

PRB Reporting and Self-Assessment

The Principles for Responsible Banking (PRB) provide a framework for a sustainable banking system with the aim of aligning the industry with the United Nations (UN) Sustainable Development Goals (SDGs) and the Paris Agreement. The PRB will embed sustainability at the strategic, portfolio and transactional levels, across all business areas. As a founding signatory of the PRB we have committed to continuously improving our firm's impact and contribution to society in accordance with the Principles. Selected sections have been assured by Ernst & Young in line with PRB guidance. For the official assurance statement please see the end of this document.

Note

All references to the UBS Annual Report 2022 (UBS AR 2022) are referring to the combined UBS Group AG and UBS AG Annual Report 2022 available on www.ubs.com/investors. The UBS Sustainability Report 2022 (UBS SR 2022) is available on www.ubs.com/gri and www.ubs.com/investors. Its Supplementary information document (UBS SID 2022) is available on www.ubs.com/gri.

Principle 1: Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

UBS convenes the global ecosystem for investing, where people and ideas are connected and opportunities brought to life, and provides financial advice and solutions to wealthy, institutional and corporate clients worldwide, as well as to private clients in Switzerland. UBS offers investment solutions, products and impactful thought leadership, is the leading global wealth manager, provides large-scale and diversified asset management, focused investment banking capabilities, and personal and corporate banking services in Switzerland. The firm focuses on businesses that have a strong competitive position in their target markets, are capital efficient and have an attractive long-term structural growth or profitability outlook.

UBS is present in all major financial centers worldwide. It has offices in more than 50 regions and locations, with about 30% of its employees working in the Americas, 28% in Switzerland, 20% in the rest of Europe, the Middle East and Africa and 22% in Asia Pacific. UBS Group AG employs more than 72,000 people around the world. Its shares are listed on the SIX Swiss Exchange and the New York Stock Exchange (NYSE).

UBS AR 2022

- Our strategy (15–17)
- Our businesses (18–27)
- How we create value for our stakeholders (33–50)

UBS SR 2022

- People and culture make the difference (62)

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

UN Declaration on the Rights of Indigenous Peoples

Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: In line with the FINMA circular 2016/1 disclosure (last amendment 6 May 2021), UBS needs to disclose climate related financial risks and how it manages climate financial risks annually as part of the financial reporting. We also disclose non-financial information required by the German law implementing EU directive 2014/95 (CSR-Richtlinie-Umsetzungsgesetz / CSR-RUG) (nichtfinanzieller Konzernbericht).

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: Approaches outlined in Human Rights Statement, Modern Slavery Act and Human Trafficking Statement, and Modern Slavery Act and Human Trafficking Statement, UBS Business Solutions AG, UK Branch. Most recent updates applied in 2022.

None of the above

We want to be the financial provider of choice for clients that wish to mobilize capital toward the achievement of the United Nations' 17 Sustainable Development Goals (the SDGs) and the orderly transition to a low-carbon economy. Our commitment to sustainability starts with our purpose. We know finance has a powerful influence on the world. At UBS we reimagine the power of people and investment, to help create a better world for everyone: a fairer society, a more prosperous economy and a healthier environment. That is why we partner with our clients to help them mobilize their capital toward a more sustainable world. It is why we have put sustainability at the heart of our own business too. To help us maximize our impact and direct capital to where it is needed most, we are focusing on three key areas to drive the sustainability transition: planet, people, partnerships. Our governance framework on sustainability supports the creation of long-term value. Sustainability activities, including sustainable finance, are overseen at the highest level of UBS (the Board of Directors (BoD) and Group Executive Board (GEB)) and are grounded in our Code of Conduct and Ethics.

UBS AR 2022

- Our strategy (15–17)
- How we create value for our stakeholders (33–50)

UBS SR 2022

- The importance of sustainability to UBS (4–5)
- Our sustainability and impact strategy (8–9)
- Delivering our sustainability commitments and strategy (9–10)

Principle 2: Impact and Target Setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

- a) **Scope:** What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Introductory comment on UBS's general approach to impact

Impact considerations have been an important element of UBS's overall sustainability activities for many years. As a firm, we take a detailed approach to identifying and managing the sustainability and climate impacts, including through our PRB impact analysis, as a result of our client lending, financing and investment activities.

UBS is certified against the ISO 14001 Environmental Management System. The ISO 14001 Standard requires an organization to run the materiality assessments for risk and opportunities on a regular basis.

Our long-standing sustainability and climate risk (SCR) policy framework applies across all business divisions, group functions, locations, and legal entities. It defines roles and responsibilities for 1LoD (employees engaging in client and supplier onboarding, transaction due diligence, periodic KYC reviews), for 2LoD (sustainability and climate risk unit, credit officers), and for our Group Executive Board (the GEB).

