

An aerial photograph of a suspension bridge crossing a river. The bridge is made of dark wood and is supported by cables. The river is a vibrant blue color, and the surrounding area is covered in lush green trees. The sky is not visible, as the image is an aerial view.

SUSTAINABILITY REPORT 2020

UBP

UNION BANCAIRE PRIVÉE



Guy de Picciotto
Chief Executive Officer

Foreword

We are pleased to be publishing this first edition of UBP's Sustainability Report which sets out the way the Bank is contributing to the shift towards a sustainable economy. True to the spirit of UBP, this report is a pragmatic and concrete statement of our efforts to date and our vision. Alongside our Annual Report and our Impact Report it provides the overall picture of how UBP operates and plans for the future. Indeed, we do not treat sustainability as a stand-alone topic: it is an integral part both of our day-to-day and of our strategy. We approach it with the humility and long-term view that the subject requires.

UBP was founded with a vision of offering investors innovative wealth and asset management services that produce stable returns over the long term. We see it as our fiduciary duty to deliver sustainable performance to our clients, based on careful selection, rigorous risk management, and responsible use of resources in order to preserve the environment and the communities in which we operate for future generations. The growing disruptive trends such as climate change, globalisation, digitalisation and more recently the health crisis are some of the overriding factors that are constantly and compellingly obliging us, just like all companies, to question our strategy, our product offering and our approach to risk management.

Only by applying environmental, social and governance criteria, not just to our investments but also to ourselves as a bank, can we realise the long-term vision on which UBP is built and make sure that our clients are

well-equipped for the financial market conditions of the future. At the same time, as demand for profitable and reliable ways to invest responsibly is rising, there are many benefits in guiding our clients towards companies and sectors that can achieve a positive impact alongside financial returns. We strongly believe in the potential of the revolution ahead and aim to identify innovative and sustainable companies that will experience fast growth and superior profitability.

Taking a broader view, beyond our responsibility towards our clients, we know that as a member of the financial sector, we have an essential role to play in tackling the world's social and environmental challenges. Consequently, as the risks and the opportunities tied in with the finance sector's transition towards a sustainable world economy become clearer, UBP has been accelerating the pace of its sustainability strategy, in terms both of responsible investments and of corporate responsibility.

To guide and structure our progress, in 2020 we decided to support the United Nations Global Compact (UNGC) and its Ten Principles on environment, labour, anti-corruption and human rights. We are thus reinforcing our commitment to ensuring sustainability is part of every decision we take, in our investments, our business strategy and our daily operations. We also chose that year to start supporting the Task Force on Climate-related Financial Disclosures (TCFD), as a reflection of our determination to work to address major climate issues.

Three major steps we took in 2020 on our sustainability journey were to tighten our sustainability governance; to set ourselves ten ambitious goals, spanning from our investments to our employees and the way we manage our environmental footprint; and to implement an ambitious training program to raise internal awareness and understanding of climate and social challenges. Each and every one of us at UBP now has a clear view of how we can improve our company's role in contributing to sustainable development.

In short, as a family-owned bank with strong core values, we are very mindful of our own impact on the environment and on society. We plan to pursue and enhance our sustainability strategy – to run our business in an economically sound way that preserves the environment and protects our communities. We believe that our efforts pave the way for making UBP a key contributor to sustainable development within the finance industry. We will continue to work in this direction, with the drive and adaptability that characterise us.

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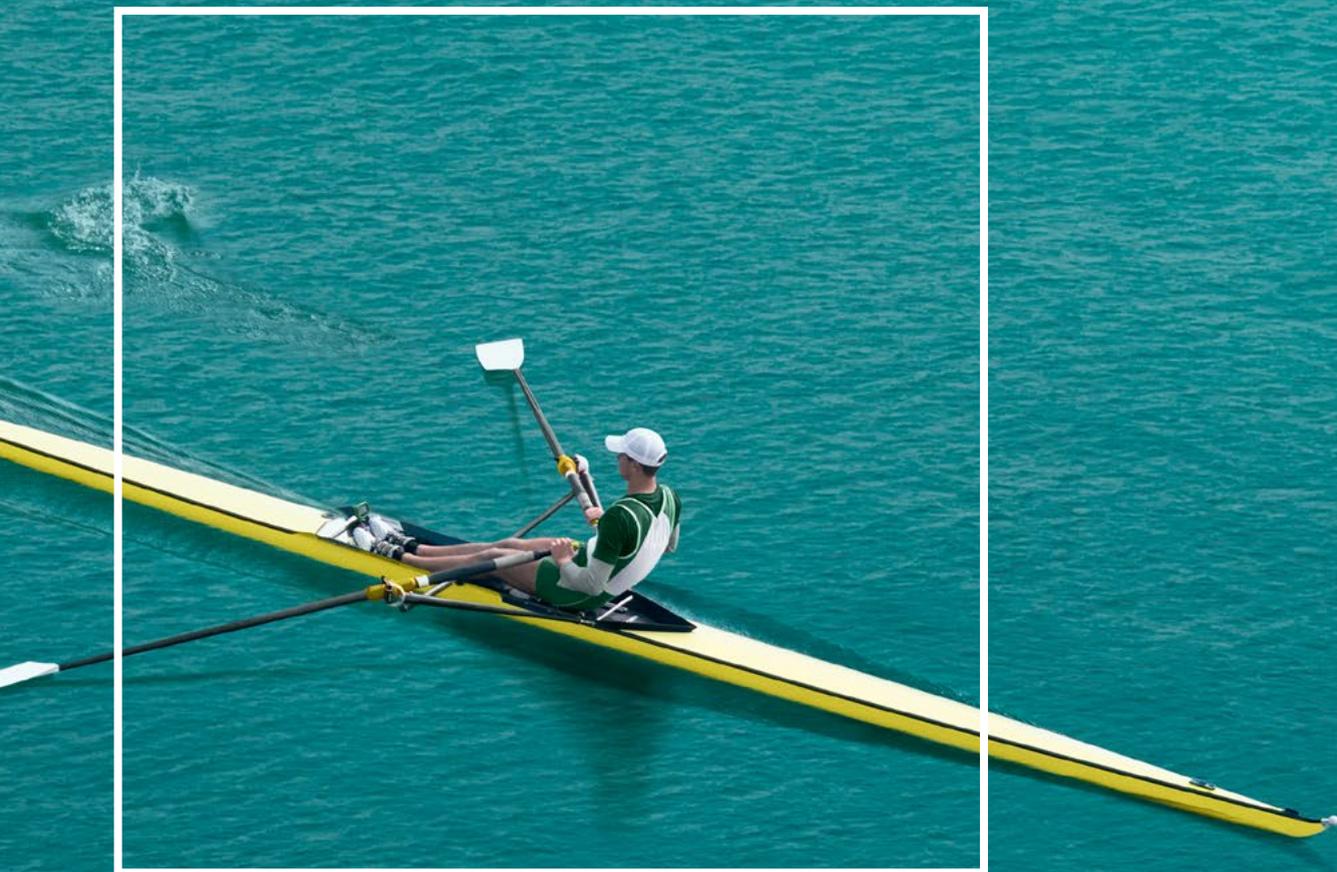
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TCFD REPORT
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Sustainability at UBP

At UBP, we do not treat sustainability as a stand-alone topic. On the contrary, it has long been an integral part of our business strategy and our vision for the future. As an early signatory in 2012 to the United Nations Principles for Responsible Investment (UN PRI), we have made a clear commitment to sustainability as attested by our approach to wealth and asset management. At the same time, we are conscious of the fact that we have a duty to manage our own environmental and social footprint which we consistently strive to improve.



About UBP

Union Bancaire Privée, UBP SA (UBP) was founded in 1969 by Edgar de Picciotto, whose vision from the outset was to offer investors a high-quality and innovative wealth and asset management service. This approach has guided us through the decades and has led us to focus exclusively on the activities we excel at – global wealth management for private clients along with custom-made investment solutions for institutional clients.

In only fifty years the Bank has achieved remarkable growth. Today, UBP stands among the world leaders in the field of wealth management and we continue to expand both in our home market and abroad, consistently stepping up our wealth management activities and reinforcing our asset management capabilities.

Meanwhile UBP has been steadily building its commitment to responsible investment, actively seeking out and developing innovative investment solutions. We are firmly of the view that the financial sector has an essential role to play in tackling the world's social and environmental challenges. Responsibility is one of UBP's core values and, as a family-owned bank, we put sustainability and future generations at the heart of our development model. (GRI 102-5)

Dedication, conviction, agility and responsibility are the values that govern our client relationships and drive us to develop and refine successful strategies and high-performance, innovative investment solutions. (GRI 102-1, 102-2)

UBP, headquartered in Geneva, Switzerland, spans the globe. Spread over twenty locations in the world's key economic and financial hubs, the Bank's workforce embodies a multitude of nationalities and cultures. This international reach enables us to combine global expertise with local know-how. (GRI 102-3)

“We see it as our role to channel capital towards investment solutions that, through their sustainable characteristics, offer the potential to generate strong financial returns.”

Nicolas Faller,
Co-CEO, Asset Management

Key figures as at 31.12.2020 (GRI 102-7)

Assets under management	Balance sheet total	Net profit	Headcount
CHF 147.4 BN	CHF 37.8 BN	CHF 181.4 MN	1,812
Shareholders' equity	Tier 1 ratio	Liquidity coverage ratio	Moody's long-term rating
CHF 2.4 BN	27.7%	307.5%	Aa2



2020 key highlights

In 2020, despite a challenging business context brought on by the pandemic, UBP joined leading initiatives and achieved key milestones in its ongoing commitment to sustainability.

MEMBERSHIPS & COMMITMENTS

WE SUPPORT



UBP has committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption



GLOBAL IMPACT INVESTING NETWORK



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



A COLLIER INITIATIVE

COLLABORATION & SUPPORT



Paris Agreement Capital Transition Assessment

UBP took the PACTA 2020 climate sustainability test



CALL TO ACTION SIGNATORY

UBP joined Business for Nature's call to action



FIGHT AGAINST COVID-19

CHF 2.5 million donation

RESPONSIBLE INVESTMENT



Tobacco excluded from UBP's investment universe*



Launch of UBP's second Impact Report

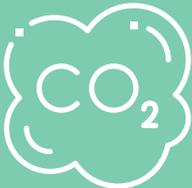


Emerging market impact strategy launch

ENVIRONMENTAL FOOTPRINT

Monaco National Energy Transition Pact signed





UBP's first carbon footprint assessment

Green initiative "Envi-U" in Hong Kong

To reduce our environmental footprint via the "3Rs" principle: Reduce, Reuse and Recycle



*In 2020 UBP excluded from its investment universe all tobacco producers and all companies deriving 10% or more of their revenue from tobacco.



Sustainability in a nutshell

We have built our sustainability strategy with the view that our efforts should consider both responsible investment (RI) and corporate social responsibility (CSR) as priorities. As a financial intermediary and a member of the economic and social fabric, we are determined to channel capital towards responsible investment solutions that offer real potential to generate financial returns, while adhering to sustainable business practices and working to quantify and improve our social and environmental footprint. Our sustainability strategy is built around five focus areas that are directly associated with our key stakeholders.



