Sustainability Report 2022

UBP

Union Bancaire Privée

Introduction

Thank you for taking the time to read UBP's 2022 Sustainability Report. This report represents an important step further in our commitment to communicate transparently about our sustainability vision, commitments and progress as well as our plans for the next few years.
In line with our sustainability strategy, it covers our approach, achievements and challenges with regard to both our investments and our own operations. As a signatory to the Task Force on Climate-related Financial Disclosures (TCFD), it also includes a dedicated report on climate-related risks and opportunities in line with the TCFD recommendations. We hope you find this report insightful, engaging and inspiring.

A letter from the CEO

“The economic transformation ahead is a source of opportunities for our clients.”

This 2022 Sustainability Report outlines our sustainability vision and strategy, while providing a transparent account of our progress, achievements, and challenges in responsible investing and corporate social responsibility.

With a strong conviction that the economic transformation ahead is a source of opportunities for our clients, we recognise the importance of integrating sustainability across our business with agility and pragmatism.

We are increasingly witnessing the consequences of the global obstacles we face, from climate change and biodiversity loss to social inequality. Against this background, it is our duty as a financial intermediary to adapt to the new investment landscape in order to protect and grow our clients’ wealth now and for future generations.

By integrating sustainability factors into our investment decisions, we enhance risk management, uncover new opportunities, and generate sustainable financial returns in the long run, thereby empowering our clients to make a difference with their portfolios.

Equally, recognising the impact that we have on the environment and society, we believe the financial sector can contribute to tackling global environmental and social challenges by channelling financial flows so that they support the transition.

Reflecting those views, last year we focused our efforts on reinforcing our sustainability set-up. A major milestone was the hiring of the Group Head of Sustainability whose mission is to steer and implement the Bank’s strategy together with a team of seasoned professionals. This new framework enables us to handle our own transition with the strategic and holistic approach that this topic requires.

2022 was marked by the evolution of sustainable finance regulation, which we see as a crucial driver of change. We are implementing these regulations not merely as compliance requirements but as opportunities to further align our values with our actions. Building on the foundations we have laid over the past years, we have established a clear roadmap to continue generating long-term value for our clients, stakeholders, and the communities we serve.

While our investments are our biggest lever for driving change, our motivation extends far beyond financial matters; it includes supporting our employees, engaging with our local communities, and managing our direct environmental impact.

Building on our long tradition of engaging with local cultural and educational communities, in 2022 our employees joined us once again in supporting many environmental and social initiatives through their generous donations and volunteering.

Following the lifting of Covid restrictions in many locations, we rolled out our work-from-home policy providing our employees with better work–life balance and keeping up with evolving market practices. The return to business as usual has, however, confronted us with the challenge of continuing to shrink our carbon footprint.

The renewed commuting and business travel were key drivers of the rise in our overall emissions. However, thanks to a number of energy-saving measures and an increase in the share of renewables used, we were able to keep our total emissions well below the baseline figure of 2019. As we work towards our 2025 target of cutting down our operational carbon footprint by 25% by 2025, we will continue our efforts on the energy front, while scaling up our measures to tackle travel- and commuting-related emissions.

In concluding this reporting cycle, we take the opportunity to reflect on our journey and learn from it. The report is a testament to our commitment to sustainability and a reminder that there is always room for improvement. We look forward to exploring more innovative solutions and making a lasting impact for our clients, our people and our communities.

Guy de Picciotto
Chief Executive Officer

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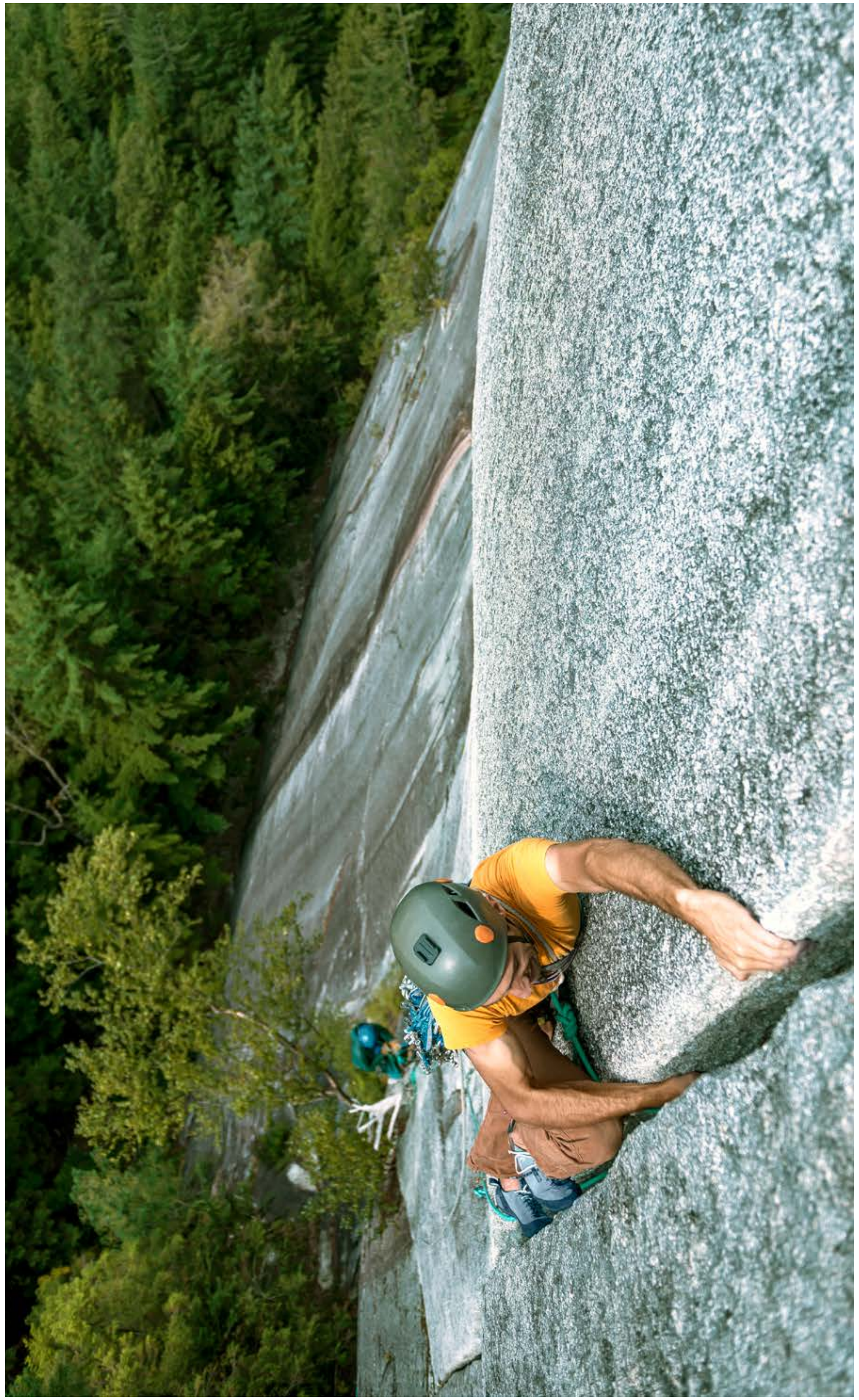

Integrating sustainability into our investments and operations has become a growing consideration so as to deliver value for our clients as well as our communities and the environment.

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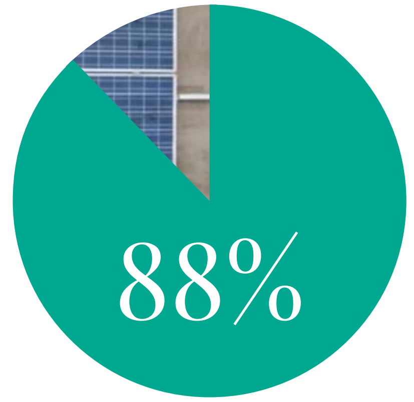
Sustainability at UBP

2022 Key Highlights

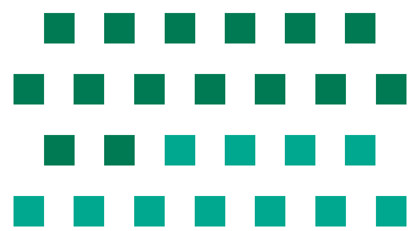


Share of renewable electricity*

* Including Renewable Energy Certificates (RECs) where renewable electricity is not available

500 colleagues participated in solidarity projects

Work-from-home policy rolled out

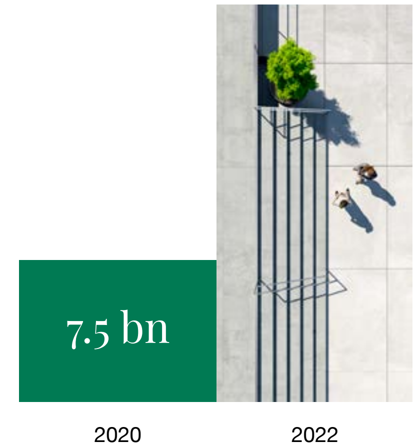


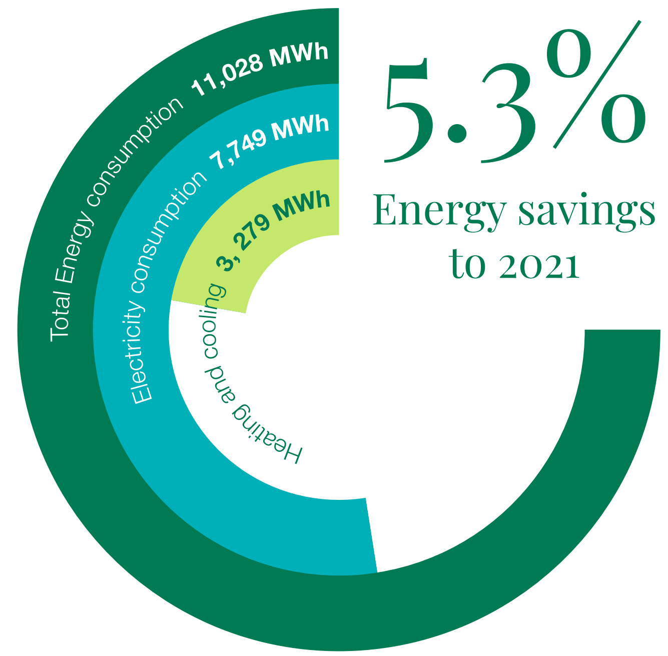
40% Women Employees

1,800+ employees completed the Sustainability@UBP e-learning programme

CHF 484,540 in total donations

CHF 21 Bn Responsibly managed assets





5.3% Energy savings to 2021

Global impact equity strategy launched

Net-zero targets set for Asset Management

About UBP

Union Bancaire Privée, UBP SA (UBP) is a family-owned bank that was founded in 1969 by Edgar de Picciotto with the vision of offering investors a high-quality and innovative wealth and asset management service.

This goal has been our guiding principle and has led us to focus exclusively on the activities at which we excel – global wealth management for private clients along with custom-made investment solutions for institutional clients.

UBP operates in the financial sector as a well-known private bank. We have had a universal banking licence from the Swiss Financial Market Supervisory Authority (FINMA) since we started operating. This includes licences for banking, securities dealing and acting as a representative for foreign funds, and allows UBP to offer services such as investment advice, execution-only dealing, discretionary management of individual portfolios, investment management for funds, and the distribution and private placement of Swiss and foreign funds including UCITS and AIFs.

Headquartered in Geneva, Switzerland, UBP is present in 24 locations, covering the world's key economic and financial hubs. Together with a workforce that embodies a multitude of nationalities and cultures, this international reach enables us to combine global expertise with local know-how.

In only 50 years, UBP has achieved remarkable growth. Today, we stand among the world leaders in wealth management, and we continue to expand both in our home market and internationally, consistently developing our wealth management activities and reinforcing our asset management capabilities.

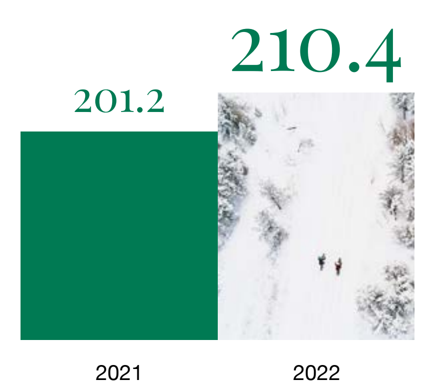
Our four core values – dedication, conviction, agility and responsibility – govern our client relationships and drive us to develop and refine successful strategies and high-performance, innovative investment solutions.

To help us remain on this successful path, environmental and social factors have become important considerations across our business. We are therefore moving towards embedding sustainability factors increasingly within our strategy and decision-making with regard to both our investments and our own operations.

CHF Bn
140.4
Assets under management

1,960
Employees (FTE)

CHF Bn
38,761
Balance sheet total



Net profit
CHF/Mn

Watch the video to find out more about UBP

Sustainability Approach

Our sustainability approach is driven by our conviction that, to best serve our clients, environmental and social considerations must be increasingly integrated into our decisions and actions.

The transition of our global economy is changing the playing field for companies and investors. This requires us to change the way we do business.

UBP's sustainability approach has been built on the understanding that we have a dual role to play in this transition, as both a financial intermediary and as a corporate actor. Our strategy therefore rests on two pillars: responsible investment and corporate social responsibility (CSR).

Responsible investment

As environmental and social challenges increasingly affect the profitability and viability of business across all sectors, we have a duty to adjust our investment decisions and product offering to continue to act in our clients' best interests. To fulfil our fiduciary duty, it is no longer sufficient to focus on financial factors alone: they must be part of a more comprehensive approach that also considers non-financial information.

In 2022, therefore, we started to develop a three-step approach to help our clients navigate the risks and seize the opportunities that the transition is creating. Specifically, in addition to considering (i) financial factors to evaluate the likelihood of investees continuing to generate profits and the attractiveness of their risk-adjusted returns, we must factor in (ii) their business practices, to assess how sustainability risks affect their physical and intangible assets, and (iii) their business models, to consider their long-term viability.

To help us with this transition, we are investing in our capabilities and resources in order to roll out this approach across our business.

Corporate social responsibility

We are equally determined to apply high standards to our own operations with regard to our environmental impact, talent management processes and employment conditions, as well as our community engagement initiatives. Even if our direct environmental and social impact is smaller than that of our investments, we are committed to managing our own actions in a responsible manner and are continually improving our CSR efforts.

Our objectives

UBP adopted 10 sustainability objectives to guide its actions in terms of both its investments and its own operations between 2021 and 2025. As we have continued to develop our sustainability roadmap and carried out a new materiality assessment, we are now reviewing these objectives with the aim of aligning them with our evolving sustainability strategy.

For the 2022 reporting year, we are continuing to report against the original objectives. We have adjusted the wording of objectives 2 and 3, replacing "sustainable" with "responsibly managed": developments in sustainable finance regulations mean that the concept of "sustainable" is now more narrowly defined than when we first set our goals.

Progress towards the following 10 objectives is covered throughout the report:

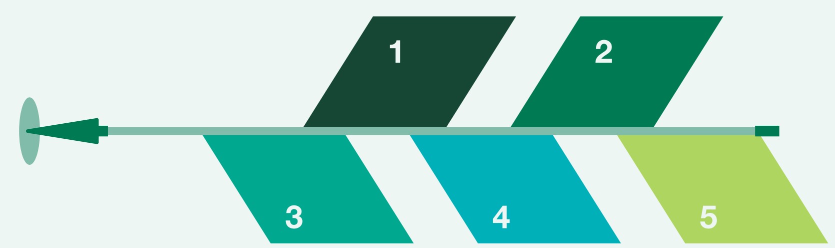
1. Include sustainability factors in all of UBP's investment decisions
2. Double assets in responsibly managed strategies by 2022
3. Ensure that a quarter of UBP's discretionary mandates are responsibly managed
4. Integrate ESG criteria into UBP's entire recommended investment universe
5. Comply with regulatory requirements related to sustainable finance
6. Reduce UBP's carbon footprint by 25% by 2025 compared to 2019
7. Apply ESG criteria to all new treasury investments
8. Make responsible investment the preferred choice for UBP's pension fund
9. Adapt relevant policies and HR processes to reflect ESG standards
10. Continually enhance in-house awareness and skills regarding sustainability

Five strategic themes

Based on the two pillars of our sustainability strategy, we have identified five strategic themes that respond to the needs and concerns of our stakeholders.

1 Investing with our clients
We continuously enhance our responsible investment approach and offering

2 Managing our environmental impact
We manage the environmental impact of our operations and our investments



3 Inspiring our people
We foster a fair and empowering working environment

4 Engaging with our communities
We leverage our resources and knowledge to support our communities

5 Doing business responsibly
We conduct our business in line with ethical and sustainability principles

Interview with Robert de Guigné

Robert de Guigné

Group Head of Sustainability, UBP

In 2022, Robert de Guigné, a seasoned investment professional, was appointed UBP's Group Head of Sustainability. We spoke to him about the evolution of sustainable finance and his vision for UBP's sustainability transition.

Robert, you joined UBP after 36 years in the investment industry, of which you've spent the last 16 working on sustainability. How has the sustainable finance landscape evolved since then?

Quite a lot I must say. In 2007, the UN Principles for Responsible Investing (UN PRI) were just one year old, and negative screening was the predominant responsible investment strategy. Since then, ESG scoring methodologies have mushroomed, using companies' non-financial information to help us better understand their practices with respect to environmental, social and governance issues. Following the landmark climate agreement reached at COP 21 in 2015, climate concerns have shot up the agenda. As a result, what companies are producing or offering, in addition to how they are managing ESG risks, has come under increased scrutiny.

As sustainable finance becomes more mainstream, what risks and opportunities do you see for financial institutions?

The transition to a sustainable economy is undeniably opening up significant investment opportunities. Companies that are adjusting their business models or developing solutions to social or environmental problems are well positioned to outperform their peers.

Every financial institution is under pressure to seize those opportunities and meet growing pressure from regulators and the media when it comes to sustainability. But implementing sustainability within an investment approach is not easy and requires resources and skills.

Also, to catch the attention of potential investors, there is a temptation to oversell sustainable investing capabilities and products. However, the same regulators and media are constantly scrutinising financial institutions in this respect, and any false or exaggerated claims, whether intentional or not, can cause significant reputational and financial harm.

Although sustainable investing is on the rise, many investors still doubt its profitability. How do you view this hesitation?

Sustainability relates to people's ability to co-exist safely on Earth far into the future. The emphasis on the long term is important here.

It's true that last year wasn't a good one for sustainable investments, as they are usually biased towards small growth companies and growth investments were eclipsed by value investments in 2022. It also doesn't help that sustainability is often regarded as a strategy that excludes sectors like oil and defence, which hugely outperformed.

But once again we need to position ourselves for the long run. Over the last 10 years the S&P 500 Oil & Gas Exploration and Production index has gained only 11%. With a sustainability approach we are looking at long-term performance, which we are convinced will be superior for sustainable companies.

> "With a sustainability approach we are looking into long-term performance, which we are convinced will be superior for sustainable companies."

What is your sustainability vision for UBP?

At UBP we have adopted sustainability as a new dimension of investment, alongside risk and return. The world is changing and our economies will have to transition to more sustainable ones. All sectors will have to adapt to this new paradigm. Companies, including UBP, must question the sustainability of not only their business practices but also their business models. We believe that investment opportunities lie in companies that are making the right transitions or coming up with solutions to environmental and social challenges. So we are investing in gaining the necessary capabilities and resources to identify those winners and enhance our product offering.

Governance

Our sustainability drive is founded on a dedicated governance structure. This increases our credibility and accountability in this area while also fostering strategic decision-making.

Our clear organisational structure and sound approach ensure robust management and oversight of sustainability topics, and are a prerequisite for their successful integration across the entire UBP group.

The day-to-day roll-out of our sustainability strategy involves functional committees that cover all aspects of our business and have well-defined responsibilities. By having committees that convene regularly and include the relevant stakeholders, we can maintain a good flow of information and take well-informed actions in a timely manner.

At the same time, having a clear process for involving the Executive Committee (ExCo) and the Board of Directors ensures that sustainability initiatives have the support of UBP's leadership and benefit from top-level oversight.

Our approach

Over the past few years, UBP has developed a solid governance and organisational structure, so that sustainability is implemented both within our investment processes and in our own operations. Reflecting the two pillars of our sustainability approach, we have set up two committees to oversee responsible investing and CSR respectively.

The RICO

The Responsible Investing Committee (RICO) monitors how we implement sustainability in our investment processes and ensures the application of the Exclusion and Watch Lists for individual investments. It designs responsible investment principles and policies, and also monitors relevant ESG developments, updating investment teams accordingly. Co-chaired by the Head of Responsible Investment for Asset Management and the Head of ESG Solutions for Wealth Management, it meets at least three times a year.

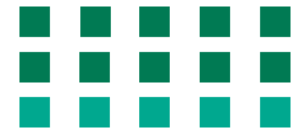
The CSRCO

The Corporate Social Responsibility Committee (CSRCO) is responsible for defining, implementing and monitoring UBP's sustainability approach to its own operations. This encompasses environmental measures, talent management, and community engagement. Chaired by the COO of Zurich, Basel and Lugano, it meets monthly.

Ensuring oversight

Both committees report regularly to the Sustainability Steering Committee, which either takes decisions or brings issues to the ExCo if required.

The Board of Directors is updated about sustainability matters on a quarterly basis, while the Board's Risk Committee reviews the Bank's sustainability risk reports every month.



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Sustainability Committee meetings in 2022

The Responsible Investing Committee

The Corporate Social Responsibility Committee

UBP's Board, composed entirely of non-executive members, is appointed by UBP's shareholders in its Annual General Meeting, with the consent of FINMA. When selecting Board members, the factors taken into account include skills, independence and diversity. Several Board members have in-depth knowledge of sustainable finance and engage with regulators and independent experts on these issues.

The achievement of sustainability-related KPIs is one of the factors that determine the remuneration of ExCo, RICO and CSRCO members, and this therefore creates additional incentives to integrate sustainability successfully across the Bank.

Our progress

In 2022, UBP appointed a Group Head of Sustainability to develop a clear vision and roadmap in this area and drive their implementation across its whole business. The decision to create this role reflects our view that although we have made progress in integrating sustainability in our investments and operations, we needed more strategic guidance and leadership to help us embed sustainability throughout UBP.

After joining UBP in August, our Head of Sustainability has developed a roadmap – approved by the ExCo – outlining UBP's sustainability ambition and the resources, tools and systems needed to deliver it. He has been giving the ExCo monthly updates on the roll-out of the sustainability strategy, and he also attends RICO and CSRCO meetings, which helps to ensure consistency between our sustainability efforts on the investment and the corporate sides.

Outlook

Taking into account the monthly interaction between the Head of Sustainability and the ExCo, the original Sustainability Steering Committee will change, becoming a more operational body without ExCo members. Chaired by the Group Head of Sustainability, it will bring together nine senior managers from the main business and support lines relevant to the implementation of our sustainability strategy. It will oversee the execution of sustainability projects, manage related budgets, take decisions on matters that have been raised by the RICO and the CSRCO and, where necessary, escalate them to the ExCo for decision-making.

Risk Management and Materiality

Sustainability challenges are having an increasing impact on us as a business, especially on the investment side, where social and environmental factors are creating risks and opportunities that we must take into account.

We have therefore embarked on a transition to identify and manage our most material sustainability topics. Since 2020, we have continually enhanced our efforts to address sustainability risks and opportunities across the Bank by developing the required structures and processes.

Besides putting into place a solid governance structure, we have worked on enhancing our sustainability risk framework. We introduced metrics such as CO_2 intensity and ESG scores for all our activities (Treasury & Trading, Asset Management and Wealth Management), therefore ensuring comprehensive risk coverage (see TCFD Report for more information).

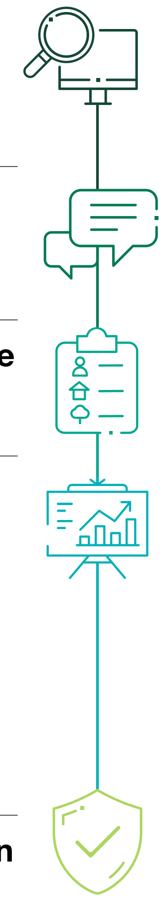
Materiality assessment

UBP conducted its first materiality assessment in 2021, which guided our sustainability efforts and reporting in 2021 and 2022. As we acquired more in-depth knowledge and refined our sustainability roadmap in 2022, we embarked on a new materiality assessment process.

For this, we applied the double-materiality concept, considering the negative and positive impacts of sustainability topics, actual and potential, on UBP as a business and the negative and positive impacts, actual and potential, we have on the economy, the environment and people.

As a result, we removed topics that are not material but rather foundational elements of our approach (collaborations to build a sustainable financial industry, risk management) and those which did not emerge as material (sustainable economic performance, client-centricity). We also grouped topics that are closely related – for example, employee learning/development and employee recruitment/retention were combined into talent management – and gave clearer labels to some of the existing material topics.

The process included five steps:



1. Desk research

We compiled a long list of 12 potentially material topics based on the Standards of the Sustainability Accounting Standards Board (SASB), as well as a peer analysis of sustainability reports and websites, and a review of Swiss private banking news stories and several industry studies.

