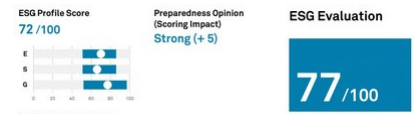


UBS Group AG Assigned ESG Evaluation Of 77; Preparedness Strong (+5)

LONDON, March 9, 2022 /PRNewswire/ -- S&P Global Ratings today assigned [UBS Group AG](#) (UBS) an Environmental, Social, and Governance (ESG) Evaluation of 77. Our [ESG Evaluation for UBS](#) is the result of an ESG profile of 72 combined with strong (+5) preparedness. Higher numbers indicate stronger sustainability in our evaluations.

The ESG Evaluation of 77 reflects UBS' efforts to integrate ESG into its investment and lending activities. In our view, the group is no more exposed to environmental issues than the rest of the global banking industry, and it is well placed to achieve its target of being net zero on scope 1, 2, and 3 emissions by 2050. That said, other environmental issues are less systematically integrated into investment and lending decisions than climate-related issues. This is in line with the wider industry, which is generally less exposed to waste- and water-related risks compared to climate. Although the group benefits from Switzerland's strong social standards, a relatively large proportion of its employees are based in the U.S. and India, which have lower social standards, in our view. Despite this, social initiatives are typically in line with peers. Furthermore, although UBS has previously been involved in controversies such as tax evasion by clients, the group has made improvements to its internal controls and governance standards over many years to address this.



We assess UBS' preparedness as strong based on the board's excellent awareness of disruptive and emerging risks, with sustainability well integrated into its long-term strategy. We also expect UBS to enhance digitalization throughout the organization in the coming years, driven by its CEO.

UBS, founded in 1862 and headquartered in Switzerland, is a global financial services company. Together with its subsidiaries, the group provides financial advice and solutions to private, institutional, and corporate clients worldwide. It operates through four divisions: Global Wealth Management (55% of total operating income in 2021), Investment Bank (27%), Personal & Corporate Banking (12%) and Asset Management (7%). The company's largest division, Global Wealth Management, offers investment advice and solutions to high- and ultra-high-net-worth individuals.

What Is An ESG Evaluation?

S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluations.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings currently evaluates more than 115 entities across the globe; they have an average score of 66. Since the first ESG evaluation, published in June 2019, we have finalized ESG Evaluations across 22 sectors globally. By region, the highest average score is 72, for companies headquartered in Europe, the Middle East, and Africa.

Visit spglobal.com/ratings for our latest [sustainable finance research](#) and all of our [publicly available ESG Evaluations](#).

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