation process along with the market risk escalation path for concentration limits, providing an opportunity for remediation actions. The triggers cover credit delta and equity delta aggregated in accordance with the "sensitivity," as defined through our heatmapping methodology.

Managing sustainability and climate risks within traditional risk categories		
Liquidity risk	The potential impact on liquidity adequacy is driven by risks from a changing physical climate, the transition to a low-carbon economy., Climate events have been proven to affect funding conditions, and therefore liquidity buffers across broader banks. Climate-related risks are considered an additional driver of liquidity risk. As such, they may impact our liquidity adequacy, directly or indirectly, through our ability to raise funds, liquidate assets and / or our customers' demand for liquidity. This could result in net cash outflows or depletion of our liquidity buffer.	In 2024, we further integrated climate risk into our liquidity framework for planned portfolios, in line with the multi-year sustainability and climate risk initiative. Climate risk stress testing and climate risk reporting were introduced for the first time in 2024, leveraging the heatmap and climate risk rating model. The identification of material climate-related risks and the integration of those potential risks into the internal liquidity risk management framework will be an iterative process as we continuously improve the methodology, along with improving the availability and quality of required data in the industry and enhanced analytics and insights over time.
Non-financial risk	This is the non-financial impact on UBS (compliance, operational risk and financial crime) from inadequate or failed internal processes, people and systems and / or externally due to physical climate events or stakeholder legal action.	Alignment with the BCBS Principles for the effective management and supervision of climate-related (non-financial) risks has been key in 2024 and is subject to on-going monitoring as of 2025. We have completed work to embed ESG (environmental, social and governance)-related risks, including climate considerations as a standalone risk indicator to the Group non-financial risk identification model governance used as the basis for scenario coverage and non-financial risk regulatory / economic capital determination. We will continue to evolve the framework in alignment with our commercial strategy and industry expectations, with work ongoing to assess the results of ESG risk integration more broadly into non-financial risk taxonomy risk appetite statements.
Reputational risk	This is the risk of an unfavorable perception, or a lessening of our reputation, from the point of view of clients, industries, shareholders, regulators, employees or the general public, which may lead to potential financial losses and / or loss of market share. Reputational risk is considered across all business activities, transactions and decisions and includes sustainability-related reputational risks, such as greenwashing risk.	We continue to assess the design of our reputational risk framework as generally robust in terms of roles and responsibilities, escalation requirements, and review and approval authorities for sustainability-related risks. Relevant sustainability-related standards have been set, including for the appropriate consideration of high inherent reputational risks, by leveraging existing firm-wide risk identification and review and approval processes. Our 2030 lending sector decarbonization targets for specified sectors at Group level come with agreed contributions by the individual business divisions (BDs) for the corporate lending sectors. To monitor and control the utilization of the BDs' contributions toward the 2030 corporate lending sector decarbonization targets, a decarbonization control framework was operationalized in 2024, with defined thresholds per sector and business division and at Group level. These thresholds are defined annually and the utilization against the agreed thresholds is monitored on a quarterly basis. Additionally, a material transaction, as defined in the credit approval process, within in-scope business activities is subject to the pre-deal assessment process. The first line of defense is responsible for identifying and referring an in-scope transaction to the second line of defense sustainability function for a detailed assessment. Based on the calculated utilization level, a transaction is subject to the defined approval path.

We manage and escalate material climate-related risks, in accordance with our standard financial and non-financial risk processes and defining key responsibilities and tools, both at the Group level and across our business divisions. To facilitate the implementation of consistent risk management practices across the Group, we have conducted climate-risk-related training for employees across the business divisions and Group functions.

Risk reporting and disclosure

Sustainability and climate risk considerations are an integral part of topics included in our quarterly risk reporting cycle. Information exchanged during this process includes the number of transactions referred to the sustainability and climate risk unit with outcomes and underlying reasons, and an associated breakdown by category. The report includes information on exposure to climate-sensitive sector activities (our climate-related risk heatmaps and climate risk rating models), leveraging a fully automated process. The heatmaps and climate rating models are also included in quarterly internal risk reports for key legal entities and business divisions.

For external climate-related risk reporting, we have prepared our annual disclosures across the key areas recommended by the Task Force on Climate-related Financial Disclosure.

The automated reporting capabilities for climate-related risk were enhanced to include combined (legacy- UBS and legacy-Credit Suisse) Group-wide climate risk views for internal and external reporting. In addition, the outputs of the CRRM have been implemented to generate year-end 2024 metrics for further granularity. Internal and external climate-related risk metrics will continue to evolve in the coming years, as a part of our sustainability and climate risks roadmap, to meet regulatory expectations and ensure leading practices in this area.

› **Refer to the "Sustainability and climate risk policy framework" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting,* for more information**

Our investment management approach to sustainability and climate risks

Assessing climate-related financial risks in client portfolios

As a global financial institution, we help our clients navigate the challenges of the transition to a low-carbon economy. We address this by establishing climate risk monitoring and management systems across our Asset Management and Global Wealth Management business divisions, offering innovative products and services in investment and financing, and providing transparent reporting and disclosures.

We strive to integrate climate-related financial risk considerations into our decision-making and processes pertaining to services, strategies or products offered or employed by third parties, including delegates. In doing so, we demonstrate our commitment to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (the TCFD). We perform climate risk assessments on discretionary portfolios managed in Singapore and in-scoped collective investment schemes managed in Hong Kong, respectively, in line with the Monetary Authority of Singapore (MAS) Guidelines on Environmental Risk Management for Asset Managers and the Securities and Futures Commission of Hong Kong (SFC) Climate Risk regulations. We also disclose portfolio risk across climate scenarios in the UK, in line with TCFD recommendations.

› **Refer to the "Specific climate risk disclosure for client investment assets in Singapore and Hong Kong" section and to the "UK climate and sustainability disclosures" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting,* for more information**

We work across our industry and with our clients, ensuring they have access to best practice, robust science-based approaches, standardized methodologies and quality data for measuring and mitigating climate risks.

In the following sections, we outline the UBS approach to quantifying climate risk in clients' assets as well as how climate risk information is applied to Asset Management and Global Wealth Management.

Quantifying climate risk: data and metrics

In order to evaluate climate risks at issuer level, we utilize physical and transition climate risk data from various data providers.

Physical climate risk arises from the impact of weather events and long-term or widespread environmental changes. Higher levels of physical risks imply higher probability of an issuer or direct assets being impaired in value. Our physical risk assessment considers the potential impact of extreme climate events on an issuer's assets or our direct assets, with each physical risk score representing a sensitivity-adjusted, weighted average of risk scores linked to all associated assets across different climate hazards, such as heat / cold waves, water stress, flooding, sea level rises, hurricanes, wildfires and drought.

Transition risk arises from the process of adjusting to an environmentally sustainable economy, including changes in public policies, disruptive technological developments and shifts in consumer and investor preferences. One of the ways we assess transition risk is by using a "carbon earnings at risk" approach, which analyzes the unpriced carbon cost to a company as a percentage of its earnings before interest, taxes, depreciation and amortization (EBITDA). We see carbon earnings at risk as one of the more directly quantifiable and comparable metrics across industries globally, which is more suitable for reflecting the reach and complexity of our investments.

For both physical and transition risks, the projections are typically built upon publicly reported company data, restricting coverage to corporate issuers, which form the bulk of our public markets portfolios. Consequently, exposures to sovereigns or structured products, for example, are not covered at this point.

Climate risk data remains an evolving area, and best practice standards or norms are still being developed. This results in acknowledged limitations in data coverage and quality, such as issuer type and the use of proxy or estimation techniques. Financial models also typically project up to three years into the future, with significant deterioration in visibility beyond one year. As such, long-term projections used to generate data, even for 2030, may have limited accuracy.

We work closely with our data providers to continuously enhance the scope and quality of data available to us. Climate risk data continued to improve over 2024, including, for example, improved financial integration and market-adjusted carbon price assumptions. As our data providers continue to improve on their data methodology and coverage, in line with industry best practice, these changes may be reflected in climate risk analytics on the client portfolios we manage.

Application in Asset Management

Asset Management's ESG (environmental, social and governance) integration approach identifies climate-related risks and opportunities that can be applied in managing existing investment strategies and constructing new portfolios. Portfolio construction criteria are applied based on the intended objectives of the given strategy. Portfolios are classified based on their sustainability characteristics, including sustainability-related key performance indicators and minimum sustainability safeguards. Exclusion criteria address elevated sustainability risks and the scope of portfolios to which such exclusions are applied is described in the Asset Management exclusion policy. The investment policies in fund documentation describe the extent to which a strategy targets particular risk or opportunity outcomes. Asset Management discloses various climate-related metrics in line with the TCFD's Supplemental Guidance for Asset Managers. We publish aggregated figures for total emissions, carbon footprint and weighted average carbon intensity in the "Environment" section of this report. Asset Management includes disclosure of portfolio-level metrics for sustainable investment portfolios in its fund factsheets and in client reporting.

In Asset Management, our overall strategy for managing climate risks is to integrate risk data and insights into our investment management processes. In our public markets investments, this begins with assessing ESG issues based on our ESG material issues framework. This identifies the most relevant issues by sector, making the connection with key value drivers that may impact the investment thesis across sectors. Our ESG material issues framework reflects a sector-based view of exposures to physical and transition climate risks. Our climate risk assessment also uses issuer-level physical risk data for a range of climate hazards, and transition risk data assessing exposure to changes in carbon pricing. This assists with identifying issuers with higher levels of risk, which are then subjected to qualitative assessment, including the location and business segments at risk, and mitigation, including board oversight, company risk assessment, mitigation and adaptation actions, and engagement with suppliers, customers and local stakeholders. This climate risk assessment is an additional consideration in the overall assessment of the sustainability performance of the issuer, which informs investment decisions.

In our Global Real Assets business, we consider key transition risks using our proprietary, in-house ESG dashboard, which assesses the environmental performance of directly controlled real estate assets against pathways and targets. Assessment of transition risk using the International Energy Agency framework is applied for some of our direct infrastructure investments. On the physical risk side, for our direct investments in both real estate and infrastructure, we use a third-party location risk intelligence tool to analyze asset-level physical risk. We also use third-party data to inform our assessment of physical risk in our indirect real estate investments. These tools identify each asset's potential physical risks under a variety of climate change scenarios and timelines.

Active ownership

The transition of investment portfolios will require real-economy emission reductions. We see our active ownership strategy as a powerful tool in influencing corporate and other stakeholder behavior to achieve real-economy outcomes.