1 The drive to do business responsibly



2 The drive to move forward with our clients



3 The drive to protect our environment



4 The drive to inspire our people



5 The drive to engage with our communities

Our vision

We structure and govern our business to uphold an economic performance geared towards sustainable practices.

We continuously enhance our RI strategy in a way that meets our clients' objectives and exceeds their expectations.

We work towards reducing the carbon emissions of our operations and promote a positive environmental impact as a financial intermediary.

We provide a fair and empowering working environment that continually promotes sustainability awareness.

We aim at bringing our resources and knowledge to support our communities.



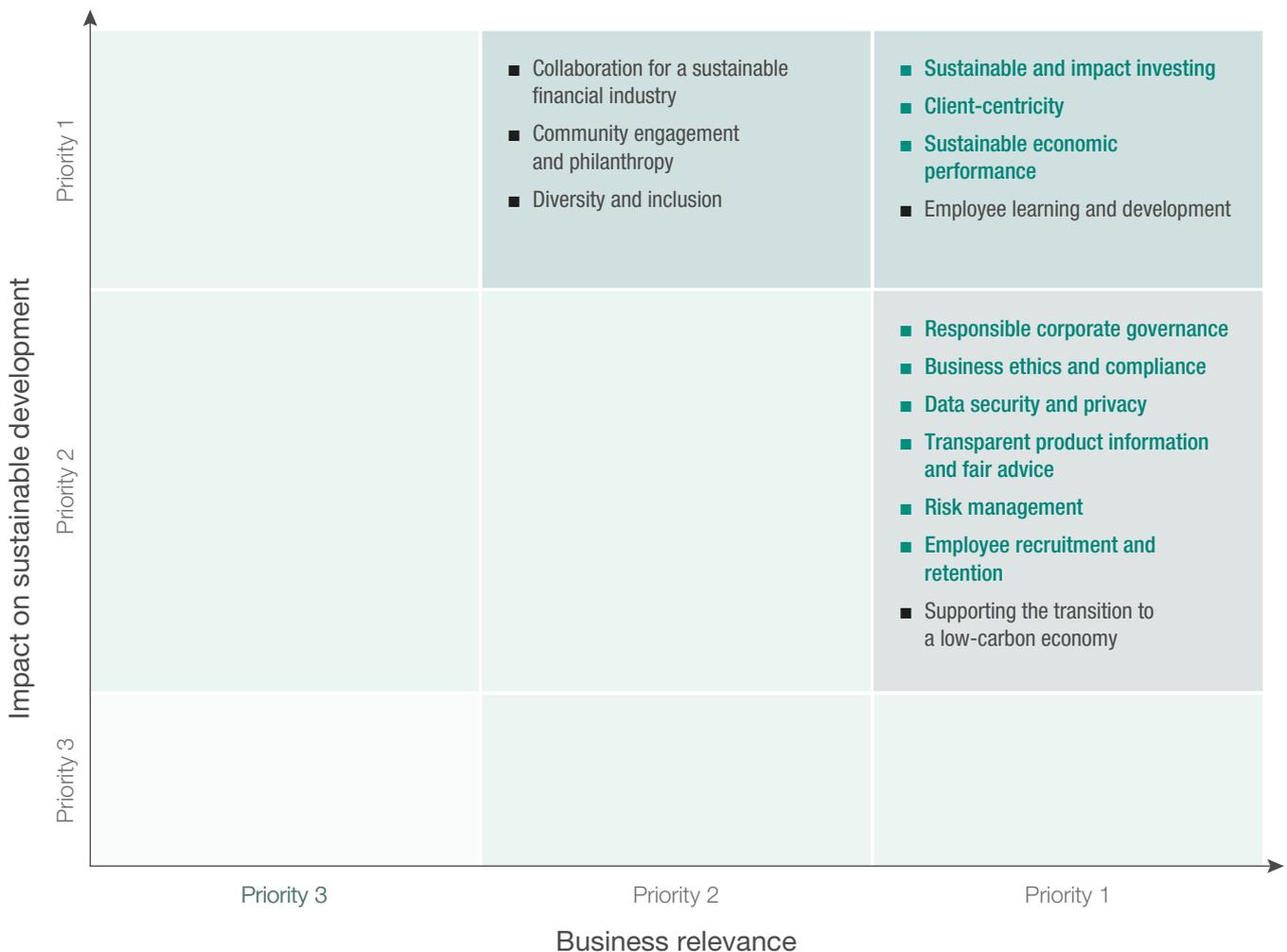


Materiality assessment

We conducted a materiality assessment (GRI 102-46) to identify and prioritise the sustainability topics that are important to UBP and our stakeholders. First, we compiled a list of potentially relevant topics based on the GRI Sustainability Reporting Standards and the Asset Management, Commercial Banks and Investment Banking Sustainability Accounting Standards of the Sustainability Accounting Standards Board (SASB). We also considered issues seen as relevant by our peers as well as our own sustainability priorities. To form a clear basis for assessing materiality, 24 topic clusters were shortlisted. Second, UBP managers from various departments completed a survey to assess the relevance of the topics.

This survey provided input for a materiality assessment workshop held with a group of Executive Committee members and facilitated by an external corporate sustainability consultancy that ranked the topics according to the following criteria: relevance to UBP’s long-term business success, significance of the impact of our business activities on sustainable development and relevance to our stakeholders. Through this workshop, we identified 14 final material topics and structured them into a materiality matrix.

UBP’S MATERIALITY MATRIX (GRI 102-47)



■ : Priority 1 for stakeholder's decision-making
 ■ : Priority 2 and 3 for stakeholder's decision-making



Objectives

True to our pragmatic approach, in order to best manage our commitment to sustainability, we have established ten key objectives to reach between 2021 and 2025, both from an investment perspective and on a corporate level. Each goal has been assigned to an Executive Committee member and progress towards their achievement is regularly assessed through the sustainability governance the Bank has put in place (see [Responsible corporate governance](#)).

INCLUDE SUSTAINABILITY FACTORS IN ALL OF UBP'S INVESTMENT DECISIONS

We are convinced of the opportunities offered by the inclusion of sustainability criteria in investment decisions.

1

DOUBLE ASSETS IN SUSTAINABLE STRATEGIES BY 2022

We have a role to play in advising clients on investments that deliver a positive impact alongside financial returns.

2

MAKE A QUARTER OF UBP'S DISCRETIONARY MANDATES FULLY SUSTAINABLE BY 2022

Mandates give us the opportunity to implement our capabilities in sustainable investments for the benefit of our clients.

3

INTEGRATE ESG CRITERIA INTO UBP'S ENTIRE RECOMMENDED INVESTMENT UNIVERSE

It is our ambition to apply environmental, social and governance criteria to all our products and selection processes.

4

GO BEYOND REGULATORY REQUIREMENTS RELATED TO SUSTAINABLE FINANCE

As a leading financial institution, we are moving beyond the tighter ESG regulatory environment and integrating new guidelines into our sustainable finance strategy.

5

OFFSET UBP'S CARBON FOOTPRINT IN 2021 AND REDUCE IT BY 25% BY 2025

The way we invest our assets is only one part of the equation. Equally important is how sustainable our own organisation is.

6

APPLY ESG CRITERIA TO ALL NEW TREASURY INVESTMENTS

Treasury operations represent an important part of UBP's activities and are therefore closely involved in the Bank's commitment towards sustainability.

7

MAKE RESPONSIBLE INVESTMENT THE PREFERRED CHOICE FOR UBP'S PENSION FUND

It is key to align UBP's pension fund to the Bank's convictions.

8

ADAPT RELEVANT POLICIES AND HR PROCESSES TO REFLECT ESG STANDARDS

Sustainability must be reflected in all aspects of how UBP conducts its business.

9

CONTINUALLY ENHANCE IN-HOUSE AWARENESS AND SKILL SETS ON SUSTAINABILITY

Achieving these objectives will depend on everyone's commitment and a common understanding of the importance of the issues at stake.

10



Stakeholders

Sustainability has become a strategic issue for our key stakeholders – those who either contribute to our long-term success or are influenced by our business activity – and their expectations in this area are increasing. Addressing environmental and societal issues through our business is now a priority, and as part of our commitment, we strive to communicate and report regularly on our sustainability engagements with all our stakeholders. (GRI 102-42)

SHAREHOLDERS

The de Picciotto family is the majority owner of CBI Holding SA, which controls the totality of UBP's shares. The Executive Committee is chaired by Guy de Picciotto, UBP's Chief Executive Officer, and Daniel de Picciotto is Chairman of the Board of Directors, of which Anne Rotman de Picciotto is a member as well. She also chairs UBP's [Impact Advisory Board](#). The Executive Committee and the Board of Directors are UBP's key governing bodies.

CLIENTS

Our business is built on a strong commitment to sharing our know-how and exchanging ideas with our clients. We build solutions around their views and their needs and our aim is to provide sustainable performance alongside in-depth guidance, and to empower our clients to directly influence their wealth management strategies.

Further information on how we respond to the needs of our clients can be found in the section "[The drive to move forward with our clients](#)."

REGULATORS

In a highly regulated and complex environment such as the banking sector, maintaining the Bank's license to operate requires us not only to fully comply with all local applicable regulations, but also to engage in a proactive, open, consistent and coordinated manner with authorities and regulators in all locations where the Bank is present and operates.

EMPLOYEES

UBP fosters outstanding talent among its teams, in order to offer a service of the highest calibre. Sustainability has become a key factor in attracting and retaining talent and UBP always strives to be a company which encourages its employees to contribute and develop their unique skills while maintaining a healthy work-life balance.

Further information on how we respond to the needs of our employees can be found in the section "[The drive to inspire our people](#)."

SUPPLIERS AND SERVICE PROVIDERS

UBP works with more than 1,400 suppliers globally, which primarily provide financial and banking services, facility management, software, and market data. While the majority of our suppliers are based in Europe, some are in the US and in the other countries where UBP is present. UBP's preferred method of selecting suppliers is through competitive bidding, a process which will be enhanced in 2021 with a new [Supplier Code of Conduct](#) that reflects our expectations as to ethical behaviour and sustainability. (GRI 102-9)

COMMUNITIES

We consider that contributing to the global effort to address environmental and social challenges starts at local level. Supporting communities in the various countries where UBP has a presence has therefore always been an imperative for us. UBP supports its communities by contributing to cultural, educational and medical research projects through donations and sponsorships.

Further information on how we respond to the needs of our communities can be found in the section "[The drive to engage with our communities](#)."

“It is key for the Executive Committee to ensure that the expectations and concerns of all stakeholders are considered and addressed in a timely manner.”