2. Senior leadership interviews

We then conducted 13 interviews with senior leaders at UBP, including three Board members and six ExCo members.

3. Employee survey

As well as these interviews, we also sent a survey to a subset of employees.

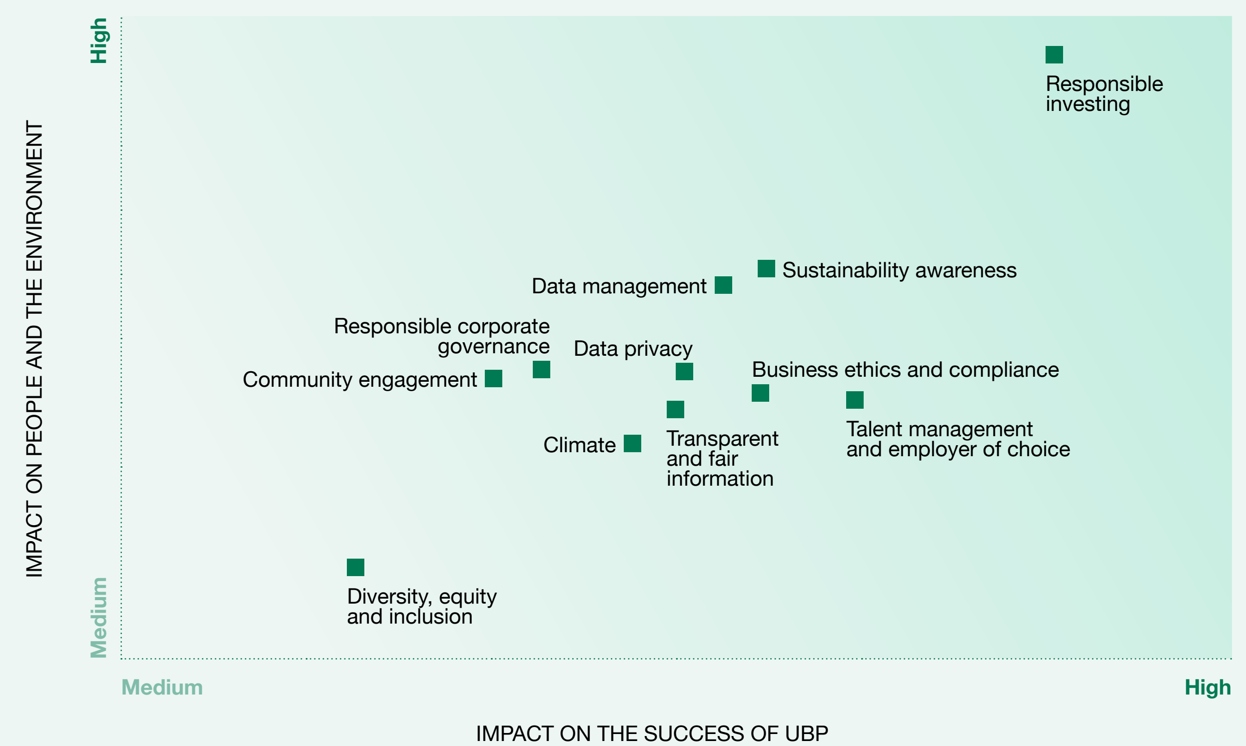
4. Analysis

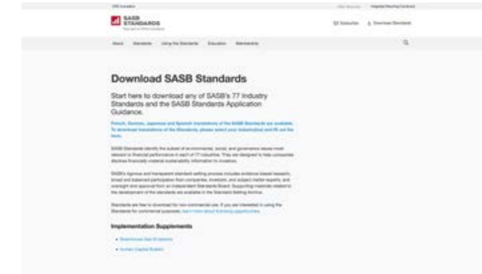
The interview and survey results were then analysed and structured into a matrix. The top three issues that came out from the combined analysis were: i) responsible investing, ii) sustainability awareness and iii) talent management and being an employer of choice. Biodiversity and sustainable procurement were among the lowest-ranking topics as stand-alone issues, although important within the topics of responsible investing and business ethics and compliance. Although diversity, equity and inclusion had low rankings as we do not consider this a key concern given our emphasis on meritocracy, we still report on this issue to meet transparency and external stakeholder expectations.

5. Validation

The results were presented to the CSRCO and Sustainability Ambassador group before being validated by the ExCo.

Materiality Matrix





Find out more about SASB Standards

Find out more about the double-materiality concept

Stakeholders

As sustainability is a growing concern for our stakeholders, we strive to address the issues that matter to them. Through dialogue and action, we also have the opportunity to increase their awareness of and commitment to sustainability still further. In 2022, we engaged with our stakeholders through a variety of channels.

Stakeholder group	Key topics and concerns	How we engaged
Shareholders The de Picciotto family is the majority owner of CBI Holding SA, which owns all shares in UBP	▪ Innovative business development ▪ Value creation ▪ Sound risk management ▪ Responsible business conduct and compliance	▪ Monthly sustainability update at ExCo meetings ▪ 10 meetings of the Board of Directors ▪ Monthly review of sustainability risk reports by the Board's Risk Committee
Clients We serve both private and institutional clients, striving to meet and exceed their expectations at all times	▪ Tailored solutions that meet individual investment objectives ▪ Data privacy and confidentiality ▪ Understanding of market trends, including those relating to sustainability ▪ Incorporating sustainability factors into our investment decisions	▪ Regular meetings with relationship managers ▪ Investment summits and webinars ▪ Roadshows ▪ Periodic reports ▪ Expert comments ▪ Digital newsletters
Regulators We actively engage with authorities and regulators in the locations in which we operate	▪ Compliance with all applicable laws and regulations ▪ Ethical business conduct ▪ Timely and transparent reporting	▪ Regular contact and dialogue with supervisory authorities
Employees Sustainability has become a key factor in attracting and retaining talent	▪ Attractive working conditions ▪ Training and development opportunities ▪ Equality and diversity ▪ Corporate social responsibility ▪ Sustainable investments ▪ Responsible investing	▪ Intranet ▪ Internal communications and news ▪ Daily newsletters ▪ In-house magazine ▪ Annual performance reviews and development plans ▪ Surveys (e.g. sustainability survey and commuting survey) ▪ Sustainability presentations and webinars ▪ Knowledge documents ▪ Sustainability Ambassador programme
Suppliers UBP works with more than 2,000 suppliers globally	▪ Trusted and mutually beneficial relationships ▪ Timely payments	▪ Competitive tender process ▪ In-person and online meetings ▪ Sustainability due diligence process
Communities With a presence in over twenty locations, it has always been a priority for us to be a supportive partner	▪ Support for local projects in the areas of health, culture, education, social work and environmental protection	▪ Sponsorship and donations ▪ Employee volunteering

Our commitments, memberships and partnerships help us to embed sustainability at UBP and to contribute to a more sustainable financial system.

Local initiatives

Swiss Climate Foundation

www.klimastiftung.ch

In 2022, UBP became a member of the Swiss Climate Foundation, a network of Swiss banks, insurers and other service providers that support climate innovation projects of small and medium-sized businesses.

Forum pour l'Investissement Responsable (FIR)

www.frenchsif.org/isr-esg

In September 2021, UBP Asset Management (France) became a member of the Forum pour l'Investissement Responsable (FIR), whose mission is to promote and develop responsible investment in France.

Dutch Climate Commitment

klimaatcommitment.nl

UBP Asset Management Benelux signed the Dutch Climate Commitment in May 2021. Signatories agree to mandatory reporting on the climate impact of their loans and investments and to implementing climate action plans.

Monaco Energy Transition Pact

energy-transition.gouv.mc/National-Energy-Transition-Pact

In 2020, UBP signed the National Energy Transition Pact of the Principality of Monaco, which aims to drive progress in the energy field and enable all stakeholders to contribute to the Principality's energy transition.

The Big Exchange

bigexchange.com

In June 2019, UBP became a founding member of The Big Exchange, a UK-based, mission-led, mobile-first financial services proposition which opens investing and saving to everyone.

Swiss Sustainable Finance (SSF)

www.sustainablefinance.ch

In October 2018, UBP became a member of SSF, an association aiming to strengthen Switzerland's position in the global marketplace for sustainable finance.

Sustainable Finance Geneva (SFG)

www.sfgeneva.org

In April 2018, UBP became a member of SFG, an SSF partner network committed to promoting Geneva as a sustainable financial centre.

Global initiatives

CDP

www.cdp.net

In 2022, UBP became a signatory of the CDP, a global non-profit that runs the world's leading environmental disclosure platform.

Net Zero Asset Managers Initiative

www.netzeroassetmanagers.org

In December 2021, UBP Asset Management (Europe) joined the Net Zero Asset Managers initiative, which brings together over 300 asset managers with USD 59 trillion in assets under management. Its members are committed to supporting the goal of net zero emissions by 2050 and driving net zero-aligned investing.

Institutional Investors Group on Climate Change (IIGCC)

www.iigcc.org

UBP Asset Management (Europe) joined the IIGCC – the leading membership body for investor collaboration on climate change – in December 2021. It has over 400 members with EUR 65 trillion in assets under management.

Taskforce on Nature-Related Financial Disclosures (TNFD) Forum

www.tnfd.global

In September 2021, UBP became a member of the TNFD Forum. The initiative aims to develop a risk management and disclosure framework for organisations to report and act on nature-related risks.

Task Force on Climate-Related Financial Disclosures (TCFD)

www.fsb-tcfd.org

In 2020, UBP started to support the TCFD, an initiative to improve climate-related financial risk disclosures. UBP's 2022 TCFD report is available here.

United Nations Global Compact (UNGC)

www.unglobalcompact.org

In September 2020, UBP decided to support the UNGC, the world's largest corporate sustainability initiative. Its mission is to drive responsible business conduct by aligning its members' strategies and operations with ten principles relating to human rights, labour, the environment and the effort to combat corruption.

Global Impact Investing Network (GIIN)

thegiin.org

In June 2020, UBP became a member of GIIN, which seeks to accelerate the impact industry's development through focused leadership and collective action.

FAIRR Initiative

www.fairr.org

In February 2020, UBP became a network member of the FAIRR initiative, which aims to build a global network of investors showing focus and engagement in relation to the risks linked to intensive animal production within the broader food system.

University of Cambridge Institute for Sustainability Leadership (CISL) Investment Leaders Group (ILG)

www.cisl.cam.ac.uk/business-action/sustainable-finance/investment-leaders-group

Since February 2018, UBP has collaborated with CISL as a member of the ILG. The ILG is a global network of pension funds, insurers and asset managers that have over USD 12 trillion of assets under management and advisory and are committed to advancing the practice of responsible investment.

United Nations Principles for Responsible Investment (UN PRI)

www.unpri.org

UBP has been a signatory to the UN PRI since March 2012. The UN PRI is a United Nations-supported international network of investors working together to implement six aspirational principles on responsible investment.

Watch the video to find out about Collaborating for a sustainable finance future

Sustainability Awareness

To help us embed sustainability across the Group – from investments to operations – we must increase awareness and knowledge on this topic, both internally and externally.

We strongly believe that we will only be successful in our transition towards making sustainability a core element of UBP's culture and strategy if we have the support of our employees, clients, and prospects.

To achieve this buy-in, we must raise awareness about why sustainability matters for us as a bank and the opportunities it can bring, as well as increasing knowledge of sustainability topics.

Internally, client-facing employees must be convinced about the value of making sustainability considerations an integral part of investment decisions, and equipped with the knowledge to talk to their clients about it. On the operational side, measures targeting our environmental footprint, employee-related matters and community engagement also require the support of our workforce to be successful.

Externally, we have a responsibility to our clients to inform them about the risks and opportunities that the sustainability transition entails, so that they can take informed investment decisions that consider the impact of their investments on the environment and on people. Rapidly evolving sustainable finance regulations are also creating new requirements for us with regard to sustainability awareness. Finally, by sharing and exchanging knowledge with clients, prospects and peers we contribute to building awareness of and support for the transition.

Our approach

In 2021, we set a goal of continually enhancing in-house awareness and skills regarding sustainability. Externally, we strive to support our clients in navigating the transition, through our expertise and our contribution to industry-wide knowledge sharing.

UBP's Communications department uses various channels to reach employees, clients and prospects. They include internal and external news, corporate documents, internal knowledge resources, presentations, podcasts, videos and social media posts. We collaborate with peers as part of industry initiatives to carry out research and develop tools to help integrate sustainability into investment decisions, for example as a member of CISL ILG, SSF and SFG.

Training is another important element of our awareness-raising efforts. In addition to a general sustainability e-learning programme available to all employees, client-facing staff undergo specific training so that they are up to date with the latest sustainable finance regulations and understand how sustainability is applied within UBP.

Our progress

To help us enhance sustainability convictions and knowledge among UBP's staff, we set up a Sustainability Ambassador programme, bringing together 30 Ambassadors for monthly meetings and collaboration on specific assignments.

To help us tackle internal objections to responsible investing, we also published a Responsible Investment Q&A. This document addresses some of the main showstoppers that we identified during an internal interview process about client engagement on sustainability.

We have continued to promote our internal Sustainability@UBP e-learning programme and over 1,800 employees had completed the training by the end of 2022. The Human Resources department has further compiled a recommended list of external sustainability training opportunities and in 2022 we helped 25 employees undertake such trainings.

1,800+

employees completed the Sustainability@UBP training

As required under MiFID II, in summer 2022 we rolled out a questionnaire to capture clients' sustainability preferences and trained the Front Office on the topic.

Over the course of the year we organised several conferences/webinars for employees featuring both internal and external speakers. To help our employees adopt new behaviours and raise their awareness of environmental issues, we also ran an energy-saving campaign across our Swiss offices.

Externally, we published 29 sustainability-related news stories as well as 165 posts on responsible investing and CSR across four social media channels. We also featured over 60 stories on our Instagram account which is dedicated to impact investing, and we produced 30 videos, including Instagram reels, as well as six podcasts.

To promote knowledge sharing among investment professionals, we organised an event on infrastructure transition at Building Bridges, Switzerland's leading sustainable finance conference and spoke in a Building Bridges webinar on energy transition. Finally, together with CISL ILG we spoke about nature-related risks during PwC's Sustainable Finance Conference in Zurich.

Outlook

Raising awareness about sustainability is an ongoing effort, especially as both regulations and technology are evolving rapidly. We will therefore continue to engage with internal and external stakeholders through a variety of channels.

In 2023, we are aiming to strengthen the Sustainability Ambassador programme through more regular and interactive discussions. We will also seek to encourage more employees to pursue sustainability-related training. Externally, we are aiming to step up communication with clients and prospects about our vision, approach and offering in the sustainability space.

Watch the video to find out about the future of mobility

Listen to our podcast series: Building Bridges Insights


What role does transport play in the energy transition?


How can we solve the energy security crisis in Europe?


Are there infrastructure opportunities to be found in private markets?


What's next on the ESG agenda?


What are the next steps for a resilient energy transition within infrastructure?


How can our energy system be made more efficient and sustainable?

We are increasingly integrating sustainability into our investment decisions to best serve our clients and to contribute to the transition towards sustainable finance.

2

Investing with our clients

Responsible Investing

As the transition to a sustainable economy gains momentum, UBP is focusing its efforts on enhancing its responsible investment practices and product offering to help its clients navigate the changing investment landscape.

To set us up for long-term success, we have focused our efforts on preparing a sound sustainability roadmap, strengthening our risk management capabilities and meeting regulatory requirements.

As asset and wealth managers, it is our duty to protect and grow our clients' wealth now and for future generations. Since environmental and social challenges are driving a shift to a green, circular and more inclusive economy, we must also adapt to the changing investment landscape.

Sustainability factors are playing an increasingly important role in investment decisions as a way to manage the risks and seize the opportunities of the transition. Considering issuers' ESG practices and fulfilling stewardship responsibilities are also central to mitigating sustainability-related risks. Meanwhile, by identifying companies that are successfully transitioning to more sustainable business models or driving positive impact by offering solutions to environmental and social challenges, we can invest in the winners of the transition.

Rapidly evolving sustainable finance regulations, particularly in the EU, are also creating new obligations for financial actors.

Our approach

At UBP, we have increasingly integrated sustainability criteria into our investment decisions since signing the UN PRI in 2012, which prompted us to develop a Responsible Investment (RI) policy in 2014. The policy has since been regularly expanded and enhanced to reflect our growing commitment in this field.

To help us meet our clients' needs at this time of transition, we set a number of sustainability objectives in relation to our investments in 2021, which continued to guide us last year (see Sustainability Approach chapter):

- Include sustainability factors in all of UBP's investment decisions
- Double assets in responsibly managed strategies by 2022
- Ensure that a quarter of UBP's discretionary mandates are responsibly managed by 2022
- Integrate ESG criteria into UBP's entire recommended investment universe
- Comply with regulatory requirements related to sustainable finance
- Apply ESG criteria to all new proprietary investments
- Make responsible investment the preferred choice for UBP's pension fund

Our practices and offering

UBP strives to promote responsible investing across its Asset and Wealth Management divisions as well as with regard to the Bank's own balance sheet.

Conscious of the semantics surrounding the word "sustainable" and how the definition has evolved since setting our objectives in 2021, we report on those assets which we consider as responsibly managed, of which a subset are considered as sustainable investments (see box for definitions).

7

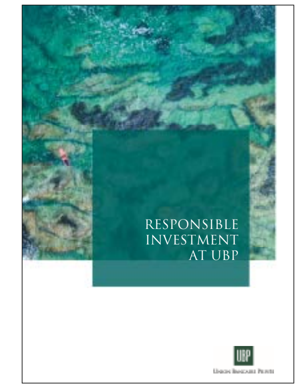
investment-related sustainability goals

On a day-to-day basis, each investment team follows its own ESG integration approach as deemed most appropriate to the strategies it manages, undertaking its own ESG research, complemented by third-party ESG data. The investment teams work within a common framework as laid out in the RI Policy and are overseen by the RICO (see Governance chapter) and UBP's Group Risk Management division.

However, for a UBP fund to be classified as SFDR Article 8 or 9, the process and disclosures must be reviewed and approved by the Product Platform Committee, of which the Head of Responsible Investment for Asset Management is a member.

Defining responsibly managed and sustainable assets

- **Responsibly managed investments** are those for which we consider ESG characteristics when making investment decisions and seeking to influence companies or assets. While our RI Policy lists UBP's exclusions, applying exclusions alone does not constitute responsible investing. As a minimum requirement, ESG criteria must be factored in for an investment to qualify as responsible. This is in line with financial products classified as Article 8 under the EU's Sustainable Finance Disclosure Regulation (SFDR), and as such we consider such products, and other portfolios managed in an equivalent way, as being responsibly managed.
- In accordance with the SFDR, we define **sustainable investments** as investments "in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices." This encompasses financial products that have sustainable investment as an objective and that are thus classified as, or equivalent to, Article 9 under SFDR. These assets are a subset of responsibly managed assets.



Consult UBP's Responsible Investment policy on ubp.com

Within the Asset Management division, stewardship – through voting and engaging with investees, both collaboratively and bilaterally – is part of our fundamental investment approach, as extensively reported in our UK Stewardship Code Report.

On the wealth management side, our focus is on increasing the penetration of responsibly managed assets across our Discretionary Portfolio Management (DPM) and Advisory portfolios. This requires us to get an understanding of our clients' sustainability preferences in order to adapt our investment process and service offering.

As regards our own balance sheet, we set target allocations for green bonds and private-market impact investments, which are reviewed annually.

Transparent and fair information

UBP strives to provide adequate, clear, and transparent information about our products, services and operations, including with regard to sustainability. We believe that this will help clients and other stakeholders understand the associated risks and opportunities, inform choices and foster fair competition across the market. Enhanced non-financial disclosure has become a major focus in response to concerns among clients, regulators and the media about greenwashing.

UBP therefore aims to be transparent with respect to clients and other stakeholders about the sustainability credentials of its investments. Our public website has a dedicated page on responsible investment with links to our RI and voting policies, our Biodiversity approach, our sustainability and TCFD reports, as well as our engagement and voting reports.

Our responsible and sustainable investment products, which are mainly domiciled in the EU, are classified according to the SFDR. Pre-contractual disclosures describe how sustainability risks are taken into account and managed, and ESG and carbon metrics are reported monthly. Additionally, a "sustainability-related disclosure" section has been added to the web pages of each Article 8 and 9 fund, displaying sustainability-related information such as the environmental or social characteristics promoted by the fund, or its sustainable investment objective, methodologies, data sources and engagement policy.

Since the end of 2021, we have also included ESG information and ratings in private-client account portfolio statements.

Engagement and voting reports available on ubp.com

Data management

Our responsible investment approach is underpinned by access to quality data. While in recent years there has been a great deal of noise about inconsistencies between different ESG ratings, we nevertheless see ESG data providers as essential. UBP currently uses an array of data providers (see page 9 of our RI Policy) across our various teams.

However, our view is that ESG data from third-party providers is a way to support our own research rather than a substitute for it. We therefore monitor the quality of the sustainability and ESG information received from providers.

Our progress

Although not reflected in the headline figures, 2022 can be seen as an important year for responsible investing at UBP. Significant groundwork was done to incorporate sustainability further into our approach. Guided by our sustainability objectives, we focused on reviewing the approaches used by existing products, launched new products and put into place the process for complying with new sustainable finance regulations, particularly Level 2 of the SFDR and sustainability preferences under MiFID II.

Our aim of including sustainability factors in all of UBP's investment decisions is one of our guiding principles for the long term. While important progress had already been made in 2021 (see our 2021 Sustainability Report), the sustainability roadmap that we developed and signed off in 2022 represents an important foundation for making sustainability a core element of all our investment decisions.

Our practices and offering

At the end of 2022, UBP's responsibly managed AuM stood at CHF 21 billion down from CHF 24.9 billion in 2021. This decrease reflects the Bank's decision to adopt a more cautious approach to classifying assets as responsibly managed or sustainable as explained in the box below. Additionally, 2022 was a difficult year for financial assets due to collapsing equity and bond prices and soaring energy prices. Still, our Impact funds attracted net inflows and, encouragingly, outflows were proportionally lower in our responsible investment strategies than in others, which meant that responsibly managed assets ended the year above the target set in 2021. Despite this year-on-year drop, we have achieved our objective of doubling assets in responsibly managed strategies from our baseline of CHF 7.5 billion.

2022

was a critical year for sustainable finance regulations

Classifying responsibly managed and sustainable assets

Reporting on responsibly managed and sustainable assets under management can be confusing, since figures can be hard to compare. While we welcome regulators' efforts to adopt clear definitions, until these are finalised, we believe it best to be transparent as to what is included in our reporting and excluded.

UBP's total AuM is CHF 140.4 billion. For our responsibly managed AuM, we only consider assets that are actively managed or advised, so CHF 62.3 billion held in execution-only accounts are considered out of scope as we have no direct influence over them. The remaining CHF 78.1 billion is split between our AM division (CHF 31.7 billion) and our WM division's DPM and Advisory services (CHF 46.4 billion).

In the AM division, around 50% of AuM (CHF 15.7 billion) is classified as responsibly managed, of which CHF 800 million falls into the sustainable category. While we do not classify the remaining 50% as responsibly managed, almost all assets comply with the exclusions under UBP's RI Policy and norms-based monitoring. These assets mainly consist of alternative investments, institutional mandates with no responsible management or sustainability requirements (of which a small minority of mandates have not formally opted into RI policy), and some public long-only funds (mainly money-market and fixed-income funds) that have been classified as SFDR Article 6.

CHF 21 Bn

in responsibly managed assets vs. CHF 7.5 billion in 2020

In the WM division, 12% of AuM (CHF 5.3 billion) is classified as responsibly managed, of which CHF 175 million is classified as sustainable. This includes Article 8 and Article 9 funds as well as funds considered as equivalent. AuM not classified as responsibly managed includes:

- Funds not classified as Article 8, 9 or equivalent.
- All directly held equities and bonds (public and private) as well as Actively Managed Certificates (AMC's) structured products, gold and other metals. In our 2021 reporting we classified a portion of equities and bonds as responsibly managed based on ESG screening by third-party providers. For 2022, we took the view that this methodology is not yet robust enough and that we do not currently have the requisite data or systems in place to identify the sustainability characteristics of equities and bonds in this category. As such, and in line with our cautious approach, we no longer classify these assets as responsibly managed. As for structured products, there is not yet any framework for dealing with them with regard to sustainability.
- Cash, which is by its nature out of scope.

Nevertheless, the RI Policy's exclusion criteria are applied to the WM division.

In 2022, rapid regulatory developments related to the SFDR and EU Taxonomy dominated much of our work, as we reviewed and incorporated the various requirements into our existing range. We upgraded the ESG investment processes of some of our strategies to be able to classify them as Article 8, and developed an in-house methodology to assess whether an investment can be classified as “sustainable” under Article 2(17) of the SFDR.

Among our Luxembourg-domiciled funds, we increased the number of SFDR Article 8 funds to 42 and the number of Article 9 funds to five. As a result, Article 8 and 9 funds accounted for more than two thirds of AuM in our public funds, up from one third in 2021. This increase was driven by both improvements in the sustainability approach taken by existing strategies and the launch of new ones.

Particularly noteworthy was the launch of our fourth impact strategy – the global impact equity strategy (Article 9) – and a transition infrastructure strategy, which supports energy and environmental transition, digital transition and new mobility.