Asset Management has had a dedicated climate engagement program in place for more than five years, addressing climate-related risks in companies, with measurable progress tracked. It covers high-emitting companies in our listed equity and corporate bond universe, taking into account a range of sectors and geographies. This includes companies from the oil and gas, electricity and other utilities, metals and mining, construction materials, and chemicals sectors. The program is focused on driving ambitious and credible transition strategies across portfolio holdings. It covers climate governance, targets, transition plans and relevant business model objectives. Since the start of our engagement program, we have increased the range of our expectations to include more ambitious emissions reduction target setting, quantified disclosures on decarbonization actions, capital deployment in line with a net-zero pathway, and reporting of progress toward stated commitments.

In our Global Real Assets business we typically hold a majority in our direct real assets, and thus it is possible to positively influence outcomes through active ownership; this includes collaboration with tenants, third-party companies, employees, communities and other stakeholders (via, for example, green lease clauses, tenant satisfaction surveys and tenant reach-outs) to drive and achieve emission reductions and other climate risk mitigations. Where we do not have control, we actively engage with owners and stakeholders to address climate-related risks and monitor progress accordingly. This engagement includes physical risk exposure and mitigation, transition plans, disclosures and net-zero alignment.

Application in Global Wealth Management

Our overall investment decision-making process is largely driven from the top. Although corporate-level data sourced from S&P Global has been chosen for Global Wealth Management portfolios, given its credibility, complexity and coverage, this bottom-up dataset cannot be directly integrated into Global Wealth Management's investment processes without the use of significant aggregation and proxies. Considering the above, at this point in time climate risk analyses are not used to inform investment decisions at either the asset allocation or the instrument selection levels within Global Wealth Management, due to investment scope, limitations of data availabilities, modeling uncertainties and implementation hurdles. We actively monitor industry best practice and data developments to ensure we are prepared to further integrate climate risks into core investment processes, should these bottlenecks be resolved. In the meantime, we continue to review implied climate risk in our portfolios and continue to make progress on capacity building and making climate risk assessment findings available across the investment value chain.

Industry engagement

Most of our discretionary portfolios consist of investment funds from third-party fund managers, including UBS Asset Management, which runs independent processes. Generally, Global Wealth Management acts as an asset allocator and manager of these portfolios, but it does not control portfolio construction and management within the underlying fund investment solutions. Therefore, in addition to developing a climate risk assessment management framework for portfolios based on underlying investment holdings, we aim to understand the climate risk management practices established by the managers of the underlying funds.

To that end, we regularly ask investment fund partners of approved investment funds for information about their approach to climate risk issues, including the extent to which climate risk management processes have been developed and implemented within their businesses, with relevance to frameworks such as TCFD and the MAS Guidelines on Environmental Risk Management for Asset Managers, where required by relevant regulators. We are committed to continuing regular communication with our fund partners about the development of climate risk management processes, as relevant to their strategies.

Appendix

Appendix 1 – Governance

Sustainability governance at Credit Suisse

Sustainability governance at Credit Suisse

Active sustainability governance bodies (as of 31 December 2024)

Governance body	Lead	Meeting frequency	Purpose and responsibilities
Sustainability Classification Forum (SCF) (formerly Sustainability Classification Committee)	Co-chaired by Chief Sustainability Office (CSO), GWM CIO IM, AM SI	Ad hoc (approx. monthly)	Sustainability Classification Committee (SCC) transformed into a forum (SCF) in July 2024 to align with UBS Group Governance Standards Governing body of the Credit Suisse Sustainable Investment Framework, oversees the investment product sustainability classification Amended governance with escalation path into UBS since January 2024

Retired sustainability governance bodies in 2024

Governance body	Lead	Meeting frequency	Purpose and responsibilities
ESG Disclosure and Reporting Committee (retired in September 2024)	Co-chaired by CFO and CSO	Ad-hoc as required 1H24 meetings: 2	Retired in September 2024, and responsibilities integrated into UBS governance, controls and procedure Provided oversight to ensure that appropriate levels of control and governance were in place for Credit Suisse's ESG disclosures Amended governance with escalation path into UBS since March 2024
Green Finance Committee (retired in June 2024)	Chaired by CSO	Ad-hoc as required 1H24 meetings: 1	Retired in June 2024, as the underlying framework was decommissioned with Credit Suisse Green Liabilities having been absorbed by the UBS Green Funding Framework Acted as the governing body of the Green Finance Framework and oversaw the issuance of green finance products and green asset pool, and the reporting related to green issuances Amended governance with escalation path into UBS since December 2023

Key policies and principles

Sustainable finance

Name of policy	Description
Group Sustainable Investing Policy	Defines the minimum standards to address transparency around sustainability-related investment product and / or service classification and corporate and financial disclosure. Applicable to all UBS employees globally involved in the processes of manufacturing, distributing, labeling, marketing or promoting investment products or services that are positioned as sustainable investing, which are sold or provided to clients. The policy provides a basis for ensuring that environmental, social and governance (ESG) or sustainability-related statements, declarations, actions or communications made by UBS can be substantiated and consistently communicated so as to protect UBS and / or its clients. The owner of this policy is Group Sustainability and Impact (GSI).
Sustainable Finance Guideline	These guidelines set Group-wide minimum requirements when labelling, marketing and distributing sustainable financing, green equity, carbon and environmental market instruments. The owner of these guidelines is Group Risk Control (GRC).
Carbon and Environmental Markets Guideline	

Regulatory compliance

Data privacy and data ethics

Name of policy	Description
Group Data Protection Policy	Describes the minimum global standards for processing personal data in accordance with data privacy laws and regulations. This policy applies to all staff involved in personal data (i.e. all information relating to an identified or identifiable natural person) processing activities globally. This includes information relating to UBS clients, prospects, UBS employees and candidates. The owner of this policy is Group Compliance, Regulatory & Governance (GCRG).
Group Data Ethics Policy	Sets out UBS's data ethics principles and requirements, in line with the Code of Conduct and Ethics of UBS. This policy, which applies to all UBS staff globally involved in data processing through artificial intelligence and / or data analytics involving client-identifying data and / or personal data, provides the framework to identify, manage and control data usage by UBS in an ethical and responsible manner. The owner of this policy is GCRG.

Client and product suitability

Name of policy	Description
Group Suitability Principles	Sets out the principles that UBS applies in assessing the suitability of financial products and services and transactions sold to or entered into with clients in order to achieve regulatory compliance and consistency of approach across business divisions in making such suitability assessments. This Group-wide policy also sets out the principles that UBS applies in assessing the suitability of financial products and services to always be regulatory compliant and act in the best interests of our clients. The principles underpin the divisional suitability- and product-related policies. The owner of these principles is GCRG.

Access to products and services

Name of policy	Description
Guideline on Client Vulnerability	Ensures that, in order to deliver excellent client experience for all types of clients, staff understand how to identify and respond to client vulnerability. This is because a client's abilities or decision-making may be impaired compared to their usual situation or compared to other clients. This guideline, which applies to all roles in Global Wealth Management (GWM) and Personal & Corporate Banking (P&C), helps to ensure that clients with a vulnerability are treated appropriately and fairly. The owner of this guideline is GCRG.
Web Accessibility Guideline	Ensures that electronic documents and information available on the web can be accessed and used by people with disabilities and that all web content managed by Communications and Branding, Marketing Platforms (C&B, MP), such as websites and web applications, are free of barriers that limit access for people who are blind, have low vision, are deaf or hard of hearing, have mobility disabilities or experience other types of disabilities. The owner of this guideline is Group Human Resources and Corporate Services (GHRCS).
Digital Accessibility Guidelines	Offers standards for all UBS digital platforms and provides guidance on the scope, requirements and the accessibility evaluation operating model to follow. These include UBS Digital Accessibility Technical Standard; UBS Digital Accessibility Handbook; WMPC Digital Accessibility Guide.
Global Inclusive Accessibility Standard	Describes the design principles and standards that should be applied to all premises Group-wide to deliver physical accessibility. This relates to UBS's commitment to removing physical barriers across locations and improving accessibility for everyone, frequently going beyond compliance and exceeding the local disability laws and standards that are already in place. The owner of this standard is GHRCS.

Responsible marketing practices

Name of policy	Description
Group Marketing Communications Governance	Prescribes, based on the UBS Brand Policy, the overall approach to producing and using marketing communications, clarifies roles and responsibilities, outlines processes and controls that must be adhered to and offers supportive tools. These guidelines are intended to ensure effective and efficient cooperation among the various stakeholders. The owner of this document is GHRCS.
GWM and P&C Policy on Marketing Materials	Helps to ensure that any reputational, legal, regulatory or liability risks arising from the use of marketing material are appropriately and consistently addressed by GWM and P&C, and all employees producing or using marketing material for distribution to the UBS Group entity's clients, or prospects or any third party. That means, among other things, enabling UBS to comply with its obligations to provide existing and potential clients with information that is fair, balanced, clear and not misleading and to have adequate controls in place that ensure consistent adherence to the respective standards. The owner of this policy is GCRG.
AM Marketing Communications Policy	Establishes common principles on the identification of marketing communications and ensures that marketing communications created and used by all AM employees globally are clear, fair, balanced and not misleading. The owner of this policy is GCRG.
IB Marketing Materials Global Policy	Provides information for all producers and approvers of IB marketing materials on their content, including minimum standards, country-specific content and issues that need to be escalated to IB C&ORC and / or Group General Counsel (GGC). The owner of this policy is GCRG.
Market Conduct Policy	Sets out our minimum expected standards for market conduct, providing guidance on prohibited conduct and conduct requiring escalation. Addresses greenwashing or ESG risks by setting minimum standards for all communications by the IB and Non-core and Legacy (NCL). When making an ESG or sustainability claim about an investment product, fund or company's financial instruments or the company and its products and services, there should be relevant, sourced and credible evidence to back the claim up. Additionally, when referencing a third-party product (e.g. ESG index, externally issued green bond), it must be ensured that the ESG or sustainable characteristics of such a product can be clearly set out, including how an investor can obtain more information about the index or asset. The owner of this policy is GCRG.