UBS annually performs a SCR materiality assessment of its products, services, and supply chain, where the products, services, and activities deemed high risk are subject to the SCR policy framework. This SCR materiality assessment process is summarized in UBS's environmental and energy management systems (ISO 14001 and 50001 Standards), and includes the assessment of UBS's contribution to impacts on the environment, including the climate, and / or human rights-holders, as well as the assessment of risks to UBS.

Approach to scope for the PRB-specific assessments

As a large diversified financial institution, we recognize the challenges of conducting firm-wide analyses. Our approach is to focus on high priority areas where tools are readily available and build on our analysis over time. In 2021, we leveraged UNEP FI's Portfolio Impact Identification Tool v2 to conduct our analysis to support these efforts. Our approach to the categorization of UBS's exposure and proximity to impact of certain business activities was in line with the UBS SCR materiality assessment, therefore the scope determined was as follows:

- **Lending and financing** activities are considered high proximity to impact as there is a direct association between UBS's activity and specific client operations causing the potential negative impact on environment (incl. biodiversity), human rights, and climate.

To determine in-scope activities for the PRB analysis, we considered volume (core business area, product/service), control (ability to influence), and data (where granularity is readily available). As Switzerland is UBS's home market, we used this as our point of departure. Included in our scope:

- Self-owned real estate (i.e. mortgages)
- Corporate & Institutional Clients (CIC) corporate lending (excl. Lombard loans)
- Global Banking capital markets (ECM, DCM), Syndicated Lending, M&A

- **Investment** activities are a core business of UBS but are excluded from this analysis due to the ongoing development of the applicable UNEP FI tool.

UBS SR 2022

- The importance of sustainability to UBS (4–5)
- Environment (23–61)
- Our sustainability and climate risk policy framework (93–99)

UBS SID 2022

- Supporting our strategic goals – our engagement in partnerships (15–20)
- ISO 14001 and 50001 standard certificates (41–46)

Other

- Climate and Nature Report 2022
- UNEP FI Portfolio Impact Analysis Tool for Banks
- Operating Principles for Impact Management, July 2022 [Link]

- b) **Portfolio composition:** Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- ii) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.
- If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Key sectors identified through the analysis conducted using the UNEP FI tool on in-scope lending/financing activities:

- For Corporate and Institutional Clients (CIC), we analysed our corporate client lending exposure as of 30 March 2020. By focusing on the top 15 sectors as a % of corporate lending exposure, we covered 85% of the portfolio. The largest three sectors by ISIC classification included: 68 real estate activities, 98 undifferentiated activities of private households, and 64 financial services activities. 'Real estate activities' was the largest

1 That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

2 Further guidance can be found in the Interactive Guidance on impact analysis and target setting.

3 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

sector, accounting for approximately 30% of corporate lending exposure over the previous three years.

- The majority of our corporate lending clients are small, medium enterprises (SME) and sole proprietorships predominantly based in Switzerland.
- Self-owned real estate (i.e. mortgages), as a credit granting activity, was classified as 64 financial services activities.
- The majority of our mortgage clients are individuals based in Switzerland. As Switzerland is a relatively prosperous country, ranked 5th in the Legatum Prosperity Index 2021, we chose not to factor in customers types by income levels.
- For Global Banking, deal data from Dealogic, a financial markets platform, was used for the full year 2020. As there may be multiple banks involved in a transaction, we calculated deal value per revenue share to approximate UBS's portion of potential impact. By focusing on the top 15 sectors by ISIC classification, we covered approximately 85% of UBS's deal value per revenue share. The largest three sectors by ISIC classification were: 64 financial services activities, 84 public administration and defence, and 66 activities auxiliary to financial service and insurance activities. 'Financial services activities' was the largest sector, accounting for approximately 20% of deal value per revenue share in 2020.

In July 2022, UNEP FI released an updated version of the Portfolio Impact Analysis Tool for Institutional Banking. Due to earlier completion of our initial analysis in 2021, we chose to monitor our impacts by comparing year over year changes to our top sectors. In addition, we broadened the scope to include UBS's full lending book (as of Dec 31, 2021). Real estate activities and financial services activities remained the largest sectors in 2021 for our corporate lending and Global Banking activities, respectively. Therefore, there were no significant changes otherwise warranting adjustment of our initial conclusions.