We continued to engage actively with investee companies throughout 2022 and registered 369 direct interactions with 242 companies. Environmental topics were the primary focus of this engagement, followed by governance and social issues.

In 2022, we took part in the CDP Non-Disclosure campaign – which aims to increase corporate transparency around climate change, deforestation and water security – by writing directly to some of our investees that do not yet disclose through the CDP. The campaign has historically been very successful in getting companies to make disclosures and hence reduce emissions. We also participated in the science-based targets (SBT) campaign, alongside 317 other financial institutions and multinational companies with USD 37 trillion in assets and procurement power. This campaign – launched in October 2022 and due to run for one year – encourages companies to adopt science-based CO_2 emission-reduction goals and is targeting 1,061 companies with a combined market cap of USD 25 trillion and total GHG emissions of 7 Gt CO_2e (Scope 1+ 2).

All 10 fund labels renewed

Label ISR

369 direct interactions with 242 companies

Article 8 and 9 funds accounted for more than 2/3 of AuM in our public funds

Our expertise in responsible investing was once again recognised last year when we secured renewals for all our fund labels. These stamps of approval comprise the French socially responsible investment label (SRI) for five funds (three equity funds, one responsible convertible bond fund and one emerging market corporate fixed income fund), as well as the Belgian Febelfin Towards Sustainability label, awarded to five equity funds.

On the wealth management side, we were also busy meeting regulatory requirements. After the MiFID II requirements regarding sustainability preferences came into force in August 2022, we trained the Front Office on the topic and launched a questionnaire to understand the sustainability preferences of our clients.

Following our decision to revisit the ESG credentials of our directly held equities and bonds, 18% of AuM in our DPM mandates is classified as responsibly managed, 7 points below our target.

We made further progress towards our objective of integrating ESG criteria into UBP’s entire recommended investment universe. Since 2021, ESG ratings from a third-party vendor have been added into the various investment universes, and we have also developed a dedicated sustainable recommendation list.

Regarding our proprietary investments, we continued to monitor portfolio ESG scores and allocations. We further increased our target allocation for investments in green bonds, of which UBP holds more than CHF 1 billion, up from CHF 503 million in 2021.

Finally, in terms of our pension fund, we continued to follow the ESG policy that was formally incorporated into the UBP Pension Fund’s Investment Regulations in 2021 to make responsible investment its preferred choice.

Transparent and fair information

Regulatory changes also spurred transparency in 2022. SFDR Level 2 alone requires pre-contractual disclosure of how sustainability is taken into account across our Article 8 and 9 financial products. UBP also developed new reporting documents for institutional clients with discretionary mandates, showing the ESG credentials of their portfolios, and they will go live in 2023.

Data management

We made major efforts in 2022 as regards accessing quality data that can feed into our sustainable investments and reporting. One major project on the AM side involved developing an in-house methodology to determine whether a given asset can be classified as a sustainable investment, as per Article 2(17) SFDR. A second step was to apply this methodology to third-party data to be input into our portfolio management systems.

Outlook

In the next few years, UBP will pursue its sustainability roadmap more intensively. Our aim is to bring sustainability assessments together into a single common approach that views companies from three angles – its financials, its business practices and the sustainability of its business model – so as to favour those that are strong in all three areas. We are working to make these assessments accessible across our divisions, using them as inputs for our portfolios and investment universes as well as our risk management systems.

Quality data and sound data management will be central to this effort. Building the capability to analyse sustainability data in-house, as well as a sustainability information and research system, will therefore be a major focus in the coming years. To improve the quality of data, from 2023 we plan to check inconsistencies relative to historic or industry averages. The total number of these inconsistencies will be monitored regularly for each provider.

Quality data and data systems will help us ensure transparency and meet growing reporting requirements, for example on principal adverse impacts, climate risks and opportunities, and exposure to sustainable investments. Building a consistent and relevant thematic sustainability offering – consisting of funds, certificates and structured products – will also be a key priority in the coming years.

Finally, we will give our relationship managers and advisors further training in order to equip them with the necessary knowledge and skills to engage with clients on sustainability topics.

Impact Investing

Guided by its commitment to generating value for its clients, UBP decided early on to move into listed-equity impact investing, and we have continuously strengthened our pioneering role in this space.

Impact investing is one of UBP's flagship franchises. As global climate and biodiversity conferences pushed environmental issues higher up the investor agenda in 2022, our Impact team continued to enhance UBP's offering to maintain its leading position in this fast-moving asset class.

At UBP, we see impact investing as a way to generate superior returns over the long term by focusing on the engines of the new economy: companies that are helping to solve global problems such as climate change, resource scarcity, energy insecurity, poverty and inequality. UBP's growing impact franchise reflects our view that impact investing is an increasingly important element of portfolios.

The adoption of the Global Biodiversity Framework at COP 15 in late 2022 was an important milestone, one that moved biodiversity, one of our Impact team's key focus areas, higher up the agenda for both politicians and investors. The Framework contains a target for corporate disclosures on risks, impacts and dependencies on nature. Our Impact team welcomes the momentum this has generated, as it supports their initiatives and collaborations on this topic.

Our approach

Using the United Nations Sustainable Development Goals (SDGs) as a roadmap, our impact strategies are structured around six investment themes, pictured below. Each of UBP's Impact experts has been assigned the role of "thematic champion" for one of the six themes, which helps to build expertise and generate ideas.

To assess the impact intensity of a company's business model, UBP's Impact team has developed a proprietary methodology called IMAP, based on four criteria: Intentionality, Materiality, Additionality and Potential. Companies are scored on each of the four criteria on a scale of 0-5. These scores are then added together to obtain an IMAP score, enabling us to make an impartial judgement regarding a company's impact credentials.

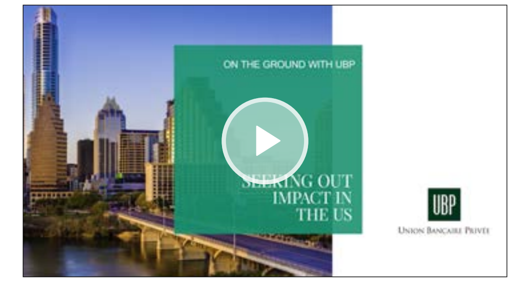
Besides this methodology, external oversight and a strong transparency mechanism are distinguishing features of our Impact franchise. The Impact Advisory Board, composed of four independent, external sustainability experts and chaired by Anne Rotman de Picciotto (a member of UBP's Board of Directors) oversees the IMAP process and scores. The Impact Investment Committee meets monthly and provides rigorous scrutiny of investment decisions.

The Impact team upholds the highest level of transparency, as reflected by the publication of an annual Impact Report, which provides a detailed non-financial assessment of our Impact funds' performance. The team also regularly highlights key milestones and developments regarding our Impact platform's approach, provides updates and publishes minutes of the Advisory Board meetings.

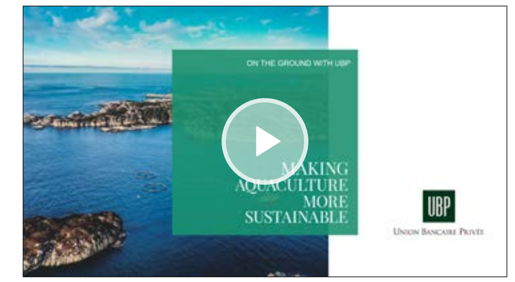
Finally, engagement and collaboration are key characteristics of our Impact franchise. Engaging with companies is the most effective way to gain clarity on a company's true "intentionality" and can encourage deeper and broader measurement and disclosure of non-financial KPIs. The Impact team has embedded engagement across the entire investment process, from initial investigation to impact assessment. The team engages at least yearly through the Impact Engagement Framework (IEF) and also participates in collective engagement campaigns, for example through CDP, FAIIR and UN PRI.

To foster knowledge and best practice in terms of integrating non-financial information into investment processes, the Impact team is actively collaborating with peers in the Investment Leaders Group (ILG) of the University of Cambridge Institute for Sustainability Leadership (CISL).

UN SDGs mapped to UBP impact themes



Watch the video to find out more about the company engagement trip to the US



Watch the video to find out more about the company engagement trip to Norway

Fourth impact fund launched

100% of our portfolio holdings to have a science-based target by 2025

Recipient of Climetrics and ESG Investing Awards

Our progress

Although equities and sustainability-focused funds in particular faced tough market conditions in 2022, we were able to maintain AuM in our Impact funds compared to the previous year thanks to over CHF 100 million of net new money. As of end 2022, AuM amounted to CHF 670 million across four Impact funds: one for developed markets, one for emerging markets, one focused on biodiversity and a new global strategy. Our Impact strategy focusing on emerging-market equities has now delivered positive relative returns in each of the three years it has been running.

In September, we launched our global impact equity strategy, the fourth in the set.

Preparing for regulatory alignment as of January 2023 was a major focus for the Impact franchise, since for a portfolio to qualify under SFDR Article 9, all of its holdings must be identified as sustainable investments.

The Impact team has also made a climate commitment across its franchise, thereby further increasing its leading role in UBP's climate mitigation efforts. The following goals were set in 2022:

- Funds must disclose Scope 1, 2 and 3 emissions, as well as temperature scores calculated using third-party methodologies;
- There must be a climate variable in the sizing model, meaning that companies' climate profiles must directly impact the size of holdings;
- There must be a 30% minimum direct allocation to environmental themes; and
- 100% of our portfolio holdings are to have a science-based target by 2025.

Last year, our impact investing expertise was recognised by two awards. Our positive impact emerging equity strategy was named as one of the top five emerging-market equity funds for environmental performance by Climetrics, the CDP's environmental fund rating entity. In addition, our biodiversity strategy was recognised by the ESG Investing Awards in the "Best ESG Investment Fund: Thematic (Natural Resources)" category.

CHF 670 Mn

AuM across four impact funds

With regard to external oversight, given the increase in number of Impact funds, the Impact Advisory Board met three times, up from two the year before, and a new Biodiversity Committee was set up, holding three meetings.

Engagement remained a key tool throughout the year. As part of the annual Impact Engagement Framework, the team engaged with all companies in portfolios (over 125) on a range of sustainability topics including climate, biodiversity and social issues, and mapped their responses against the previous year to see progress in terms of disclosure and ambition.

Continuing our collaboration with the CISL ILG, we were able to provide practical insights into how to quantify and measure nature-related risks through a joint research project and a presentation at a sustainable finance conference hosted by PwC in Zurich at the end of 2022.

Outlook

Following huge regulatory changes in 2022, we will continue to develop ways to go beyond our regulatory commitments in the coming years and focus on developing the franchise further. We are exploring ways to show the success of our bilateral commitments in order to demonstrate our additionality as investors.

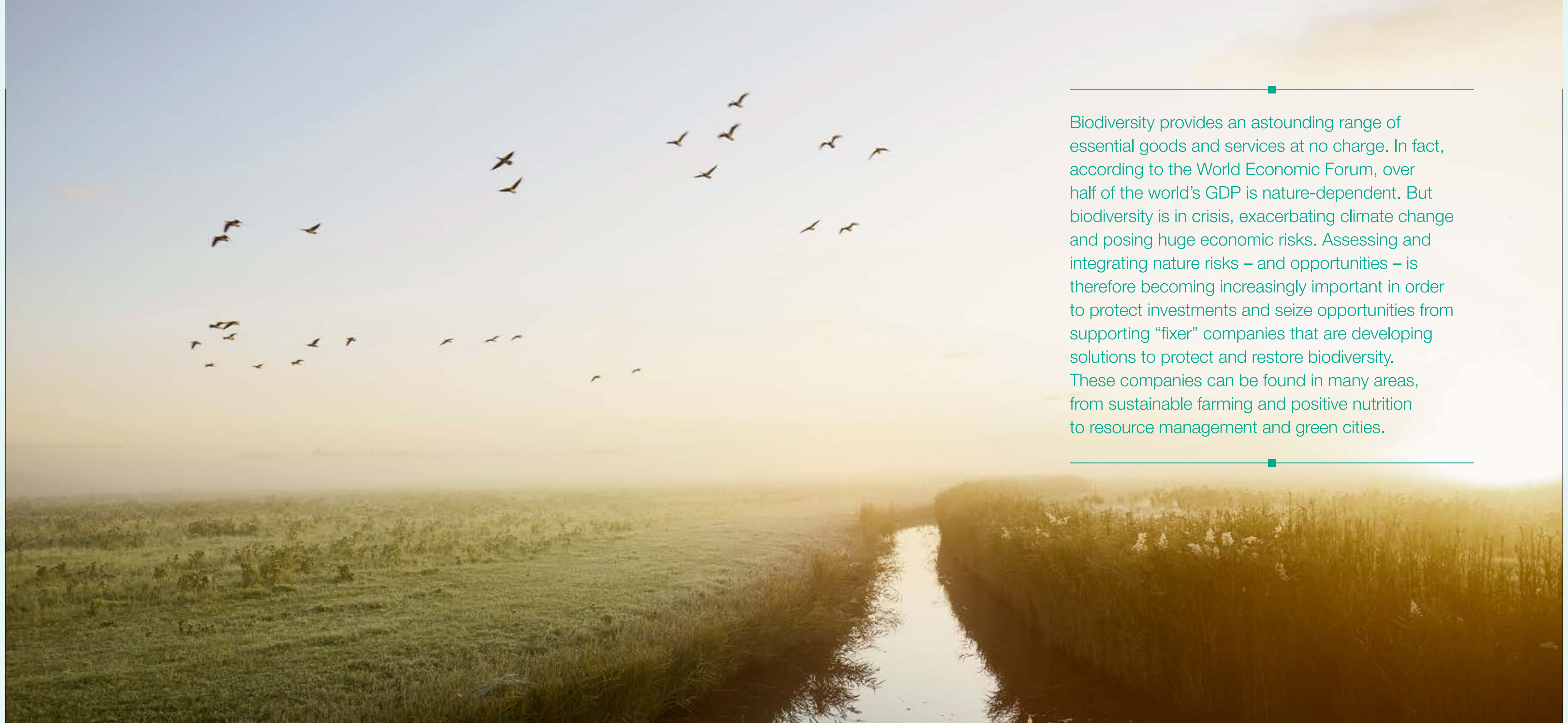
Building on the first multi-stakeholder workshop of the Biodiversity Committee, we are aiming to continue this exciting dialogue and collectively develop some practical outcomes that will help companies transition to more nature-positive business practices.

Watch the video to find out more about Climetrics Award

In discussion: Rupert Welchman (UBP) and James Close (NatWest Group) talk about net-zero-financed emissions

CASE STUDY

Moving biodiversity up the investor agenda



Biodiversity provides an astounding range of essential goods and services at no charge. In fact, according to the World Economic Forum, over half of the world's GDP is nature-dependent. But biodiversity is in crisis, exacerbating climate change and posing huge economic risks. Assessing and integrating nature risks – and opportunities – is therefore becoming increasingly important in order to protect investments and seize opportunities from supporting "fixer" companies that are developing solutions to protect and restore biodiversity. These companies can be found in many areas, from sustainable farming and positive nutrition to resource management and green cities.

Watch the video to find out more about Investing in biodiversity - why and how

Find out more about UBP's Approach to Biodiversity

"With COP 15 and the resulting Kunming-Montreal Global Biodiversity Framework, biodiversity is closing the gap with climate issues in terms of investor attention, but more work is needed to accelerate and improve the measurement and disclosure of nature-related risks."

Victoria Leggett,
Head of Impact Investing

Having recognised the investment risks and opportunities related to biodiversity, UBP's impact team moved into this space at an early stage. It has built unique collective expertise, based on deep and ongoing multi-stakeholder collaboration, to generate change across the corporate, financial and conservation domains.

In 2021, recognising the significance of natural capital, UBP published its Biodiversity Approach and launched a biodiversity restoration strategy.

The strategy aims to identify and invest in companies driving positive change, benefiting biodiversity through their products and services or their leading role in supply-chain transparency. The investment approach covers critically important industries including sustainable management of natural resources and sustainable food production.

Powerful collaborations

The biodiversity strategy benefits from the expertise of leading specialists through the Biodiversity Committee. Co-chaired by world-renowned conservationist Tony Juniper, it comprises representatives from southern African conservation organisation Peace Parks Foundation and the Cambridge Conservation Initiative. As part of this unique collaboration, a significant proportion of UBP's management fees is invested in the partners' conservation and academic work. The goal is to drive progress within our investee companies. Indeed, a key milestone in 2022 was the first in a series of multi-stakeholder workshops hosted by the Biodiversity Committee. It brought together participants from investees, NGOs and Cambridge University for an in-depth discussion about operational changes in food value chains.

The Impact team has also collaborated with CISL for several years, helping devise practical recommendations for integrating nature into investment processes. In 2022, together with Deutsche Bank, we worked on a use case showing how the transition to a sustainable and resilient food system impacts fertiliser company valuations, thus demonstrating how nature risk can already be integrated into financial analysis.

In the run-up to COP 15, UBP signed up to the "Make it Mandatory" campaign, calling for mandatory biodiversity assessment and disclosure to be included in the agreement. The Taskforce on Nature-related Financial Disclosures (TNFD) is in the process of developing a reporting framework for nature-related risks and opportunities, and as a member of the TNFD Forum we are supporting work on this framework. UBP's Asset Management division also signed the Finance for Biodiversity Pledge, a commitment by 126 financial institutions with combined AuM of EUR 18.8 trillion to protect and restore biodiversity through their activities and investments.

Engagement is key for raising awareness and driving corporate change. All investee companies across the Impact franchise are asked about biodiversity as part of the annual Impact Engagement Framework, with more detailed questions for those within the biodiversity strategy.

Looking ahead

Last year, biodiversity moved up the investor agenda, largely due to the adoption of the Global Biodiversity Framework at COP 15, which contains a target mandating corporate disclosures. Building on this momentum, we will continue to work towards integrating nature-related risks and opportunities within UBP and through our collaborations with TNFD and support for initiatives like the Science Based Targets Network (SBTN).

At UBP, we are determined to increasingly manage the impact of both our investments and our own operations on the climate.

3

Managing our enviornmental impact

Climate

Climate change is one of the most pressing global challenges. Managing climate risks and opportunities across our investments and our direct operations has therefore become a priority for UBP in recent years.

In 2022, we enhanced our climate strategy and risk management to address the climate impact of our investments more effectively, and continued to work towards cutting our operational emissions by 25% between 2019 and 2025.

While UBP´s own operations have a limited impact on the environment, we acknowledge that climate change will impact our business model as well as the investments of our clients. This creates challenges that must be addressed, but also gives rise to new opportunities thanks to more resilient portfolios and investments in the climate transition space.

Reflecting the two-pillar approach of our sustainability strategy (see Sustainability Approach chapter), we are committed to continually lowering the environmental impact stemming from our own operations. We also believe that addressing our operational carbon footprint is key to reducing risks related to issues such as energy shortages, higher prices for energy, materials and travel, and UBP's reputation.

In this chapter we discuss climate from our operational perspective, while the 2022 TCFD report covers the investment side in depth.

Our approach

Dealing with our direct environmental impact forms part of the Bank's overall sustainability strategy and management approach. Environmental topics are addressed monthly by the CSRCO and reported to the Group Head of Sustainability as well as the Group COO, a member of the ExCo, whose responsibilities include the Bank's environmental strategy. The ExCo sets and monitors the Bank's climate targets, and it receives regular updates from the Group Head of Sustainability and COO about progress with environmental initiatives.

The climate strategy applies at Group level, and we actively involve branches and subsidiaries to achieve the Bank's carbon reduction goal. Each major branch has a dedicated group of employees driving CSR initiatives, and regular discussions take place to share experiences and track the implementation of climate measures and projects.

The Bank committed to a 25% reduction in the carbon footprint of its operations by 2025 compared with 2019 levels, targeting operational Scope 1, 2 and 3 emissions. 2019 was the first year for which UBP carried out a carbon footprint assessment and was therefore defined as the base year. We have been publishing our carbon footprint data since 2021 as part of our Sustainability and TCFD reports. As we are continuing to enhance our data collection practices and methodology, we introduced more accurate emission factors in 2022. This has resulted in a restatement of data for previous years (2019-2021).

To strengthen further our assessment and long-term management of carbon footprint data in preparation for a limited assurance audit, we have formed a partnership with myclimate, a service provider in carbon footprint assessment and offsetting that offers a standardised tool to calculate greenhouse gas (GHG) emissions. In 2022, while the topic boundaries remained largely the same as in previous years, the scope of the carbon footprint assessment changed following acquisitions in Geneva and Luxembourg in 2021, the opening of an office in Hainan and the expansion of our office in Dubai, which increased our office space and staff numbers at those sites. To tackle the main drivers of our carbon footprint and help us reach our emissions reduction target, we follow a four-phase approach:

Four-phase approach

1. Optimising the existing set-up (nearly completed)

This includes purchasing renewable energy – or renewable energy certificates (RECs) – where feasible, installing LED lighting, limiting non-client travel by enhancing videoconferencing capabilities, putting computers into sleep mode when not in use, digitalising our operations, reducing waste, and increasing the proportion of waste we recycle. These actions are supported by initiatives to raise employee awareness about energy usage and carbon emissions.

2. Actively managing our footprint (started)

In 2022, we broke down our target for reducing our carbon footprint by branch. We began to support sustainable solutions for employee commuting and expanded our offsetting portfolio for our remaining emissions by adding carbon avoidance projects in the EU and Switzerland to the mix. Going forward, we are introducing a dashboard to show employees their flight-related emissions and an internal carbon price to create awareness about the environmental impact of business travel.

3. Optimising our building footprint (medium to long term)

This includes renovating buildings (already started in Geneva) and moving to more energy-efficient buildings when leases expire.

4. Transitioning towards net-zero (medium to long term)

Beyond 2025, we will strive to achieve net zero emissions.

Our progress

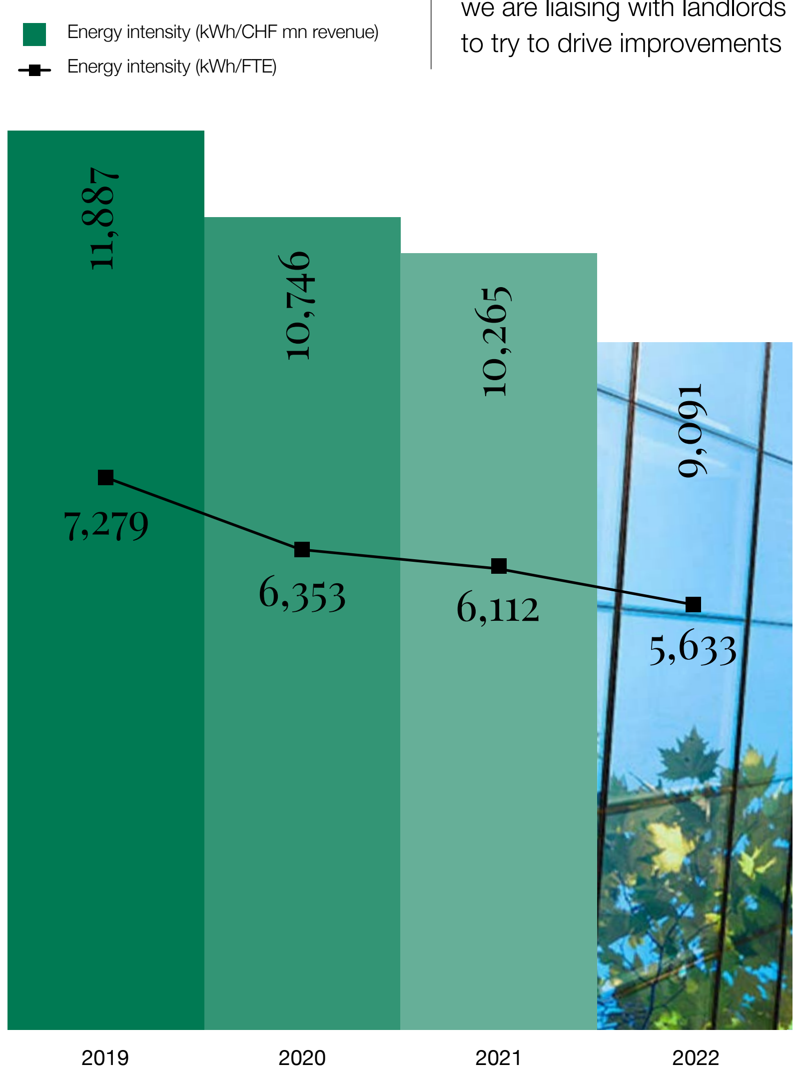
In 2022, UBP's total energy consumption decreased by 5% compared with 2021 as a result of several energy-saving measures. This was achieved despite the increase in office occupancy following the lifting of Covid-19 restrictions in many jurisdictions. However, overall GHG emissions increased by 27%, mainly due to the resumption of business travel and employee commuting, although the total remained 36% lower than the restated baseline year figure of 2019.

Overall, our Scope 1 emissions decreased significantly in 2022, by 29%, as a result of lower energy consumption for heating and an increase in the share of renewable sources to heat office spaces. Scope 2 emissions increased by 12% compared with the previous year, because of improved reporting (e.g. the inclusion of district heating and cooling, see details in the Appendix).