Guy de Picciotto

Chief Executive Officer
Chairman of the Executive Committee



UBP stakeholder groups (GRI 102-40)

Key topics and concerns for UBP stakeholders (GRI 102-44)

How we engage with our stakeholders (GRI 102-43)



Shareholders

- Innovative business development
- Value creation
- Development of a long-term strategy
- Sound risk management
- Responsible business conduct

- Weekly Executive Committee meetings
- Board of Directors meetings



Clients

- Tailored solutions that meet individual investment objectives
- Data privacy and confidentiality
- Understanding and learning about market trends and sustainable investment solutions

- Regular meetings with relationship managers
- Investment summits & webinars
- Roadshows
- Periodic reports
- Expert comments
- Digital newsletter



Regulators

- Compliance with all applicable laws and regulations
- Ethical business conduct
- Timely and transparent reporting

- Regular contact and dialogue with supervisory authorities



Employees

- Corporate social responsibility strategy
- Attractive working conditions
- Training and development opportunities
- Equality and diversity
- Opportunities to engage in the community

- Intranet
- Internal communications
- Daily newsletter
- In-house magazine (*Traits d'union*)
- Annual performance reviews and development plans
- Surveys



Suppliers and service providers

- Trusting and mutually beneficial relationships
- Timely payments

- Competitive bidding process
- Transparency and fairness as the basis of our procurement processes



Communities

- Support to local projects in the areas of environmental protection, health, culture and education

- Sponsorship and donations
- Community engagement (employee volunteering)



Commitments, standards and frameworks

Tackling the world’s biggest challenges and advancing towards a sustainable financial industry requires above all tight collaboration. We are convinced that governments, NGOs, investors, the corporate world and the financial sector must work together. Accordingly, the Bank has partnered with, is a signatory to, or supports, an array of global and local initiatives, associations and academic institutions. (GRI 102-12, GRI 102-13)

2012

Signatory of:



Responsible Investment Policy rollout

The policy applies to UBP’s range of Asset Management long-only funds. Its Exclusion List includes controversial weapons. Engagement¹ is through Sustainalytics and proxy voting through ISS.



Gradual ESG integration in investment processes



Enhanced Responsible Investment Policy

The policy was expanded to cover all Asset Management public funds, Wealth Management Discretionary mandates and Advisory recommendations. Nuclear weapons² and coal extraction² were added to the Exclusion List while a Watch List and a Sustainability Champions List were added to the screening and integration processes.

¹ For UBP funds. Client holdings upon request. ² Revenue thresholds apply.



2020



Founding member



Influencer member



Upgrade of proxy voting to ISS's sustainability policy



Tobacco excluded from UBP's investment universe³

WE SUPPORT



UBP is committed to the UN Global Compact corporate responsibility initiative and its principles in the areas of human rights, labour, the environment and anti-corruption



³ In 2020 UBP excluded from its investment universe all tobacco producers and all companies deriving 10% or more of their revenue from tobacco.



GLOBAL INITIATIVES

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 its six aspirational principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

The UN PRI's goal is to understand the implications of sustainability for investors and support signatories to facilitate incorporating these issues into their investment decision-making and ownership practices. In implementing these principles, signatories contribute to the development of a more sustainable global financial system. Our high "Strategy and Governance" score in the UN PRI 2020 assessment reflects our efforts to continuously strengthen our ESG approach across the Group.

United Nations Global Compact (UNGC)

www.unglobalcompact.org

In September 2020, UBP joined the UNGC, the world's largest corporate sustainability initiative whose mission is to have companies do business responsibly by aligning their strategies and operations with Ten Principles relating to human rights, labour, the environment and anti-corruption. It also encourages them to take strategic actions to advance broader societal goals, such as the UN Sustainable Development Goals, with an emphasis on collaboration and innovation.

Task Force on Climate-related Financial Disclosures (TCFD)

www.fsb-tcfid.org

In 2020, UBP showed its determination to address major climate issues by taking the Paris Agreement Capital Transition Assessment (PACTA) 2020 climate sustainability test and by supporting the Task Force on Climate-related Financial Disclosures (TCFD). The initiative aims to develop voluntary, consistent climate-related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. UBP's first TCFD Report is available [here](#).

GRI Sustainability Reporting Standards

www.globalreporting.org

The GRI Sustainability Reporting Standards provide the world's most widely used framework for sustainability reporting, offering a structured format to communicate about material issues and related performance metrics coherently and comprehensively. For the year 2020, UBP is publishing its first Sustainability Report in accordance with the GRI Standards.

Global Impact Investing Network (GIIN)

thegiin.org

In June 2020, UBP became a member of the GIIN. By convening impact investors to facilitate knowledge exchange, highlighting innovative investment approaches, building the evidence base for the industry, and producing valuable tools and resources, the GIIN seeks to accelerate the industry's development through focused leadership and collective action. The development of impact investing in the listed equity segment is relatively new, and UBP's membership in GIIN represents a major step forward in building crucial collaborations with other experts.

Cambridge Institute for Sustainability Leadership's Investment Leaders Group

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

Since February 2018, UBP has collaborated with the Cambridge Institute for Sustainability Leadership (CISL) as a partner of the exclusive Investment Leaders Group (ILG). The ILG is a global network of pension funds, insurers and asset managers, with over USD 12 trillion under management and advice, committed to advancing the practice of responsible investment. It is a voluntary initiative, driven by its members, facilitated by the CISL, and supported by academics at the University of Cambridge. The ILG's vision is an investment chain in which economic, social and environmental sustainability are delivered as an outcome of the investment process as investors go about generating robust, long-term returns.

Farm Animal Investment Risk & Return (FAIRR)

www.fairr.org

In February 2020, UBP became a network member of the FAIRR initiative. FAIRR's mission is to build a global network of investors who are focused and engaged on the risks linked to intensive animal production within the broader food system. It helps investors to exercise their influence as responsible stewards of capital to engage and safeguard the long-term value of their investment portfolios. FAIRR helps investors to identify and prioritise risk factors through cutting-edge research that investors can then integrate into their investment decision-making and active stewardship processes.

Business for Nature

www.businessfornature.org

Along with the efforts to stop climate change, UBP believes the financial sector has a key role to play in protecting biodiversity. We are proud to have joined Business for Nature's call to action in September 2020. Business for Nature is a global coalition bringing together influential organisations and forward-thinking businesses.



The purpose of the call to action was to gather powerful collective support from business to ask governments to adopt ambitious nature policies built around [five policy recommendations](#).

LOCAL INITIATIVES

Swiss Sustainable Finance (SSF)

www.sustainablefinance.ch

In October 2018, UBP became a member of Swiss Sustainable Finance (SSF), whose mission is to strengthen the position of Switzerland in the global marketplace for sustainable finance by informing, educating and catalysing growth.

Sustainable Finance Geneva (SFG)

www.sfgeneva.org

In April 2018, UBP became a member of Sustainable Finance Geneva (SFG), an association that is renowned as a key global platform in sustainable finance in French-speaking Switzerland. SFG enables all stakeholders to engage and dialogue with each other and is committed to promoting Geneva as a financial centre. Sustainable Finance Geneva is a network partner of SSF.

Pensions for Purpose

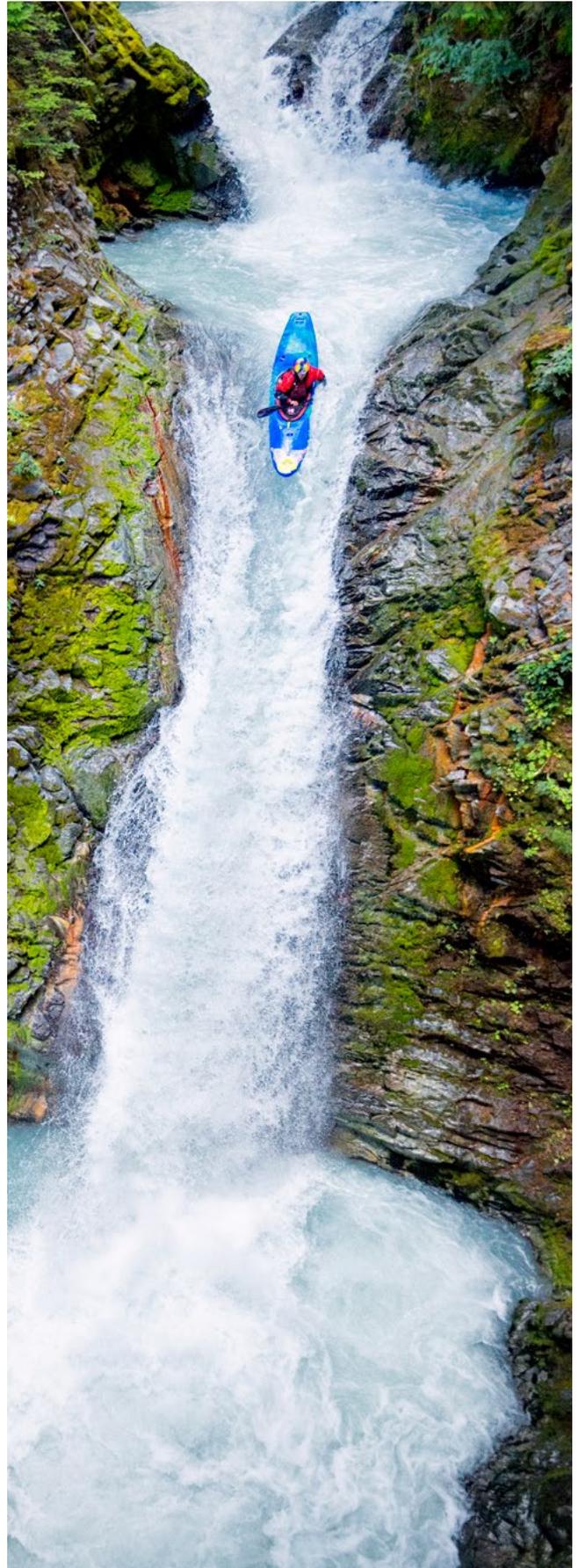
www.pensionsforpurpose.com

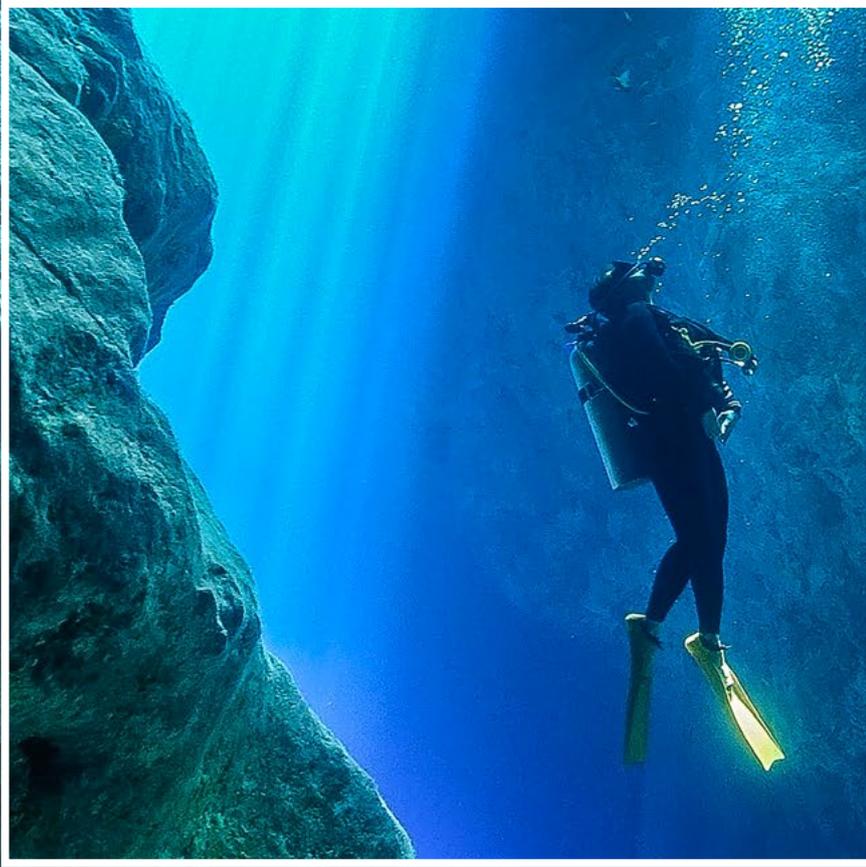
In May 2019, UBP became an Influencer Member for Pensions for Purpose which exists as a bridge between asset managers, pension funds and their professional advisers to encourage the flow of capital towards impact investment.