- c) **Context:** What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Our commitment to sustainability starts with our purpose. We know finance has a powerful influence on the world. At UBS we reimagine the power of people and investment, to help create a better world for everyone: a fairer society, a more prosperous economy and a healthier environment. That is why we partner with our clients to help them mobilize their capital toward a more sustainable world. It is why we have put sustainability at the heart of our own business too. To help us maximize our impact and direct capital to where it is needed most, we are focusing on three key areas to drive the sustainability transition: planet, people, partnerships. As a global financial institution operating in more than 50 regions and locations, we have a role to play in tackling the 17 United Nations (the UN) Sustainable Development Goals (the SDGs), by directing this capital to where it is needed the most.

As we advance toward 2030, the designated deadline to reach the SDGs is ever nearer. The SDGs focus on issues including climate change, equality and healthcare – major challenges for our world today and tomorrow.

For the purpose of complying with 2.1 Impact Analysis, we applied additional country context while conducting our CIC corporate lending analysis using the UNEP FI Portfolio Impact Analysis Tool v2. As the majority of our clients are small, medium enterprises (SME) or sole proprietorships predominantly based in Switzerland, we assessed the data against the most relevant challenges and priorities related to sustainable development for the country. Switzerland's needs were based on the priority topics of the Sustainable Development Strategy (SDS) for 2020-2030 of the Swiss Federal Council. The top four priority areas were identified as waste, climate, resource efficiency/security, and biodiversity & ecosystems.

Given that our Global Banking clients are predominantly multi-national organizations with impacts spread across multiple countries, we did not assess this analysis against a specific country needs score.

In addition to the SCR materiality assessment outlined above, we conduct a GRI-based Materiality Assessment and a Climate Materiality Assessment through which we consider a variety of stakeholders with whom we engage.

UBS SR 2022

- Supporting our climate strategy – our Climate-related materiality assessments (78–84)

UBS SID 2022

- GRI-based materiality assessment (9–14)
- Supporting our strategic goals – our engagement in partnerships (15–20)

Other

- [Swiss Federal Council 2030 Sustainable Development Strategy \(SDS\)](#)

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

The UNEP FI Portfolio Impact Identification Tool v2 identified the following significant impact areas of potential positive and negative impact:

- **Social topics:** Housing, Health & Sanitation, Education, Employment
- **Environmental topics:** Climate, Waste, Biodiversity & ecosystems, Resource efficiency
- **Economic topics:** Inclusive healthy economies, Economic convergence

UBS SR 2022

- Inclusive Growth (76–77)

Other

- UBS DE&I Report 2022 (available in Q2 2023)
- Human Rights Statement 2022

Climate was the first impact area confirmed to pursue our target setting strategy. The results from the tool reinforced our dedication to **SDG 13: Climate Action**.

- As part of our net-zero commitment in April 2021, we pledged to set targets that further align our financing activities with the Paris Agreement and became a founding member of the Net-Zero Banking Alliance (the NZBA), having already joined the Net Zero Asset Managers initiative in the year prior.
- Across our organization and in line with our commitment to **climate**, it is a strategic priority to support clients as they navigate through the challenges of the low-carbon transition. Specifically, we help our clients assess, manage, and protect their assets from climate-related risks by offering innovative products and services in investment, financing and research and by providing transparency on climate risk exposure. Our approach may vary by region, client, and asset type.

The social and economic impact areas identified as a result of our analysis confirmed our belief at UBS in a diverse, equitable and inclusive society. Not just because it is fair, but because we believe it can promote viable, long-term economic and social development and in so doing, further help to reduce inequalities. This led us to identifying **SDG 5: Gender Equality** and **SDG 10: Reduced Inequalities** as priority areas for further analysis.

Today we are taking action to get there, in our own workplace and beyond.

- In 2022, we further explored how UBS contributes to a diverse, equitable and inclusive society through the lens of what we do for our employees, clients, suppliers, and communities. Our approach to Inclusive Growth will be detailed in the upcoming whitepaper to be published in 2023.
- Within our own organization, we have a global DE&I strategy in place to minimize bias, maximize reach and impact of our programs and initiatives, and optimize employee retention. In addition, our UBS DE&I Report 2022 (available in Q2 2023) demonstrates

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

our commitment to both accountability and transparency in our strategy, aspirations, and progress to goals.

- Our Human Rights Statement shows UBS’s commitment to respecting internationally recognized human rights across our firm globally. It demonstrates our desire to maximize positive impacts on society and reduce actual and potential negative impacts, in line with the Principles for Responsible Banking (PRB), the UN Global Compact (UNG C) and the UN Guiding Principles on Business and Human Rights (UNGPs).

In addition, these topics are already being addressed in our core business of investments.

- As a leading, truly global wealth manager and large-scale diversified asset manager, UBS’s commitment to sustainable and impact investing began long before our PRB commitment in 2019. We made the commitment to raise USD 5 billion for impact investments related to the SDGs in the five-year period between 2017 and 2021 – and surpassed that milestone a year early. As a founding signatory to the Operating Principles for Impact Management (OPIM) since 2019, UBS has committed to maintain robust impact investment processes, as highlighted by the most recent disclosure statement published in July 2022.