Climate and nature

Name of policy	Description
Group Sustainability and Impact Strategy & Governance Document	Provides an overview of the sustainability and impact strategy and governance at UBS, including the description of our sustainability and impact strategy and related key activities, our aspirations and goals and progress toward them, relevant governance bodies and key roles in the organization, along with key topics and working groups related to sustainability and impact. A key topic within this document is our approach to climate. It outlines our ambition to support clients through the world's transition to a low-carbon economy and embed considerations of climate change risks and opportunities across the bank for the benefit of our stakeholders. The framework is subject to regular audits by Group Internal Audit. The owner of this policy is GSI.
Sustainability and Climate Risk Policy Framework	Sustainability and climate risk (SCR) is defined as the risk that UBS negatively impacts, or is impacted by, climate change, natural capital, human rights and other environmental and social matters. Group Risk Control (GRC) is responsible for our firm-wide SCR policy framework and the management of exposure to sustainability and climate (financial) risks on an ongoing basis as a second line of defense, while GCRG monitors the adequacy of our control environment for non-financial risks, applying independent control and oversight. The owner of this policy framework is GRC.
Responsible Supply Chain Management (RSCM) Framework	Is based on identifying, assessing and monitoring vendor practices in the areas of human and labor rights, the environment, nature, health and safety and anti-corruption. Central to our RSCM framework is the RSCM Policy, to which our direct vendors are bound by contract and which sets out UBS's expectations toward vendors and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, diversity, equity and inclusion, remuneration, hours of work, freedom of association, humane treatment, health and safety, anti-corruption measures, and whistleblowing protection for employees. In 2024, this framework was rolled out to also cover Credit Suisse. The owner of this framework is GHRCS.

Client experience

Name of policy	Description
Clients Complaints Handling (GWM and P&C)	Outlines the principles and minimum standards for handling client complaints in GWM and P&C by all staff in these divisions who either receive or are involved in the handling of complaints received from clients or prospects. Client complaints serve as an early warning indicator for problems with a service or product offered and, when professionally applied, can improve client retention and make the relationship stronger. The owner of this policy is Global Wealth Management.
AM Complaints Management	Sets out principles for the handling of client and / or investor complaints that Asset Management (AM) expects its employees to adhere to. Client and / or investor complaints are an important source of information on AM's products and services. The policy, which applies to all AM employees, articulates the requirements to identify, record, investigate and respond promptly to complaints and outlines standard principles for recording, processing and reporting AM complaints. The owner of this policy is GCRG.
IB & Non-core and Legacy (NCL) Policy on Client Complaints	Sets out principles for managing Investment Bank (IB) client complaints so they can be captured consistently and are therefore reportable to management and to regulators, if applicable. It applies to all UBS IB and IB-aligned employees, including NCL employees, consultants and temporary employees interacting with clients and prospective clients on UBS products or services. The owner of this policy is GCRG.

Cyber und Information Security

Name of policy	Description
Cyber and Information Security Policy	Defines the Cyber & Information Security (CIS) mandate across the firm. CIS is a firm-wide business risk management responsibility. Failure to secure UBS's information and services against the risk posed by CIS threats could severely impact clients, constitute a breach of laws and regulations and negatively affect the reputation, brand and financial stability of the firm. The CIS principles established in this policy, which applies to all UBS persons accessing or owning UBS information and IT assets, set the firm-wide minimum baseline requirements necessary for meeting key operational, legal and regulatory requirements. Additional requirements may be established by business divisions and Group functions as necessary for achieving the goal of CIS. The owner of this policy is Group Operations and Technology Office (GOTO).
GenAI Cyber and Information Security (CIS) Guideline	Documents the firm-wide Generative AI (GenAI) Security Framework, including control requirements to mitigate cyber and information security (CIS) risks associated with the adoption of GenAI solutions. It provides detailed implementation guidance and covers GenAI applications operated in-house or within third-party solutions. The owner of this policy is GOTO.

Employees

Name of policy	Description, scope, accountability, pertinent third-party standards or initiatives
Employee Assistance Program (EAP)	Provides confidential individual support to permanent UBS employees (and where applicable to household and / or family members) with any personal or work-related issues that may affect their well-being. The owner of this policy is GHRCS.
Employee Handbooks	Provides information on the policies, practices, procedures and benefits applicable to a specific location or country. Where applicable, employee handbooks (along with a contract / offer letter and, if applicable, personnel regulations) are the principal sources of information on the terms and conditions of employment and applicable HR programs, policies and procedures. Subject to local legal requirements, failure to comply with any of the requirements of the relevant employee handbook may result in disciplinary action, up to and including dismissal. The owner of the handbooks is GHRCS.
Employee Incidents Policy	Sets out the principles for assessing breaches of UBS policies in a consistent manner. All UBS persons as defined by the policy are expected to comply. All UBS policies are in scope, unless defined by the respective Chief Operating Officer as out of scope and approved by the GCRG Employee Incidents team. The scope of UBS policies will be applied to the Credit Suisse policies that have not yet been integrated. The owner of this policy is GCRG.
Employment of Staff within UBS Policy	Applicable to all UBS employees, this policy establishes minimum hiring and employment standards and provides fair, consistent and transparent treatment of employees, while taking account of local legal and market practice requirements and shareholder interests. Where applicable, the policy is supplemented by Employee Handbooks providing local information and clarification. Breaches may be dealt with in line with the Employee Incidents Policy and could result in disciplinary action, including dismissal, in serious cases. The owner of this policy is GHRCS.
Global Block Leave Policy	Applicable to all UBS employees and UBS external staff as required by their role or legislative requirements, this policy ensures that all employees are aware of their block leave requirements to mitigate fraud risk and to meet local legislative requirements. The owner of this policy is GHRCS.
Global Staff Vetting Policy	Defines the global minimum standards for background checks to be undertaken during onboarding for all members of staff and provides requirements for periodic re-vetting of existing staff. These global mandatory standards guarantee a globally consistent vetting approach for UBS staff. Non-compliance may have a negative impact on legal, regulatory, financial or reputational risks. The policy outlines who (UBS third-party vetting vendors, suppliers) is accountable for conducting the checks. HR and other functions are engaged, as needed, to ensure any adverse findings or policy changes are within UBS's risk appetite.
Group Investigations Policy	Sets out the framework for the conduct and governance of all internal investigations of actual, alleged or suspected breaches of law, regulation or policy involving UBS and / or its employees. The owner of this policy is GCRG.
Group Physical Security Policy	Defines the physical security governance structures, principles and high-level measures that ensure UBS people, information, infrastructure, valuable assets and business operations are effectively protected from physical security threats that may otherwise cause loss, damage or harm. Failure to effectively mitigate the risks posed by security threats could impact clients and staff, constitute a breach of laws or regulations and negatively affect the firm's reputation, brand or financials. Breaches of policy may be dealt with in line with the Employee Incidents Policy and could result in disciplinary action, including dismissal. The owner of this policy is GCRG.
Group Policy on Conflict of Interest	Sets out the principles, minimum requirements and roles and responsibilities that all UBS staff must adhere to in identifying, preventing, escalating and managing conflicts of interest (CoI). This policy covers all UBS persons internal and external staff and any other individuals who provide services for UBS. The owner of this framework is GCRG.
Health and Safety Statement	Details UBS's commitment to a working environment that protects the health, safety and well-being of all employees, contractors, clients and visitors on UBS premises. The owner of this statement is GHRCS.
Mandatory Learning Policy	Covers topics important for all staff and for the firm, and all staff must complete the modules assigned to them by the due date. Non-completion or failure to complete in a timely manner is systematically tracked and subject to an escalation and disciplinary process. The owner of this policy is GHRCS.
Total Reward Principles	Underpins UBS's approach to compensation and defines UBS's compensation framework. These principles apply to all employees globally (with variations in certain locations due to local legal requirements, regulations and practices) and are periodically reviewed and approved by the Compensation Committee. The principles are fully aligned with our strategy and our three keys to success. In the short to medium term, they also enable UBS to drive the economic and cultural integration of Credit Suisse and the long-term value creation of the combined firm. The owner of these principles is GHRCS.
Whistleblowing Protection for Employees	Establishes dedicated whistleblowing channels for UBS employees to raise concerns in a safe, confidential and, if preferred, anonymous way without fear of retaliation. It applies to the UBS employees, all business divisions and Group functions, all regions and all UBS entities, including their branches and representative offices. The owner of this policy is GCRG.

Appendix 2 – Social

Regulatory compliance

How we ensure suitability

Clients expect to be provided with products and services that are suitable for them. This is particularly the case in the business divisions, where we serve personal clients as opposed to institutions. In nearly all the countries where we do business, this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisors. Most jurisdictions also require systematic assessment and documentation of the suitability of products (including third-party products) and services, including compliance with applicable eligibility criteria, investment preferences (e.g. sustainability criteria) and sales restrictions. These standards are reflected in local policies and procedures and in the respective local control framework. The European Union's Markets in Financial Instruments Directive and the Swiss Financial Services Act are examples of how we reflect and implement specific standards required by regulators as part of a local control framework. Other locations apply similar standards as required by the relevant local regulators.

To meet both client expectations and regulatory requirements, we have established comprehensive rules for assessing the suitability of products and services and these are further supported by regular training across the firm. These rules are designed to align the assets in a client's portfolio with their defined risk profile, and the client is advised in line with their needs (i.e. client suitability). In addition, the rules require product documentation to contain appropriate and easily understandable information on the product's features, target audience and the scenarios in which the product can be used, along with a balanced representation of the associated opportunities and risks (i.e. product suitability). We also recognize the importance of fair and transparent marketing of our products and services and have internal policies supporting their responsible sale and marketing.

Suitability framework

In our Global Wealth Management and Personal & Corporate Banking business divisions, a comprehensive suitability policy framework is in place and is reviewed on a yearly basis. This sets out the structured advisory process governing the way we advise and implement agreed solutions and also documents the steps taken during this process. In addition to other purposes, it includes requirements for monitoring and controlling activities that aim to capture tail risks.

Our Investment Bank and Asset Management business divisions take their guidance from UBS's suitability principles and have implemented processes and policies to ensure appropriate oversight of suitability requirements where applicable.

In our framework, we distinguish between client and product suitability. Client suitability refers to the alignment between the investor profile of the client and the products and services that are recommended or made available to the client (or already held in the client's portfolio), including risk information and disclosure. Product suitability refers to a consistent set of standards applied by a product management unit to define which specific investors a product may be suitable for.

Client suitability

Global Wealth Management and Personal & Corporate Banking have established a structured advisory process with four distinct steps: understand, propose, agree and implement, and review. This process is supported by a number of tools and forms that are available to client advisors. In the first step (understand), these forms and tools support the initial identification of a client's investor profile, including but not limited to investment objectives, risk tolerance and risk ability. In the further steps, they help client advisors match a client's investment strategy with appropriate investment proposals (propose) and agree with the client on the implementation, such as providing mandatory documentation and signing the necessary agreements (agree and implement). Furthermore, the established tools and platforms also support the fourth step (review). The Investment Bank and Asset Management have established cross-functional governance committees to ensure oversight for client suitability where specific criteria or triggers are met.