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.





The drive to do business responsibly

Combining business ethics and active social engagement has always been a moral imperative for us. At the initiative of our founder, Edgar de Picciotto, and following his example, we have made it a point of honour to embody his sense of social responsibility when carrying out the Bank's business. While being bold and innovative, we maintain a cautious approach to risk management, compliance, ethics, transparency and data protection structures, ensuring the Bank's business continuity and solidity.



Responsible corporate governance

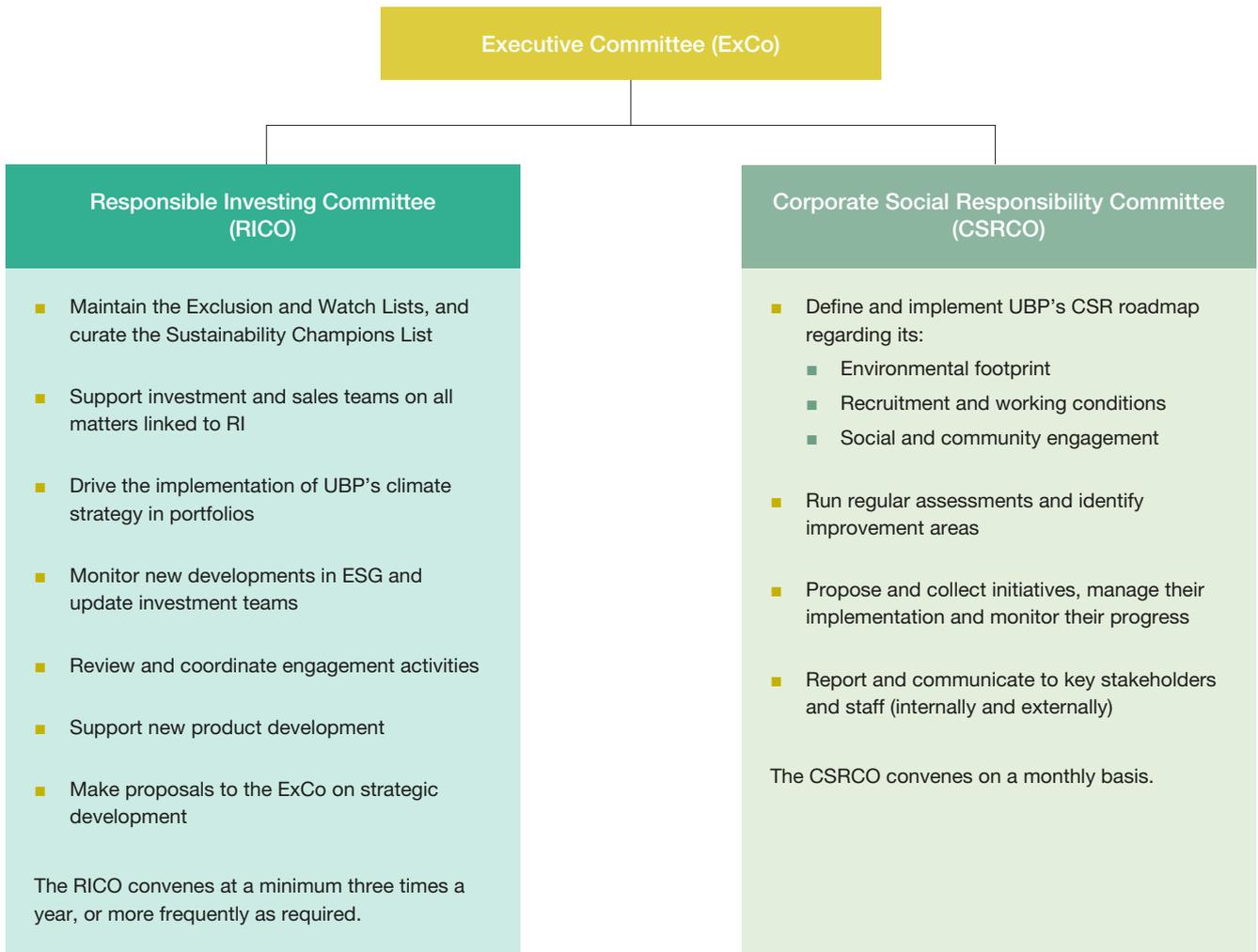
As a family-owned bank, we consider responsible investment (RI) and corporate social responsibility (CSR) to be two sides of the same commitment to creating a sustainable world. We have therefore put in place a dedicated sustainability governance structure, overseen by the Executive Committee, that reflects this dual focus.

Until 31 December 2020, our RI and CSR strategy was overseen by UBP’s Sustainability Board, which governed the Responsible Investing Committee (RICO) and the Corporate Social Responsibility Committee (CSRCO). Since 2021 these two committees report to the Executive Committee, showing our determination to put sustainability at the heart of our business model and our investments.

While investment teams develop their own processes for applying environmental, social and governance (ESG) principles, the RICO is responsible for defining, implementing and monitoring the investment teams’ integration of our responsible investment approach. In

particular, the RICO promotes the integration of sustainability criteria, including climate-related factors, into our investment processes and ensures the application of the Exclusion and Watch Lists for individual investments. Further information can be found in the section [“The drive to move forward with our clients.”](#)

The CSRCO is responsible for defining, implementing and monitoring UBP’s CSR approach to our own operations and ensuring that all relevant aspects are addressed: environment, human resources and community engagement. (GRI 102-18)





Business ethics and compliance

Complying with regulatory and legal requirements is of course intrinsic to our business approach. But even beyond compliance with applicable laws, ethical business conduct forms the basis for all our actions, underlining our four key values: dedication, conviction, agility and responsibility. These values embody our determination to reach our goals, live up to our clients' expectations and safeguard their interests. Every day, all of our people embody these values, which inspire and guide every single one of us, regardless of our specialisation. (GRI 102-16)

UBP'S FOCUS ON CONDUCT AND CULTURE

UBP's culture and values are supported by established processes, policies and trainings and are promoted by our top management. We have put our business culture at centre stage in our internal booklet entitled "Cultivating our difference," which covers the founding principles and specific features of the UBP culture. It also describes how staff members can embody the Bank's four key values in their conduct and day-to-day work. The booklet is shared with all staff as part of a welcome program, which introduces new employees to our Bank's culture and values. It provides mandatory e-learning modules to introduce our core security principles and directives covering aspects such as secure data management. A Code of Conduct and Ethical Behaviour is also made available to all staff upon their arrival at the Bank.

In early 2020, the Compliance and Human Resources departments launched a pilot project to introduce a so-called "Conduct & Culture" (C&C) appraisal process. This offers a structured framework to ensure that conduct and culture are

taken into account when appraising the annual performance and determining the variable remuneration of UBP staff, in accordance with applicable regulatory requirements and with the Bank's Remuneration Policy. The process was also integrated into UBP's risk performance objective, which encourages staff to promote long-term success and stability for the Bank and to avoid incentivising inappropriate or excessive risk-taking that could threaten the safety and soundness of the Bank's reputation. During the pilot phase, which came to an end in late 2020, we focused on ensuring understanding and buy-in for this process among our senior management. We also defined the scope and realistic Key Performance Indicators (KPIs) for assessing culture and values. Compliance and Human Resources have rolled out the C&C process in Switzerland based on experiences gained in Asia. A similar process in UBP's other entities throughout the world is under review.

DEDICATION

Finding the best solution to every situation demands constant dedication and an exclusively client-oriented approach. With this in mind, we work to satisfy every last detail of our clients' needs. We demand at least as high a level of service and performance of ourselves as our clients demand of their bank.

AGILITY

Thanks to its size and structure, UBP is very flexible and ensures fast decision-making, enabling us to carry out large-scale operations and seize investment opportunities when they appear on the markets. This unique skill from which our clients benefit as much as the Bank, is one of the key factors in our success.



COMPLIANCE WITH LAWS AND REGULATIONS

To ensure compliance with all applicable laws and regulations, we carry out self-assessments on a yearly basis, examining internal and external audit reports and feedback from regulators. To ensure client-facing employees and those handling and checking client transactions are fully aware of financial crime-related issues such as anti-corruption, they are required to take a mandatory compliance e-learning course on UBP's e-learning platform. The modules of the course cover topics such as the Foreign Account Tax Compliance Act (FATCA), Common Reporting Standards (CRS), cross-border regulations, market abuse, anti-money laundering (AML) and international sanctions (GRI 205-2). UBP also has processes in place to oversee new regulatory developments and ensure timely adherence to new laws. Most of the compliance processes are under the responsibility of the Compliance department and each staff member also has a personal responsibility of ensuring they observe all applicable rules, laws and regulations. In 2020 no fines were levied on UBP for violations. (GRI 419-1)

In the last quarter of 2020, UBP conducted an assessment of the impact of the upcoming EU regulations on its processes, products, tools and controls in preparation in particular for the Sustainable Finance Disclosure Regulation (SFDR) and the planned changes to the MIFID II regulation. In order to facilitate efforts to comply with sustainability regulations, in early 2021 we launched the Sustainable Finance Regulation project, focusing among others on the integration of sustainability risks into the risk framework and the categorisation of all funds and discretionary portfolio management (DPM) mandates. As a result, when UBP provides investment advice, sustainability risks are now being assessed alongside financial risks. Furthermore, technical requirements are being put in place to facilitate reporting and further develop the Bank's ESG offering.

NEW REQUIREMENTS REGARDING SUSTAINABILITY

In order to facilitate the EU's ambitious climate and energy targets, the European Commission published an EU Action Plan for Financing Sustainable Growth introducing new requirements for financial market participants. In Switzerland, sustainable finance regulations are under way and expected to be similar to those in the EU, particularly on the aspects put forward by the Task Force on Climate-related Financial Disclosures (TCFD). Thus, UBP has been preparing to integrate these new regulatory requirements into its business.

CONVICTION

Our long-term vision enables us to base our choices on strong convictions – an advantage that serves to grow both our own and our clients' businesses. One only has to look at the Bank's rapid growth, which today has earned it the respect and recognition of its peers, and our ability to offer our clients investment solutions that are always innovative and performance-driven.

RESPONSIBILITY

At every level and in everything we do, we ensure that integrity, ethics and fairness take precedence. At UBP, responsibility is an integral value, both for the individual and for the company; it is a prerequisite for ensuring irreproachable business conduct.