Our decision to further analyse SDGs 5 and 10 as our second impact area does not mean we will refrain from assessing other topics that were identified through our analysis. The “S” in ESG is still relatively nascent, however given its criticality for society we will continue to explore UBS’s impact across key social topics in 2023.

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank’s context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank’s current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank’s activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank’s activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

SDG 13: Climate (confirmed impact area)

- As part of our net-zero ambition, we assessed financed emission baselines and set targets for the sectors: fossil fuels, power generation, cement, as well as commercial and residential real estate.
- We selected the above outlined sectors because they were identified as those with the most material effect on carbon emissions. We also considered the materiality of our financial exposure, as well as the availability of data and applicable methodologies in order to estimate baselines and develop pathways toward the goal of net-zero. In 2022, we defined and added cement as an additional net-zero target sector.
- Targets were developed based on the sector specific baseline, and the International Energy Agency (IEA) 2021 Net-Zero by 2050 data was used to help benchmark against the trajectory required to reach net-zero by 2050.
- Please refer to 2.2 for details about our indicators used to measure performance

UBS SR 2022

- Taking action on a net-zero future (23)
- Our climate roadmap (24)
- Inclusive Growth (76–77)

Other

- UBS DE&I Report 2022 (available in Q2 2023)

SDG 5: Gender Equality and SDG 10: Reduced Inequalities (priority areas for further analysis)

- Within our organization, UBS maintains a wide range of social metrics on supplier diversity, employee diversity and DE&I initiatives, how we support our communities, and what we do for clients. We aim to expand on this work in the coming years. Given the breadth and complexity of the “S” in ESG, we will continue to explore UBS’s impact across key social topics in 2023, as well as performance measurement approaches to inform future targets.
- In 2022, we built transparency around our various inclusive growth initiatives. We completed a full inventory of existing and planned initiatives, established external benchmarking across the four pillars of employees, clients, suppliers and society, and identified a KPI framework for all four pillars. A UBS DE&I report was also published in Q2 2023.

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

Climate change mitigation (SDG 13: Climate Action) has been confirmed as a significant impact area. In addition, SDG 5: Gender Equality and SDG 10: Reduced Inequalities were identified as priority areas for further analysis in 2023.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: *(optional)*

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

We work with a long-term focus on providing appropriate returns to all of our stakeholders in a responsible manner. To underline our commitment, we provide transparent targets and report on progress made against them wherever possible. In 2021, we included new targets, in particular pertaining to our commitment to net-zero. And in 2022, we continued to work toward our existing targets while setting targets for additional sectors for our financed emissions. Core metrics can be read under reference, 'UBS Sustainability objectives and achievements 2022 and objectives 2023' shown on the right.

We do this in part through our alignment with a variety of frameworks, including but not limited to those listed under Principle 1, the ISO standards under Principle 2 (2.1), further efforts are detailed in our sustainability reporting (see references, right).

UBS AR 2022

- How we create value for our stakeholders (33–50)

UBS SR 2022

- Our sustainability and impact strategy (8–9)
- Our aspirational goals and progress(9–10)
- People and culture make the difference (63–69)
- Inclusive Growth (76–77)
- Taking action on a net-zero future (23)
- Our climate roadmap (24)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)

UBS SID 2022

- Supporting our strategic goals – our engagement in partnerships (15–20)

Other

- Climate and Nature Report 2022
- UBS DE&I Report 2022 (available in Q2 2023)

- b) **Baseline:** Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of the PRB self-assessment template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

Impact area	Indicator code	Response
Climate change mitigation	...	
	...	
	...	

Impact area	Indicator code	Response
Financial health & inclusion	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Information as pertains to the impact area indicator points can be found in the 2022 Sustainability Report available on ubs.com/gri. Climate change mitigation (SDG 13: Climate Action) has been confirmed as a significant impact area. In addition, SDG 5: Gender Equality and SDG 10: Reduced Inequalities were identified as priority areas for further analysis in 2023.

As a confirmed impact area, our target setting for Climate is more mature as indicated in the 2022 Sustainability Report, in particular in the climate roadmap overview. We continue to work towards progress in social impact areas including SDG 5: Gender Equality and SDG 10: Reduced Inequalities. References listed on the right, demonstrate how UBS addressed indicators as outlined in the Annex (e.g., A1.1 – 3.2, etc.), in particular with core metrics listed under 'UBS Sustainability objectives and achievements 2022 and objectives 2023' shown on the right.