Product suitability

Advisory platforms and tools divide products according to their risk characteristics and, in doing so, help clients and client advisors to properly assess the impact of investment products and services on a client's portfolio. Additional processes are in place to make product documentation available to both client advisors and clients. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

Divisional approach to suitability

Primary ownership of suitability risk and the responsibility for addressing it rests with the business. The suitability policies applicable to Global Wealth Management, Personal & Corporate Banking, the Investment Bank and Asset Management make this clear. Accordingly, we have pursued a divisional approach to ensure compliance with rapidly changing regulatory regimes, while also addressing particular suitability obligations and remediation of identified gaps relating to the business divisions.

Monitoring and controls

Monitoring and controls for suitability follow a three-tiered approach. The first-level controls are conducted by the business risk management team under its origination control framework, a set of controls designed to prevent and detect operational risks that arise within the front unit and to ensure that residual risk corresponds to risk appetite.

The second-level controls are performed by Compliance & Operational Risk Control as global minimum control standards, which are part of the overall operational risk framework. These controls focus on both a check-the-checker approach and thematic deep-dive reviews. The third-level controls are exercised by Group Internal Audit as part of its annual audit plan.

After-sales communications

The UBS client experience also includes after-sales communication. Again, this communication is supported by a number of tools and platforms, including ready-to-use reporting and presentation material.

Responsible marketing practices

At UBS, responsible marketing means our marketing materials, and materials from third parties that we are merely distributing, must be fair, clear, balanced and not misleading. Our policies and guidelines, across all business divisions, ensure that marketing materials provided to our clients and prospects adhere to both regulatory requirements and UBS standards on marketing communications. Our aim is to have a globally consistent divisional framework for preparing, reviewing and approving, and retaining marketing materials to address and mitigate reputational, legal, regulatory and liability risks.

Accessibility of our products and services

At UBS, we are committed to ensuring that all clients, including those with vulnerabilities, have fair and appropriate access to our products and services. To deliver an excellent client experience for all types of clients, staff are trained to know how to identify and respond to client vulnerability. Client-facing employees generally have more client interaction and therefore are more likely to identify potential vulnerabilities.[1] Our approach to accessibility encompasses both digital and physical aspects, and we continually work to identify and remove barriers, ensuring that our services and products meet the needs of our clients, including those with disabilities.

- **Refer to *ubs.com/global/en/legal/accessibility.html* for more information on Accessibility and feedback options**
- **Refer to *ubs.com/global/en/our-firm/our-culture/diversity-and-inclusion/disability-inclusion.html* for more information on our inclusion initiatives**

Digital accessibility

The UBS internal digital accessibility guidelines are based on the Web Content Accessibility Guidelines (WCAG), which help us ensure that all people, including individuals with disabilities, can fully and independently use our digital platforms and website. The WCAG are developed by a working group of stakeholders, including experts, regulators, academics, and businesspeople worldwide, who capture vulnerable clients' interests and needs by proxy.

- **Refer to WCAG for more information, available at *w3.org/TR/WCAG22***

In 2024, we led an engineering Hackathon featuring digital accessibility as a key category where over 300 engineers globally developed cutting edge solutions that promote accessibility and inclusivity. The winning project is underway to be implemented and will support visually impaired users by turning images and graphs into spoken text.

Physical accessibility

We are committed to removing physical barriers across our locations, frequently exceeding local disability laws and standards. Our Global Inclusive Accessibility Standard outlines design principles to ensure that our premises are accessible to everyone. This commitment is part of our broader strategy to enhance accessibility and inclusivity in all aspects of our operations.

Financial literacy

We view this topic as mainly relevant in Switzerland, the only country where we offer comprehensive financial products and services to retail and small and medium-sized enterprises (SME) clients. Many of our services that contribute to enhancing financial literacy are therefore limited to our Swiss clients. Examples for young people and students include: financial check-ups, saving tips and a budget calculator.

Moreover, with the Women's Wealth Academy[1] as well as the Female Impact Program for female entrepreneurs, UBS helps women acquire or consolidate extensive financial know-how. Furthermore, the UBS Entrepreneur Hub and the download center for SMEs include a broad range of publications, documents and resources, such as succession planning checklists and basic knowledge of business administration topics, such as accounting, payrolling and payment solutions.[2]

Responsible use of AI

The pace of innovation and emerging technology adoption continues to accelerate in our industry. Artificial intelligence (AI) in particular is creating an opportunity to significantly enhance employee efficiency and reshape how we do business. Financial institutions are finding ways to accelerate the adoption of AI in a risk and regulatory compliant manner, and with ethical and sustainability considerations in place.

1 https://www.ubs.com/ch/en/wealth-management/womens-wealth/mission.html
2 https://www.ubs.com/ch/en/services/digital-banking/marketplace.html

Managing potential risks to clients

The potential risks arising from the use of AI have been categorized under various non-financial risk taxonomies, including model risk, privacy, data ethics and records management, cyber and information security, data management, third-party management, and inter-entity outsourcing. These risks are addressed in the risk frameworks of the respective control functions, as well as Group Legal, and are reviewed regularly to ensure completeness, accuracy and that the risks are up to date.

In 2024 we have enhanced our AI governance framework and published the Group AI Strategy. The newly established AI Operating Committee and Group AI Forum support the use of AI in a responsible and sustainable manner and also, we have guidelines in place with details on how to identify uses of AI that are prohibited or considered high risk and thus, subject to more stringent controls.

Alongside this, we have launched a training on the responsible use of generative AI for all employees to ensure employees understand this technology, including how to identify and mitigate risks to UBS and / or its clients associated with AI use.

› **Refer to "Emerging Technologies" in the "Our environment" section of UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Data privacy

Handling data

Our data protection policy framework covers the standards we commit to when processing personal data. This includes a requirement that data is processed only for specific and explicit purposes and is adequate, relevant and not excessive (data minimization). Other key principles include ensuring that data subjects are informed of how their personal data is processed and that it is not processed for longer than necessary for the given processing purposes. UBS has implemented processes to respond to data subjects exercising their rights, while adhering to applicable legal requirements.

We communicate our client personal data processing activities and seek clients' consent as required by applicable local privacy law. In these communications, we are clear what this consent means and which use-cases do not require consent, for example due to certain legal obligations. We provide reasonable options for clients to be able to revoke this consent as required.

Key privacy-related information is contained in client privacy notices published on ubs.com and translated into the official languages of the specific country it applies to.

› **Refer to the document "Cybersecurity, information security and data privacy at UBS" for more information, available at *ubs.com/sustainability-reporting*, for more information**

Appendix 3 – Other supplemental information

Information on non-financial disclosures

Risk evaluation

Pursuant to the requirements of the Swiss Code of Obligations Art. 964b, this section includes an evaluation of the risks that have a high probability of potential negative impacts upon the "aspects" covered by said laws.

Developments in sustainability, climate, environmental and social standards and regulations may affect our business and impact our ability to fully realize our goals. We are subject to separate, and sometimes conflicting, ESG (environmental, social and governance) regulations and regulator expectations in the various jurisdictions in which UBS AG operates. For example, in certain jurisdictions, we are required to set diversity targets or other ESG-related goals that are considered illegal or contrary to regulatory expectations in other jurisdictions. In addition, with respect to decarbonization mandates, there is substantial uncertainty as to the scope of actions that may be required of us, governments and others to achieve the goals we have set, and many of our goals and objectives are only achievable with a combination of government and private action. National and international standards and expectations, industry and scientific practices, regulatory taxonomies, and disclosure obligations addressing these matters are relatively immature and are rapidly evolving. In addition, there are significant limitations in the data available to measure our climate and other goals. Although we have defined and disclosed our goals based on the standards existing at the time of disclosure, there can be no assurance (i) that the various ESG regulatory and disclosure regimes under which we operate will not come into conflict with one another; (ii) that the current standards will not be interpreted differently than our understanding or change in a manner that substantially increases the cost or effort for us to achieve such goals; or (iii) that additional data or methods, whether voluntary or required by regulation, may substantially change our calculation of our goals and ambitions. It is possible that such goals may prove to be considerably more difficult or even impossible to achieve. The evolving standards may also require us to substantially change the stated goals and ambitions. If we are not able to achieve the goals we have set, or can only do so at significant expense to our business, we may fail to meet regulatory expectations, incur damage to our reputation or be exposed to an increased risk of litigation or other adverse action.

While ESG regulatory regimes and international standards are being developed, including to require consideration of ESG risks in investment decisions, some jurisdictions, notably in the US, have developed rules restricting the consideration of ESG factors in investment and business decisions. Under these anti-ESG rules, companies that are perceived as boycotting or discriminating against certain industries may be restricted from doing business with certain governmental entities. Our businesses may be adversely affected if we are considered as discriminating against companies based on ESG considerations, or if further anti-ESG rules are developed or broadened.

A major focus of US and other countries' governmental policies relating to financial institutions in recent years has been on fighting money laundering and terrorist financing. We are required to maintain effective policies, procedures and controls to detect, prevent and report money laundering and terrorist financing, and to verify the identity of our clients under the laws of many of the countries in which we operate. We are also subject to laws and regulations related to corrupt and illegal payments to government officials by others, such as the US Foreign Corrupt Practices Act and the UK Bribery Act. We have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. Notwithstanding this, regulators have found deficiencies in the design and operation of anti-money-laundering programs in our US operations. We have undertaken a significant program to address these regulatory findings with the objective of fully meeting regulatory expectations for our programs. Failure to maintain and implement adequate programs to combat money laundering, terrorist financing or corruption, or any failure of our programs in these areas, could have serious consequences both from legal enforcement action and from damage to our reputation. Frequent changes in sanctions imposed and increasingly complex sanctions imposed on countries, entities and individuals, as exemplified by the breadth and scope of the sanctions imposed in relation to the war in Ukraine, increase our cost of monitoring and complying with sanctions requirements and increase the risk that we will not identify in a timely manner client activity that is subject to a sanction.

The financial services industry is characterized by intense competition, continuous innovation, restrictive, detailed and sometimes fragmented regulation and ongoing consolidation. We face competition at the level of local markets and individual business lines and from global financial institutions that are comparable to us in their size and breadth, as well as competition from new technology-based market entrants, which may not be subject to the same level of regulation. Barriers to entry in individual markets and pricing levels are being eroded by new technology. We expect these trends to continue and competition to increase. Our competitive strength and market position could be eroded if we are unable to identify market trends and developments, do not respond to such trends and developments by devising and implementing adequate business strategies, do not adequately develop or update our technology, including our digital channels and tools, or are unable to attract or retain the qualified people needed.