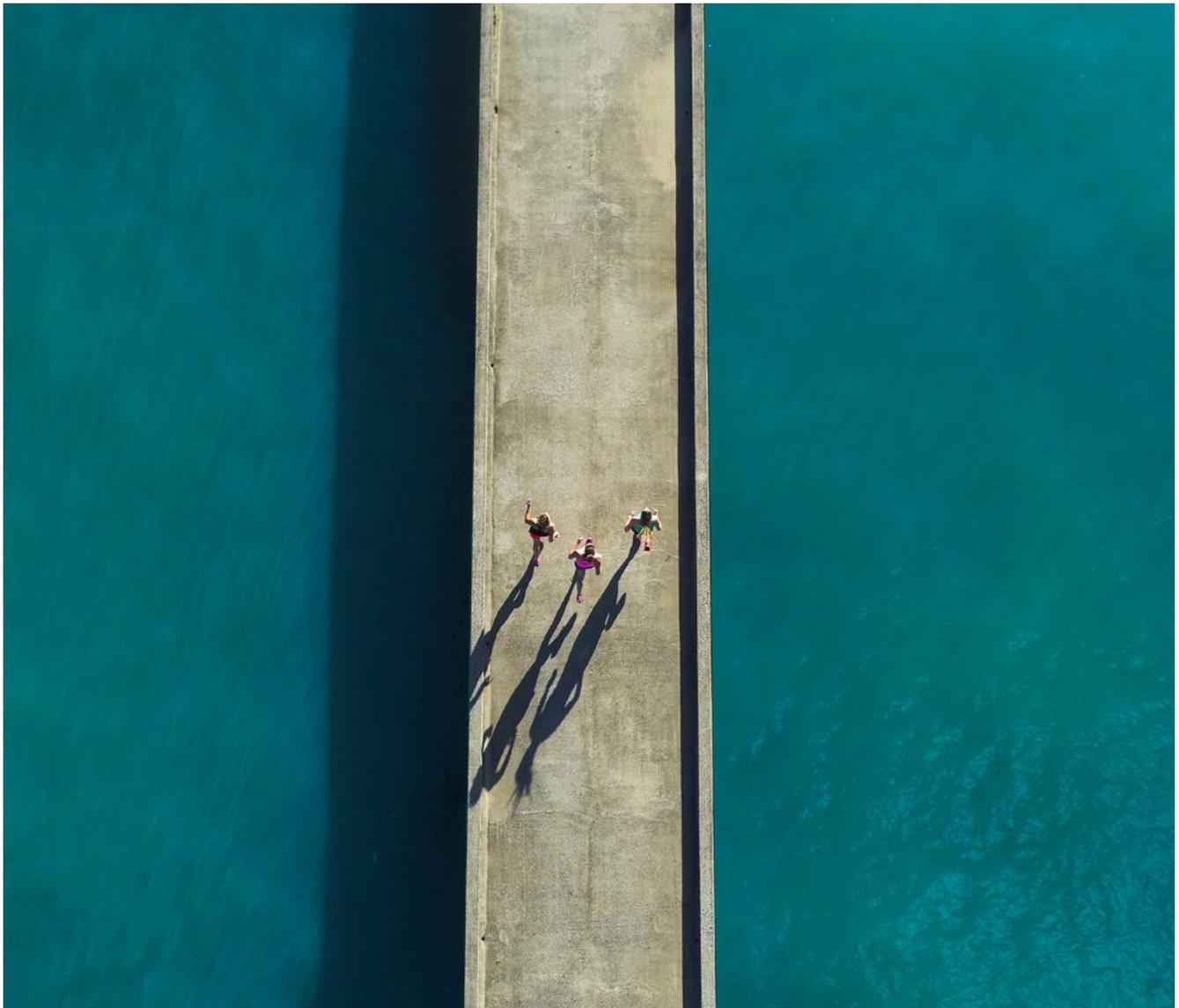
Sustainable economic performance

In order to achieve the overall objectives for our business in line with our sustainability vision, a sustainable economic performance is essential. Without economic success, the Bank cannot invest in the products and services that reduce our negative impacts and promote positive changes. Therefore, sustainable profitability is essential to ensure long-term, stable performance and fulfil the expectations of our shareholders and clients.

In addition to a long-term strategy, UBP has an annual budget cycle with defined short-term targets. Our Executive Committee members commit to their budgets and are responsible for meeting them. Financial targets are broken down to employee level, where relevant, and results are tracked against budgets on a monthly basis. Financial KPIs are reviewed monthly by the Executive Committee and quarterly by the Board of Directors.

In 2020, UBP grew successfully across all our priority markets, generating net new assets of CHF 9 billion. With a balance sheet of CHF 37.8 billion as at the end of December 2020, and a Tier 1 ratio of 27.7%, well above the minimum requirements of the Basel III accords and FINMA regulations, the Bank had the means to continue its development both in Switzerland and abroad.

For more details please refer to [UBP's Annual Report 2020](#).





Risk management

Risk management at UBP goes beyond the requirements that arise from being a bank — it is part of our corporate culture and has been key to our success since our Bank was founded. Risk management is an integral part of our business, not only because it is required by law and responsive to political, social, economic and market trends, but also as a distinctive feature of our service offering. In this way we maintain a sound and proven business model with a moderate risk appetite; conservative underwriting standards in the loan book and in the securities portfolio; solid capitalisation, a sound balance sheet structure and prudent liquidity risk management; and resilient profitability. All of this is supported by a robust system of internal controls to mitigate operational and reputational risk, while also ensuring that regulatory and supervisory requirements are met at all times.

STRONG RISK GOVERNANCE

The risk management mandate determined by the Board's Risk Committee and the Executive Committee aims to ensure that all risks associated with the Group's activities are identified, assessed and controlled. It is embodied by in-house directives and procedures designed to ensure maximum safety for both clients and shareholders. We have a "three lines of defence" model to govern risk ownership (Business Management), risk control (Risk Management, Compliance, Legal, Credit Control) and risk assurance (Internal Audit). The latter entails regular examinations and audits of the efficiency of our underlying risk management approach and processes, and the risk management model is being reassessed in light of current industry best practices.

The main responsibility for the correct implementation and monitoring of the risk appetite set by the Board of Directors has been assigned to the Risk & Compliance division. The latter makes sure, on a daily basis, that our risk exposure is within the framework defined by the Board of Directors and any material issue is immediately reported to the senior management. It also supports the business lines to ensure operational effectiveness. Our approach demands extensive employee skills, high-quality procedures and IT infrastructure, and an active internal cross-functional risk management culture.

2020 FROM A RISK PERSPECTIVE

The year 2020 was dominated by risks related to the Covid-19 pandemic – the health crisis, volatility and stress in the markets, increased geopolitical tension and uncertainty, ever-present cyber security and external fraud threats and climate-related risks.

When the Covid-19 pandemic hit, we activated our business continuity plan (BCP) on 17 March 2020. The dedicated task force coordinating the BCP provided all our employees with information and guidelines relating to Covid-19, while prohibiting business travel, with the ultimate objective of having the majority of employees working safely and efficiently from home. As a result, a safe digital environment was created to ensure sound remote working practices. The Security and Logistics teams worked to ensure full safety for each colleague and client at UBP sites. From a business perspective, we registered no interruptions, and both clients and counterparties were provided with quality services during the whole period in full BCP mode.

Besides the pandemic-related risks, cyber security threats, including those of data security breaches and external fraud, have been key challenges for the Bank. However, as a result of our effective safeguards, no significant operational incidents occurred in 2020.

FOCUS ON SUSTAINABILITY RISKS

Since 2020 we have set a dedicated sustainability risk framework and have been reviewing its implementation on an ongoing basis. Sustainability risk metrics have been defined for the Bank's DPM and Advisory mandates as well as for our asset management products. Climate-related issues (such as natural disasters) and widespread health risks have been identified as potential challenges to UBP's risk management in the future. To reinforce our sustainability risk approach, we are implementing up-to-date systems, regularly making substantial investments in ESG data collection (such as MSCI, ISS, Sustainalytics, RepRisk) and integrating it into our IT infrastructure.

At portfolio and aggregated levels, we monitor financial securities' ESG Quality Score using MSCI's methodology. This score assesses a portfolio's ability to manage key medium-to-long-term ESG risks and opportunities. We also evaluate individual environmental, social and governance scores, as well as the weighted average carbon-intensity (WACI), in line with the TCFD's recommendations.



Data security and privacy

Handling data sensitively is a prerequisite for building confidence, trust and loyalty among our clients, employees, and counterparties. Therefore, data security and privacy are top priorities for UBP and our transparency and data protection structures allow us to establish and maintain trusting client relationships.

STRONG DATA GOVERNANCE

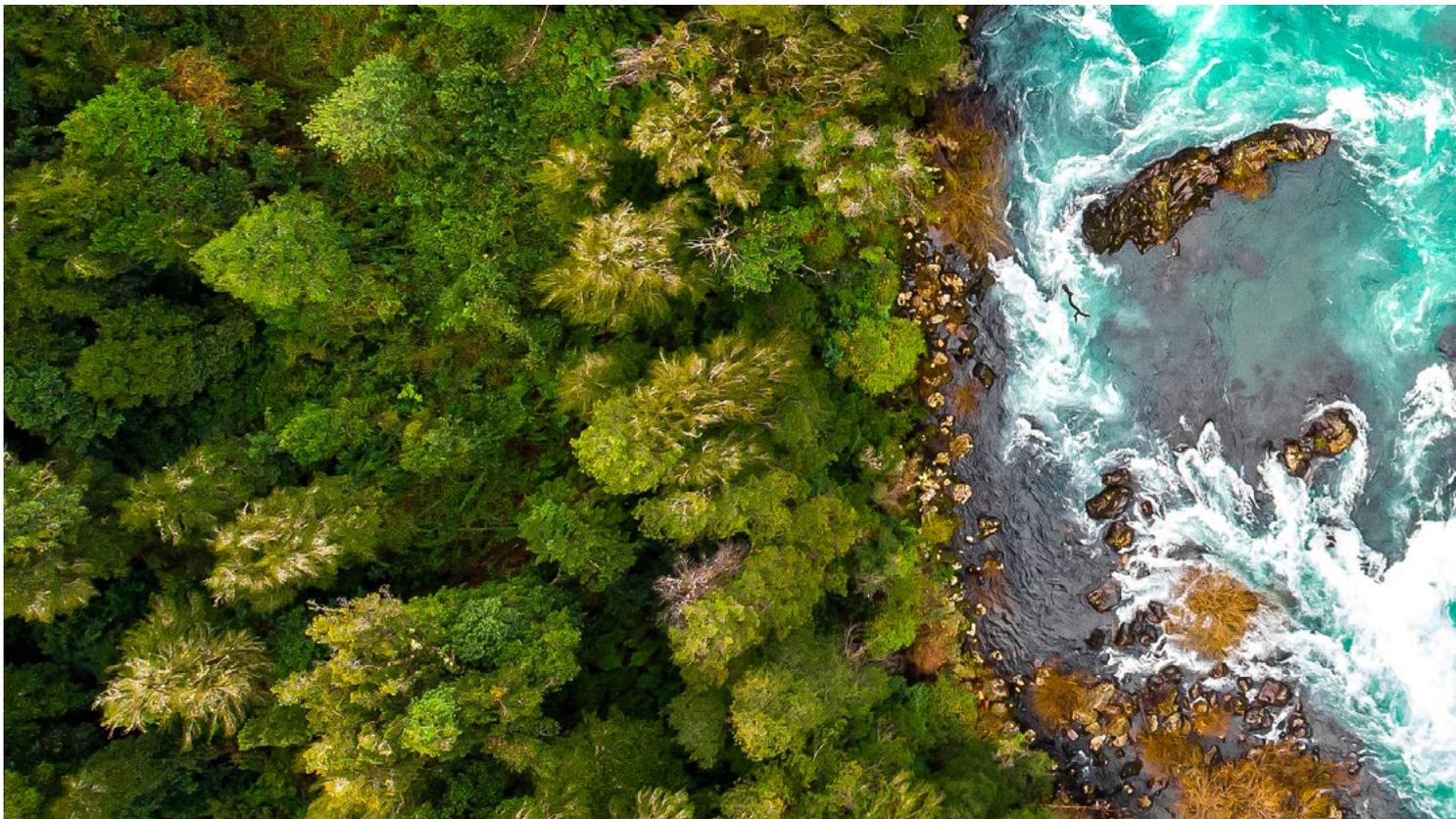
A Group data policy defines the governance framework for managing data. It is complemented with a data privacy policy that sets the Bank's rules on data protection and the legal conditions that must be fulfilled when processing personal information. Comprehensive data privacy and security directives for employees and contractors, as well as procedures, best practices and guidelines are always accessible on the company's intranet platform. UBP makes sure that privacy notices for clients, prospects, candidates and counterparties are likewise accessible on our corporate website.