UBS SR 2022

- Our climate roadmap (24)
- Environment (23–61)
- Inclusive Growth (76–77)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)

Other

- Climate and Nature Report 2022
- UBS DE&I Report 2022 (available in Q2 2023)
- UBS Asset Management Stewardship Report 2022

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not

c) **SMART targets** (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Please see targets for Social aspects and Climate as impact areas disclosed in the 2022 Sustainability Report (see references, right). Historical reporting is also available on ubs.com/gri. Core metrics are listed under 'UBS Sustainability objectives and achievements 2022 and objectives 2023' shown on the right.

UBS SR 2022

- Our climate roadmap (24)
- Environment (23–61)
- Inclusive Growth (76–77)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)

Other

- Climate and Nature Report 2022
- UBS DE&I Report 2022 (available in Q2 2023)
- UBS Asset Management Stewardship Report 2022

d) **Action plan**: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

In line with our climate commitments, we have developed a climate transition plan to support our NZBA ambitions as well as a climate action plan to continue to implement the recommendations of the TCFD. This commitment to climate, including the setting of targets, is also in light of the recognition of the impact, which banks indirectly have on the planet through their financing and lending activities. We aim to avoid and mitigate adverse impacts, which may result through our banking activities, and thus have a stringent Sustainability and Climate Risk Policy Framework. Further details are provided at length in our Sustainability Reporting.

Our goals and measures concerning the social impact area are outlined under 'UBS Sustainability objectives and achievements 2022 and objectives 2023' as shown on the right.

UBS SR 2022

- The importance of sustainability to UBS (4–5)
- Environment (23–61)
- Inclusive Growth (76–77)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)

UBS SID 2022

- Grievance mechanisms – additional information (36)

Other

- Climate and Nature Report 2022
- UBS DE&I Report 2022 (available in Q2 2023)
- Sustainability and Climate Risk Policy Framework

in scope of the PRB.

8 Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

9 Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>climate change mitigation</i>	... second area of most significant impact: ... <i>social impact</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
SMART targets	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Action plan	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

We strive to report openly and transparently about our firm's sustainability strategy, activities (including existing targets and implementation) and progress, consistently applying our firm's information policy and disclosure principles, and our long-/medium-term goals are supported by short-term targets (see objectives 2023 referenced on the right). In accordance with this approach, we can also share that our priority impact areas, targets and indicators have not changed since the last reporting.

UBS SR 2022

- Our sustainability and impact strategy (8–9)
- Our aspirational goals and progress (9–10)
- People and culture make the difference (63–69)
- Inclusive Growth (76–77)
- Taking action on a net-zero future (23)
- Our climate roadmap (24)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)
- Key policies and principles (104–105)

Principle 3: Clients and Customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

The UN estimates the gap in funding needed to achieve the SDGs by 2030 at USD 2.5 trillion to USD 3 trillion annually, with some experts putting the number even higher. We recognize this as both a challenge for society and an opportunity for our clients. As a global financial institution, we have a role in facilitating progress towards reaching the SDGs, e.g., by helping to direct capital to where it is needed. We want to be the financial provider of choice for clients that wish to mobilize capital toward the achievement of the SDGs and the orderly transition to a low-carbon economy.

In September 2020, we made sustainable investments the preferred solution for our private clients wishing to invest globally, and in July 2021 we expanded our sustainable investing offering with a new advisory solution that enables clients to align their investments to their personal preferences. We regularly launch new and innovative investment products for our diverse clients globally, covering a wide array of sustainability-related topics (e.g., battery storage, decarbonization, health or inclusive investing). For corporate clients, we support the issuance of green, social, sustainability and sustainability-linked bonds, as well as the raising of capital in international capital markets, in line with recognized market guidelines, such as the ICMA Green Bond Principles and, in relation to green and sustainable loans, the Loan Market Association Sustainability Principles. Our ESG Advisory team provides strategic advisory and capital-raising services by specifically accounting for the structural shift in investor preferences towards ESG investment opportunities. To do so, we have been building the capabilities to assess a corporate's sustainability profile and to link that profile to ESG investor demand.

Additionally, we have policies in place to support responsible behavior with and for our clients. For our Asset Management business division, stewardship is an integral part of our investment process. We regard engagement as a two-way mutually beneficial dialogue with a company, with the objective to enhance information and understanding and improve business performance. We prioritize corporate engagement based on an assessment of financial exposure, high ESG risks, poor performance on thematic issues of concern and the presence of controversies. Alongside engagement, proxy voting is also considered integral to the investment process and our overall stewardship approach. We regard it as an important element of our fiduciary duty and have been voting on a discretionary basis on our clients' behalf since 1995, both across active and passive strategies. Our first voting policy was implemented in 1998.