The amount and structure of our employee compensation is affected not only by our business results but also by competitive factors and regulatory considerations.

In response to the demands of various stakeholders, including regulatory authorities and shareholders, and in order to better align the interests of our staff with other stakeholders, we have increased average deferral periods for stock awards, expanded forfeiture provisions and, to a more limited extent, introduced clawback provisions for certain awards linked to business performance. We have also introduced individual caps on the proportion of fixed to variable pay for the members of the Group Executive Board (the GEB), as well as certain other employees. UBS will also be required to maintain and enforce provisions requiring UBS to recover from GEB members and certain other executives a portion of performance-based incentive compensation in the event that the UBS Group or another entity with securities listed on a US national securities exchange, is required to restate its financial statements as a result of a material error.

› **Refer to the "Risk factors" and "Risk management and control" sections of our UBS Group Annual Report 2024, available under "Annual reporting" at *ubs.com/investors*, for more information**

Resilience of our UBS's strategy regarding its capacity to address material impacts and risks

Identification of material risks

UBS has a structured risk identification process in place designed to support the firm's ongoing risk management and control efforts and aligned with global regulatory expectations. The process of identifying the material risks to which our businesses at UBS are exposed is a key component of risk management. A comprehensive risk identification and assessment process contributes to an enhanced understanding of the top vulnerabilities impacting the organization under various conditions, enabling management to better capture, measure, monitor and control risk exposure, as appropriate. As part of the risk identification process, risks identified as material are then considered within the risk coverage assessment and the development of stress scenarios, ultimately being used in the assessment of adequacy of post-stress capital levels and capital actions as part of the Group internal capital adequacy assessment. Climate and environment considerations are assessed for their viability as root causes of potential risks throughout the process.

Resilience of our strategy and business model in relation to climate change

UBS employs different tools, assessments and processes to identify and manage climate-related risks and opportunities and understand the impact of climate change on our business. Relevant outcomes are considered when annually reviewing and setting our sustainability and impact strategy and objectives, which are subsequently integrated into our standard financial planning process with a three-year strategic plan.

By continuously assessing climate-related risks and opportunities through various assessments and scenario-based approaches and by embedding this information into our business strategy and financial planning, we continuously enhance our resilience against climate change.

› **Refer to the "Managing sustainability and climate risks" section in this report for more information**

Integrating climate-related impacts in our financial planning

UBS operates a multi-year financial planning process. This process reflects our business position, corporate strategy and prospective economic environment. Sustainability is a core component of that strategy and planning process.

At divisional level, the underlying drivers of our sustainability investments are also considered. These include our own corporate commitments, regulatory and other external requirements, and client-servicing opportunities. The changing global outlook regarding sustainability, and climate change in particular, is reflected in the process, with the risks associated with climate change being reflected in our capital requirement planning calculations.

Formal guidance on capital-framework calculations is subject to ongoing market and regulatory discussion, and we will continue to reflect this in our planning processes.

Business continuity management

UBS has a business continuity, resilience and crisis management (BCR) framework in place to minimize the financial, regulatory, reputational and market impact of unplanned disruptive events, including those that are climate-related. We conduct regular BCM reviews, which include assessments of potential loss of premises, compromised buildings and data centers, loss of staff, loss of technology, loss of third parties and the need for risk mitigation. Department recovery plans are in place for loss of premises and loss of staff incidents due to disruptive events, such as severe weather situations. The plans are not specifically climate-related, but rather agnostic to the cause of disruption. Crisis management committees are trained accordingly to react on any materializing threat. A country risk profiling process is in place to identify any location-specific material risks and plans exist for mitigating acute weather conditions. In the case of material climate-related exposures, this would be captured accordingly. We have conducted stress tests and climate-related scenario analyses to assess the potential impacts of climate-related physical and transition risks on selected portfolios. Through our comprehensive business continuity planning and physical climate risk identification process, we consider the risk to our own physical assets. UBS is committed to ensuring continuity of service for our clients and the broader financial markets.

The activities described in the above paragraph are governed by the BCR framework, which ensures that the firm's residual operational risk remains within risk appetite. The Group BCR framework enables divisions and functions to analyze their services to understand the associated continuity and resilience risks and develop effective recovery strategies and solutions.

The Group's main hubs span APAC (mainly Singapore / Hong Kong / Tokyo), EMEA (mainly London / Zurich / Frankfurt / Madrid) and the US (mainly New York City). Each of these areas is assessed for climate-related threats and may present climate change risks in the form of extreme weather conditions and the potential for natural disasters (earthquakes, hurricanes, typhoons, tidal anomalies, rising temperatures, etc.) and increased threat of disease outbreaks. Note that the legacy Credit Suisse Group Non-Financial Risks Scenarios team that performed global climate scenario stress testing has been integrated into Group Risk Control; BCR impacts are also considered in this context. Where vulnerabilities have been identified, additional assessments are carried out and appropriate planning is put in place to mitigate the risk of impact. Key first line of defense controls take the form of key procedural controls that monitor the overall conformance of divisions and functions to the BCR program and process controls designed to identify more specific threats.

Non-financial disclosures pursuant to the Swiss Code of Obligations Art. 964b.

This report comprises the "non-financial" disclosures required for UBS Group AG, and its subsidiaries, under the Swiss Code of Obligations Art. 964b. These disclosures can be found in the sections and the pages indicated below. The material topics listed in the index are limited to the matters addressed by the Swiss Code of Obligations Art. 964b. For material matters, we assess the effectiveness of our management approaches through a number of measures as described, in particular, in the "Business conduct and corporate culture" and "Key policies and principles" sections of this report, and "Approach to grievances" in the supplementary document to this report.

› **Refer to the "Supplement to Managing sustainability and climate risks" section of the Supplement to the UBS Group Sustainability Report 2024, available at *ubs.com/sustainability-reporting*, for more information about "Information on UBS Group AG pursuant to the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor"**

	Section in Sustainability Report 2024 (SR 2024)	**Page(s)**
About this report (including framework)	About this report	SR 2024 / 6–8
Description of the business model[1]	Our sustainability and impact strategy	SR 2024 / 29
	Our business model	SR 2024 / 10–11
Material risks	Risk evaluation	SR 2024 / 111-112
Non-financial aspects	**Section in Sustainability Report 2024 (SR 2024)**	**Page(s)**
Broad thematic issues affecting all non-financial aspects	The importance of sustainability and culture to UBS	SR 2024 / 4–5
	Governance	SR 2024 / 19–23
	Key policies and principles	SR 2024 / 105–107
	Supporting opportunities	SR 2024 / 75–88
	Our key aspirations and progress	SR 2024 / 30–31
Environmental and human rights matters	Our sustainability and impact strategy	SR 2024 / 29
	Our stakeholder engagement	SR 2024 / 12–14
	Managing our supply chain responsibly	SR 2024 / 54–56
	Environment	SR 2024 / 32–64
	Driving social impact	SR 2024 / 70–72
	Respecting human rights	SR 2024 / 73
	Reducing our own environmental impact	SR 2024 / 47–53
Social and employee matters	Our sustainability and impact strategy	SR 2024 / 29
	People and culture make the difference	SR 2024 / 65–69
Anti-corruption and bribery matters	Combating financial crime	SR 2024 / 26
	Prevention and detection of corruption and bribery	SR 2024 / 26–28

1 Further information on our business model can be found in the UBS Group Annual Report 2024 section "Our strategy, business model and environment," available at ubs.com/investors.

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To the Management of
UBS Group AG, Zurich

Basel, 14 March 2025

Independent assurance report on selected sustainability metrics for the year ended 31 December 2024

We have been engaged to perform assurance procedures to provide limited and reasonable assurance on selected sustainability metrics (including GHG emissions) included in UBS Group AG and its consolidated subsidiaries' (the Group's or UBS's) Sustainability Report 2024, including the Supplement of UBS Group AG for the year ended 31 December 2024 (the Report). Specifically, we were engaged to provide:

- limited assurance on metrics identified in Appendix A, the Group's GRI (Global Reporting Initiative) metrics identified in Appendix B; and
- reasonable assurance on metrics identified in Appendix C

We did not perform assurance procedures on other information included in the Report, other than as described in the preceding paragraph, and accordingly, we do not express an opinion or conclusion on this information.

Applicable criteria

The Group defined as applicable criteria (the Applicable Criteria):

- GRI Standards (a summary of the standards is presented on the GRI homepage); and
- the Group's definitions and methods as defined in the 'Basis of Preparation' document (within the Supplement of the UBS Group Sustainability Report 2024). The 'Basis of Preparation' has been used as the applicable criteria for metrics identified in Appendices A and C.

Inherent limitations

The accuracy and completeness of selected metrics (including GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the non-financial matters metrics is subject to inherent uncertainty because of incomplete scientific knowledge used to determine factors related to the emissions factors and the values needed to combine e.g. emissions of different gases. Our assurance report should therefore be read in connection with the Group's 'Basis of Preparation' document in the Report, its definitions and procedures on non-financial matters reporting therein.

Responsibility of the Management

The Management is responsible for the selection of the Applicable Criteria and for preparation and presentation, in all material respects, of the disclosed metrics (including GHG emissions) in accordance with the Applicable Criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the metrics that it is free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Our firm applies *International Standard on Quality Management 1*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Limited assurance

Our responsibility is to express a conclusion on the selected metrics (including GHG emissions) based on the evidence we have obtained.

Reasonable assurance

Our responsibility is to express an opinion on the presentation of the selected metrics, based on the evidence we have obtained.

We conducted our limited and reasonable assurance engagements in accordance with the *International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform these engagements to obtain limited and reasonable assurance about whether the metrics (including GHG emissions) are free from material misstatement, whether due to fraud or error.

Summary of work performed

Limited assurance

Procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Reasonable assurance

A reasonable assurance engagement in accordance with ISAE 3000 involves performing procedures to obtain evidence about the metrics in scope of reasonable assurance. The procedures selected depend on the practitioner's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error, in the metrics in the scope of reasonable assurance. In making those risk assessments, we considered internal control relevant to the Group's preparation of the metrics in scope of reasonable assurance.

Although we considered management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

Procedures performed

Our limited and reasonable assurance procedures included, amongst others, the following work:

- Evaluating the appropriateness of the Applicable Criteria used, their consistent application and related disclosures in the Report.
- Conducting interviews with key personal to understand the process for collecting, collating, and reporting the metrics during the reporting period, including obtaining an understanding of internal control relevant to the engagements, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Undertaking analytical review procedures to support the reasonableness of the data and to identify areas of the metrics and information with a higher risk of misleading or unbalanced information or material misstatements and obtaining an understanding of any explanations provided for significant variances.