Our Scope 3 emissions increased by 49% from the previous year, largely driven by the post-Covid resumption of business travel and commuting, although the total remained 38% below the restated 2019 value. In an effort to enhance our commuting data, in 2022 we included carbon emissions related to work from home for the first time within the overall commuting emissions.

While striving to achieve an ongoing reduction in our carbon footprint, we have been offsetting our remaining emissions at Group level since 2020 in partnership with myclimate. For our 2022 emissions, we purchased offsets to cover our remaining emissions, primarily caused by the use of conventional energy and Scope 3 emissions from sources such as business travel, employee commuting and purchased goods and services.

Last year, we upgraded our offsetting portfolio to align it more closely with our strategic priorities. We selected new projects supporting reforestation and forest preservation for the first time in Switzerland, where most of UBP's carbon emissions are generated, as well as in Tanzania. We also added projects that help rural households in India use biogas and promote the circular economy through recycling in Romania. For further details concerning our environmental data, please refer to the Appendix (p. 49)



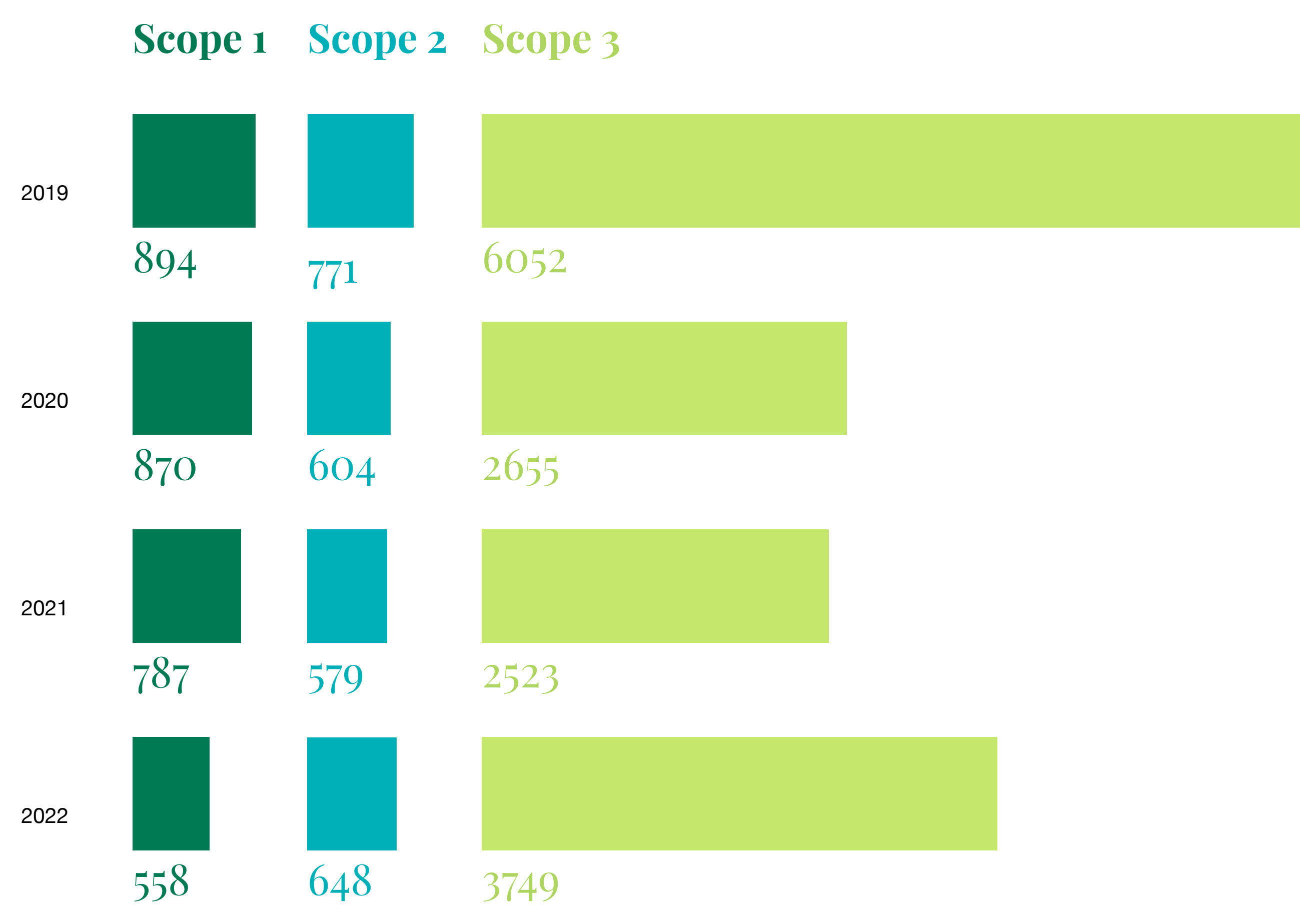
Energy intensity
in kWh

Energy-efficient buildings

Improving the energy efficiency of our offices is a cornerstone of our climate strategy. In Geneva, we have an ambitious 10-year renovation programme starting with the refurbishment of the office building in Rue d'Italie, which includes fitting a new, energy-efficient façade and replacing the existing fossil fuel heating system with a heat pump. The renovation of our Basel office in 2021, improving the insulation of the façade and replacing the windows, resulted in a 58% reduction in energy consumed for heating in 2022. The majority of our offices are rented, which limits our ability to improve their energy efficiency. However, we are liaising with landlords to try to drive improvements or use lease expiries to move into new buildings that meet our sustainability standards. To reduce electricity consumption across our offices worldwide, we have continued to switch to LED lighting. Last year, we fully converted our Dubai office to LED lighting, following the examples of Singapore, Lugano and Jersey, while other offices have also invested further in LEDs. To continue lowering our energy consumption, we are switching off heating and cooling systems in the evenings and on weekends, and have adjusted temperature settings. We also put computers in sleep mode outside of working hours and consider energy-efficiency when purchasing IT hardware.

Scaling up renewable energy

Increasing the use of renewable energy is another cornerstone of our environmental strategy. Nine sites in Geneva, two in Zurich and one each in Basel, Lugano, Luxembourg, Milan and Monaco get 100% of their electricity from renewable sources. Where renewable electricity is not available, we aim to purchase renewable energy certificates (RECs). For 2022, RECs were purchased in Dubai, London, Singapore, Tel Aviv and Tokyo. Last year, the share of renewable energy reached 63%, an increase of 9 points from the previous year, while the proportion of electricity coming from renewable sources (including RECs) climbed 8 points to 88%.



Emissions by scope
in tonnes of CO_2e

88%
share of renewable electricity

63%
share of renewable energy

Find out more about improving the energy efficiency of UBP's buildings

Share of GHG emissions
by scope and source

Scope 1

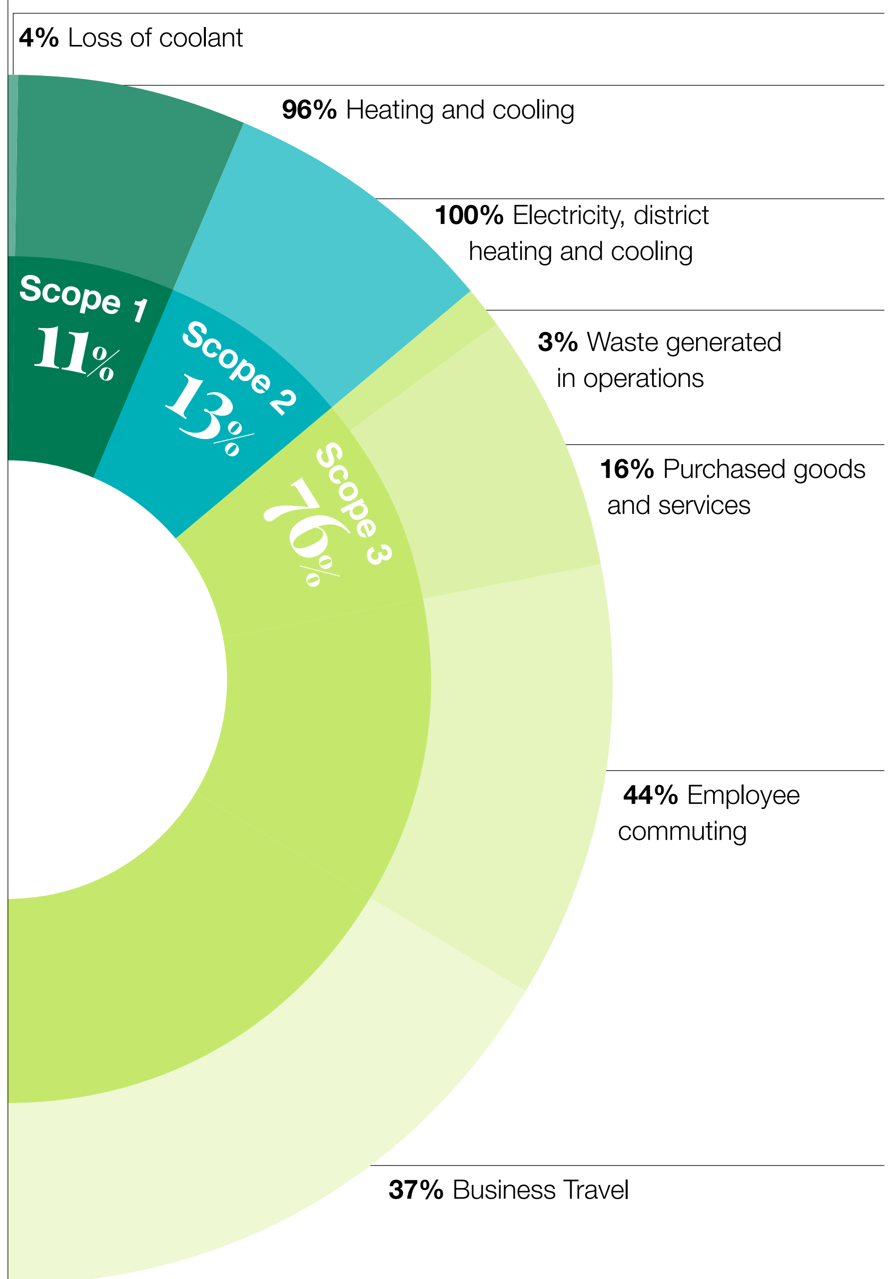
Direct emissions from company facilities and fugitive emissions of sites owned or controlled by UBP

Scope 2

Indirect emissions from purchased electricity, district heating and cooling

Scope 3

Indirect emissions from other activities (purchased goods and services, business travel, employee commuting, waste generated in operations)



Tackling Scope 3 emissions

Our Scope 3 emissions – which result from our activities but come from sources not directly owned or controlled by UBP, such as business travel, purchased goods and services, and employee commuting – accounted for 76% of our total carbon footprint in 2022.

Emissions from business travel increased significantly (+64%) relative to 2021, although they remained far below pre-Covid levels (1,399 tCO$_2$e in 2022 vs. 4,063 tCO$_2$e in 2019). The increase was driven by the lifting of Covid restrictions and UBP's growth. In 2022, business travel was responsible for 37% of our Scope 3 emissions and 28% of overall emissions.

To help lower our travel-related emissions, we continued to apply our new travel policy, which had been announced in 2021. The policy introduced stricter approval processes for non-client travel and prohibits air travel within Switzerland and to neighbouring countries with reliable rail links. It also recommends conference calls for all internal meetings and in 2022, we continued to invest in videoconferencing tools. Nearly all employees and a large number of meeting rooms have now been equipped with webcams and with videoconferencing licences. We are also monitoring flight-related emissions and have started work on a CO_2 travel dashboard, which will show emissions in employees' intranet profiles in order to raise awareness of the impact of air travel.

In 2022, commuting-related emissions accounted for 44% of our Scope 3 emissions and for 33% of UBP's total emissions. After restating the data for the period of 2019–2021, and including the emissions related to working from home in the carbon footprint assessment in 2022, we experienced an almost 35% increase in commuting-related emissions compared to the previous year.

To help us tackle commuting-related emissions, we have been conducting an annual commuting survey since 2020. While emissions increased with employees gradually returning to the office, commuting patterns have remained similar to our base year and show high car use in several locations. Therefore, we are looking into solutions to incentivise sustainable mobility solutions. In Monaco, we started reimbursing the cost of public transport season tickets for staff members in 2022. In Paris, a sustainable mobility package was put in place, going further than the statutory requirement to reimburse part of employees' public transport costs. As part of this package, employees who use a bicycle – either their own or rented, with or without electric assistance – receive a contribution to their bike-related costs. In Geneva and Zurich, we hosted bike maintenance sessions where employees were able to bring in their bikes to get them serviced and repaired.

Moreover, we continued our efforts to use less paper. Building on the digitalisation of several administration, finance and procurement processes (see 2021 Sustainability Report), we carried out several significant projects last year. In Switzerland, we rolled out an electronic signature solution for Wealth Management's e-banking clients. Meanwhile, UBP Hong Kong and Singapore started to send QR codes to all clients in Asia to direct them to the revised general terms and conditions, thus avoiding some 200,000 pages of printing.

We also reduced the printing of brochures by a further 20%. Finally, we are monitoring printing across locations and raising employees' awareness of the need to print less. In line with our ongoing efforts to reduce waste, we completed the installation of recycling bins in all locations where municipal recycling solutions are in place.

Outlook

In 2023, we intend to develop our climate strategy further, for both our investments and our own operations. With regard to operational emissions, we will need to identify additional reduction measures to help us reach our absolute emissions reduction target, given UBP's growth since the target was set.

To tackle our travel-related emissions, the travel dashboard will go live in 2023. We will also start to implement an internal carbon price, set to take effect in 2024, to drive further reductions. This is intended to raise employee awareness about flight-related emissions by charging high emitters a set price, the proceeds of which will help to fund high-quality carbon removal projects.

As regards energy consumption, we are striving to increase building efficiency through the ongoing renovation programme in Geneva and by moving to more energy efficient buildings. We will also continue to encourage employees to contribute to energy-saving measures. Finally, we are aiming to purchase renewable electricity for all remaining sites, or RECs for where renewable electricity is not available.

Interview with Vincent Eckert

Vincent Eckert

Managing Director,
Swiss Climate Foundation

The Swiss Climate Foundation is an important catalyst for climate innovation in Switzerland. Having joined the Foundation at the start of 2022, we took the opportunity to speak to its Managing Director Vincent Eckert.

Vincent, can you explain what the Swiss Climate Foundation is and how it functions?

The Swiss Climate Foundation, founded in 2008, brings together 31 Swiss banks, insurers and other service providers to drive climate action in Switzerland and Liechtenstein. It has developed an innovative financing mechanism to mobilise significant sums for climate innovation projects in the local economy.

Under the Swiss CO_2 tax law, one third of the collected tax money is reimbursed to companies based on their annual payroll, which the members donate to the Foundation. This money is then channelled towards climate projects led by Swiss SMEs. This creates a win-win situation, supporting both climate action and the local economy.

Initially, the Foundation also supported energy-saving projects and efforts by companies to set voluntary energy-efficiency targets. Since 2022, the Foundation has focused exclusively on climate innovation. What motivated this change?

To meet Switzerland's emissions reduction targets, we must reconsider every aspect of our economy, from energy, buildings and transport to food, fashion and more. This requires us to think outside the box to come up with solutions that do not yet exist or that have previously been seen as impossible. Supporting climate innovation projects is critical to help unlock the solutions needed across all sectors of the economy to transition to a net-zero future.

Small and medium-sized enterprises are important incubators of new ideas and are often the first to break down barriers and challenge existing constraints to come up with innovative solutions. However, they often lack the financial resources to put their ideas into practice and bring them to market in order to unleash their full potential. This is why supporting SMEs that are pioneering climate solutions is a practical way of accelerating the transition to a net-zero future.

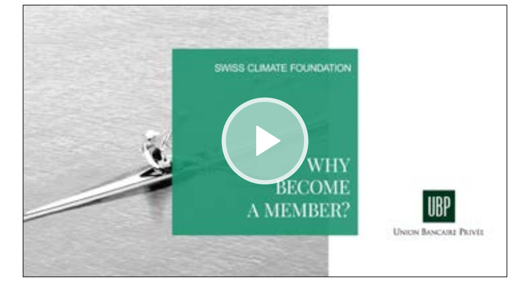
How do you decide which projects to support?

The Foundation's office checks funding applications for completeness, and then the decision-making body evaluates them in a two-stage process. Both of those entities are made up of delegates from partner companies, who bring important know-how. Decisions are based mainly on each application's potential climate impact and the money available.

Do the innovation projects you have chosen to support show the potential to have an impact beyond Switzerland and Liechtenstein?

Switzerland is the cradle of a lot of high-tech solutions that are being used successfully across the world, and SMEs play a large role in this. Our strengths in research and academia, combined with successful entrepreneurship, should be directed to addressing one of the world's most pressing issues, i.e. climate change. This will also maintain the competitiveness of our economy. For solutions to have an impact, scaling is key: some of the projects supported are successfully expanding outside of Switzerland, while others are still in a very early phase of product development, which is where the Foundation's funding is most effective.

> "Switzerland is the cradle of a lot of hightech solutions that are being used successfully across the world."



Watch the video to find out more about UBP partnership with the Swiss Climate Foundation

We strive to be an employer of choice by offering attractive working conditions and development opportunities as well as a fair and empowering environment.

4

Inspiring our people

Talent Management and Employer of Choice

UBP is a people-driven business and our workforce is at the heart of our continued success. Therefore, being an employer of choice and investing in talent management are major priorities for UBP.

We strive to provide an attractive work environment as well as continuous opportunities for learning and development. UBP is committed to ensuring fairness, equal opportunities and equal rights for all our people, and we condemn every form of discrimination.

Besides these prerequisites for attracting and maintaining well qualified and highly motivated employees, we are constantly reviewing the evolving labour market and adapting to it. We have recently experienced growing competition for talent, because the jobs market has become more dynamic in the post-Covid environment and employee expectations have changed.

Pay alone is no longer the main incentive for many employees. The potential for career and skills development, work-life balance and a company's culture, values and management style – including its commitment to sustainability – play an increasingly important role.

Further, to address sustainability challenges successfully, we must enhance our talent pool, attracting employees who have the right sustainability qualifications and experience at a time when competition for such talent is growing.

Moreover, equipping our workforce with the highest level of know-how and skills, including in the sustainability space, is vital in order to remain competitive in a fast-moving sector like banking.

Our approach

As employee expectations and industry practices evolve, we are aiming to adapt our policies and HR practices to reflect sustainability standards across areas such as diversity, equity and inclusion (DEI), working conditions and professional development.

UBP's Human Resources (HR) Department is responsible for all aspects related to employment and updates the ExCo on a regular basis. The HR Committee, composed of three Board members, convenes at least three times a year to determine and assess our remuneration policy, discuss HR-related matters and validate policies.

Developing talent

To develop our employees' talent, knowledge and skill sets, we strive to offer high-quality internal and external training opportunities. This is key, both to meet our employees' expectations for professional development and to ensure that our workforce is well equipped to respond to rapidly evolving requirements, particularly in the areas of sustainability, regulation and security.

We monitor training-related KPIs throughout the year and liaise with different departments to ensure that employees receive appropriate training. In particular, we track the completion of mandatory training modules to ensure that employees have the necessary skills and know-how.

In addition to the range of internal e-learning programmes on topics like compliance, regulation, security, management skills and sustainability, we support employees in completing external courses. UBP contributes to the cost of external courses and allows for flexibility in staff members' schedules to study.

Some flagship courses include the Swiss LSFin-Ready training module, which covers Switzerland's Federal Financial Services Act (FinSA) and its implications for banks and their clients, and the ISO 17024 certification course for client advisors.

The HR Department measures the quality and effectiveness of courses by gathering feedback and conducting surveys, which allows us to continuously enhance our offering and adapt our programmes.

We also help to prepare employees for retirement, offering financial backing for specific training and advice in Switzerland, and we provide financial assistance for outplacement guidance to employees whose contracts have been terminated.

In line with our commitment to enhancing the change-management and leadership skills of UBP's senior managers, we have designed the Leadership Development Programme (LDP), an executive learning programme delivered in collaboration with the renowned IMD Business School in Lausanne.

The talent process is another key element. It forms the backbone of UBP's succession plan by providing employees showing high development potential with customised training and development programmes. The process runs every two years, and took place most recently in 2021/2022.

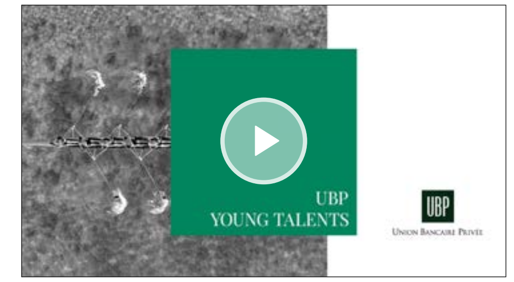
As training the younger generation is a priority for the Group, we launched a Graduate Programme in 2021, giving university graduates the opportunity to discover our business by rotating through different teams. The HR Department and business units work together to select and place graduates according to UBP's needs and candidates' skills. We also have a long tradition of training apprentices, and we offer opportunities for interns to discover various roles within the Bank.

Diversity, Equity and Inclusion (DEI)

At UBP, we are guided by a culture of meritocracy, aiming to provide all employees with equal employment and advancement opportunities regardless of their ethnicity, nationality, sex, gender identity, sexual orientation, religion, age and marital or family status. We therefore strive to ensure fair and equal treatment, avoiding positive or negative discrimination, throughout our HR process from recruitment to promotions and pay reviews.

Equal pay is ensured through benchmarking and assessments, while promotions, pay reviews and selection for executive development programmes are strictly based on performance. Nevertheless, we monitor the composition of the graduate programme, LDP and talent process to ensure diversity.

The Bank's staff handbooks contain diversity and anti-discrimination clauses that all employees are expected to uphold. To address adequately any incidents that arise, we have a clear process in place to report, review and manage any potential case of discrimination, sexual harassment and bullying, including the possibility of involving a neutral external person.



Watch the video to find out more about UBP Young talents

Our progress

As the labour market became more dynamic in 2022 with the easing of Covid restrictions, we continued our successful recruitment efforts throughout the year with a hiring rate of over 16%. Following the digitalisation of our hiring process in 2021, almost all applications were handled digitally in Switzerland.

However, we experienced some challenges with staff retention, especially in Asia. Group-wide staff turnover was more than 8%, up from 4-6% in previous years. The increase can be partly explained by general labour market trends as well as changing expectations, especially among younger generations. We will continue to monitor our turnover rate, analyse the underlying causes and take action to mitigate this trend if necessary.

Despite these challenges, in 2022 we obtained the "Best Places to Work" label in Singapore and Hong Kong. This certification programme assesses hundreds of companies, focusing on employee satisfaction regarding eight aspects of the workplace, including culture, opportunities for growth and people practices, and we received high scores on several metrics.

Following extended periods of remote working during the Covid-19 pandemic, discussions with prospective and current employees showed the need for a work-from-home (WFH) policy. The policy was rolled out last year as Covid restrictions were progressively lifted across many locations. Applicable to all our locations, it was designed to offer flexibility to employees, whilst ensuring good dynamics and collaboration within and between teams. The policy allows employees to work from home one day per week, with the option to accumulate and take several consecutive days in one week.

To help us assess satisfaction with the policy, we conducted a survey in Switzerland last autumn to assess the views of employees who fell under the WFH policy. The results show that 90% of respondents feel that the WFH policy gives them a better work-life balance and over 90% find that it has a positive impact on their team's performance/productivity. Around 45% of the respondents use the option to work from home for several consecutive days, suggesting that the flexible approach is popular.

We have monitored the impact of our WFH policy on our recruitment process and have found that, overall, it has increased our ability to attract talent, although we are facing some challenges in highly competitive markets. We will continue to monitor how WFH policies evolve in the marketplace and evaluate how our model affects employee satisfaction and recruitment.

Developing talent

To support employees throughout their careers with UBP, we conduct annual performance reviews that help us identify and meet their needs. In 2022, 92% of all staff received an annual review.

Last year, we recorded almost 31,000 hours of training: an average of 12.6 hours per staff member (data for Switzerland only). We also continued the LDP and 25 managers and professionals from eight different locations participated.

In line with our ambition to foster young talent, and building on the success of our inaugural graduate programme, we increased the intake of our graduate programme from three to ten people and expanded its scope to cover Asia and additional roles. We also took on three apprentices in Switzerland for a three-year period leading to a federal Vocational Education and Training Diploma in banking. We have a successful track record of placing those who have completed the programme within the Bank, with a retention rate of more than 95%. In addition, we welcomed around 50 interns.