UBS AR 2022

- How we create value for our stakeholders (33–50)

UBS SR 2022

- Our approach to sustainable finance (11– 19)
- Appendix 1- Strategy (78–84)

UBS SID 2022

- Case studies on the management of sustainability and climate risks (22–24)

Other

- UBS Asset Management Stewardship Report 2022

Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

In 2022, transition and impact were focus areas for our clients and the financial industry in general. In response, we launched several dedicated investment strategies supporting the allocation of capital to thematic areas such as decarbonization or energy storage. Other examples include our Low Carbon Transition Equity Fund and our Inclusive Investing platform.

UBS SR 2022

- Our approach to sustainable finance (11–19)

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

Principle 4: Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

We engage with stakeholders across all groups (including in particular clients, investors, employees, regulators and governments, civil society) on a regular basis and on a wide range of topics. Through this engagement we gain critical insight into their goals, expectations and concerns. This insight, in turn, contributes greatly to our understanding and management of issues which may have a potential impact (positive or negative) on our firm and our stakeholders.

Every year, we conduct a materiality assessment following the Global Reporting Initiative (GRI) Standards, and in 2021 we enhanced our approach to identifying our material topics by introducing a five-step approach which helped us to adequately consider our stakeholders' views on key topics pertaining to our firm's economic, social, and environmental performance and impacts. And in 2022, we refreshed our assessment, starting with reviewing our organizational context (i.e., activities, business relationships, sustainability context, stakeholders), before completing the main three process steps: desk research, stakeholder consultation and final review.

UBS AR 2022

- How we create value for our stakeholders (33–50)

UBS SR 2022

- Supporting our climate strategy – our Climate-related materiality assessments (78–84)
- Supporting our strategy – our stakeholder engagement (85–87)
- UBS Sustainability objectives and achievements 2022 and objectives 2023 (145–154)

UBS SID 2022

- GRI-based materiality assessment (9–14)

12 Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

Principle 5: Governance & Culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

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

Our Board of Directors has ultimate responsibility for the strategy and the success of the Group and for delivering sustainable shareholder value. It oversees the overall direction, supervision and control of the Group and its management. It also supervises compliance with applicable laws, rules and regulations.

Five committees support the Board of Directors of UBS Group AG (the BoD) in fulfilling its duty through the respective responsibilities and authority given to them. All BoD committees have specific responsibilities pertaining to environmental, social and governance (ESG) matters, e.g., the Compensation Committee is responsible for ESG-related compensation topics, the Risk Committee supervises the integration of ESG in risk management and the Audit Committee has oversight of the control framework underpinning ESG metrics.

Our BoD's Corporate Culture and Responsibility Committee (the CCRC) is the body primarily responsible for corporate culture, responsibility and sustainability. The CCRC oversees our Group-wide sustainability and impact strategy (including PRB implementation) and key activities across environmental and social topics, including climate, nature and human rights. Annually, it considers and approves our firm's sustainability and impact objectives, meeting 6 times within the year.

Our Group Executive Board (the GEB) develops the strategy for the Group. It is responsible for managing our assets and liabilities in line with the Group's strategy, regulatory commitments and 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. It has overall responsibility for establishing and implementing risk management and control in our firm. The responsibility for setting the sustainability and impact strategy and developing Group-wide sustainability and impact objectives, in agreement with fellow GEB members, has been delegated to the GEB Lead for Sustainability and Impact by the Group chief executive officer (the Group CEO). Progress against strategy and the associated targets are reviewed at least once a year by the GEB and the CCRC.

Our GEB Lead for Sustainability and Impact manages the Group Sustainability and Impact (GSI) organization and, together with our Chief Sustainability Officer (the CSO), co-chairs the Sustainability and Climate Task Force (the SCTF). Both our GEB Lead for Sustainability and Impact and our CSO are also permanent guests of the CCRC.

Furthermore, environmental, social and governance (ESG) objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance evaluation and compensation decisions. Information is detailed in the Sustainability Report as well as Compensation Report (see references, right).

UBS AR 2022

- How we create value for our stakeholders (33–50)
- Organizational principles and structure (181–184)
- Compensation (200–241)

UBS SR 2022

- Our sustainability governance (20–22)
- Environment (23–61)
- People and culture make the difference (63–69)
 - o Pay our people fairly and equitably (65–66)
- Key policies and principles (104–105)

UBS SID 2022

- Group Sustainability and Impact management indicators (35)

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

We actively engage in education and awareness raising for employees, staff, clients and our local communities on corporate responsibility and sustainability topics and issues. Through employee onboarding, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments. Better understanding of our firm's sustainability goals and actions is promoted through a wide range of training and awareness-raising activities as well as in our performance management process.