Data security and privacy roles are defined at local and Group levels. In 2020, we further strengthened our framework by creating a Data Protection Group (DPG), which includes the Data Governance Office, the Data Protection Office, and Group IT Security. From a governance perspective, Data Owners, Data Stewards and Data Custodians have been appointed and are acting in their respective areas to build strong data foundations.

MITIGATING RISKS RELATED TO DATA SECURITY AND PRIVACY

To ensure the responsible handling and protection of data, we provide mandatory training sessions to promote our employees', consultants' and contractors' awareness. In 2020, we increased the requirements on our systematic Security Due Diligence exercises in order to better assess, identify and reduce potential and evolving cybersecurity risks. We also amended our Data Protection Agreements with our third-party suppliers in order to be aligned with changes in the law.

To further reduce the globally increasing cybersecurity threats, UBP performs both internal and external penetration tests and conducts audits to evaluate data security levels. The Security Operation Centre (SOC) team is dedicated to monitoring, detecting, analysing and responding to cyberthreats and attacks. During 2020, the team had to handle an increased number of malicious external activities due to the special circumstances of the pandemic. UBP also managed to rapidly increase remote working capacity





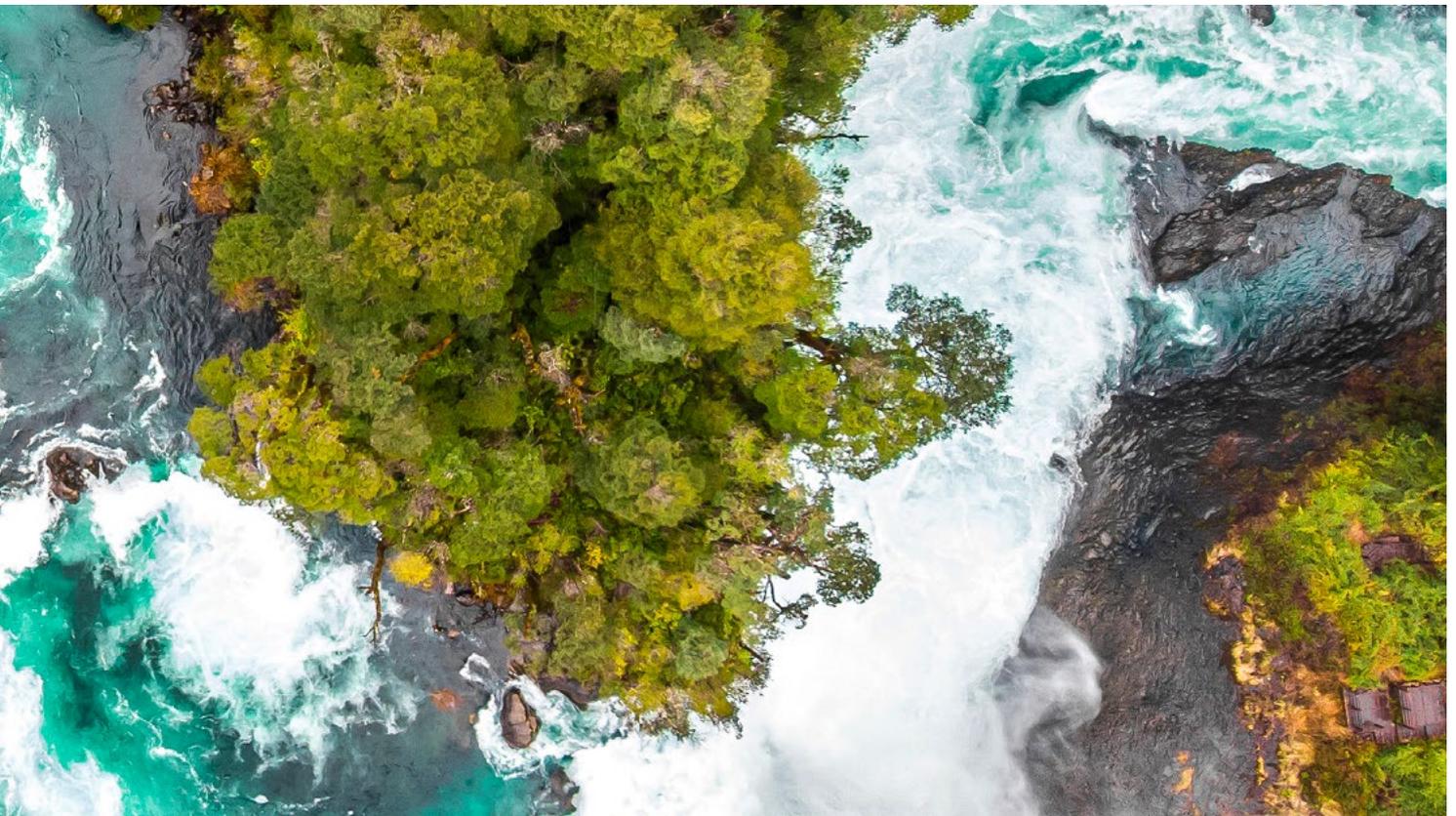
to almost 100% in a secure IT environment without affecting the confidentiality, integrity and availability of applications and data, and without any impact on business continuity.

UBP has strong management, reporting and escalation processes in place to ensure that potential security and data breaches can be assessed and handled in a timely manner, including communicating with the affected individuals and notifying the relevant authorities. Despite the exceptional circumstances under which UBP operated in 2020, no data or security breaches of systemic relevance occurred. Furthermore, UBP did not receive any complaints from individuals or authorities related to data privacy and security. (GRI 418-1)

DATA SECURITY AND PRIVACY REMAIN IMPORTANT

Data security and privacy will remain a key topic for us, not only because we operate in a heavily regulated industry but also due to rapid technological progress. Progress can usher in new ways of attacking IT systems, so we are continuously improving our data protection by evaluating and introducing

new concepts and tools, such as artificial intelligence-based technology that addresses potential data loss and threat detection. Furthermore, we have created a Security by Design framework to ensure the key principles of cybersecurity, data security and privacy are systematically considered in every new project. Having introduced a “data at rest reduction concept”, we aim to decrease data breach risks by deleting or archiving duplicated or obsolete data with the added benefit of cutting costs and carbon emissions. The continuous development of our training modules will help increase awareness, while phishing simulation campaigns will help assess the effectiveness of our cybersecurity programme.





The drive to move forward with our clients

Given the major social and environmental issues we face globally and the economic risks entailed, we consider it our responsibility as a financial intermediary to advise our clients on responsible investment and to channel capital towards responsible investment solutions that offer real potential to generate financial returns. Over the course of 2020, we significantly increased assets invested in our actively managed ESG-integration, sustainable and impact strategies.



Client-centricity

Our clients are at the forefront of all our investment decisions. In response to their needs, we constantly adapt our product offerings by focusing on long-term global trends and compelling investment opportunities, while adhering to regulatory frameworks. Our relationships with them are based on trust, transparency and long-term commitment, allowing our bankers to provide them with the necessary guidance to secure, grow and transfer their wealth over generations. Throughout the 2020 reporting year, our client-centric approach led us to further develop our product range towards sustainability-focused solutions.

ENGAGING OUR CLIENTS

Thanks to our agility, we quickly adapted to the challenges of the pandemic by switching from traditional face-to-face meetings with clients, to using digital solutions, which has enabled us to create new customer experiences. For example, we set up virtual one-to-one meetings with our clients and held numerous highly successful webinars. In addition, our UBP Mobile e-banking service was vital, helping us maintain close contact with our clients. Our Direct Access Client (DAC) service was also well utilised, with further growth in demand from clients wanting direct access to our Trading Room. These digital platforms ensured seamless customer support and engagement.

TRANSPARENT INFORMATION AND FAIR ADVICE

Being customer-centric goes hand in hand with providing fair advice and transparent communication on products and services to our clients. Helping them meet their individual investment objectives is key, both for advising them on markets, instruments and our open-ended solutions, and for developing tailored mandates. With the growing interest in responsible investment solutions, we focus on providing innovative products geared towards sustainability. Additionally, we guarantee timely and useful information documents on the offering and services we provide.

Transparent reporting on our products and services is crucial to safeguard our reputation and ensure client trust and loyalty. This is why we include ESG aspects in the periodic reporting of our products that follow an ESG integration, sustainable or impact approach. This includes, among others, the ESG Quality Score, ESG Rating and Weighted Average Carbon Intensity (WACI). UBP is also preparing to further implement investment recommendations or potential regulations from the Hong Kong Monetary Authority (HKMA) and the Monetary Authority of Singapore (MAS), both of which are helping their countries strategically support a greener and more sustainable future. (GRI 417-1)

“We all need to understand the challenges ahead, because sustainable finance has a direct impact not just on our industry, but also on the expectations of our clients.”

Jason Ulrich

Head of Responsible Investment,
Investment Services



Responsible investment

It is clear to us that the finance sector as a whole can and will play an essential part in the necessary shift towards sustainable development. Our drive to move forward with responsible investment stems from our fiduciary duty to provide sustainable performances for our clients. We firmly believe that long-term risk-adjusted returns can be enhanced through the integration of ESG criteria, active ownership (engagement and voting) and a focus on the impact our investments make. We apply our steadfast vision, our entrepreneurial spirit and our investment expertise to continuously develop sustainable and impact investment opportunities for our clients.

DELIVERING ON OUR LONG-TERM COMMITMENT

UBP first manifested its commitment to responsible investment by becoming a signatory to the United Nations Principles for Responsible Investment (UN PRI) in March 2012. To formalise the integration of ESG considerations into our investment activities, we implemented a [Responsible Investment Policy](#) in 2014, further extending our governance, scope and practices in 2018. UBP's overarching Responsible Investment Policy is applicable to all our assets under management with the exception of Execution-Only services and third-party funds.