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- Evaluating the appropriateness of metrics within the Report and the consistency of the metrics and information presented across the Report.

In addition, our procedures over the metrics in scope of reasonable assurance included, but were not limited to:

- Performing process walkthroughs to obtain an understanding of Management's reporting processes, including Management's internal control framework and guidelines.
- Selecting key items and representative samples based on statistical sampling methodology and agreeing to source information to test the accuracy and completeness of the data, including the correct filtering and mapping of data based on the underlying Applicable Criteria.

Our procedures did not include testing the accuracy of the externally published input data provided by third parties.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

We believe that the evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Conclusion – limited assurance

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the selected metrics in scope of limited assurance (including GHG emissions) in the Report of the Group have not been prepared, in all material respects, in accordance with the Applicable Criteria.

Opinion – reasonable assurance

In our opinion, the selected metrics in scope of reasonable assurance in the Report of the Group have been prepared, in all material respects, in accordance with the Applicable Criteria.

Restricted use

This report is intended solely for the information and use of UBS to inform Management about the result of the assurance engagements. Consequently, it may not be suitable for any other purpose than the aforementioned.

Ernst & Young Ltd

Maurice McCormick Partner	Eveline Hunziker Executive in charge

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Appendix A

Subject Matter covered by our limited assurance engagement (custom metrics)		
Section	**Metric**	**Reporting Boundary**
Table "Climate-related investing metrics: Opportunities – net zero investing (Asset Management)"	Assets with net-zero ambition (USD billion)	UBS Group AG
	Number of net-zero ambition portfolios	UBS Group AG
	Net-zero ambition assets share of total assets under management (%)	UBS Group AG
Table "Climate-related investing metrics – portfolio emissions (Asset Management)"	Asset Management Investment-associated carbon emissions: carbon emissions (absolute in million metric tons of CO_2e)	UBS Group AG
	Asset Management Investment-associated carbon emissions: carbon intensity (metric tons of CO_2e per USD million invested)	UBS Group AG
	Asset Management Investment-associated carbon emissions: carbon intensity (metric tons of CO_2e per USD million of revenue)	UBS Group AG
	Equity Asset Class carbon intensity (metric tons of CO_2e per USD million invested)	UBS Group AG
	Equity Asset Class carbon intensity (metric tons of CO_2e per USD million revenue)	UBS Group AG
	Fixed income Asset Class carbon intensity (metric tons of CO_2e per USD million invested)	UBS Group AG
	Fixed income Asset Class carbon intensity (metric tons of CO_2e per USD million revenue)	UBS Group AG
Table "Overview of our 2030 lending sector decarbonization targets and progress (UBS Group)"	Swiss residential real estate physical intensity (kg CO_2e/m^2 ERA) (reported as of 31.12.2023)	UBS Group AG
	Swiss residential real estate (% reduction vs. 2021) (reported as of 31.12.2023)	UBS Group AG
	Swiss commercial real estate physical intensity (kg CO_2e/m^2 ERA) (reported as of 31.12.2023)	UBS Group AG
	Swiss commercial real estate (% reduction vs. 2021) (reported as of 31.12.2023)	UBS Group AG
	Fossil fuels (coal, oil and gas) – scopes 1, 2 and 3 physical intensity (million metric tons CO_2e)	UBS Group AG
	Fossil fuels - % change vs baseline (reported as of 31.12.2023)	UBS Group AG
	Power generation - scope 1 physical intensity (kg CO_2e/MWh) (reported as of 31.12.2023)	UBS Group AG
	Power generation - % change vs baseline (reported as of 31.12.2023)	UBS Group AG
	Iron and steel - scopes 1 and 2 physical intensity (metric tons CO_2/metric ton steel) (reported as of 31.12.2023)	UBS Group AG
	Iron and steel - % change vs baseline (reported as of 31.12.2023)	UBS Group AG
	Cement - scopes 1 and 2 physical intensity (metric tons CO_2/metric ton cementitious) (reported as of 31.12.2023)	UBS Group AG
	Cement - % change vs baseline (reported as of 31.12.2023)	UBS Group AG
Table "Poseidon Principles disclosure (UBS AG – Credit Suisse AG portfolio)"	Shipping (delta alignment to "IMO 2023 minimum trajectory") (%) (reported as of 31.12.2023)	UBS AG
	Shipping (delta alignment to "IMO 2023 striving trajectory" (%) (reported as of 31.12.2023)	UBS AG
Table "Financed emissions covered by lending sector decarbonization targets (UBS Group)"	Swiss residential real estate financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Swiss residential real estate PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Swiss residential real estate economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Swiss commercial real estate financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Swiss commercial real estate PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Swiss commercial real estate economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Fossil fuels (coal, oil and gas) - financed emissions, scopes 1 and 2 (million metric tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Fossil fuels (coal, oil and gas) - financed emissions, scope 3 (million metric tons CO_2e) (reported as of 31.12.2023)	UBS Group AG

	Fossil fuels (coal, oil and gas) PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Fossil fuels (coal, oil and gas) PCAF score for financed emissions, scope 3 (reported as of 31.12.2023)	UBS Group AG
	Fossil fuels (coal, oil and gas) economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Power generation financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Power generation PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Power generation economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Iron and steel financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Iron and steel PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Iron and steel economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Cement financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Cement PCAF score for financed emissions, scopes 1 and 2 (reported as of 31.12.2023)	UBS Group AG
	Cement economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Other non-financial corporates and real estate mortgages - financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Other non-financial corporates and real estate mortgages - financed emissions, scope 3 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Other non-financial corporates and real estate mortgages - scopes 1 and 2 PCAF score (reported as of 31.12.2023)	UBS Group AG
	Other non-financial corporates and real estate mortgages - scope 3 PCAF score (reported as of 31.12.2023)	UBS Group AG
	Other non-financial corporates and real estate mortgages - economic intensity (million tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
	Estimated total non-financial corporates and real estate mortgages – financed emissions, scopes 1 and 2 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Estimated total non-financial corporates and real estate mortgages – financed emissions, scope 3 (million tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
Table “Facilitated emissions for selected carbon-intensive sectors (UBS Group)”	Total facilitated amount (USD billion) (reported as of 31.12.2023)	UBS Group AG
	Facilitated amount – selected carbon-intensive sectors (USD billion) (reported as of 31.12.2023)	UBS Group AG
	Selected carbon-intensive sectors - scopes 1 and 2 facilitated emissions (million metric tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Selected carbon-intensive sectors - scope 3 facilitated emissions (million metric tons CO_2e) (reported as of 31.12.2023)	UBS Group AG
	Selected carbon-intensive sectors - scopes 1 and 2 facilitated emissions PCAF score (reported as of 31.12.2023)	UBS Group AG
	Selected carbon-intensive sectors - scope 3 facilitated emissions PCAF score (reported as of 31.12.2023)	UBS Group AG
	Selected carbon-intensive sectors – facilitated intensity (million metric tons CO_2e/USD billion) (reported as of 31.12.2023)	UBS Group AG
Table “Risk management – Climate-related metrics”	Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Exposure to climate-sensitive sectors, transition risk: Traded products, UBS AG (standalone) (USD billion)	UBS AG
	Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Exposure to climate-sensitive sectors, transition risk: Traded products, UBS Europe SE (standalone) (USD billion)	UBS Europe SE
	Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS AG (standalone) (USD billion)	UBS AG
	Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Exposure to climate-sensitive sectors, transition risk: Issuer risk, UBS Europe SE (standalone) (USD billion)	UBS Europe SE

	Exposure to climate-sensitive sectors, physical risk: Traded products, UBS AG (standalone) (USD billion)	UBS AG
	Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Exposure to climate-sensitive sectors, physical risk: Traded products, UBS Europe SE (standalone) (USD billion)	UBS Europe SE
	Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS AG (standalone) (USD billion)	UBS AG
	Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Exposure to climate-sensitive sectors, physical risk: Issuer risk, UBS Europe SE (standalone) (USD billion)	UBS Europe SE
Graph "Climate-driven transition risk profile chart for UBS Group AG"	Climate-driven transition risk profile chart for the UBS Group AG (sector/segment breakdown in USD billion)	UBS Group AG
Graph "Climate-driven physical risk profile chart for UBS Group AG"	Climate-driven physical risk profile chart for the UBS Group AG (sector/segment breakdown in USD billion)	UBS Group AG
Table "Risk exposures by sector for UBS Group"	Risk exposures by sector for UBS Group - sector/subsector breakdown (USD billion)	UBS Group AG
Table "Sustainability and climate risk assessments"	Number of cases referred for assessment: UBS Group AG (consolidated)	UBS Group AG
	Number of cases referred for assessment: UBS Europe SE	UBS Europe SE
Text "Our scope 1 and 2 net-zero target"	Percentage of contractual instruments, scope 2 GHG emissions	UBS Group AG
	Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to scope 2 GHG emissions	UBS Group AG
	Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to scope 2 GHG emissions	UBS Group AG
Table "Carbon credits canceled (UBS Group)"	Carbon credits canceled in reporting year (tons CO_2e)	UBS Group AG
Text "Fair and equitable pay"	Statistical pay gap (%)	UBS Group AG
Text "Increased transparency and reporting of climate information by vendors"	Number of vendors voluntarily disclosing their environmental performance through CDP's Supply Chain Program	UBS Group AG
	% of the vendors voluntarily disclosing that actually submitted disclosures in CDP	UBS Group AG
	Number of vendors that submitted disclosures in CDP	UBS Group AG
Table "Overview of climate-related disclosures of our GHG key vendors (UBS Group)"	Number of GHG key vendors	UBS Group AG
	% of GHG key vendors that have disclosed their emissions and declared in CDP a stated net-zero target	UBS Group AG
Text "Inclusive growth in the supply chain"	Diverse vendors spend (%)	UBS Group AG
Text "Employee engagement"	Employee listening survey results - response rate (%)	UBS Group AG
	Employee listening survey results - engagement rate (%)	UBS Group AG
Text "Hiring, developing and retaining talent"	Total cost of training (USD billion)	UBS Group AG
Text "Performance management"	Number of employee feedback	UBS Group AG
Text "Benefits and assistance"	Absentees rate (UBS excluding Credit Suisse) (%)	UBS Group AG
	Absentees rate (Credit Suisse) (%)	UBS Group AG
Text "Global Wealth Management – 2024 highlights"	Global Wealth Management clients' impact investing assets (USD billion)	UBS Group AG
	Global Wealth Managements clients' discretionary assets aligned to a sustainable investing strategic asset allocation (USD billion)	UBS Group AG
	Discretionary Credit Suisse mandates that are managed according to the sustainable investing SAA and are included in the UBS Global Product Catalogue while still being booked in the Credit Suisse systems (USD billion)	UBS Group AG
	Global Wealth Management US SI SAA Aligned invested assets excluded in 2024 figures that are undergoing additional validation procedures (USD billion)	UBS Group AG
Text "Personal & Corporate Banking – 2024 highlights"	Sustainable investing products share of clients' investment assets (excluding cash deposits and savings) in Personal Banking (%)	UBS Group AG
	Drawn exposure of sustainable loans granted to corporate and institutional clients booked on the UBS Switzerland AG platform (USD billion)	UBS Switzerland AG