Furthermore, ESG objectives are considered in the compensation determination process in objective setting, performance award pool funding, performance assessment and compensation decisions.

UBS AR 2022

- How we create value for our stakeholder (33–50)
- Compensation (200–241)

UBS SR 2022

- Our sustainability governance (20–22)
- Environment (23–61)
- People and culture make the difference (63–69)
- Key policies and principles (104–105)
- UBS sustainability governance – additional information (85–89)

UBS SID 2022

- Group Sustainability and Impact management indicators (35)

Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

We have policies and procedures in place that address sustainability (including environmental and social) and climate risks within our portfolio. These are covered in large part through our Sustainability and Climate Risk (SCR) Policy Framework, which:

- applies firm-wide to relevant activities, including client and supplier relationships;
- applies to all Business Divisions and Legal Entities;
- is integrated in management practices and control principles and overseen by senior management; and
- supports transition toward a net-zero future.

Our approach to how we look after human rights (including risk aspects) is also further outlined in both our Human Rights Statement and the Modern Slavery and Human Trafficking documents.

Additionally, for our vendor relationships we have Responsible Supply Chain Standards which incorporates standards on human rights, labor rights, socially responsible practices, environmental, and anti-corruption principles as set out in the UN Global Compact.

UBS Sustainability-related reporting (ubs.com/gri)

- SCR Policy Framework
- Human Rights Statement 2022
- Modern Slavery Act and Human Trafficking Statement 2022
- RSCM Standards

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Principle 6: Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

The Principles for Responsible Banking (PRB) Report and Self-assessment is reviewed by Ernst & Young Ltd (EY) against PRB guidance. Selected sections of this report have been assured and certain metrics as shown in our Sustainability Report have been subject to reasonable or limited assurance by EY. The assurance report for the former is available at the end of this document which can be downloaded from ubs.com/gri.

– Assurance Statement at the end of this document

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

GRI
 SASB
 CDP
 IFRS Sustainability Disclosure Standards (to be published)
 TCFD
 Other: WEF Stakeholder Capitalism Metrics

We strive to report openly and transparently about our firm's sustainability strategy and activities, consistently applying our firm's information policy and disclosure principles. The core medium for our sustainability disclosure is our Sustainability Report, complemented (as referenced in the GRI Content Index) by other relevant information, which can be found in the UBS Annual Report 2022 and at ubs.com/gri.

Our Sustainability Report contains four core sections, Strategy; Governance; Environmental; and Social – with additional information provided in supplements, which follow the same structure as the core report.

We have included references to pertinent content in the Annual Report 2022, where necessary. Except where clearly identified, all of UBS's sustainability information included in said report is presented for UBS Group AG and all its subsidiaries. Information about our consolidated subsidiaries can be found in "Note 28 Interests in subsidiaries and other entities" in the Annual Report 2022. UBS AG consolidated information does not differ in any material respect from UBS Group AG's consolidated information.

We use the Global Reporting Initiative (the GRI) as the basis for the report and apply a careful process weighing up the materiality and relevance of the information reported and the expectations of all our stakeholders. The report also includes our Group's disclosures of non-financial information required by the German law implementing EU directive 2014/95 (CSR-Richtlinie-Umsetzungsgesetz / CSR-RUG) (nichtfinanzieller Konzernbericht).

We also disclose data on climate-related financial risks, pertaining to Swiss Financial Market Supervisory Authority's (FINMA) disclosure requirements as set out in Appendix 5 of FINMA Circular 2016/1 "Disclosure - banks".

The Sustainability Report is reviewed by Ernst & Young Ltd (EY) against the GRI Standards (limited assurance). The content is prepared in accordance with the GRI Standards, as evidenced in the EY assurance report. Both the GRI content index and the assurance report can be downloaded from ubs.com/gri.

Our Sustainability Accounting Standards Board (SASB) index, our TCFD index, our World Economic Forum International Business Council (WEF IBC) Stakeholder Capitalism Metrics reference table and our Principles for Responsible Banking (PRB) reporting and self-assessment are also available from the same webpage.

UBS Sustainability-related reporting (ubs.com/gri)

- 2022 Sustainability Report
- Submission to CDP climate change questionnaire
- GRI Content Index
- SASB Index
- WEF Stakeholder Capitalism Metrics Index
- Climate and Nature Report 2022 (TCFD-aligned)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

In 2022, we continued to work on our implementation of the PRB.