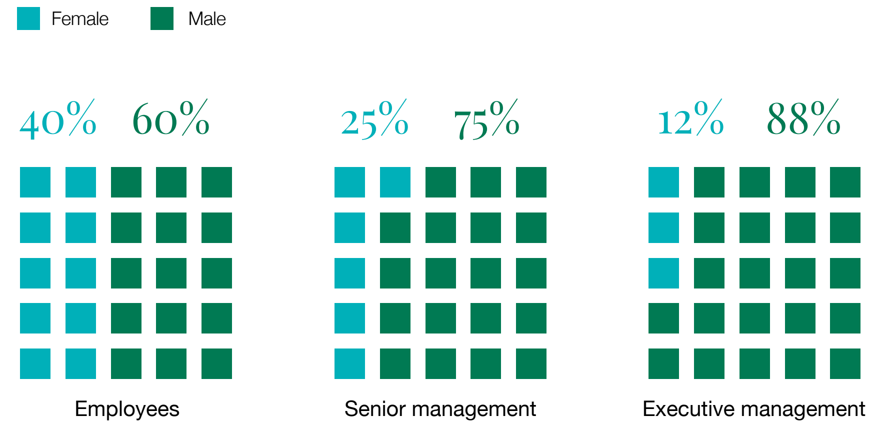
Diversity, Equity and Inclusion (DEI)

With a presence in 20 locations around the world, we consider diversity a key asset that helps us to drive progress and innovation. We have built a truly heterogeneous workforce, as evidenced by the 64 nationalities present within it.

To give more guidance on DEI matters and meet the growing demands in this area coming from institutional investors requesting information about UBP's DEI approach and practices, we have started to work on a set of DEI principles, which will be finalised in 2023.

Last year, female employees made up 40% of UBP's workforce, with 25% of UBP's senior management positions held by women. Female presentation at the executive level remained at 12.5%; however, the proportion of women on the Board of Directors increased from 22% to 37.5%.

Recognising the challenges we face in increasing female representation at the senior management level, we launched a project last year with the aim of making improvements over the course of the next 3-5 years. The process aims to identify 25-30 talented women with high development potential and develop them further towards taking on higher managerial responsibilities via external training and coaching as well as mentoring. The HR Department is leading this project in collaboration with the ExCo and the various business units. We will monitor female representation at senior management level in coming years to evaluate the effectiveness of this project.



Diversity by gender

12.6

hours on average of training per employee*

64 nationalities

Women on the Board of Directors

Awarded "Best Places to Work" in Singapore and Hong Kong

In order to ensure fairness and equality in our remuneration practices, we conduct salary benchmarking with the help of external consultants, and monitor any unexplained pay gap, i.e. the gender pay gap differential taking into account personal and job-related factors. UBP's pay gap is 6.9%: slightly above the 5% statistical significance threshold, but below the 8.6% gap for the Swiss private sector as a whole and the 10.2% figure for the Swiss financial and insurance sector.

Outlook

In 2023, we are aiming to move forward with our project to increase female representation in senior management. To support the roll-out of our sustainability roadmap, we further plan to recruit additional sustainable finance specialists and support more employees in obtaining external sustainability certifications.

*Data for Switzerland only

CASE STUDY

Supporting career development

Since the launch of the new LDP format, a total of 39 senior managers from 8 locations have participated, 46 percent of them being women. The candidates for the programme are jointly nominated by senior management, the ExCo and the HR department in a careful selection process.

"The Leadership Development Programme is a cornerstone of our commitment to enhance the change-management and leadership skills of the Bank's senior executives across all professions."

Christian Scherrer,
Group Head of Human Resources

Since our employees are at the heart of our success, upgrading their expertise, skills and leadership potential is a priority for UBP. The Leadership Development Programme is a key element in this effort.

While we offer a wide range of internal and external trainings to all employees, developing the potential of the Bank's future leaders requires specific attention. This is why we designed a particular programme for senior managers that prepares them for new challenges at UBP.

An innovative programme

The LDP is an executive learning programme which is delivered in collaboration with the renowned IMD Business School in Lausanne. It includes an in-depth module in leading change as well as a group project in close collaboration with UBP's senior management.

Over the last few years, participants have worked on projects on a number of different topics. This has included, for example: enhancing e-banking experience, growing ESG allocation in client portfolios, and building a real estate expertise. As such, the LDP has not only made a valuable contribution to developing the expertise and leadership skills of the participants, but also brought innovative ideas into the Bank which are being explored further after participants complete their programme.

Another important feature of the programme is that each participant is sponsored by an ExCo member. This helps to connect them to UBP's most senior decision-makers.

Since its inception, the LDP has proven to be an important tool for helping a wide range of professionals to further enhance their skills and expertise. Participants have provided outstanding feedback on the programme with regard to the programme structure, content and teaching, and are seeing it as a valuable opportunity in their career development.

An international programme

When we first launched the LDP, we ran two separate versions of the programme for Asia and Europe. In 2019 these were merged into one to bring managers from different locations together. In 2022, the 24 participants of the LDP came from eight different locations, highlighting the international scope of the programme.

Participants now get together for the residential part of the course at the IMD campus in Lausanne, allowing colleagues to meet and work together in person. This has been a valuable change, allowing for greater exchange and collaboration between different UBP locations long after the programme finishes.

Community engagement has a long tradition at UBP, reflecting our desire to have a positive impact on our communities and mobilise colleagues for a common purpose.

5

Engaging with our communities

Community Engagement

Community engagement helps us to build and maintain strong relationships with our local communities, while fostering a sense of belonging and purpose among employees.

UBP's values of dedication, conviction, agility and responsibility not only guide us in our daily work, but also shape our relationships with our local communities.

UBP has a long tradition of supporting cultural, education, research and social community projects in the areas where we operate. We see it as our responsibility to bring positive value to our local communities and place great importance on being a trusted partner. In addition, our community engagement activities are a way for employees to share a common purpose and to connect with colleagues.

Our thematic focus keeps us from spreading our efforts too thinly and enables us to drive greater impact in the projects in which we choose to get involved. However, we also organise fundraisers in response to global events.

To help us increase our impact further, we focus on building long-term partnerships with local organisations and set up recurring social and environmental initiatives for our employees.

Our approach

We strive to be a trusted and reliable partner for the organisations we work with, and aim to continuously increase our employee engagement in social and environmental projects as well as fundraisers.

CHF **484,540** in total donations

The CSRCO oversees our community engagement activities. Group-wide initiatives are managed by the Communications department, while local activities are co-ordinated by local CSR teams. New teams have been formed in Zurich and Luxembourg, bringing the total number of local CSR teams to 14. They are instrumental in driving initiatives that are tailored to local circumstances and that resonate with employees in each location.

We have clear guidelines that specify which types of charities and institutions are eligible for financial support, and we have developed an efficient and clear approval process for sponsorship requests.

To help our employees get involved, we offer them one day of leave per year for charity work. In 2018 we formed a partnership with Alaya, a dedicated online platform that connects employees with charities, providing an easy way for them to sign up for volunteer work and make donations. In addition, we organise community engagement activities at global and local levels and encourage employees to join in. These activities are planned in close collaboration between our global and local CSR teams.

Our progress

Throughout 2022, we increased employee participation in our community engagement activities. By year-end, over 1,080 colleagues were registered on Alaya, an increase of 27% from the previous year and representing 51% of our workforce. In 2022, more than 500 employees took part in a community initiative or fundraiser via the platform, with more than CHF 66,000 raised for charities by employees.

At Group level, we organised several activities, including two clean-up sessions across seven locations with over 160 participants, charity collections in Geneva, Paris and Zurich, and the third edition of our Globetrotter challenge, which helped to raise CHF 7,500 for four charities active in the fields of health and social work. Overall, we were able to support over 13 charities in 2022. When the conflict in Ukraine began, UBP also organised an internal fundraiser: we matched the amount raised by employees and donated CHF 120,000 to the charity 'La Chaîne du Bonheur'.

Finally, UBP launched its CSR Awards to recognise employee engagement in environmental and social activities. Twice a year, employees can nominate colleagues for the award. The winners are selected by the CSRCO and receive a cash prize in addition to being featured in our internal communications.

On the cultural front, we maintained our decade-long collaborations with the Grand Théâtre de Genève and the Camerata Venia orchestra in Geneva, and continued to support the Comédie de Genève theatre under a three-year partnership. In 2022, we raised the profile of these sponsorship initiatives through internal videos and site visits, which were well received by our employees.

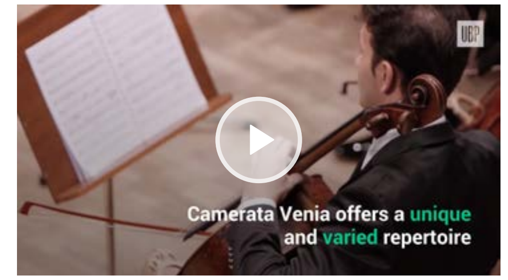
As in previous years, we supported Swiss Solar Boat – an association created by students at the renowned Swiss research university EPFL, which has built a solar-powered, pilot-driven boat – and continued to donate to several local charities.

500+ colleagues participated in solidarity initiatives

Outlook

To give more visibility to our community engagement activities and increase participation, we plan to ramp up our internal communication efforts. We will also run a CSR survey, with the aim of meeting employee expectations more effectively. Finally, we are reviewing our current partnerships and are aiming to create opportunities for new ones in the coming years.

Watch the video to find out more about Swiss Solar Boat



Watch the video to find out more about Camerata Venia

CASE STUDY

Community engagement by UBP Asia

Forty colleagues joined Singapore's Bloomberg Square Mile Relay, an immersive race that takes place in the heart of 13 of the world's most vibrant financial centres. The event uses the power of sport to address social challenges in each race city through a charity programme called 'The Extra Mile'. The race was an opportunity to foster team building, support employee well-being and drive support for local communities.

"Our colleagues in Hong Kong and Singapore show outstanding commitment to developing and fostering CSR initiatives. Their enthusiasm, creativity and unwavering support are an inspiration for many of us at UBP."

Stephan Zilker,
Chair of the CSR Committee

UBP Singapore and UBP Hong Kong have a long history of supporting community engagement initiatives and are at the forefront of creating and participating in social and environmental projects.

Last year, the local CSR teams in these two Asian locations once again ran a number of projects, which attracted high levels of participation and enthusiasm. These projects benefitted local communities, while also strengthening team spirit among colleagues.

Social initiatives

Social solidarity projects have a long tradition in our Asian offices. In Singapore, UBP partnered with the Ronald McDonald House Charities' Happy Snacks programme, and 32 colleagues put together 500 snack packs worth SGD 5,000 for children undergoing chemotherapy or receiving outpatient care in hospitals.

UBP Singapore also continued to support the local soup kitchen 'Willing Hearts': over 50 employees spent a weekend preparing and handing out meals.

In Hong Kong, we started a new programme with CYMCA (the Chinese YMCA), to support 10 families with children on the autism spectrum. The programme, designed by a specialist, ran over 10 consecutive weekends and included coaching, learning through arts and sensory integration therapy.

UBP Hong Kong also continued its Box of Hope project, which started 16 years ago, donating over 500 gift boxes worth HKD 60,000. The boxes contain items such as stationery and toys and are delivered to children from low-income backgrounds in Hong Kong, China and the wider Asia region.

Environmental projects

UBP Singapore and UBP Hong Kong achieved record-high employee participation in their clean-up initiatives. In Singapore, 48 employees took part, while Hong Kong had a turnout of 36 staff members. Besides the direct impact of cleaning up local beaches, the initiative has a wider environmental benefit by raising staff awareness about waste management and recycling.

Asia also pioneered the use of QR codes to redirect clients to revised terms and conditions on the UBP website. This initiative helped to avoid some 200,000 pages of printing.

CSR Awards

Given UBP Singapore and UBP Hong Kong's active role in and long-standing commitment to social and environmental projects, it is no surprise that out of the six CSR Awards handed out in 2022, three went to our colleagues in Hong Kong and Singapore. They were chosen for education and poverty alleviation projects as well as waste management initiatives.

Watch the video to find out more about UBP's third annual clean-up

Watch the video to find out more about the Globetrotter Challenge 2022

At UBP, our business conduct is guided by ethical and sustainability principles so as to maintain the trust of our clients, prospects and society more broadly.

6

Doing business responsibly

Business Ethics and Compliance

Strong business ethics and regulatory compliance are key for building trust with clients, and for minimising reputational and financial risks. This ultimately contributes to revenue generation and the protection of shareholder value.

Moreover, as a financial actor, we have a social responsibility to conduct business responsibly, not only to maintain our own reputation and success, but also that of the sector as a whole.

The financial sector is a highly regulated environment and is undergoing a great deal of regulatory change, especially with regard to sustainable finance. In addition, there is a growing number of voluntary international and national initiatives addressing sustainability in general and sustainable finance more specifically. These come with a range of obligations, from implementing strategic change to providing transparent reporting.

Accordingly, we must closely monitor both regulatory developments and voluntary initiatives, and align our processes, products and services with the requirements they bring with them. The objective is to ensure appropriate conduct towards our clients, counterparties and the financial system, so as to maintain our outstanding reputation, guarantee client satisfaction and avoid financial penalties.

Our approach

The national regulations of the countries in which we operate, as well as the global frameworks and initiatives to which we are a signatory, most notably the UNGC, the UN PRI and the TCFD, represent the foundations of our business conduct. All global policy commitments as well as internal policies are signed off by the ExCo.

Policies and commitments

To give practical guidance to our employees, we translate applicable laws, regulations, frameworks and commitments into specific policies, guidelines and procedures. These are then communicated through internal or public documents, announcements and, where appropriate, training modules. Robust internal controls are in place to monitor business conduct and take action if required.

As regards UBP's employees, we promote a strong culture of compliance and ethical business conduct from the moment they join the Group and throughout their career. Upon joining UBP, employees receive our internal guide "Cultivating our differences", which gives guidance on how to live up to UBP's four values (dedication, conviction, agility and responsibility), as well as our internal Code of Conduct and Ethical Behaviour. The latter covers business responsibility (ethical business conduct and core values, compliance with laws and regulations, prevention of unlawful activity and protection of assets and information), professional excellence (client care, client confidentiality, conflicts of interest, transparency, equal opportunity and staff development) and our commitment to sustainability (investment principles, staff health and safety, environmental responsibility, social engagement and higher education).

Our country-specific staff handbooks, which joiners receive, cover all main aspects relating to working conditions and the rights and obligations of employees. Internal processes are in place to ensure compliance with the handbooks, including escalation procedures in the event of breaches.

As a signatory to the UN PRI and in line with our commitment to responsible investment, our publicly available Responsible Investment policy describes our approach to responsible investing. It outlines our commitments, practices (including due diligence) and offering.

Finally, as a signatory to the UNGC, we are committed to its ten principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

Promoting business ethics and compliance

Upon joining UBP, all employees must complete a range of mandatory e-learning modules on the Bank's history and business culture, as well as our core security principles and practices. We monitor the successful completion of all modules and send reminders where necessary. The e-learning modules are reviewed regularly, and new ones are added when necessary and sent to all employees for completion.

To meet legal and regulatory requirements, all relationship managers and some back-office employees must complete the Compliance Awareness programme, which covers topics such as market abuse, anti-money laundering (AML), international sanctions, the US Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standards (CRS).

Conduct and culture are also considered in our annual performance appraisals and variable remuneration systems in Switzerland, the UK and Asia. They are monitored by the Conduct & Culture Committee, which issues recommendations to senior management and the Human Resources Committee regarding behaviour and potential implications for variable remuneration.

Monitoring and escalation channels

As we place the utmost importance on compliance with all existing and upcoming regulations, including those relating to sustainable finance, we have put in place a strong process to monitor regulatory developments and ensure correct implementation. The Compliance department is responsible for regulatory watch and co-ordinating with the business units in charge of implementation. This includes liaising with the relevant regulatory bodies where appropriate.

To identify and mitigate risks in relation to financial crime (AML), terrorist financing and sanctions, we have adequate internal tools and controls in place. When an alert is generated, it is analysed by the Front Office and the Compliance department.

We also conduct annual self-assessments to ensure we comply with all applicable laws and regulations, and identify and mitigate potential conflicts of interest. The results of those self-assessments are reported to the ExCo, which has a responsibility to update the Board of Directors. The Board is also informed about critical concerns through the Risk Committee and the Audit Committee, which receive independent information from the second and third lines of defence respectively. Identified risks and decisions taken by the Board Committees are recorded and disclosed to senior management.

As a wealth and asset manager with limited lending activities, we believe that we do not directly finance projects that adversely impact vulnerable people and that we are not directly exposed to human rights risks. Our grievance mechanisms are therefore limited to staff, suppliers and clients.

Internally, UBP's Staff Handbooks address conflict management, covering bullying, sexual harassment, whistleblowing, ethical guidelines and escalation processes. Externally, clients can submit complaints according to the Group's Complaint Directive. Depending on the nature of the complaint, the Compliance, Risk Management and Legal departments may get involved.

Monthly regulatory risk reporting to the Group Risk Committee established

Procurement practices

As a buyer of a wide range of products and services, UBP can influence the environmental and social impact of its suppliers. We select our suppliers through competitive tenders, which include a due diligence process that we use to screen potential suppliers according to a number of elements, including environmental and social factors.

We expect our suppliers to uphold ethical guidelines based on UBP's core values, applicable laws and regulations and the principles of the UNGC, as reflected in our Supplier Code of Conduct. As part of the due diligence process, we ask potential suppliers about their adherence to this code.

Our framework contract with suppliers includes clauses with regard to dispute settlement in the event that conflicts arise.

Our progress

In 2022, we continued to improve the way we manage regulatory risk. Specifically, we formed a partnership with a major external consultant to look at all new Swiss and non-Swiss regulations impacting the Bank across various regulatory categories, and we implemented a structured regulatory watch process to ensure a robust flow of information from external sources, through the Head of Regulatory Change, to the regulatory experts and COOs concerned.

Our regulatory watch framework also went digital with the help of a new internal tool that establishes a secure audit trail and enables us to report regularly to management.

We designed a unified risk model to assess new and existing regulatory risks at Group level, factoring in absolute risk and mitigation in order to identify the residual regulatory risk. We also began monthly regulatory risk reporting to the Group Risk Committee.

In recent years, we have seen a proliferation of sustainable finance regulations (see the Responsible Investing chapter for details regarding the 2022 implementation of SFDR and MiFID II regulations). To keep up with this rapidly evolving field, we added a specific sustainable finance category to the regulatory watch process and assigned each sub-section (such as disclosure, investment process and/or risk management) to the corresponding internal compliance experts.

Building on the sustainable finance regulation impact assessment conducted in 2021, we performed a gap analysis refresher in early 2022, checking the latest regulatory updates while assessing regulatory risk for the Bank and providing guidance to business units.

Finally, as in previous years, UBP did not incur any sanctions or fines for breaches in 2022, and did not record any incidents of corruption.

Sustainable procurement

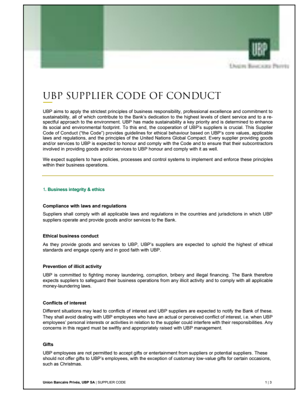
Following the introduction of UBP's Supplier Code of Conduct in 2021, we updated the document in accordance with the latest industry standards. In our due diligence process, we also added a question enquiring about potential suppliers' gender equality strategies and policies to prevent discrimination against female workers, award them equal pay for equal work and ensure their health and safety.

Outlook

To roll out the new regulatory watch process across all UBP Group entities and align practices throughout the Bank and its business lines, several locations are scheduled to carry out pilots of the regulatory watch process in 2023. We are also aiming to enhance the functionality of the regulatory watch tool, for example with regard to reporting and interaction between jurisdictions.

We will continue to work on aligning regulatory watch, policies and directives, quality control and consolidated supervision.

With regard to our procurement practices, we will continue to develop best practice and review our due diligence and supplier conduct processes as needed.



UBP Supplier Code of Conduct

Data Privacy

As a private bank, handling data safely and sensibly is essential for building and maintaining trust between UBP and its clients, employees and counterparties.

In a rapidly evolving environment where cyberthreats are becoming more sophisticated and regulations more stringent, we must continuously enhance our policies, practices and awareness regarding data security and privacy.

Banks handle highly sensitive data and are a key target for cybercriminals. Breaches can cause significant reputational and financial damage as well as legal consequences. Strong policies, processes, practices and awareness are therefore key to minimising the risk of potential security and data breaches and mitigating their impact should they occur.

We must constantly anticipate new threats, adjust to new challenges such as remote working and technological innovation, and keep up with new regulatory developments across the various jurisdictions in which we operate.

Our approach

Reflecting the cross-discipline nature of the topic, UBP's Group Security, Data Governance and Group Data Protection departments work closely together to ensure that data is handled responsibly and protected appropriately. In doing so, they strive to make UBP ever more resilient to cyberattacks and to raise user awareness of critical data and processing issues. Every year, progress is measured through several relevant KPIs.

Our Group Data Policy defines the overall governance framework for managing data, while our Group Data Privacy Policy outlines our rules on data protection and legal requirements in relation to processing personal information. We make privacy notices for clients, prospects, employees, candidates and counterparties available on our corporate websites.

To help our employees, consultants and contractors follow our strict policies and practices in the data security and privacy field, they must complete a series of mandatory e-learning programmes. In addition, they can find a comprehensive set of data privacy and security directives as well as data-handling procedures, best practices and guidelines on the UBP Intranet.

We are aware of the importance of managing potential breaches in a timely manner. We therefore have strong management, reporting and escalation processes in place, including communicating with the affected individuals and notifying the relevant authorities if required.

Our progress

To help us enhance staff awareness of cyber risks and their consequences, as well as their role in mitigating and minimising such risks, we ran a major cybersecurity campaign in 2022. As part of the campaign, we also hosted a webinar with an ethical hacker to show staff members how social engineering, scams and frauds are constructed, and how we can recognise the warning signs so as to avoid becoming victims of modern-day cybercrime.

We added some new mandatory e-learning courses covering topics like security basics, business continuity, incident response, remote working, physical security and data handling.

We ran several phishing simulations to test our employees' vigilance, and organised a disaster recovery test to ensure business continuity in case of an attack. UBP collaborated with external providers to simulate attacks through penetration tests and address potential vulnerabilities. We intend to use the findings of a penetration test report to improve UBP's internal vulnerability assessment and management procedures.

We also conducted a global cyber incident simulation exercise with members of the Crisis Management Team (CTM) and Cyber Incident Response Team (CIRT), to help us assess our organisation's readiness to manage a major incident and to comply with regulatory requirements.

To comply with changing EU and Swiss regulatory requirements, UBP adapted its Data Protection Agreement document for use with suppliers and counterparties.

The number of cyberattacks remained significant in 2022. While social engineering attempts continued to pose the greatest threat, external fraud incidents increased markedly, highlighting the importance of fraud monitoring. Attacks on third-party suppliers also posed a threat, confirming the need to perform adequate security supplier reviews. In addition, the number of trademark violations grew, with fraudulent websites attempting to replicate UBP's official corporate website in several regions. Increased vigilance and immediate actions to shut down those fake websites were crucial in averting fraud attempts.

While we had to adapt our defence strategy to new attack patterns, we were able to maintain operations in the face of all cyberthreats, with all our services, production systems and applications remaining available to business lines and clients. As in previous years, there were no data or security breaches of systemic relevance, meaning incidents that could affect UBP's smooth running or services provided to clients. We did not receive any complaints from individuals or authorities related to data privacy or security.

Outlook

To adapt to increasingly sophisticated forms of attack, we will work on further enhancing the security and integrity of our secure communication platforms. We will also implement the new FINMA directive on operational risk with regard to data.

Furthermore, in line with regulatory requirements, we will implement a new group directive on data transfer and sharing within the Bank.

Our third TCFD report shows continuous improvement in addressing climate risks and opportunities through a more elaborate strategy and risk management framework. We also provide enhanced disclosures of our climate-related metrics and targets.

7

TCFD Report 2022

Governance

Over the past few years, UBP has developed a clear governance structure, ensuring that climate-related risks and opportunities are overseen and managed by the Board of Directors and senior management.

The Board's Risk Committee determines UBP's overall risk-management strategy, risk tolerance and risk appetite, as well as its strategy for managing sustainability risks, including those relating to the climate, at both Group and business-unit levels. It oversees the Executive Committee (ExCo) to ensure that the relevant policies, processes and systems are implemented effectively at all levels of decision-making.

In addition, the Risk Committee reviews the Bank's risk profile and sustainability risk reports monthly, specifically focusing on the climate impact of UBP's Asset Management funds and mandates, Lombard lending and balance sheet. It is informed annually on progress towards UBP's operational emissions-reduction target, and also validates related policies and shares ESG disclosures with the Board of Directors.