UBP's Executive Committee is responsible for designing and driving our sustainability approach across our investments and operations. It is helped by the Responsible Investing Committee (RICO), which further develops and implements our responsible investment

principles and policies. UBP's investment teams are responsible for the day-to-day implementation of the Bank's responsible investment policy, as well as for integrating ESG considerations into their investment processes. The highest score of A+ in "Strategy and Governance" we obtained in the UN PRI 2020 assessment reflects our efforts to strengthen our ESG approach across the Group.

SUSTAINABLE PRODUCT OFFERING

UBP continuously develops a responsible product offering which aims to limit any negative environmental or social impact and promotes sustainable investment. This offering is embodied across four approaches that include practices such as applying a minimum ESG filter to individual holdings, positive screening of ESG performance relative to industry peers, focusing on sustainability themes, and impact investing.

RESPONSIBLE INVESTMENT AT UBP

RI POLICY COMPLIANCE ¹	ESG INTEGRATION	SUSTAINABLE	IMPACT
<ul style="list-style-type: none"> Negative screening via an Exclusion List and Watch List Sustainability Champions List 	<ul style="list-style-type: none"> Negative screening via an Exclusion List and Watch List Integration of ESG risk and growth opportunities into financial analysis and investment process 	<ul style="list-style-type: none"> Strong focus on ESG, positive screening or sustainability themes, including climate change Stricter exclusion policy 	<ul style="list-style-type: none"> Investment in companies with positive social and/or environmental impact with emphasis on measurable impact of investments Stricter exclusion policy

ACTIVE OWNERSHIP² - ENGAGEMENT AND PROXY VOTING

¹ Negative screening applies to approximately 40% of UBP's total AuMs. The rest mainly includes cash, the Wealth Management division's Execution-Only service and investments in third-party funds.

² Applicable to UBP long-only funds; client holdings upon request.



Some of our flagship funds – like those invested in European, Japanese, Swiss or global equities – follow a sustainability approach or target a low carbon footprint. Our expertise was once again recognised in 2020, when we obtained the French SRI label for a fund focused on sustainable corporate bonds in emerging markets. Furthermore, we launched a new impact fund focusing on emerging markets and prepared the launch of two new strategies for the first quarter of 2021. The latter are directed at UBP Wealth Management clients looking for a multi-asset, Swiss-based ESG investment solution, while complying with the SFDR's article 8.

UBP is committed to substantially increasing the share of its strategies integrating ESG. We aim to increase the number of funds domiciled in the EU “that promote, among other characteristics, environmental or social characteristics or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices” (as described in art. 8 of the SFDR) or that have sustainable investment as their objective (as per art. 9 of the SFDR).

OUR RESPONSIBLE INVESTMENT PRACTICES

UBP's ESG approach is based on the following four principles: screening, integration, exercising active ownership, and thought leadership.

Screening

A firm-wide Exclusion List encompasses a number of controversial business areas in which it is deemed inappropriate to invest. In particular, to limit the negative impact of our investments on the climate, we rule out companies involved in coal extraction (revenue thresholds apply). For our sustainable and impact products, climate-related exclusions are even stricter, extending to, for instance, companies with revenues linked to coal-powered electricity generation or unconventional oil and gas extraction. In 2020, we banned all tobacco producers and all companies deriving 10% or more of their revenue from tobacco products from our investment universe.

A Watch List monitors companies embroiled in severe ESG controversies and thus presenting a greater investment risk. These controversies include potential breaches of international conventions such as those relating to human rights or the environment set out in the UN Global Compact. Investment teams are asked to provide a rationale for their investment if they hold such issuers and, if possible, provide evidence of engagement with the company involved. In addition, companies in breach of the UN Global Compact are excluded from our sustainable and impact strategies.

Integration

Each team develops its own sustainability approach, which best fits their asset class, ranging from research to portfolio construction or direct engagement. All our investment teams are encouraged to integrate ESG considerations into their investment processes on the premise that such issues could be detrimental to a company's,

or indeed a sector's or a country's growth prospects, or to the environment and society as a whole. Through their research, our teams are also able to identify companies which are either contributing to solving the world's societal and climate challenges or being innovative in their efforts to improve their ESG practices. The names of these companies are shared across the Group through our Sustainability Champions List.

Active ownership

To be active and responsible managers of capital, we engage with companies via a third-party engagement service provider to address controversial practices, i.e. actual or potential breaches of international norms. We also encourage our investment teams to engage bilaterally to support best practices, encourage disclosure and promote improvement where necessary. In particular, regarding climate issues, UBP believes that divestment from companies is not always the best way to foster climate transition. We have therefore developed a questionnaire for engagement with energy and utility companies that, among other aspects, assesses their climate strategies and encourages them to set ambitious carbon emission reduction targets and improve their climate-related disclosures. In addition, we vote on all our equity funds to achieve long-term shareholder value and promote best ESG practices, following the sustainability voting policy of our proxy voting partner.

Thought leadership

Simply keeping pace with change is not sufficient. We are committed to our role as responsible investors and aim to shape industry developments rather than follow them. We promote and participate in responsible investment initiatives within the investment community, notably through our active involvement in the [Cambridge Institute for Sustainability Leadership's Investment Leaders Group](#).

“It is only by making sustainability the centre of everyone's investment approach that we will collectively make big changes.”

Karine Jesiolowski

Head of Responsible Investment,
Asset Management



IMPACT INVESTING

UBP stands out as a pioneer in the field of impact investing in listed equity, as we believe it is an approach that works to address the major challenges facing our planet while offering attractive potential returns over the long term. We are therefore convinced that impact investing is set to play an increasingly important role in the years to come. Since 2016, we have built up our strength in impact investing thanks to a highly efficient analysis framework structured around six themes which tie in with the UN Sustainable Development Goals (SDGs). Our impact offering focuses on companies that are helping solve global problems such as scarce resources, climate change and poverty, and comprises two positive impact strategies: one centered on Europe and one, launched in 2020, covering emerging markets. UBP has a team of dedicated impact experts who have each been assigned the role of “thematic champion” over one of the impact platform’s six investment themes, thus enhancing idea-generation and creating true expertise in a given thematic field, from which the whole team benefits.

The importance of engagement

Impact investing is relatively new in the listed space and engagement with companies is the most effective way of gaining clarity on the true “intentionality” of a business. A constructive and honest relationship with a company’s management also provides the necessary encouragement and support for the company to deepen and broaden its measurement and disclose non-financial KPIs which are relevant to the investor. Engagement is therefore embedded in every stage of UBP’s investment process, from the initial investigation of a company to the impact assessment.

A unique proprietary scoring system

UBP’s Impact team has developed a proprietary system called “IMAP” to measure the impact that its investee companies have on the environment and on society. This rating methodology is central to the investment process of both impact funds and is based on four criteria: Intentionality, Materiality, Additionality and Potential (IMAP). Intentionality reflects a company’s ethos and commitment to the sustainability cause, while Materiality measures the proportion of revenue derived from products or services that have a positive impact, net of any potential harmful revenue streams. Additionality refers to a company’s position with respect to a given sub-goal of the United Nations SDGs, and Potential measures the future growth potential of the product or service. These four scores are added together to obtain an IMAP score, which enables us to make a dispassionate judgement regarding the “impact intensity” of a company in our portfolio.

The UBP IMAP system

Measuring impact intensity (minimum threshold 12/20)





A dedicated impact governance

To ensure that UBP's approach meets the most stringent impact criteria, the Bank has formalised its governance arrangements in this area by setting up two dedicated entities, the Impact Advisory Board and the Impact Investment Committee.

The Impact Advisory Board is chaired by Anne Rotman de Picciotto, a member of UBP's Board of Directors. Its role is to draw thought leadership from experts in fields outside investment management and embed it into the Bank's impact platform. The Impact Advisory Board meets twice a year to oversee the IMAP process and scores and to review the impact case behind companies held in UBP's impact investment solutions. Its external sustainability experts are:

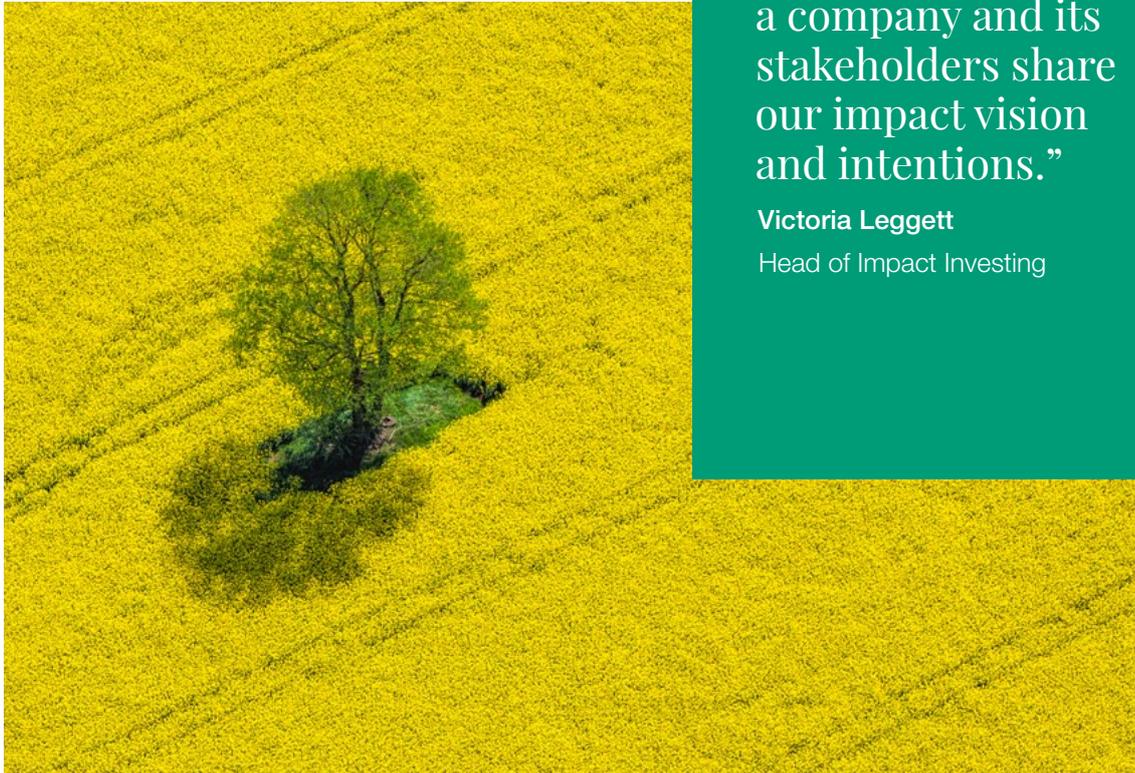
- Tony Juniper, Chair of Natural England, the UK government's official nature conservation agency, and a campaigner, writer and sustainability adviser as well as Executive Director for Advocacy and Campaigns for WWF-UK
- Kanini Mutooni, Managing Director of Europe, Draper Richard Kaplan
- Jake Reynolds, Executive Director, Cambridge Institute for Sustainability Leadership (CISL)
- Bastien Sachet, CEO, Earthworm Foundation

The Impact Investment Committee is chaired by Simon Pickard, who has more than 25 years' experience of fund management and is a seasoned impact expert. The Committee is in charge of developing the Bank's impact investing capabilities, while also incorporating industry best practice.