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Text “Asset Management – 2024 highlights”	Asset Management’s fund offering consisting of sustainable investing products (%)	UBS Group AG
	Number of companies engaged on sustainability-related topics	UBS Group AG
	% of companies engaged on sustainability topics with progress	UBS Group AG
	Number of engagement meetings on sustainability-related topics	UBS Group AG
	Number of sustainability-related topics engagement meetings conducted regarding environmental and social issues	UBS Group AG
Text “Group Treasury activities”	Green, social and sustainability bonds held by Group Treasury (USD billion)	UBS Group AG
Text “ESG integration and exclusion”	ESG integration & exclusion invested assets (USD billion)	UBS Group AG
	ESG integration invested assets (USD billion)	UBS Group AG
	ESG exclusion invested assets (USD billion)	UBS Group AG

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Appendix B

Subject Matter covered by our limited assurance engagement (GRI metrics)		
Section	**Metric**	**Reporting Boundary**
Table "GHG intensity per net revenue (UBS Group)"	Total GHG emissions (location-based) per net revenue (ton CO_2e/USD million)	UBS AG
	Total GHG emissions (market-based) per net revenue (ton CO_2e/USD million)	UBS AG
Table "Overview of our environmental indicators (UBS Group)"	Total direct and intermediate energy consumption (GWh)	UBS Group AG
	Total direct energy consumption (GWh)	UBS Group AG
	Natural gas (% of total direct energy consumption)	UBS Group AG
	Heating oil (% of total direct energy consumption)	UBS Group AG
	Fuels (petrol, diesel, gas, biomass) (% of total direct energy consumption)	UBS Group AG
	Renewable energy (solar power, etc.) (% of total direct energy consumption)	UBS Group AG
	Total intermediate energy purchased (GWh)	UBS Group AG
	Electricity (GWh)	UBS Group AG
	Electricity from gas-fired power stations (%)	UBS Group AG
	Electricity from oil-fired power stations (%)	UBS Group AG
	Electricity from coal-fired power stations (%)	UBS Group AG
	Electricity from nuclear power stations (%)	UBS Group AG
	Electricity from hydroelectric power stations (%)	UBS Group AG
	Electricity from other renewable sources (%)	UBS Group AG
	Heat (e.g., district heating) (GWh)	UBS Group AG
	Share of electricity from renewable sources (%)	UBS Group AG
	Total business travel (Pkm)	UBS Group AG
	Rail travel (% of total business travel Pkm)	UBS Group AG
	Road travel (% of total business travel Pkm)	UBS Group AG
	Air travel (% of total business travel Pkm)	UBS Group AG
	Number of flights (segments)	UBS Group AG
	Total paper consumption (metric ton)	UBS Group AG
	Paper - post-consumer recycled (% of total paper consumption in metric ton)	UBS Group AG
	Paper - new fibers FSC (% of total paper consumption in metric ton)	UBS Group AG
	Paper - new fibers ECF/TCF (% of total paper consumption in metric ton)	UBS Group AG
	Paper - new fibers chlorine bleached (% of total paper consumption in metric ton)	UBS Group AG
	Total waste (metric ton)	UBS Group AG
	Valuable material separated and recycled (% of total waste in metric ton)	UBS Group AG
	Waste incinerated (% of total waste in metric ton)	UBS Group AG
	Waste landfilled (% of total waste in metric ton)	UBS Group AG
	Total water consumption (million m^3)	UBS Group AG
	Direct greenhouse gas (GHG) emissions (scope 1) (metric ton)	UBS Group AG
	Gross location-based energy indirect GHG emissions (scope 2) (metric ton)	UBS Group AG

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	GHG reductions from renewable electricity (metric ton)	UBS Group AG
	Market-based energy indirect GHG emissions (scope 2) (metric ton)	UBS Group AG
	Gross other indirect GHG emissions (gross scope 3) (metric ton)	UBS Group AG
	Total gross GHG emissions (metric ton)	UBS Group AG
	Total net GHG emissions (GHG Footprint) (metric ton)	UBS Group AG
Table "Environmental indicators per full-time employee (UBS Group)"	Direct and intermediate energy (kWh per FTE)	UBS Group AG
	Business travel (passenger kilometer per FTE)	UBS Group AG
	Paper consumption (kg per FTE)	UBS Group AG
	Waste (kg per FTE)	UBS Group AG
	Water consumption (m^3 per FTE)	UBS Group AG
	Greenhouse gas (GHG) footprint (metric ton CO_2e per FTE)	UBS Group AG
Table "Overview of GHG emissions across our scope 3 subcategories (UBS Group)"	Scope 3 category 1 purchased goods and services (t CO_2e)	UBS Group AG
	Scope 3 category 3 fuel- and energy-related activities (not included in scope 1 or Scope 2) (t CO_2e)	UBS Group AG
	Scope 3 category 5 waste generated in operations (t CO_2e)	UBS Group AG
	Scope 3 category 6 business travel (t CO_2e)	UBS Group AG
	Scope 3 category 7 employee commuting (t CO_2e)	UBS Group AG
Table "Our key aspirations and progress"	Share of recycled and FSC paper in own operations (%)	UBS Group AG
	Waste recycling ratio (%)	UBS Group AG
Text "The role of our supervisory bodies – the Board of Directors of UBS Group"	Number of non-executive members (Group Executive Board)	UBS Group AG & UBS AG
	Number of executive members (Group Executive Board)	UBS Group AG & UBS AG
	Number of non-executive members (Board of Directors)	UBS Group AG & UBS AG
	Number of executive members (Board of Directors)	UBS Group AG & UBS AG
Text "The role of our supervisory bodies – the Board of Directors of UBS Group" & text "Transparency"	Percentage of female Group Executive Board members	UBS Group AG
	Percentage of female Board of Directors members	UBS Group AG
Text "Governments and regulators"	Support for Swiss political system - donations given to political parties in Switzerland (CHF million)	UBS Group AG
Text "Charitable contributions"	Direct cash contributions from the firm, incl. community impact, UBS's affiliated foundations in Switzerland and contributions to Optimus foundation (USD million)	UBS Group AG
Table "Contributions by type (UBS Group AG Consolidated"	Charitable contributions by type (USD million)	UBS Group AG
Text "Employee representation"	Employee forum representation (%)	UBS Group AG
Text "Transparency"	Percentage of women reporting directly to a member of the GEB	UBS Group AG
Text "Identifying, assessing and monitoring high-impact vendors"	Number of RSCM assessment on UBS vendors	UBS Group AG
	New vendors screened for ESG (%)	UBS Group AG
	RSCM overall assessment coverage (%)	UBS Group AG
	RSCM assessments of vendors requiring improvement (%)	UBS Group AG
Text "Reduce supply-chain-related carbon emissions"	Supply-chain vendor scope 3 emissions (category 1, 2, 4 and 9) current year	UBS Group AG
	Supply-chain vendor scope 3 emissions (category 1, 2, 4 and 9) reduction current year compared with baseline	UBS Group AG
Table "External hires by age group"	External hires by age group (number)	UBS Group AG
	External hires by age group (%)	UBS Group AG
Table "External hires by region"	External hires by region (number)	UBS Group AG
	External hires by region (%)	UBS Group AG

Table "External hires by gender"	External hires by gender (number)	UBS Group AG
	External hires by gender (%)	UBS Group AG
Table "External hires by ethnicity – UK only"	External hires by ethnicity - UK only (number)	UBS Group AG
	External hires by ethnicity - UK only (%)	UBS Group AG
Table "External hires by ethnicity – US only"	External hires by ethnicity - US only (number)	UBS Group AG
	External hires by ethnicity - US only (%)	UBS Group AG
Table "Voluntary and involuntary employee turnover"	Voluntary and involuntary turnover with overall turnover (%)	UBS Group AG
Table "Employee turnover by age group"	Turnover by age group with overall turnover (%)	UBS Group AG
Table "Employee turnover by region and gender"	Turnover by region and gender with overall turnover (%)	UBS Group AG
Table "Employee turnover by gender – Director and above only"	Turnover by gender - Director and above only (%)	UBS Group AG
Table "Employee turnover by ethnicity – UK only"	Turnover by ethnicity - UK only (%)	UBS Group AG
Table "Employee turnover by ethnicity – US only"	Turnover by ethnicity - US only (%)	UBS Group AG
Text "Hiring, developing and retaining talent"	Number of external hires	UBS Group AG
	Number of graduates, trainees, apprentices and intern hires	UBS Group AG
	Number of learning activities	UBS Group AG
	Internal mobility rate (%)	UBS Group AG
Graph "Our workforce in a nutshell"	Total employees by headcount	UBS Group AG
	Total number of externals	UBS Group AG
	Employees: gender (%)	UBS Group AG
	Employees by age group	UBS Group AG
	Employees: by region	UBS Group AG
	Employees: by count of nationalities	UBS Group AG
	Employees: by count of languages spoken	UBS Group AG
	Employees: by years of service, on average	UBS Group AG
Graph "Our workforce in a nutshell" & text "Workforce by the numbers"	Total employees by full time equivalents	UBS Group AG
Graph "Our workforce in a nutshell" & text "Driving sustainable performance"	Employees: count of countries and jurisdictions	UBS Group AG
Text "Performance management"	Number of employees with performance review	UBS Group AG
Table "Employees by ethnicity – UK only"	Employees by ethnicity – UK only (number)	UBS Group AG
	Employees by ethnicity – UK only (%)	UBS Group AG