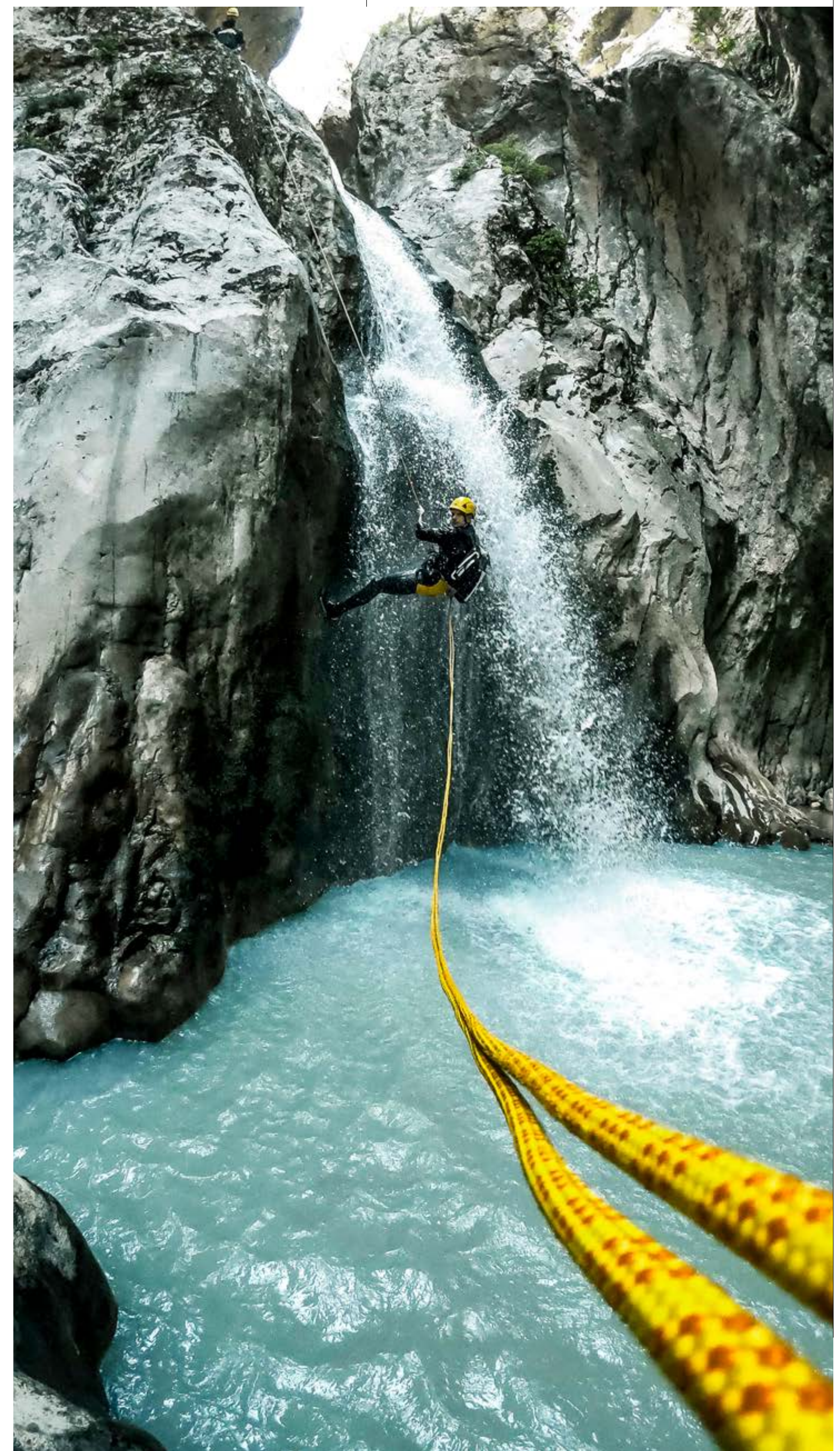
Several other committees play an important role in co-ordinating and integrating climate-related issues into the Bank's investment activities and day-to-day operations.

The Responsible Investing Committee (RICO), which meets at least three times per year, designs responsible investment principles and policies, and drives the integration of climate and other sustainability criteria into our investment processes.

The Corporate Social Responsibility Committee (CSRCO) convenes monthly to define, co-ordinate and monitor the implementation of our Group's policies and measures regarding the environment, talent management, employment and community engagement.

Finally, the Asset and Liability Committee (ALCO) is an executive-level committee that supervises the implementation of the Bank's ESG policy with regard to asset/liability management. It meets monthly and informs management about climate-related issues. The regular documentation submitted to the ALCO includes information on portfolio ESG scores and allocations. The ALCO takes climate-related elements into consideration by monitoring the weighted average carbon intensity of the proprietary book relative to the relevant investment universes, and determines and monitors target allocations for investments in green bonds and private-market impact investments.

In August 2022, UBP appointed a Group Head of Sustainability to lead the development and implementation of the Bank's sustainability roadmap, which includes climate-related matters with regard to both investments and operations. The Group Head of Sustainability regularly attends both RICO and CSRCO meetings and updates the ExCo monthly on the rollout of the sustainability roadmap, escalating matters for the ExCo to take decisions where necessary.



Strategy

Climate change is transforming the playing field for investors. Driven by our fiduciary duty to act in our clients' best interest, we are increasingly factoring in climate issues into our investments to mitigate risks and seize new opportunities.

As a wealth and asset manager, we strive to provide our clients with expertise in responsible investing. To achieve that, we are building an in-house ESG information system, enhancing our risk-management framework and expanding our sustainability offering.

At the same time, as a business ourselves, we deal with some direct, albeit limited, climate risks and opportunities of our own, and have a responsibility to help tackle climate change through our own actions. Our climate strategy therefore guides us in navigating the transition to a decarbonised future across both our investments and our own operations.

Identifying climate-related risks and their impact

According to the TCFD framework, there are two dimensions of climate-related risks: transition risks and physical risks. Both types of risk can have a direct or indirect impact on our financial results, on our business activities and on our reputation.

UBP's business is focused on wealth and asset management. We do not provide corporate lending or investment banking services. This means that UBP is less affected by climate change on a short-term (0-3 years) timescale than more diversified financial institutions such as large universal banks. The risks mostly concern non-compliance with climate-related regulations as well as reputational damage from any failure to address climate issues properly through our investment decisions and operational activities. In the medium (3-10 years) to long term (beyond 10 years), climate change presents a more significant challenge for the Bank and for its clients' investments because of the inherent physical and transition risks it brings.

Due to the nature of our business, we do not face significant operational risks related to climate change, although some minor risks remain.

List of climate-related risks:

	Description	Impact on investments	Impact on operations
Physical risks	▪ Extreme weather events: cyclones, floods, wildfires, heat stress and droughts ▪ Chronic changes in weather: higher temperatures, changing precipitation patterns, rising sea levels and ocean acidification	▪ Changes in the valuation of investee companies caused by damage to property/production assets, lost or lower output, production/supply-chain disruptions, higher operating costs, lower labour productivity and higher insurance premiums (medium to long term)	▪ Damage to office buildings in exposed locations (short, medium and long term) ▪ Business travel disruptions (short, medium and long term)
Transition risks	▪ Policy/regulatory action, technological advances and market changes to transition the economy away from fossil fuels and towards net-zero	▪ Threat to the future viability of investee companies due to stranded assets, loss of operating licences or excessive operating costs (medium to long term) ▪ Changes in the valuation of investee companies due to higher operating costs (e.g. related to input prices, compliance costs, fines) and changing consumer demand (medium to long term) ▪ Sanctions and reputational damage related to non-compliance with climate-related regulations and societal expectations (short, medium and long term)	▪ Energy insecurity (medium to long term) ▪ Rising energy costs (medium to long term) ▪ Increased travel costs (medium to long term) ▪ Carbon pricing (medium to long term) ▪ Enhanced reporting obligations (short, medium and long term) ▪ Sanctions and reputational damage related to non-compliance with climate-related regulations and societal expectations (short, medium and long term)

Identification and impact of climate-related opportunities

Climate change also offers opportunities for the Bank and its clients.

The ExCo has identified the provision of responsible investment products and solutions as a core element of the Bank's strategy and an important opportunity for future growth. Since 2020, we have therefore increased our efforts to develop opportunities to invest in products and services that contribute to climate-change mitigation and adaptation, including:

- A corporate green bond fund, which helps finance mitigation projects;
- A transition infrastructure strategy, which supports energy and environmental transition, digital transition and new forms of mobility;
- Three impact funds, in which climate resilience is one of the six investment themes (see Responsible Investment chapter of the 2022 Sustainability Report) and that aim to invest in companies including those that contribute positively to SDG 7 ("Affordable and clean energy") and SDG 13 ("Climate action"). A fourth fund focusing on biodiversity protection and restoration also indirectly contributes to climate mitigation.

In 2022, we started to roll out the Client Account Sustainability Profile (CASP). The aim is to understand the ESG preferences of all our EU-based wealth management clients covered by MiFID II, and further increase sustainability awareness among clients and wealth-management employees. The CASP will

List of climate-related opportunities

	Description	Impact
Investment-related	▪ Investments in climate mitigation and adaptation solution providers ▪ Investments in companies that are transitioning to a low-carbon business model ▪ Investments in companies that are transitioning to climate-resilient business practices	▪ Seize new investment opportunities (medium to long term) ▪ Protect and grow client wealth (medium to long term) ▪ Increase share-of-wallet with existing clients and attract new ones (short, medium and long term)
Operational	▪ Switch to renewable energy ▪ Energy efficiency measures ▪ Less/more efficient business travel ▪ Supplier Code of Conduct	▪ Increased resilience (medium to long term) ▪ Lower operating costs (short to medium term)

enable us to address client needs more systematically with suitable solutions, while giving clients opportunities to invest in the transition to a low-carbon economy.

Resilience to climate-related risks and opportunities

Climate risk is embedded in our firm-wide risk management framework and in our own operations. The Bank has an inherently strong position in this respect, given its limited exposure to corporate lending and lack of investment banking activities. Moreover, our business is geographically diversified, which reduces physical and transition risks and results in limited exposure to clients and sectors where climate-related risks are greater. We are constantly working to refine our climate risk framework further, for example through forward-looking scenarios. By doing so, we intend to further enhance our resilience.

For our investment activities, we evaluate both transition and physical risks using third-party data from ISS ESG as well as internal assessments. The information used for assessments includes GHG emissions, the breakdown of revenues by business and the distribution of companies' assets. For every company, we isolate each entity's revenues and exposure in terms of geographical location. Climate stress tests are run by ISS ESG and we estimate loss of revenue by location using different scenarios, as explained on p. 42.

Risk management

The identification and assessment of both risks and opportunities is carried out by the RICO and UBP's investment teams for investment portfolios, and by the CSRCO for the Bank's own operations.

Climate-related risks are monitored via the sustainability risk management framework supervised by the Group Risk Committee, which also considers regulatory risks in relation to climate change. A dedicated sustainability risk report is published every month.

Identifying and assessing climate-related risks

To evaluate how resilient and adaptable our investments are to climate change, we have put in place a robust monitoring framework with key climate metrics covering physical and transition risks. We are rolling this framework out across our organisation.

More specifically, we have continued our efforts to address medium- to long-term investment risk by obtaining a better view of our current exposure. We have improved our climate and ESG risk management framework by expanding coverage beyond our asset management franchise. Since 2022, we have also measured ESG risks in our discretionary Wealth Management service, in which clients delegate their investment decisions to UBP.

Similarly, we measure the ESG risks, including those related to climate, of investments held on our own balance sheet, and plan to extend coverage to mortgage and Lombard loans in 2023. However, for many asset classes, especially alternative assets, data is still scarce and common standards are only now emerging, so significant coverage gaps remain.

In 2023, we will work further on closing such gaps, as well as defining risk limits for key risk indicators and continuing to enhance forward-looking scenarios. This will allow the Bank to address medium- and long-term risk more effectively and stay ahead of regulatory developments.

For now, we are applying forward-looking climate scenarios to treasury investments and our Lombard loans on a monthly basis, to Wealth Management (WM) Asian discretionary mandate portfolios every six months, and to Asset Management (AM) portfolios on an annual basis, in order to measure and address transition and physical risks. Where relevant, we compare a portfolio's strategy with its benchmark. The main outliers are analysed to draw conclusions regarding the extent of the climate risk. In addition, we compute the carbon intensity of all our discretionary portfolios in WM on a monthly basis and compare the data from month to month.

The risk assessment is done qualitatively as we believe that the metrics are not yet stable enough, given the low correlation between data providers.

When evaluating climate risk, we produce three types of outputs: transition risks, physical risks and portfolio temperature scores.

Transition risks

When considering future emissions, we need to address both the demand side (e.g. utilities burning fossil fuels) and the supply side (e.g. fossil reserves). For utilities, it matters whether the power generated today and future planned capacity rely on renewable or fossil sources. For companies that own fossil fuel reserves, potential future GHG emissions might indicate a stranded asset risk.

In terms of how companies are dealing with transition risks, we are now able to highlight laggards and outperformers, allowing us to identify potential investment risks and opportunities. We use ISS ESG data to calculate how dependent a company's revenue is on carbon emissions.

The ISS ESG calculation engine gives us an estimated portfolio loss due to transition risk according to the International Energy Agency's (IEA) Net Zero Emissions by 2050 scenario.

For each company, changes in demand (for brown and green activities) and carbon costs are assessed on a geographical basis.

Consequently, the company's future cash flows and the impact on its valuation are estimated.

In the case of green companies, the transition risk figure may be negative, which enables us to identify potential opportunities.

Physical risks

We consider physical climate risks that may arise from permanent changes in the weather or acute weather events, such as tropical cyclones, river floods, wildfires, heat stress and droughts. These may damage property and other production assets, destroy or lower outputs, and cause production or supply-chain disruptions, thereby lowering a company's value and affecting an investment portfolio.

For each company, the ISS ESG calculation engine provides an estimated loss for two scenarios: the most likely (RCP4.5) and the worst case (RCP8.5). Please refer to the metrics and targets section for an explanation of the scenarios (p. 45). The computed figures consider both operational risk (business interruption and repair costs) and market risk (country-level impact on GDP, increased production costs).

Company asset geolocations are mined from public sources at the subsidiary level and mapped back to the parent company. Potential damage to facilities and business interruption costs are assessed at asset level, based on geographical co-ordinates and estimated asset values.

Portfolio temperature

A portfolio's temperature score (on a 2050 time horizon) is computed by ISS ESG in several stages. For each company:

- Carbon emissions are extrapolated from the last five years to determine the trajectory up to 2050.
- The revenue trajectory up to 2050 is extrapolated based on global GDP forecasts and the company's objectives (depending on whether they have set a science-based target and whether this target has been validated by the Science Based Targets initiative (SBTi)).
- The carbon emissions intensity trajectory is then estimated.

The resulting temperature score factors in the relationship between rising emissions and temperatures, as provided by the IEA World Energy Outlook.

The IEA has defined multiple climate scenarios, which each imply a different carbon budget. ISS ESG uses the sustainable development scenario (SDS) to calculate the temperature increase by 2050. This scenario is fully aligned with the Paris Agreement, which aims to limit the rise in global temperatures to "well below 2°C […] while pursuing efforts to limit [it] to 1.5°C" and meets the objectives of the Sustainable Development Goals (SDGs) to achieve universal access to energy (SDG 7), reduce the severe health impacts of air pollution (part of SDG 3) and tackle climate change (SDG 13).

The climate scenario alignment approach is inspired by the emission reduction methodology of the Sectoral Decarbonization Approach (SDA) developed by SBTi around the IEA scenarios. For each sector, the approach allocates a carbon budget that defines how much carbon can be burnt to remain within the given scenario. A carbon budget specifies the amount of fossil CO_2 that can be emitted worldwide to remain below a certain temperature.

For each company, we estimate the carbon emissions trajectory up to 2050, based on reported data and considerations of a company's climate strategy and sector. We then compare the portfolio temperature score with the benchmark (where relevant).

For now, climate risks are regarded as low compared to traditional risk categories such as market risk or credit risk, especially as regards UBP's own assets.

Managing climate risks

UBP's responsible investment practices ensure that climate risks, and more broadly ESG risks, are included in the analysis of the companies in which we invest:

- Negative screening: we have a list of controversial businesses that we exclude from our portfolios. In the context of climate change, all our UBP-branded public funds and certificates exclude coal extraction (revenue thresholds apply), and we apply stricter criteria to sectors such as coal-powered electricity generation and unconventional oil and gas for our SFDR Art. 8 and 9 funds.
- ESG integration: UBP's investment teams are encouraged to assess ESG issues, including climate considerations, as part of their research and stock selection processes.
- Active ownership: investment teams are also encouraged to engage, directly or collaboratively (e.g. via CDP: see our 2022 Sustainability Report), with company management on relevant matters such as the climate. This is based on the conviction that divesting from controversial companies is sometimes not the best way of bringing about change within those companies.
- Impact investing: our impact range aims to help finance the SDGs by investing in companies that have a measurable positive impact on society and/or the environment.

In addition, we manage the implications of physical climate effects through appropriate measures, aiming to improve the resilience of the proprietary book and Lombard loans. UBP identifies each portfolio's riskiest holdings, and evaluates each company's exposure to and management of physical risks (broken down by sub-risk such as flooding, droughts etc.). Any outliers are discussed in the monthly risk committee for further decision-making.

Climate risks within UBP's overall risk management

We believe that climate-related risks are not a new or separate risk class, but need to be included in the conventional classes commonly used in banking risk management, such as operational, market, credit and reputational risks. While operational risk reports have always factored in the physical risk component of our own operations (Business Continuity Management, Disaster Recovery Plan), climate risk is yet to be integrated within traditional risk metrics such as market risk and credit risk.

Metrics & targets

Our TCFD reporting for 2022 represents a significant step forward, extending the scope of metrics to start covering both our Wealth Management business and the Bank's own balance sheet in addition to our Asset Management business and operations.

This section first looks separately at both strands of UBP's Asset Management business, i.e. funds and mandates. Strategies implemented in mandates depend primarily on investor choice while, as an asset manager, we have more discretion on the management of our funds. We then provide metrics on our discretionary portfolio management and advisory portfolios, as well as our own investments and operations.

Asset management

UBP's Asset Management division (UBP AM) covers the Group's asset management activities, which are primarily conducted for institutional clients around the world.

As of 31 December 2022, UBP had CHF 33.9 billion in assets under management across open-ended funds as well as dedicated funds and mandates for institutional clients.

UBP AM reports on the carbon footprint of long-only internally managed funds (including CHF 2.2 billion in funds managed by its Investment Services teams for WM clients) domiciled in Luxembourg, France, and Switzerland, and of its institutional long-only internally managed mandates. This represents a total of CHF 23.2 billion.

We report on direct investments in listed equities, corporate bonds and sovereign bonds. This approach is inspired by the latest developments in climate accounting standards, such as those of the Partnership for Carbon Accounting Financials (PCAF) and based on the availability of data. Investments in ETFs, index funds or funds invested in listed equities, corporate bonds or sovereign bonds are not considered at this stage due to the lack of look-through.

The analysis does not cover:

- Alternative investments, due to their extensive use of derivatives and the lack of consensus on how to address such derivatives and the netting of positions;
- Funds of funds, funds of hedge funds and mandates invested in funds, due to the lack of look-through data;
- Private markets, due to the lack of consensus on methodologies and data;
- Externally managed funds and mandates, which are distributed by UBP AM but neither managed nor advised by UBP.

Our Asset Management division is committed to extending its disclosure to other asset classes over time, as and when data and methodology standards become more readily available.

UBP AM's open-ended funds domiciled in Luxembourg, France, and Switzerland (the "Funds") have AuM of CHF 16.6 billion.

Equities and bonds (corporate and sovereign) amount to CHF 13.3 billion (80%) of the Funds' AuM. The remaining assets are invested primarily in other funds, ETFs and cash, which are excluded from the analysis below (notably due to the lack of look-through data on the holdings of investee funds). As an asset manager, we have discretion regarding the management of our Funds. Accordingly, our most ambitious climate efforts relate to our Funds.

UBP AM's institutional mandates and dedicated funds (hereafter "Mandates") had AuM of CHF 6.6 billion as of 31 December 2022. Equities and bonds (corporate and sovereign) amounted to CHF 5.3 billion, i.e. 80% of the Mandates' AuM. The remaining assets were invested primarily in funds, ETFs and cash, which are excluded from the analysis below.

The management of institutional mandates is primarily driven by guidelines and investment approaches selected by investors. We have started to engage with a select number of clients and have already seen some of these mandates adopt tighter ESG guidelines, including on climate. We are looking to increase engagement over time to encourage investors to adopt more stringent climate guidelines.

For equities and corporate bonds, carbon emissions are reported using an allocation based on Enterprise Value Including Cash Allocation (EVIC), as recommended by PCAF. Carbon emissions for sovereign bonds are reported using an allocation based on nominal GDP.

Equities and corporate bonds

For corporate issuers, we use ESG data from ISS ESG for all climate metrics. ISS ESG primarily uses information published by companies, for example emissions data disclosed in their Sustainability/TCFD reports or through the CDP. Where information is not available, ISS ESG will estimate emissions. Information on the ISS ESG methodology is available here and in the Appendix.

Table 1: Carbon emissions – Listed equities and corporate bonds

Asset class	CHF mn	Coverage[1]	Disclosing holdings[2] (weighting)	Scope 1+2 (tonnes of CO_2e)	Scope 1+2+3 (tonnes of CO_2e)	Carbon footprint[2] tCO_2e/ CHF mn invested
Funds – Listed Equity holdings	4,701	98.7%	86.5%	85,961	1,720,853	18.52
Funds – Corporate Bond Holdings	4,736	94.0%	96.1%	333,829	2,036,383	74.98
Mandates – Listed Equity holdings	1,041	98.7%	88.2%	48,516	455,224	47.23
Mandates –Corporate Bond Holdings	2,860	92.1%	95.2%	293,986	2,009,067	111.59

Source: ISS ESG – as of 30/12/2022
*Based on scope 1+2

1 Coverage: percentage of the fund (or "covered assets") for which carbon emission data are available (either reported or estimated).
2 Disclosing holdings: percentage of covered assets that report their carbon emissions. For other holdings, carbon emissions are estimated by ISS ESG.

Carbon intensity

Although total emissions, including Scope 3, are disclosed above, we are conscious of the data's limitations. This is due in particular to the high proportion of estimates, as few companies disclose their Scope 3 emissions in full, and because of the risk of double-counting.

As a result, our strategy for now is to monitor and manage our Funds' Weighted Average Carbon Intensity (WACI) based on Scopes 1 and 2 only, with the aim of keeping it below that of the investment universe and reducing it over time.

Table 2, based on data by ISS ESG data, therefore refers to Scope 1 and 2 emissions only.

In 2022, the carbon emissions of our Funds' equity holdings fell. This was partly due to a reduction in invested assets but also, and more importantly, to the reduction in the carbon intensity of investee companies. The WACI fell to 59.51 tonnes CO_2e per CHF mnillion of revenue from 71.8 tCO_2e/CHF mn in 2021, remaining significantly lower than that the global equity investment universe as our equity holdings continue to be invested primarily in low carbon and impact strategies.

Table 2: Carbon Intensity – listed equities and corporate bonds

Asset class	WACI – tCO_2e/ CHF mn revenue	WACI* – investment universe**
Funds – Listed Equity holdings	59.51	166.89
Funds – Corporate Bond Holdings	142.80	214.83
Mandates – Listed Equity holdings	95.58	166.89
Mandates – Corporate Bond Holdings	207.46	214.83

Source ISS ESG, based on Scopes 1 and 2 only, as of 30/12/2022

* WACI: Weighted Average Carbon Intensity

**Global equities as measured by the MSCI All Countries World Index and global corporate bonds as measured by the Barclays Global Aggregate Corporate Bond Index.

A similar shift is now also taking place for our Funds' fixed-income assets, where the WACI fell to 142.80 tCO_2e/CHF mn from 213.8 tCO_2e/CHF mn in 2021. As a result, the Funds' holdings in corporate bonds now exhibit a significantly lower WACI than their investment universe. Many of our fixed income Funds have adopted more stringent investment criteria, especially in regard to fossil fuels, in line with their decision to promote environmental and social characteristics as per SFDR Article 8. Some of our Funds have also increased their holdings in companies that have implemented ambitious climate strategies and committed to or adopted science-based targets.

In contrast, only a small proportion of our Mandates have so far adopted ESG and climate considerations. In 2022, this resulted in an increase in carbon emissions and carbon intensity as high-emitting sectors like energy outperformed. We will continue to engage with institutional clients to encourage them to adopt more sustainable investment guidelines in the coming years.

UBP AM - investments[3] in companies exposed to coal or unconventional oil and gas is described in Table 3.

Table 3: Exposure to fossil fuels

Exposure	CHF mn	Thermal coal: Extraction	Thermal coal: Coal-powered electricity	Unconventional oil and gas
Funds – Listed Equity holdings	4,701	0.00%	0.02%	0.00%
Funds – Corporate Bond Holdings	4,736	0.00%	0.15%	0.02%
Mandates – Listed Equity holdings	1,041	0.00%	0.09%	0.02%
Mandates -Corporate Bond Holdings	2,860	0.0%	0.35%	0.27%

Source: 2023 MSCI ESG Research – as of 30/12/2022

Climate Transition Assessment

To improve the decarbonisation profile of our Funds, we are continuing to increase the proportion of companies with ambitious emission-reduction targets, especially those committed to SBTi targets or whose targets have been approved by the SBTi.

At the end of 2022, 62% of our Funds' equity holdings (vs. 47% in 2021) and 43% of their corporate bond holdings (vs. 38% in 2021) had committed to SBTi targets or had targets approved by the SBTi.

With regard to Mandates, 71% of our Mandates' equity holdings (vs. 49% at the end of 2021) and 47% of our corporate bond holdings (vs. 33% resp.) had committed to targets approved by the SBTi.

Increased the proportion of companies with committed or approved SBTi targets

Looking ahead: temperature trajectory

To determine the warming potential associated with a portfolio, ISS ESG uses scenario alignment analysis, which compares current and future portfolio GHG emissions with the carbon budgets of the IEA Sustainable Development Scenario (SDS) as described in the Risk Management section of this report.