Our review of in-scope business areas and activities identified three key areas of focus for our firm, including social, environmental and economic topics. Under the topic of environment, climate was the first impact area confirmed to pursue our target-setting strategy with the results of our analysis reinforcing our dedication to SDG 13 (climate action). We continue to address this opportunity through our climate strategy and our net-zero commitment. In addition, SDG 5 (gender equality), and SDG 10 (reduced inequalities) were identified as areas of opportunity for impact. We will continue to explore how we can enhance our contribution to a diverse, equitable and inclusive society, with

UBS SID 2022

- Principles for Responsible Banking (16)

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement
¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

actions and activities that expand beyond our own workplace. We will continue to explore our three focus areas identified above, adjusting where necessary.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|-----------------------------------------------------------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input checked="" type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input checked="" type="checkbox"/> Data availability |
| <input checked="" type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |



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To the Management of
UBS Group AG, Zurich

Zurich, 15 March 2023

Independent assurance on certain sustainability disclosures for the year ended 31 December 2022

Scope

EY was engaged by UBS Group AG (the 'Group' or 'UBS') to perform limited assurance, as defined by International Standards on Assurance Engagements, on the disclosures subject to external assurance in UBS Group AG's Reporting and Self-Assessment 2022 of the United Nations Environment Programme Finance Initiative ('UNEP FI') Principles for Responsible Banking ('PRB') for the reporting period from 1 January 2022 to 31 December 2022 (hereafter the 'Disclosures'):

- ▶ Impact Analysis (Reporting requirement 2.1)
- ▶ Target Setting (Reporting requirement 2.2)
- ▶ Target Implementation and Monitoring (Reporting requirement 2.3)
- ▶ Governance Structure for Implementation of the Principles (Reporting requirement 5.1)

UBS's Disclosures are available online at <https://www.ubs.com/global/en/sustainability-impact/sustainability-reporting.html>. Our objective was to evaluate if UBS's description of processes, activities and their outcomes sufficiently reflects the actions taken by the bank, rather than evaluating the applied approach itself. This individual assessment of whether UBS is aligned with the requirements of the Principles for Responsible Banking and is meeting its commitments is out of scope of this engagement and will be undertaken by a sustainability expert within the UNEP FI Secretariat (the Review Expert).

Our engagement was limited to the four key areas requiring limited assurance listed above. We have not assessed any of the following disclosures in UBS's UNEP FI PRB Reporting and Self-Assessment 2022:

- ▶ Information other than the reporting requirements covering the four key areas as indicated above
- ▶ Statements related to previous reporting periods
- ▶ Forward-looking statements

Criteria applied by the Group

UBS defined as applicable criteria (hereafter the 'Criteria'):

- ▶ UNEP FI Principles for Responsible Banking Reporting Guidance for Banks (which is presented on the UNEP FI homepage)

We believe that these Criteria are a suitable basis for our limited assurance engagement.

The Group's responsibilities

The management of UBS is responsible for selecting the applicable Criteria and collecting and reporting, in all material respects, the Disclosures in accordance with the applicable Criteria. This responsibility includes designing, implementing, and maintaining internal controls with respect to the preparation of the KPIs that are free from material misstatement due to fraud or errors.

EY's responsibilities

Our responsibility is to express a conclusion on the above-mentioned Disclosures based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the *International Standard on Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000')*. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the Disclosures in UBS's UNEP FI PRB self-assessment are free from material misstatement, whether due to fraud or error.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including *International Independence Standards*) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies the International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Based on risk and materiality considerations, we have undertaken procedures to obtain sufficient appropriate evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in above-mentioned performance measures. The 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 we performed a reasonable assurance engagement.

Our work has been carried out in alignment with the Guidance for Assurance Providers: Providing Limited Assurance for Reporting, issued by UNEP FI available online at <https://www.unepfi.org/publications/guidance-on-reporting-and-providing-limited-assurance/>. Our limited assurance procedures included, amongst others, the following work:

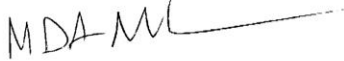
- ▶ Evaluation of the suitability of the Criteria used, their consistent application and related disclosure
- ▶ Interviews with UBS key personnel to understand the process for collecting, collating, and reporting the information underlying the Disclosures during the reporting period, including obtaining an understanding of internal control relevant to the engagement, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control
- ▶ Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating the information relevant for the Disclosures and, where applicable, testing such documentation on a sample basis
- ▶ Analytical review procedures to support the appropriateness of the data and to identify areas of the Disclosures with a higher risk of misleading or unbalanced information or material misstatements
- ▶ Analytical review procedures of UBS's Disclosures regarding plausibility and consistency with the references made to UBS Group AG's Annual Report 2022 and Sustainability Report 2022

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Disclosures have not been prepared, in all material respects, in accordance with the applicable Criteria.

Ernst & Young Ltd



Maurice McCormick
Partner



Mark Veser
Partner