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Table "Employee category "Director and above" by ethnicity - UK only"	Employee category "Director and above" by ethnicity - UK only (%)	UBS Group AG
Table "Employees by ethnicity – US only"	Employees by ethnicity – US only (number)	UBS Group AG
	Employees by ethnicity – US only (%)	UBS Group AG
Table "Employee category "Director and above" by ethnicity - US only"	Employee category "Director and above" by ethnicity - US only (%)	UBS Group AG
Table "Our key aspirations and progress" & text "Driving social impact"	Philanthropy raise USD 1 billion (2021-2025) (USD billion)	Optimus Foundation
	Number of people reached through social impact (cumulative since 2021)	Optimus Foundation & UBS Group AG
Text "Helping our clients structure their philanthropy: donor-advised funds"	Donor Advised Fund (DAF) donation amount (USD million)	Optimus Foundation
Table "Our key aspirations and progress" & text "The UBS Optimus Foundation"	Optimus Foundation donation amount (USD million)	Optimus Foundation
Text "The UBS Optimus Foundation"	Optimus Foundation committed grant amount (USD million)	Optimus Foundation
Text "Employee volunteering"	Percentage of employees engaged in volunteering	UBS Group AG
	Number of volunteer hours	UBS Group AG
	Number of volunteer hours % hours that are skills-based	UBS Group AG
Text "Training and culture (3)"	Number of awareness and specialized training	UBS Group AG
Table "UBS Sustainability and Impact management indicators"	Personnel in specialized units/functions (full time equivalent)	UBS Group AG
	Participation in awareness raising training (headcount instances)	UBS Group AG
	Participation in specialized training (headcount instances)	UBS Group AG

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Appendix C

Subject Matter covered by our reasonable assurance engagement (custom metrics)		
Section	**Metric**	**Reporting Boundary**
Table "Risk management – Climate-related metrics"	Carbon-related assets: UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Carbon-related assets proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%)	UBS Group AG
	Carbon-related assets: UBS AG (standalone) (USD billion)	UBS AG
	Carbon-related assets: UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Carbon-related assets: UBS Europe SE (standalone) (USD billion)	UBS Europe SE
	Total exposure to climate-sensitive sectors, transition risk: UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Climate-sensitive sectors, transition risk, proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%)	UBS Group AG
	Total exposure to climate-sensitive sectors, transition risk: UBS AG (standalone) (USD billion)	UBS AG
	Total exposure to climate-sensitive sectors, transition risk: UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Total exposure to climate-sensitive sectors, transition risk: UBS Europe SE (standalone) (USD billion)	UBS Europe SE
	Total exposure to climate-sensitive sectors, physical risk: UBS Group AG (consolidated) (USD billion)	UBS Group AG
	Climate-sensitive sectors, physical risk, proportion of total gross lending exposure, UBS Group AG (consolidated) gross (%)	UBS Group AG
	Total exposure to climate-sensitive sectors, physical risk: UBS AG (standalone) (USD billion)	UBS AG
	Total exposure to climate-sensitive sectors, physical risk: UBS Switzerland AG (standalone) (USD billion)	UBS Switzerland AG
	Total exposure to climate-sensitive sectors, physical risk: UBS Europe SE (standalone) (USD billion)	UBS Europe SE
Table "Sustainable Investments"	Sustainability focus invested assets (USD billion)	UBS Group AG
	Impact investing invested assets (USD billion)	UBS Group AG
	Sustainable investing invested assets (USD billion)	UBS Group AG
	Sustainable investing proportion of UBS Group invested assets (%)	UBS Group AG
	Sustainable investing: Invested assets Credit Suisse integration-related impact (Asset Management) (USD billion)	UBS Group AG
	Sustainable investing: Invested assets Credit Suisse integration-related impact (Global Wealth Management) (USD billion)	UBS Group AG
	Sustainable investing: Invested assets GWM-US undergoing additional validations procedures (USD billion)	UBS Group AG
Text "Asset Management – 2024 highlights"	Sustainable investing invested assets (Asset Management) (USD billion)	UBS Group AG
Table "Labelled transactions facilitated by UBS"	Number of green, social, sustainability, and sustainability-linked (GSSS) bond deals	UBS Group AG
	Number of green, sustainability, and sustainability-linked (climate-related) bond deals	UBS Group AG
	Total deal value of green, social, sustainability, and sustainability-linked (GSSS) bond deals (USD billion)	UBS Group AG
	Total deal value of green, sustainability, and sustainability-linked bond deals (climate-related) bond deals (USD billion)	UBS Group AG
	Apportioned deal value of green, social, sustainability, and sustainability-linked (GSSS) bond deals (USD billion)	UBS Group AG
	Apportioned deal value of green, sustainability, and sustainability-linked bond deals (climate-related) (USD billion)	UBS Group AG

Key terms and definitions

Sustainability

Commonly defined as "meeting the needs of the present without compromising the ability of future generations to meet their own needs" (United Nations (UN) Brundtland Commission, 1987). In this way, we sometimes refer to sustainability to imply a broader scope of resources that may be exhausted beyond those that impact climate change. Our ambition is to conduct business and operations without negatively impacting the environment, society or the economy as a whole and, through our sustainability disclosure, to be transparent about how we are pursuing this.

Sustainable Development Goals (the SDGs)

The 2030 Agenda for Sustainable Development, adopted by all UN member states in 2015, provides a shared blueprint for peace and prosperity for people and the planet. At its heart are the *17 UN Sustainable Development Goals* (available at sdgs.un.org/goals), the SDGs, which are an urgent call for action by all countries – developed and developing – in a global partnership. They recognize that ending poverty and other deprivations must go hand-in-hand with strategies that improve health and education, reduce inequality and spur economic growth – all while tackling climate change and working to preserve our oceans and forests.

ESG (Environmental, Social, Governance)

A framework to help stakeholders understand how an organization is managing risks and opportunities related to ESG criteria or factors. It is often used in the context of investing, but – beyond the investment community – clients, suppliers and employees are also increasingly interested in how sustainable an organization's operations are.

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 and positive sustainability outcomes. Impact generated is attributable to investor action and / or contribution.

Green, social and sustainability loans and bonds are instruments made available exclusively to finance or re-finance, in whole or in part, new and / or existing eligible green and / or social projects that form part of a credible program from the borrower / issuer to improve their environmental and / or social footprint.

Sustainability-linked loans and bonds are any types of instruments that incentivize the borrower's / issuer's achievement of ambitious, predetermined Sustainable Performance Targets (SPTs) that are measured using predefined sustainability KPIs.

Low-carbon economy

Refers to a type of decarbonized economy that is based on low energy consumption and low levels of greenhouse gas (GHG) emissions:

Scope 1: accounts for 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.

Net zero: refers to cutting GHG emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere.

GHG key vendor: a top GHG scope 3 emitter relative to UBS's overall scope 3 supply chain emissions and with which UBS has a long-term ongoing relationship.

Sustainability disclosure

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

Materiality assessment

The TCFD requires companies to conduct a double materiality assessment that looks at both the inside-out impact the company has on the environment and the outside-in impact climate-related activities may have on the company performance.

Abbreviations frequently used in our sustainability report

A

AMAS	Asset Management Association Switzerland
AML	anti-money laundering
AuM	assets under management

B

BCBS	Basel Committee on Banking Supervision
BD(s)	Business division(s), organizational units of the UBS business: (i) Global Wealth Management, (ii) Personal & Corporate Banking, (iii), Asset Management and (iv) the Investment Bank
B4SI	Business Investment for Societal Impact
BoD	Board of Directors
BoE	Bank of England

C

CCRC	Corporate Culture and Responsibility Committee
CDP	formerly the Carbon Disclosure Project
CDR	carbon dioxide removal
CFO	Chief Financial Officer
CHF	Swiss franc
CIC	Corporate & Institutional Clients
CIO	Chief Investment Office
C&ORC	Compliance & Operational Risk Control
CSRD	Corporate Sustainability Reporting Directive

D

DAF	donor-advised fund
DJSI	Dow Jones Sustainability Indices

E

EC	European Commission
EMS	environmental management system
ESG	environmental, social and governance
EU	European Union
EUR	euro
ERA	Energy Reference Area
ETF	exchange-traded fund
EY	Ernst & Young

F

FINMA	Swiss Financial Market Supervisory Authority
FTE	full-time employee
FX	foreign exchange

G

GCFO	Group Chief Financial Officer
GCRG	Group Compliance, Regulatory & Governance
GEB	Group Executive Board
GHRCS	Group Human Resources and Corporate Services
GHG	greenhouse gas
GIA	Group Internal Audit
GICS	Global Industry Classification Standard
GOTO	Group Operations and Technology Office
GRC	Group Risk Control
GRI	Global Reporting Initiative
GSI	Group Sustainability and Impact

H

HR	human resources

I

ICMA	International Capital Market Association
ICMM	International Council on Mining and Metals
IFRS	International Financial Reporting Standards
IPCC	Intergovernmental Panel for Climate Change
ISO	International Organization for Standardization

L

LEED	Leadership in Energy and Environmental Design
LoD	lines of defense
LTV	loan-to-value

M

MAT	Materiality Assessment Team
M&A	mergers and acquisitions
MiFID II	Markets in Financial Instruments Directive II

N

NFR	non-financial risks
NFRD	Non-Financial Reporting Directive
NGFS	Network for Greening the Financial System
NYSE	New York Stock Exchange
NZE	Net-Zero Emissions by 2050 Scenario

O

OECD	Organization for Economic Co-operation and Development
ORF	operational risk framework
OTC	over-the-counter

P

PACI	Partnership Against Corruption Initiative
PACTA	Paris Agreement Capital Transition Assessment
PCAF	Partnership for Carbon Accounting Financials
P&L	profit and loss
PRA	UK Prudential Regulation Authority

R

RSCM	responsible supply chain management
RSPO	Roundtable on Sustainable Palm Oil
RW	risk weight
RWA	risk-weighted assets

S

SCR	sustainability and climate risk
SCS	Swiss Climate Score
SDA	Sectoral Decarbonization Approach
SDC	Swiss Agency for Development and Cooperation
SDG	Sustainable Development Goal
SDS	Sustainable Development Scenario
SEC	US Securities and Exchange Commission
SFDR	Sustainable Finance Disclosure Regulation
SI	sustainable investment
SIF	Credit Suisse sustainability investment framework
SIX	SIX Swiss Exchange
SME	small and medium-sized entities
SNB	Swiss National Bank

T

TBTF	too big to fail
TCFD	Task Force on Climate-related Financial Disclosures

U

UN	United Nations
UNEP FI	United Nations Environment Programme Finance Initiative
UNGPs	UN Guiding Principles on Business and Human Rights
USD	US dollar

Note: This list of abbreviations is not deemed to be comprehensive of all the abbreviations used in this report.

Cautionary Statement

Cautionary Statement l This report may contain statements that constitute "forward-looking statements." Refer to the Cautionary Statement Regarding Forward-Looking Statements in the UBS Group Annual Report 2024, available at ubs.com/investors, for further details.

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