Based on the above-mentioned SDS scenario, as of 31 December 2022:

- Our Funds' equity holdings represented a potential temperature increase of 1.5°C by 2050, whereas global equities (as measured by the MSCI All Countries World Index) represented a potential temperature increase of 2.8°C (vs. 2.9°C in 2021). This reflects the large proportion of low-carbon and impact strategies in our equity fund offering.
- Our Funds' corporate bond holdings represented a potential temperature increase of 2.7°C by 2050 (vs. 2.9°C in 2021), in line with the global corporate bond market (as measured by the Barclays Global Aggregate Corporate Bond Index).

We also observed positive developments in our Mandates:

- Our Mandates' equity holdings represented a potential temperature increase of 2.2°C by 2050 (vs. 2.3°C at the end of 2021).
- Our Mandates' corporate bond holdings represented a potential temperature increase of 2.9°C by 2050 (down from 3.3°C at the end of 2021).

Looking ahead: climate-related Value at Risk

We use ISS ESG data for scenario analysis and have started to monitor potential financial losses (or Value at Risk) that may result from both climate-related transition and physical risks:

- **Climate Transition VaR** measures the expected change in portfolio value[4] as a result of the transition to a net-zero economy. The change may be caused by factors including policy, regulation, technology and customer preferences. The method takes a bottom-up, granular approach to measuring the effect that changes in the global economy (driven by climate change mitigation) will have on a company's valuation. It is based on the IEA Net Zero Emissions by 2050 (NZE2050) scenario.

3 Thermal coal extraction: percentage of equity or bond holdings invested in companies whose revenues derived from the mining of thermal coal, or its sales to external parties, are more than or equal to 20%. Thermal coal includes lignite, bituminous coal, anthracite and steam coal. This excludes revenues from metallurgical coal, coal mined for internal power generation, intra-company sales of mined thermal coal and revenues from coal trading. Revenues may be either reported or estimated by MSCI ESG Research.
Coal-powered electricity: percentage of equity or bond holdings invested in companies whose revenues derived from thermal coal-based power generation are more than or equal to 20%. Revenues may be either reported or estimated by MSCI ESG Research.
Unconventional oil and gas: percentage of equity or bond holdings invested in companies whose revenues derived from unconventional oil and gas are more than or equal to 10%. This includes revenues from oil sands, oil shale (kerogen-rich deposits), shale gas, shale oil, coal seam gas, coal bed methane as well as Arctic onshore/offshore production. Revenues may be either reported or estimated by MSCI ESG Research.

4 These VaR calculations follow an equity-based analysis. They should not be interpreted as the potential change in the price of a bond. Nevertheless, VaR remains a useful metric for fixed income as it is a holistic indicator of an issuer's exposure to physical or transition risks, even if not directly material to the bond price itself.

- **Climate Physical VaR** measures the expected change in portfolio value[5] as a result of the portfolio's exposure to climate-related physical risks (both acute and chronic risks), based on companies' geographical footprint and the nature of their business activities. ISS ESG calculates the physical VaR for two climate scenarios developed by the Intergovernmental Panel on Climate Change (IPCC): the RCP4.5 (or "Likely scenario") and the RCP8.5 (or "Worst-case scenario"). RCP4.5 and RCP8.5 are two of four Representative Concentration Pathways (RCPs) developed by IPCC[6] to model future greenhouse gas concentrations, along with climate change and its potential impacts on the planet. The four RCPs represent different levels of future GHG emissions and the resulting radiative forcing (i.e. the amount of energy trapped in the Earth's atmosphere).
  - RCP4.5 assumes that radiative forcing will stabilise at 4.5 watts per square metre (W/m2) by 2100, which is considered to be consistent with a 50% chance of limiting global warming to 2°C above pre-industrial levels. The scenario assumes a combination of policies and technologies that result in a transition to low-carbon energy sources, including renewables, nuclear and carbon capture and storage (CCS) technologies.
  - RCP8.5 is a high-emissions scenario that assumes GHG emissions increasing throughout the 21st century. This scenario leads to a radiative forcing of 8.5 W/m2 by 2100, resulting in a global temperature increase of more than 4°C above pre-industrial levels by the end of the century. The RCP8.5 scenario assumes a continued reliance on fossil fuels and limited deployment of low-carbon energy technologies.

2022

Net-zero targets submitted under Net Zero Asset Management initiative

Table 4: Climate Value at Risk

	AuM CHF mn	Transition VaR (net zero 2050 scenario) CHF mn	Physical VaR (Likely scenario) CHF mn	Physical VaR (Worst-case scenario) CHF mn
Funds – Listed Equity holdings	4,701	127.2	41.5	63.1
*Expected loss vs. investment universe**		*-2.7% vs. -6.0%*	*-0.9% vs. -0.9%*	*-1.3% vs. -1.3%*
Funds – Corporate Bond Holdings	4,736	185.9	25.9	39.7
*Expected loss vs. investment universe**		*-3.9% vs. -6.0%*	*-0.5% vs. -0.5%*	*-0.8% vs. -0.8%*
Mandates – Listed Equity holdings	1,041	32.8	6.1	9.2
*Expected loss vs. investment universe**		*-3.0% vs. -6.0%*	*-0.6% vs. -0.9%*	*-0.9% vs. -1.3%*
Mandates – Corporate Bond Holdings	2,860	161.3	24.1	36.8
*Expected loss vs. investment universe**		*-5.6% vs. -6.0%*	*-0.8% vs. -0.5%*	*-1.2% vs. -0.8%*

Source: ISS ESG as of 30/12/22

*Global equities as measured by the MSCI All Countries World Index and global corporate bonds as measured by the Barclays Global Aggregate Corporate Bond Index.

5 Ibid.

6 IPCC 2014, "Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change" [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland.

Sovereign bonds

The Funds' sovereign bond holdings amount to CHF 3.96 billion and have a weighted average GHG intensity of 269.2 tonnes of CO_2e/USD million of nominal GDP vs. 309.9 tonnes of CO_2e/USD million of nominal GDP in 2021.[7]

For Mandates, sovereign bond holdings amount to CHF 1.39 billion and have a weighted average GHG intensity of 281.2 tonnes of CO_2e/USD million of nominal GDP vs. 312.3 tonnes of CO_2e/USD million of nominal GDP in 2021.

All countries in which the Funds and Mandates are invested have ratified the Paris Agreement.

Targets

UBP Asset Management (Europe) S.A., our Luxembourg-based asset management company and parent company of UBP Asset Management (France), signed up to the Net Zero Asset Management (NZAM) Initiative at the end of 2021, thus agreeing to halve the carbon emissions of its portfolios by 2030 and encourage investments in climate solutions in order to reach net zero by 2050 or sooner.

At the end of 2022, we submitted our net zero targets, including our emissions-reduction targets, based on the Paris Aligned Investment Initiative's Net Zero Investment Framework. The UBP SA parent company is working on an overall transition plan, which is also one of the requirements of the Swiss non-financial disclosure regulations that will come into force in 2024.

Our targets follow the recommendations of NZAM and the Net Zero Investment Framework and were published in January 2023 on the NZAM website.

Proportion of AuM covered by net zero targets

The initial proportion of AuM to be managed in line with net zero targets includes corporate bond and equity direct holdings in the open-ended funds managed by UBP Asset Management (Europe) and its wholly owned subsidiary UBP Asset Management (France). This covers 54% of their total AuM. We aim to include mandates and dedicated funds upon client approval. To achieve this, a clear plan for engaging with our asset-owning clients will be defined in the coming months.

Due to methodological and technical limitations, the proportion of AuM covered by net zero targets currently excludes other asset classes and indirect holdings. We are committed to gradually increasing the proportion of AuM managed in line with net zero to 100% as data and methodologies become available.

GHG scopes included:

Our decarbonisation target is based on Scope 1 and 2 GHG emissions. We intend to include Scope 3 emissions once data of sufficient quality become available.

Target 1: Portfolio Decarbonisation Reference Target

- Reduce the weighted average carbon intensity of our investee companies by 50% by 2030 and reach net zero emissions by 2050. This is in line with a science-based emissions reduction pathway (P2 emission pathway contained in the IPCC special report on global warming of 1.5°C).
- 2019 baseline: WACI = 144.56 tonnes CO_2e/USD million.

Target 2: Portfolio Coverage Target

- 100% of AuM in material sectors should be net zero or aligned to net zero by 2040.
- 2021 baseline: proportion of companies aligned, aligning or committed in High Impact Sectors = 19%.

We are also working on setting internal targets to increase AuM in climate solutions (e.g. green bonds, investments aligned with the EU Taxonomy) and to engage with issuers in the most material sectors to encourage them to adopt strategies aligned with a net-zero economy. We also plan to engage clients invested in dedicated funds and mandates to promote investment strategies aligned with a net-zero objective.

7 Source: MSCI ESG Research. Tonnes of CO_2e emissions per EUR million GDP of the country. National territorial emissions are sourced from EDGAR. Nominal GDP figures are sourced from WDI. The currency conversion of nominal GDP to euros uses the average annual nominal exchange rate.

Wealth Management

For our Wealth Management discretionary portfolio management (DPM) business and advisory portfolios, we track the WACI based on Scope 1 and 2 emissions monthly.

At this stage, we do not consider Scope 3 data sufficiently reliable and do not track WACI against benchmarks.

The WACIs of the DPM business and advisory portfolios were as follows as of mid-December 2022:

Constituents	WACI (tCO_2e/USD mn of sales)	Coverage
DPM	144.7	59.9%
Advisory	221.3	42.5%

Only portfolios with AuM > CHF 100,000 are considered. All accounts have been grouped by type of mandate.

Source: MSCI, 14 December 2022. Based on Scope 1 and 2 emissions.

Proprietary Book

UBP invests some of the excess liquidity on its balance sheet in corporate and sovereign bonds, on which we track Scope 1 and 2 emissions based on MSCI data. Scope 3 data is not currently considered reliable. Due to the nature and composition of the investment portfolio, its climate and transition risks are regarded as low. The portfolio's overall exposure to fossil fuels is 3.74% of its corporate bond allocation, i.e. CHF 137.7 million.

Our strategy contributes to energy transition by investing in green bonds, of which we held more than CHF 1 billion at the end of 2022. The target allocation is reviewed by the ALCO every year.

The WACI of the bond portfolio at the end of December 2022, based on MSCI data for Scopes 1 and 2, is presented in the table below.

Constituents	WACI (tCO_2e/CHF mn of sales or GDP)	Coverage	WACI investment universe
Corporates	49.4	36.8%	202.3
Sovereigns	262.5	41.9%	437.2

Source: MSCI, 31 December 2022. Based on Scope 1 and 2 emissions. The investment universes are the Bloomberg Global Aggregate 1-10Y indices for corporate and sovereign bonds respectively.

Green bonds

The only bonds we consider green are those selected by Bloomberg and marked as such with the green leaf symbol.

According to Bloomberg, this requires: the issuer to comply with a green bond framework, including any relevant disclosures or reporting requirement; the issuer to clearly outline that the net bond proceeds will be entirely designated for market accepted green activities (projects or activities that promote climate change mitigation or adaptation, or other environmental sustainability purposes); and a second party opinion for validation.

Our own operations

To address climate-related risks and support the transition to a low-carbon economy, we are working towards a 25% reduction in our operational Scope 1, 2 and 3 emissions by 2025 compared with 2019. We are striving to move to renewable energy wherever feasible and to continue reducing energy consumption through a range of efficiency measures.

In 2022, our overall GHG emissions increased by 27%, although they remained 36% below the restated 2019 levels. We reduced our Scope 1 emissions by 29%, mainly as a result of a decrease in energy consumption for heating and an increase in the share of renewable sources to heat office spaces. Scope 2 emissions increased by 12% compared with the previous year, partially due to improved reporting (see Appendix). However, in line with our target, we increased the proportion of the electricity we consume coming from renewable sources by a further 8 points to 88% in 2022. Our Scope 3 emissions went up by 49% as employees resumed business travel and gradually returned to the office following the lifting of Covid-19 restrictions in many jurisdictions, although they remained 38% below 2019 levels.

We are continuously working on tackling our Scope 3 emissions through measures addressing business travel, which is responsible for 37% of our Scope 3 emissions. After introducing a stricter travel policy in 2021, we are developing an internal carbon price for air travel, which we will apply from 2024. We are planning additional measures aimed at curbing travel- and commuting-related emissions, which account for 28% and 33% respectively of our total carbon footprint.

We are currently offsetting our remaining operational carbon emissions and plan to move towards carbon removal for our residual emissions in the coming years. As further emission reductions will require innovation, UBP joined the Swiss Climate Foundation in 2022, donating its Swiss carbon tax rebate to innovation projects undertaken by Swiss SMEs that reduce the carbon intensity of the economy.

For more information about our operational emissions reduction strategy and the progress we made in 2022, please refer to the climate chapter of our 2022 Sustainability Report.

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About this report

In line with our commitment to transparent reporting, we have created UBP's 2022 Sustainability Report in accordance with GRI and sought limited external assurance for a selection of sustainability indicators.

About this report

UBP is publishing its third Sustainability Report according to the GRI Standards, the world's most widely used framework for sustainability reporting, offering a structured format to coherently and comprehensively communicate about material issues and related performance metrics.

The report has been prepared in accordance with the GRI Universal Standards 2021. The reporting principles for defining the material topics and quality have been applied throughout the information and report development process.

UBP is reporting against a new set of material topics identified as part of a comprehensive materiality assessment process based on the double materiality concept. The reporting period is the calendar year 2022. This is the same as for our financial reporting. UBP commits to an annual reporting process. The previous Sustainability Report was published on 23 June 2022.

This report contains restatements related to our GHG emissions data for the baseline year (2019) as well as restatements in the return-to-work and retention rate after parental leave following a correction in the methodology applied to the 2021 calculations.

The reporting scope comprises all our locations unless otherwise specified for a specific disclosure.

The list of consolidated subsidiaries is available in UBP's Annual Report 2022 (available on www.ubp.com), p. 46-48.

In the reporting period, UBP completed the integration of Danske Bank International S.A. (DBI) in Luxembourg. As part of our ongoing efforts to optimise the Group's structure and focus on our core markets and activities, UBP closed its Nassau branch. UBP also sold and transferred our US client business (UBP Investment Advisors, known as UBP IAS). This report has been approved by UBP's Executive Committee and Board of Directors. A selection of sustainability indicators presented in this report has been assured externally (limited assurance). The contact point for questions regarding this report is sustainability@ubp.ch.

GRI Content Index

Statement of use	Union Bancaire Privée (UBP) has reported in accordance with the GRI Standards for the period January 1st 2022 - December 31st 2022
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	NA

Disclosure	Location (page)	Omission		
		Requirement(s) omitted	Reason	Explanation
General disclosures				
GRI 2: General Disclosures 2021				
2-1 Organisational details	Front cover, p. 7 & p. 48			
2-2 Entities included in the organisation's sustainability reporting	p. 48			
2-3 Reporting period, frequency and contact point	p. 48			
2-4 Restatements of information	p. 48			
2-5 External assurance	p. 48			
2-6 Activities, value chain and other business relationships	p. 7			
2-7 Employees	p. 52 - 53			
2-8 Workers who are not employees	p. 52 - 53			
2-9 Governance structure and composition	p. 10. See also UBP Annual Report 2022			
2-10 Nomination and selection of the highest governance body	p. 10. See also UBP Annual Report 2022			
2-11 Chair of the highest governance body	See UBP Annual Report 2022			
2-12 Role of the highest governance body in overseeing the management of impacts	p. 10. Also TCFD Report 2022 p. 38-46. See also UBP Annual Report 2022			
2-13 Delegation of responsibility for managing impacts	p. 10			
2-14 Role of the highest governance body in sustainability reporting	p. 48			
2-15 Conflicts of interest	See UBP Annual Report 2022			
2-16 Communication of critical concerns	p. 36			
2-17 Collective knowledge of the highest governance body	p. 10. See also UBP Annual Report 2022			
2-18 Evaluation of the performance of the highest governance body	p. 10			
2-19 Remuneration policies	p. 28. See UBP Annual Report 2022			
2-20 Process to determine remuneration	p. 28			
2-21 Annual total compensation ratio	p. 54			

GRI Content Index

Disclosure	Location (page)	Omission		
		Requirement(s) omitted	Reason	Explanation
2-22 Statement on sustainable development strategy	p. 3			
2-23 Policy commitments	p. 35 - 36			
2-24 Embedding policy commitments	p. 35 - 36			
2-25 Processes to remediate negative impacts	p. 35 - 36			
2-26 Mechanisms for seeking advice and raising concerns	p. 35 - 36			
2-27 Compliance with laws and regulations	p. 35 - 36			
2-28 Membership associations	p. 13			
2-29 Approach to stakeholder engagement	p. 12			
2-30 Collective bargaining agreements		Yes	Not applicable	Not relevant in private banking industry
Material topics				
GRI 3: Material Topics 2021				
3-1 Process to determine material topics	p. 11			
3-2 List of material topics	p. 11			
Anti-corruption				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 35: Business ethics and compliance			
GRI 205: Anti-corruption 2016				
205-1 Operations assessed for risks related to corruption		Yes	Not applicable	UBP focuses on tools and controls to identify and mitigate corruption risks in relation to financial crime, terrorist financing and sanctions. These are applied at the Group level.
205-2 Communication and training about anti-corruption policies and procedures	p. 35			
205-3 Confirmed incidents of corruption and actions taken		Yes	Confidentiality constraints	Sensitive information for us operating in a highly confidential and competitive sector.

Disclosure	Location (page)	Omission		
		Requirement(s) omitted	Reason	Explanation
Energy				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 23			
GRI 302: Energy 2016				
302-1 Energy consumption within the organisation	p. 52			
302-2 Energy consumption outside of the organisation		Yes	Not applicable	Only report on GHG emissions over which we have operational control
302-3 Energy intensity	p. 52			
302-4 Reduction of energy consumption	p. 52			
302-5 Reductions in energy requirements of products and services		Yes	Not applicable	Not relevant in financial industry as no direct impact.
Emissions				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 23			
GRI 305: Emissions 2016				
305-1 Direct (Scope 1) GHG emissions	p. 52			
305-2 Energy indirect (Scope 2) GHG emissions	p. 52			
305-3 Other indirect (Scope 3) GHG emissions	p. 52			
305-4 GHG emissions intensity	p. 52			
305-5 Reduction of GHG emissions	p. 24			
305-6 Emissions of ozone-depleting substances (ODS)		Yes	Not applicable	Not relevant in financial industry as no direct impact.
305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		Yes	Not applicable	Not relevant in financial industry as no direct impact.
Employment				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 28			
GRI 401: Employment 2016				
401-1 New employee hires and employee turnover	p. 52 - 54			
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	p. 52 - 54			
401-3 Parental leave	p. 52 - 54			

Disclosure	Location (page)	Omission		
		Requirement(s) omitted	Reason	Explanation
Training and education				
GRI 3: Material Topics 2021				
3-3 Management of material topics (relevant for sustainability awareness as well as general training)	p. 14 & p. 28			
GRI 404: Training and Education 2016				
404-1 Average hours of training per year per employee	p. 54			
404-2 Programs for upgrading employee skills and transition assistance programs	p. 29			
404-3 Percentage of employees receiving regular performance and career development reviews	p. 54			
Diversity and equal opportunity				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 28			
GRI 405: Diversity and Equal Opportunity 2016				
405-1 Diversity of governance bodies and employees	p. 54			
405-2 Ratio of basic salary and remuneration of women to men	p. 54			
Non-discrimination				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 28			
GRI 406: Non-discrimination 2016				
406-1 Incidents of discrimination and corrective actions taken	p. 54			
Local communities				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 32			
GRI 413: Local Communities 2016				
413-1 Operations with local community engagement, impact assessments, and development programs		Partial	Not applicable	As a bank operational impact is minimal
413-2 Operations with significant actual and potential negative impacts on local communities		Yes	Not applicable	As a bank operational impact is minimal

Disclosure	Location (page)	Omission		
		Requirement(s) omitted	Reason	Explanation
Marketing and labeling				
GRI 3: Material Topics 2021				
3-3 Management of material topics (relevant in responsible investing, which includes transparent and fair information)	p. 16-20. See also UBP UK Stewardship Code			
GRI 417: Marketing and Labeling 2016				
417-1 Requirements for product and service information and labeling	p. 16-20	Partial	Not applicable	Not all are relevant for banking products and services
417-2 Incidents of non-compliance concerning product and service information and labeling	Zero incidents			
417-3 Incidents of non-compliance concerning marketing communications	Zero incidents			
Customer privacy				
GRI 3: Material Topics 2021				
3-3 Management of material topics	p. 37			
GRI 418: Customer Privacy 2016				
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	p. 37			

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Appendix

Environmental key performance indicators

	2019	2020	2021	2022	2022 vs 2021
Energy consumption within the organisation (GRI 302-1)					
Total energy consumption GJ	**45,660**	**41,431**	**41,905**	**39,701**	**-5.3%**
Total energy consumption MWh	**12,683**	**11,509**	**11,640**	**11,028**	**-5.3%**
From non-renewable sources (in GJ)	23,086	20,046	19,197	14,706	-23.4%
From renewable sources (in GJ)	22,574	21,385	22,708	24,995	10.1%
Electricity (in GJ)	**30,522**	**27,056**	**28,154**	**27,897**	**-0.9%**
Electricity (in kWh)	**8,478,370**	**7,515,435**	**7,820,606**	**7,749,134**	**-0.9%**
Renewable electricity (in kWh)	6,232,212	5,892,755	6,254,729	6,850,168	9.5%
Conventional electricity (in kWh)	2,246,158	1,622,680	1,565,877	898,966	-42.6%
Share of renewable electricity	73.51%	78.41%	79.98%	88.40%	8.4%
Heating and cooling (in GJ)	**15,138**	**14,375**	**13,751**	**11,804**	**-14.2%**
Heating and cooling (in kWh)	**4,205,065**	**3,993,163**	**3,819,606**	**3,278,821**	**-14.2%**
From non-renewable sources (in GJ)	**15,000**	**14,204**	**13,559**	**11,469**	**-15.4%**
From non-renewable sources (in kWh)	**4,166,683**	**3,945,611**	**3,766,506**	**3,185,935**	**-15.4%**
Heating oil (in kWh)	0	0	0	99,680	NA
Natural gas (in kWh)	4,166,683	3,945,611	3,766,506	2,597,071	-31.0%
District heating (in kWh)	NA	NA	NA	8,559	NA
District cooling (in kWh)	NA	NA	NA	480,625	NA
From renewable sources (in GJ)	**138**	**171**	**191**	**334**	**74.9%**
From renewable sources (in kWh)	**38,382**	**47,552**	**53,101**	**92,886**	**74.9%**
Biogas (in kWh)	38,382	47,552	53,101	92,886	74.9%
Share of renewable heating	0.91%	1.19%	1.39%	2.83%	1.4%
Energy intensity (GRI 302-3)					
Energy intensity (in kWh/ CHF mn revenues)	11,887.0	10,745.7	10,264.7	9,091.5	-11.4%
Energy intensity (in kWh/FTE)	7278.9	6352.8	6112.3	5632.7	-7.8%
Total GHG emissions in tonnes CO_2e					
Total	7,717	4,129	3,889	4,955	27.4%
Direct (Scope 1) GHG emissions (GRI 305-1) in tonnes CO_2e					
Total	894	870	787	558	-29.1%
Heating and cooling	850	808	774	535	-30.8%
Loss of coolant	44	62	13	23	78.6%
Indirect (Scope 2) GHG emissions (GRI 305-2) in tonnes CO_2e					
Scope 2 (location-based)	1,521	1,360	1,439	1,453	0.9%
Scope 2 (market-based)	771	604	579	648	11.8%
Other indirect (Scope 3) GHG emissions (GRI 305-3) in tonnes CO_2e					
Total	6,052	2,655	2,523	3,749	48.6%
Purchased goods and services	317	373	397	610	53.7%
Waste generated in operations	65	48	46	88	90.9%
Business travel	4,063	723	855	1,399	63.6%
Employee commuting	1,606	1,510	1,225	1,653	34.9%

Environmental KPIs

	2019	2020	2021	2022	2022 vs 2021
GHG emissions intensity (GRI 305-4)					
Scope 1 + 2 GHG emissions intensity (in tCO_2e/CHF mn revenues)	1.6	1.4	1.2	1.0	-17.5%
Scope 3 GHG emissions intensity (in tCO_2e/CHF mn revenues)	5.7	2.5	2.2	3.1	38.9%
Scope 1 + 2 GHG emissions intensity (in tCO_2e/FTE)	1.0	0.8	0.7	0.6	-14.1%
Scope 3 GHG emissions intensity (in tCO_2e/FTE)	3.5	1.5	1.3	1.9	44.5%

Human resource key performance indicators

	2019	2020	2021	2022
Information on employees and other workers (2-7 and 2-8)				
Employees at the beginning of the year				
Total number of employees (excluding apprentices, interns, trainees, externals in FTE)	1,795	1,757	1,799	1,960
Total number of employees (excluding apprentices, interns, trainees, externals, Headcount)	-	-	1,859	2,027
Female			773	813
Male			1,086	1,214
Employees at the end of the year				
Total number of employees (excluding apprentices, interns, trainees, externals in FTE)	1,736	1,805	1,899	1,949
Total number of employees (excluding apprentices, interns, trainees, externals, Headcount)	1,803	1,868	1,957	2,008
Female	759	781	798	808
Male	1,044	1,087	1,159	1,200
Total number of employees per region (excluding apprentices, interns, trainees, externals in FTE) 31.12.2022				**1,949**
Switzerland				1,177
Europe (excl. Switzerland)				350
Americas				11
MEA				48
Asia				364
Employees by employment contract at the end of the year (Headcount)				
Permanent (excluding apprentices, interns, trainees, externals)	1,803	1,868	1,957	2008
Female	759	781.0	798	808
Male	1,044	1,087.0	1,159	1200
Employees by employment contract at the end of the year per region: permanent (excluding apprentices, interns, trainees, externals, Headcount)				**2008**
Switzerland				1221
Europe (excl. Switzerland)				357
Americas				11
MEA				50
Asia				369

Human resource KPIs

Human resource KPIs

	2019	2020	2021	2022
Fixed-term (including apprentices, interns, trainees, externals, Headcount)	**-**	**-**	**419**	**406**
Female			99	102
Male			320	304
Employees by employment contract at the end of the year per region: fixed-term (including apprentices, interns, trainees, externals, Headcount)				**384**
Switzerland				310
Europe (excl. Switzerland)				47
Americas				0
MEA				2
Asia				25
Non-guaranteed hours employees (Headcount)				**n/a**
Female				n/a
Male				n/a
Employees by employment type per region: non-guaranteed hours				
Switzerland				n/a
Europe (excl. Switzerland)				n/a
Americas				n/a
MEA				n/a
Asia				n/a
Employees by employment type at the end of the year (Headcount)				
Full-time (excluding apprentices, interns, trainees, externals)	1,614	1,681	1,798	1,834
Female	619	638	667	668
Male	995	1,043	1,131	1,166
Employees by employment type per region: full-time (excluding apprentices, interns, trainees, externals, Headcount)				**1834**
Switzerland				1072
Europe (excl. Switzerland)				337
Americas				10
MEA				50
Asia				365
Part-time (excluding apprentices, interns, trainees, externals, Headcount)	**189**	**187**	**159**	**174**
Female	140	143	131	140
Male	49	44	28	34
Employees by employment type per region: part-time (excluding apprentices, interns, trainees, externals, Headcount)				**174**
Switzerland				149
Europe (excl. Switzerland)				20
Americas				1
MEA				0
Asia				4

	2019	2020	2021	2022
Total number of workers who are not employees and work is controlled by UBP: Apprentices, interns, trainees, externals (Headcount)	**338**	**318**	**419**	**406**
Female	93	89	99	102
Male	245	229	320	304
Total number of workers who are not employees and work is not controlled by UBP: Agency workers, contractors, home workers, interns, self-employed persons, sub-contractors, and volunteers (Headcount)				**252**
Average age of all employees	**43.7**	**44.9**	**45.1**	**45.3**

Collective bargaining agreements (GRI 2-30), at the end of the year

Percentage of total employees covered by collective bargaining agreements	No employees are covered by collective bargaining agreements.

New employee hires and employee turnover (GRI 401-1), at the end of the year (Headcount)

	2019	2020	2021	2022
Total number of new employees	**168**	**209**	**314**	**342**
Female	79	85	128	139
Male	89	124	186	203
Age under 30 years	22	47	46	71
Age 30-50 Years	120	117	205	206
Age over 50 years	26	45	63	65
Rate of new employee hires	9.4%	11.1%	16%	16.6%
Total number of new employees per region	**168**	**209**	**314**	**342**
Switzerland	74	90	184	140
Europe (excl. Switzerland)	49	72	45	123
Americas	3	0	2	1
MEA	2	2	4	15
Asia	40	45	79	63
Total number of employees leaving the company	**206**	**140**	**231**	**283**
Female	83	62	110	126
Male	123	78	121	157
Age under 30 years	12	8	16	22
Age 30-50 years	118	86	136	184
Age over 50 years	76	46	79	77
Rate of employee turnover	11.3%	7.4%	11.6%	13.7%
Total number of employees leaving the company per region	**206**	**140**	**231**	**283**
Switzerland	101	63	111	134
Europe (excl. Switzerland)	43	31	53	68
Americas	11	4	6	10
MEA	6	2	2	12
Asia	45	40	59	59

Parental leave (GRI 401-3)

	2019	2020	2021	2022
Total number of employees entitled to parental leave	**15**	**17**	**35**	**55**
Female	15	17	16	18
Male	-	-	19	37

Human resource KPIs

	2019	2020	2021	2022
Total number of employees that took parental leave	**15**	**17**	**35**	**55**
Female	15	17	16	18
Male			19	37
Return to work of employees that took parental leave				
Female			14	17
Male			19	37
Return to work rate of female employees that took parental leave			87.5%	94.4%
Return to work rate of male employees that took parental leave			100%	100%
Retention rate (after 12 months) of employees that took parental leave				
Number of Female employees who finished their parental leave Y-1			16	11
Number of Females who remained at UBP 12 months later			11	8
Retention rate of female employees (after 12 months)			68.8%	72.7%
Number of Male employees who finished their parental leave Y-1				19
Number of Male employees who remained at UBP 12 months later				16
Retention rate of male employees (after 12 months)				84.2%

Average hours of training per year per employee (GRI 404-1), at the end of the year

	2019	2020	2021	2022
Overall				**25.2**
Male	11.7	18.4	14.0	13.4
Female	10.5	13.6	14.3	11.9
Employees with management function	13.5	11.5	15.6	10.7
Employees without management function	10.6	18.4	13.7	13.5
Percentage of employees that have completed training on sustainability by external providers				**1.2%**

Percentage of employees receiving regular performance and career development reviews (GRI 404-3), at the end of the year

	2019	2020	2021	2022
Overall	**89%**	**87%**	**91%**	**92%**
Of males	89%	87%	90%	93%
Of females	91%	85%	92%	90%
Of employees with management function	96%	89%	86%	92%
Of employees without management function	89%	87%	92%	92%

Diversity (GRI 405-1), at the end of the year

	2019	2020	2021	2022
Employees by gender (excluding apprentices, interns, trainees, externals)				
Female	41.3%	41.0%	39.9%	39.5%
Male	58.7%	59.0%	60.1%	60.5%
Employees by age group (excluding apprentices, interns, trainees, externals)				
Age under 30 years	5.2%	5.8%	6.3%	7.4%
Age 30-50 years	61.6%	59.1%	57.9%	56.0%
Age over 50 years	33.1%	35.1%	35.8%	36.6%
Board of Directors by gender				
Female	25.0%	22.0%	22.2%	37.5%
Male	75.0%	78.0%	78.0%	62.5%
Board of Directors by age group				
Age under 30 years	0.0%	0.0%	0.0%	0.0%
Age 30-50 years	11%	11%	11%	11%
Age over 50 years	89%	89%	89%	89%
Executive Management by gender				
Female	12.5%	12.5%	12.5%	12.5%
Male	87.5%	87.5%	87.5%	87.5%
Executive Management by age group				
Age under 30 years	0.0%	0.0%	0.0%	0.0%
Age 30-50 years	12.5%	25.0%	25.0%	25.0%
Age over 50 years	87.5%	75.0%	75.0%	75.0%
Share of women in senior management	**23.0%**	**24.0%**	**24.3%**	**25.2%**

Ratio of basic salary and remuneration of women to men (GRI 405-2), at the end of the year

	2019	2020	2021	2022
Overall	-6.9%	-6.9%	-6.9%	-6.9%

Incidents of discrimination and corrective actions taken (GRI 406-1), at the end of the year

	2019	2020	2021	2022
Overall				
Total number of incidents of discrimination during the reporting period				2

Annual total compensation ratio (GRI 2-21), at the end of the year

	2019	2020	2021	2022
Annual total compensation for the organisation's highest paid-individual				3,082,000
Median annual total compensation for all of the organisation's employees excluding the highest-paid individual				160,000
The annual total compensation ratio				
Percentage increase in annual total compensation for the organisation's highest-paid individual				1.7%
Median percentage increase in annual total compensation for all of the organisation's employees excluding the highest-paid individual				1.3%
The change in the annual total compensation ratio				

Employee benefits

Benefits which are standard for full-time employees of the organisation but which are not provided to temporary or part-time employees, by significant locations of operation (Geneva and Zurich):
Health care: temporary employees only benefit from the participation to the health insurance premium if the mission lasts more than 6 months.

Disability and invalidity coverage: temporary employees are covered for a maximum of 180 days if mission lasts up to 3 months, otherwise full coverage of 730 days.

Retirement provision: temporary employees are only insured if their employment lasts more than 3 months.

Life insurance: No life insurance is offered to UBP employees, irrespective of employment status.

Stock ownership: None

Parental leave: All employees are entitled to the same parental leave irrespective of work pensum or contract type (16 weeks for mothers, 10 days for fathers)

Basis of reporting for selected KPIs

Climate-related KPIs of our own operations

Calculation standard

Union Bancaire Privée, UBP SA has prepared its greenhouse gas (GHG) reporting in accordance with key concepts and requirements stated in the Greenhouse Gas Protocol: Corporate Accounting and Reporting Standard (WRI & WBCSD 2004).

Other applicable standards:

- GHG Protocol Scope 2 Guidance – An amendment to the GHG Protocol Corporate Standard (WRI & WBCSD 2015)
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard – Supplement to the GHG Protocol Corporate Accounting and Reporting Standard (WRI & WBCSD 2011)
- Technical Guidance for Calculating Scope 3 Emissions – Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard (WRI & WBCSD 2013)

System boundary

UBP SA reports on its GHG emissions at group level, including its branches, representative offices and entities over which it has operational control (34 sites in total). The list of consolidated subsidiaries is available in the latest Annual Report published on the UBP website. For four of the 34 locations, no activity data was available, so their emission sources were entirely modelled.

All of the data collected relates to the period from 1 January to 31 December 2022.

Scope

The following activities have been included:

- Direct emissions: fuel (heating, diesel generators, company cars), loss of coolant
- Indirect emissions: purchased electricity, district heating and cooling (starting from 2022)
- Other indirect emissions
  - Purchased goods and services: office materials (paper, toner), coffee and water
  - Capital goods: IT hardware (captured in "Purchased goods and services")
  - Waste generated through operations: waste to incineration, recycling waste, wastewater
  - Business travel: air travel, overnight stays in hotels, car rentals, train travel within Switzerland and between Switzerland and France (excluded in previous years, but accounting for a negligible amount of GHG emissions)
  - Employee commuting: car journeys, public transport, working from home (starting from 2022)

Based on the GHG protocol Scope 2 guidance and Scope 3 standard, activities that are not material for UBP or over which we do not have operational control are not included in our reporting, in line with the approach followed in previous years:

- Other emissions related to fuel and energy consumption (not included in Scope 1 or Scope 2)
- Upstream transportation and distribution
- Upstream leased assets
- Downstream transportation and distribution
- Processing of sold products
- Use of sold products
- End-of-life treatment of sold products
- Downstream leased assets
- Franchises

Investments are not included in GHG emissions from our own operations. The TCFD report covers a defined portion of investments separately.

Calculation methodology

Data collection and assessment regarding GHG emissions have been carried out using a standardised tool provided by myclimate.

Intensity ratios were calculated independently of myclimate's tool, in line with the requirement of the GRI standards:

- The denominators used for the energy and GHG intensity ratios are the number of full-time equivalent employees (FTE) and revenues (CHF mn).
- The energy intensity ratio is based on energy consumption within the organisation including fuel, electricity, heating and cooling (steam is not used at UBP). To calculate the ratio, absolute energy consumption is divided by FTE and revenue figures (CHF mn).
- GHG emissions intensity includes direct (Scope 1) emissions, energy indirect (Scope 2) emissions and other indirect (Scope 3) emissions. To calculate the ratio, absolute GHG emissions are divided by FTE and revenue figures (in CHF mn). The intensity ratio for Scope 3 emissions is reported separately from the intensity ratios for Scope 1 and Scope 2 emissions combined.
- The units of the energy intensity ratio are kWh / FTE and kWh / CHF mn, and for the GHG intensity ratios they are tonnes of carbon dioxide equivalents (tCO_2e) / FTE and tCO_2e / CHF mn.

Emission factors

GHG emission figures include six of the seven GHGs covered by the Kyoto Protocol (source: IPCC, 2013): carbon dioxide (CO_2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3). There are no perfluorocarbon (PFCs) emissions to report on. The figures are expressed in tonnes of carbon dioxide equivalents (tCO_2e).

We determined the GHG emissions associated with UBP's activities based on measured or estimated energy and fuel use, multiplied by the relevant GHG emission factors. Where possible, fuel or energy use is based on direct measurement, purchase invoices or actual mileage data covering 99.97% of electricity consumption and 95% of heating. No estimates were made for fuel consumption.

Specific activity data are multiplied by the corresponding conversion and emission factors within the tool provided by myclimate. Emission factors express the amount of GHG emissions generated by a specific activity, e.g. tonnes of CO_2e per kWh of electricity. For the environmental impact assessment, emission factors from the recognised ecoinvent v.3.6 life cycle assessment database (Ökoinventar Datenbank Version 3.6 von ecoinvent, 2019) are used and supplemented, if necessary, by further literature. No direct emission measurements were made. Conversion factors may be applied to specific activity data, for example to convert fuel consumption in litres (e.g. diesel) to energy consumption in kilowatt-hours.

Some emission sources were modelled to fill gaps, using key indicators such as full-time equivalent staff numbers (FTEs) or the energy reference area.

Reporting on biogenic CO_2 emissions is not relevant for UBP.

Base year

The GHG base year was set as 2019, as that was the first year for which UBP reported GHG emissions. The appropriateness of the base year is reviewed on an annual basis. The figures related to employee commuting for 2019-2021 have been restated due to methodology improvements, resulting in the restatement of the overall GHG emissions.

Human Resources KPIs

New hires and departures

New hires and departures are reported at Group level, excluding temporary and external staff members. The data is reported as Headcount and by:

- Age
- Gender
- Region

New hire ratio:

Calculated as Total arrivals* in FTE / Average FTE

*Not including increases in the working hours of existing staff members.

Departure ratio:

Calculated as Total departures* in FTE (voluntary + involuntary) / Average FTE

*Not including reductions in the working hours of existing staff members.

*Not including apprenticeship contracts coming to an end if the apprentices are then hired.

Average FTE is calculated at the end of each month of the year.

Changes from 2021:

- The new hire ratio is calculated using FTE figures to align with the departure ratio.

Climate-related KPIs of our Asset Management division

Metrics and definitions

Financed GHG emissions – Scope 1 (tonnes of CO_2 equivalent)

Financed emissions refer to the greenhouse gas emissions associated with the investment portfolio. Scope 1 represents emissions from sources that are controlled or owned by a company. ISS ESG prioritizes disclosed emission data published by companies via, for example, their sustainability/TCFD reports or via the CDP. When emissions are not disclosed, or when disclosed data are deemed to be insufficient or inadequate by ISS ESG, they use estimates (see additional info in the "Estimation methodology" column).

Financed GHG emissions – Scope 2 (tonnes of CO_2 equivalent)

Scope 2 represents indirect GHG emissions associated with the purchase of electricity, steam, heat or cooling.

Financed GHG emissions – Scope 3 (tonnes of CO_2 equivalent)

Scope 3 emissions results from a company's value chain / product use (see below).

These emissions are all indirect emissions not covered in Scope 2. They arise from sources outside of a company's direct control, but are related to the use of its products and to its supply chain. This includes both upstream and downstream supply chains, such as the extraction and production of purchased materials and fuels, flight emissions, waste disposal and investments. There are 15 categories of Scope 3 emissions.

Scope 3 data consists of self-reported data (where the data meets the ISS ESG quality standard) and approximate data for non-reporting companies.

Corporate Carbon Footprint (tCO_2eq/amount invested in CHF mn)

Portfolio's financed GHG emissions (scope 1+2) divided by AuM

Corporate Weighted Average Carbon Intensity (WACI) (tCO_2eq/revenues in CHF mn)

Portfolio's exposure to carbon-intensive companies

Calculations

GHG emissions Scopes 1, 2, 3

Corporate GHG emissions are aggregated at portfolio level.

- For listed companies, ISS ESG uses the Enterprise Value Including Cash (EVIC) as Allocation Factor as per the Partnership for Carbon Accounting Financials (PCAF) guidelines in The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition available here.
- For non-listed corporates, ISS ESG uses Total debt+equity wherever possible (if equity data is not available, Total debt only is used).

For each scope (1, 2 or 3) we can calculate the emissions at portfolio level by adding together, for all the companies in the portfolio, the amount invested in the company multiplied by total Scope 1, 2, 3 emissions and divided by the allocation factor defined above.

We report on Corporate emissions Scope 1+2 and Scope 1+2+3

Listed companies

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{enterprise value including cash}_i} \times \text{investee company's Scope (x) GHG emissions}_i\right)$$

Unlisted Companies

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{total debt}_i + \text{total equity}_i} \times \text{investee company's Scope (x) GHG emissions}_i\right)$$

Corporate Carbon Footprint

This is equal to total GHG emissions (Scope 1+2) for a portfolio normalised by EVIC (or equity + debt for unlisted companies) expressed in tonnes of CO_2e/CHF mn invested.

Listed companies

$$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{enterprise value including cash}_i} \times \text{investee company's Scope (1+2) GHG emissions}_i\right)}{\text{current value of all investment}}$$

Unlisted Companies

$$\frac{\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{total equity} + \text{total debt}_i} \times \text{investee company's Scope (1+2) GHG emissions}_i\right)}{\text{current value of all investment}}$$

Corporate Weighted Average Carbon Intensity

This is equal to the weighted average of investee companies' Scope 1+2 GHG emissions divided by the companies' revenues (in CHF mn).

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{current value of all investments (CHF M)}_i} \times \frac{\text{investee company's Scope (1+2) GHG emissions}_i}{\text{investee company's CHF M revenue}_i}\right)$$

Scope and exclusions

GHG emissions Scopes 1, 2, 3 , Corporate Carbon Footprint, Corporate WACI

In scope:

Direct holdings of listed equities and corporate bonds, held in long-only institutional mandates and long-only funds domiciled in Luxembourg, France and Switzerland. We report on these instruments for which the climate reported methodologies are well defined. We use ISS ESG methodologies, which are consistent with the PCAF guidelines.

Out of scope:

- Corporate bonds/equities held in ETFs, index funds or investee funds, because of the lack of look-through
- Sovereign bonds (see below)
- Other holdings held in long-only funds and mandates (e.g. derivatives) due to a lack of data or consensus on methodology

The following are also not considered:

- Alternative investments (hedge funds and funds of hedge funds): lack of consensus on how to deal with short positions, extensive use of derivatives, absence of look-through
- Funds of funds: absence of look through
- Private markets (e.g. private equity, infrastructure, private debt)
- Externally managed funds and mandates

We report separately for:

- Fund* holdings in equities
- Fund* holdings in corporate bonds
- Mandate** holdings in equities
- Mandate** holdings in corporate bonds

The data used for emissions and EVIC are the latest available from our third-party data provider

* Fund = open-ended funds domiciled in Luxembourg, France and Switzerland

** Mandates = dedicated funds and mandates for institutional clients

Estimation methodology

GHG emissions Scopes 1, 2, 3, Corporate Carbon Footprint, Corporate WACI

ISS ESG has developed specific methodologies for Scope 1, 2 and 3 emissions, based on clear estimation and modelling rules to ensure that results are based on reasonable assumptions with medium to high certainty. This proprietary approximation system for estimating emissions includes over 800 climate-relevant sector and subsector-specific models. The modelling system was developed in partnership with the Swiss Federal Institute of Technology (ETH Zurich).

For Scope 3 emissions, several methodologies are combined to estimate upstream and downstream emissions:

A unified upstream approach is used while there are three downstream approaches that vary based on the type of sector and data availability. The order of preference for the downstream approach is based on accuracy and proximity in terms of representing the operations and emissions profile of the underlying company.

- Upstream emissions are estimated by ISS ESG using an Environmentally Extended Input Output (EEIO) model. Purchased goods and services (Category 1) account for a significant share of the upstream Scope 3 emissions in most sectors. The EEIO approach is expected to estimate emissions from Category 1 (purchased goods and services), Category 2 (capital goods), Category 3 (fuel- and energy-related activities) and Category 4 (transportation and distribution) with a high degree of coverage. The EEIO model also captures upstream emissions from Category 6 (business travel) but to a lesser extent. Upstream Scope 3 emissions are calculated on the basis of emission multipliers derived from the EEIO model.
- Downstream, bottom-up approach: production output or a proxy (e.g. revenues) based on standardised emission factors. This is used for the oil and gas extraction, coal mining and automotive manufacturing sectors for example.
- Downstream, product profile top-down approach: downstream emission ratios from Environmental Product Declarations and Life Cycle Analysis used for a standardised product profile. This is used for the manufacturing, cement, electronics and electricals sectors for example.
- Downstream, peer top-down approach: emission profile of representative peers with high-quality disclosure for diversified or low-impact sectors. This is used for the chemicals, services, wholesale and retail and real estate sectors for example.

Metrics and definitions

Sovereign Weighted Average Carbon Intensity (WACI) (tCO_2eq/nominal GDP in USD mn)

Sovereign GHG Intensity is equal to a country's GHG emissions divided by its nominal GDP.

Six of the seven GHG under the Kyoto Protocol are considered in this metric. These gases are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulphur hexafluoride. There are no nitrogen trifluoride (NF3) emissions to report on.

GDP is in nominal terms.

Calculations

Sovereign Weighted Average Carbon Intensity

We use MSCI ESG Research to compute the weighted average carbon intensity at portfolio level, which is equal to the weighted average of countries' emissions divided by their nominal GDP in millions of USD.

Sovereign emissions data is sourced by MSCI ESG Research from EDGAR.

Nominal GDP figures are sourced by MSCI ESG Research from the World Bank's World Development Indicators (WDI) and expressed in USD mn.

$$\sum_{n}^{i}\left(\frac{\text{current value of investment}_i}{\text{current value of all investments}_i} \times \frac{\text{country's GHG emissions}_i}{\text{nominal GDP}_i}\right)$$

Scope and exclusions

Sovereign Weighted Average Carbon Intensity

In scope:

Direct holdings of sovereign bonds held in long-only institutional mandates and long-only funds domiciled in Luxembourg, France and Switzerland.

Out of scope:

- Sovereign bonds held in ETFs, index funds or investee funds because of the lack of look-through
- Corporate bonds/equities (see above)
- Other holdings held in long-only funds and mandates (e.g. derivatives) due to a lack of data or consensus on methodology

The following are also not considered:

- Alternatives (hedge funds and funds of hedge funds): lack of consensus on how to deal with short positions, extensive use of derivatives, absence of look-through
- Funds of funds: absence of look through
- Private markets (e.g. private equity, infrastructure, private debt)
- Externally-managed funds and mandates

We report separately for:

- Fund* holdings in sovereign bonds
- Mandate** holdings in sovereign bonds

The data used for emissions and GDP are the latest available from our third-party data provider

* Fund = open-ended funds domiciled in Luxembourg, France and Switzerland

** Mandates = dedicated funds and mandates for institutional clients

EY

To the Management of
Union Bancaire Privee, UBP SA, Geneva

Geneva, 23 June 2023

Independent Assurance Report on selected metrics in the Sustainability Report of Union Bancaire Privée, UBP SA

We have been engaged to perform a limited assurance engagement (the engagement) on the following metrics (the KPIs) disclosed in UBP's and its consolidated subsidiaries' (the Group's) Sustainability Report (the report) for the year ended 31 December 2022 for the reporting period from 1 January 2022 to 31 December 2022:

- GRI 302-1 "Energy consumption within the organization"- page 52
- GRI 302-3 "Energy intensity"- page 52
- GRI 305-1 "Direct (Scope 1) GHG emissions" - page 52
- GRI 305-2 "Energy indirect (Scope 2) GHG emissions" - page 52
- GRI 305-3 "Other indirect (Scope 3) GHG emissions" - page 52
- GRI 305-4 "GHG emissions intensity" - page 52
- GRI 401-1 "New employee hires and employee turnover" - page 53
- Carbon emissions of UBP Asset Management funds and mandates:
  - Carbon emissions for listed equity and corporate bonds (Scope 1 +2) - page 43
  - Carbon emissions for listed equity and corporate bonds (Scope 1+2+3) - page 43
  - Listed equity and corporate bonds carbon footprint - page 43
  - Weighted Average Carbon Intensity of the UBP AM funds and mandates in scope - page 44

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Applicable criteria

The UBP SA defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)
- Definitions and methods as defined in the UBP Sustainability Report Appendix (page 56 for Carbon emissions of UBP Asset Management funds).

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Management

The Management is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the KPIs that are 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 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.

Our responsibility

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

Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. 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.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal control. Our procedures did not include testing control or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GhG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application;
- Interviews with Group's representatives responsible for collecting, consolidating, and calculating the KPIs in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement;
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria;
- Analytical review procedures and testing assumptions supporting calculations;
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis.

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

Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 January 2022 to 31 December 2022 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

EY Cyril Motte

EY Hélène Moreau

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