To communicate transparently about details of the non-financial measurement of the UBP Impact platform's performance and highlight key developments in the Bank's approach, UBP's Impact team has been publishing an annual Impact Report since 2019. The Board's minutes are also made available on www.ubp.com.

Working in collaboration

UBP is convinced that collaboration with other experts plays a crucial role in the development of impact investing. We therefore collaborate with external impact investment experts and have developed close ties with the Cambridge Institute for Sustainability Leadership since 2018. In 2019, the Bank became a founding partner of The Big Exchange, a cross-industry partnership whose goal is to make impact investment accessible to UK retail investors and in 2020, we joined the Global Impact Investing Network (GIIN), as well as FAIRR, a collaborative investor network. Via our engagement activities, we create multilateral partnerships enabling positive change, with investigation and guidance going both ways. The Impact team's Impact Engagement Framework is an authoritative tool which helps drive the agendas of these interactions.



“As investors, we place importance on whether a company and its stakeholders share our impact vision and intentions.”

Victoria Leggett

Head of Impact Investing



The drive to protect the environment

As a financial institution, UBP plays an important role in the global effort to address environmental issues. It is therefore crucial for us to assess, monitor and manage not only the effect of such issues on our clients' portfolios, but also, just as importantly, the potential impact of those investments on the environment. Similarly, we strive to manage our own operations in a sustainable way by reducing travel as well as electricity, paper, water and plastic consumption, while increasing recycling, across all our sites.



Supporting the transition to a carbon-neutral economy

Considered to be one of the most pressing issues of our time, climate change is a significant risk not only for the environment but also for the economy, which depends on a healthy planet and the resources it provides. The Paris Agreement, an international treaty to mitigate climate change, was adopted by 196 parties on 12 December 2015 and has been in force since November 2016. The treaty aims to limit global warming to well below 2°C, and preferably to 1.5°C compared with pre-industrial levels. This target requires a major effort from society, the economy, companies and the financial system.

As a responsible bank, we are committed to contributing to the achievement of this goal. In doing so, we are guided in particular by one of the United Nations' 17 SDGs, namely SDG 13: "Take urgent action to combat climate change and its impacts." In 2020, we showed our determination to address major climate issues by taking the Paris Agreement Capital Transition Assessment (PACTA 2020) climate sustainability test, as well as supporting the Task Force on Climate-related Financial Disclosures (TCFD).

Our assets under management (over CHF 140 billion) represent our biggest lever for reducing emissions. To reduce carbon emissions linked to assets held in UBP's investment portfolios, we currently monitor the weighted average carbon intensity (WACI) of all our long-only funds invested in corporate bonds and equities domiciled in Luxembourg and France, which represents the majority of our funds. Coverage is gradually being extended across all portfolios and should be completed by the end of 2021. Once completed, we aim to reduce the carbon emissions of our investments by setting specific targets for such reductions. (GRI 102-10)

Read more on how UBP is addressing the challenges of climate change from an investment perspective in our [TCFD Report](#).

“As a responsible firm with an awareness of the impact our activities can have on our environment, we pay close attention to managing our environmental footprint.”

Stephan Zilker

COO Zurich and Head General Services
Chair of CSR Committee

CARBON EMISSIONS OF UBP'S FUNDS UNDER MANAGEMENT (ASSET MANAGEMENT DIVISION)

Asset class	CHF	Of which relevant ¹	Of which CO ₂ e impact reported ²	Weighted Average Carbon Intensity (WACI)
	CHF (million)	CHF (million)	CHF (million)	Tonnes CO ₂ e/USD million sales
Fixed Income	17,156	8,306	7,160	220.7
Equity	4,684	4,510	4,218	66.7
TOTAL	21,840	12,816	11,378	166.5

Source: UBP Asset Management Division, MSCI ESG Research LLC. Holdings as at 31.12.2020

¹ Includes funds with at least 50% coverage of carbon intensity data; the significant difference in fixed income assets results from the split between sovereign and corporate issuers. The CO₂ intensity is only reported for corporate bonds.

² Includes assets under management of relevant funds weighted by the percentage of coverage of carbon-intensity data.



Managing UBP's environmental footprint

As many of our stakeholders share our motivation to transition to a low-carbon economy, we want to demonstrate leadership by managing our own operational footprint, although it is small compared to that stemming from our investments.

In 2020, we committed to a 25% reduction in our carbon footprint by 2025, targeting Scope 1, 2 and 3 emissions (using 2019 as a base year for measuring progress):

- Scope 1: Direct emissions from company facilities and vehicles
- Scope 2: Indirect emissions from purchased energy (electricity, heat, etc.)
- Scope 3: Indirect emissions from other activities (purchased goods and services, business travel, employee commuting, waste generated in operations)

We also built the groundwork to offset all remaining emissions starting from those generated in 2020.

UBP'S CSR Committee (CSRCO) and Executive Committee (ExCo) set UBP's emission targets and monitor their implementation, with the CSRCO reporting monthly to the ExCo. The ultimate responsibility lies in the hands of the Group COO, a member of the ExCo.

STRATEGY AND PROGRESS IN 2020

In the reporting year, UBP made significant progress in developing and implementing the strategy for delivering on future commitments. To improve data collection and ensure the quality and accuracy of our baseline emissions inventory, we worked with an external engineering firm that bases its approach on key measurement criteria adopted by the Canton of Geneva as well as international standards, such as the GHG Protocol Corporate Standard. This allowed us to take stock of our emissions profile and identify the most efficient levers for reductions. (GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-3, 305-5)





Key environmental performance indicators	2020	2019	Delta
Energy consumption in MWh	11,509	12,683	-9%
Electricity	7,450	8,413	-11%
from renewable sources	5,033	5,342	-6%
Heating	4,058	4,270	-5%
from renewable sources	48	38	24%
Energy consumption in kWh / CHF million revenue	10,746	11,887	-9%
Energy consumption in kWh/ FTE	6,351	7,277	-13%
Greenhouse gas emissions in tCO₂e¹	2,907	6,905	-58%
Scope 1	870	894	-3%
Heating	808	850	-5%
Loss of coolant	62	44	41%
Scope 2	604	771	-22%
Electricity (location-based)	1,360	1,521	-11%
Electricity (market-based) ²	604	771	-22%
Scope 3³	1,433	5,241	-73%
Purchased goods and services	468	753	-38%
Waste generated in operations	48	65	-26%
Business travel	628	3,627	-83%
Employee commuting	289	795	-64%
Carbon offsets purchased⁴	-2,907	0	
Net emissions	0	6,905	-100%
Greenhouse gas emissions in kgCO₂e/ CHF million revenue	2,714	6,471	-58%
Greenhouse gas emissions in kgCO₂e/FTE	1,604	3,962	-60%
Scope 1	480	513	-6%
Scope 2 (location-based)	751	872	-14%
Scope 2 (market-based)	334	442	-25%
Scope 3	791	3007	-74%

¹ Data scope: The environmental assessment that forms the basis for all environmental figures in this chapter includes the resource consumption of all 33 of UBP's sites (2019: 33). The greenhouse gas inventory has been calculated in accordance with the Greenhouse Gas Protocol. Scope 1 emissions stem from direct energy use and refrigerant leaks (for owned sites); Scope 2 emissions from purchased electricity.

² For market-based Scope 2 emissions a global minimum emission factor was used for sites consuming renewable electricity. For the location-based approach average national mix rates were used.

³ UBP conducted a Scope 3 analysis based on emissions in its Geneva headquarters in 2019. With the help of an external engineering firm, the most significant categories were determined and included in UBP's global emissions inventory. In Scope 3 calculations, paper consumption, IT equipment, and hotel stays, among other factors, were considered.

⁴ Offsets are certified by myclimate and support a pasture conservation and climate action project in Mongolia that is certified under Plan Vivo.



2020: A YEAR MARKED BY A PANDEMIC

In 2020, UBP's total energy consumption decreased by 9% and emissions by 58%. While reduction and efficiency initiatives played a part, the main reason for this significant drop was a dramatic reduction in our employees' air travel, our electricity consumption, and volumes of purchased goods and services, as a result of the lockdowns. The effect of working from home, made necessary by the pandemic, on the Bank's electricity consumption, was also significant, although difficult to measure.

INVESTING IN THE ENERGY-EFFICIENCY OF OUR BUILDINGS

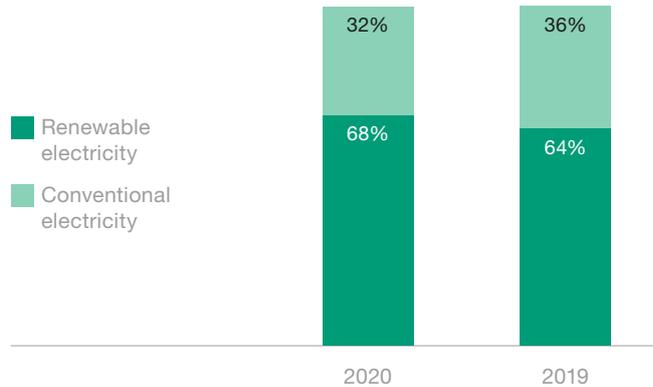
In 2020, we embarked on an ambitious programme to renovate some of our buildings in Geneva. This 10-year plan will help reduce our carbon footprint by substantially improving the energy-efficiency of our premises, and forms part of our commitment to making our operations more sustainable. In addition to new insulation and liquid crystal glazing, which alone will reduce energy consumption by 40%, gas-fired heating will be replaced by clean energy systems such as reversible heat pumps and high-temperature thermal solar panels. Energy-saving LED bulbs are replacing neon lighting and motion detectors will be integrated into the lighting system to limit energy use. With these ongoing initiatives, 66,095 kWh has been saved so far. All the above-mentioned efforts have started to be recognised, as shown by the éco21 certification awarded to the Bank in 2020 by Geneva utility company SIG. Outside Switzerland, UBP has signed Monaco's National Energy Transition Pact, which encourages all stakeholders established in Monaco to play a hands-on role in the Principality's energy transition and to reduce their greenhouse gas emissions.

We will continue to carefully manage the energy consumption of our buildings by optimising the use of current installations, updating technical installations, and addressing coolant leakage.

PROCURING RENEWABLE ENERGY

Using renewable energy is another important pillar of our environmental strategy. UBP Zurich increasingly relies on biogas, while nine sites in Geneva and one in Luxembourg are sourcing 100% renewable electricity. We are also purchasing Renewable Energy Certificates (RECs) for our Singapore site. In 2020, the share of electricity from renewable sources used at UBP was 68%, an increase of 4 percentage points over 2019. As a result, the decrease in associated market-based Scope 2 emissions was significantly more pronounced (-22%) than that for location-based emissions (-11%). We intend to go even further and procure renewable electricity for all our sites or purchase RECs where renewable electricity is not available. The use of biogas instead of natural gas will also be further explored at other sites.

SHARE OF RENEWABLE ELECTRICITY





ADDRESSING OUR SCOPE 3 EMISSIONS

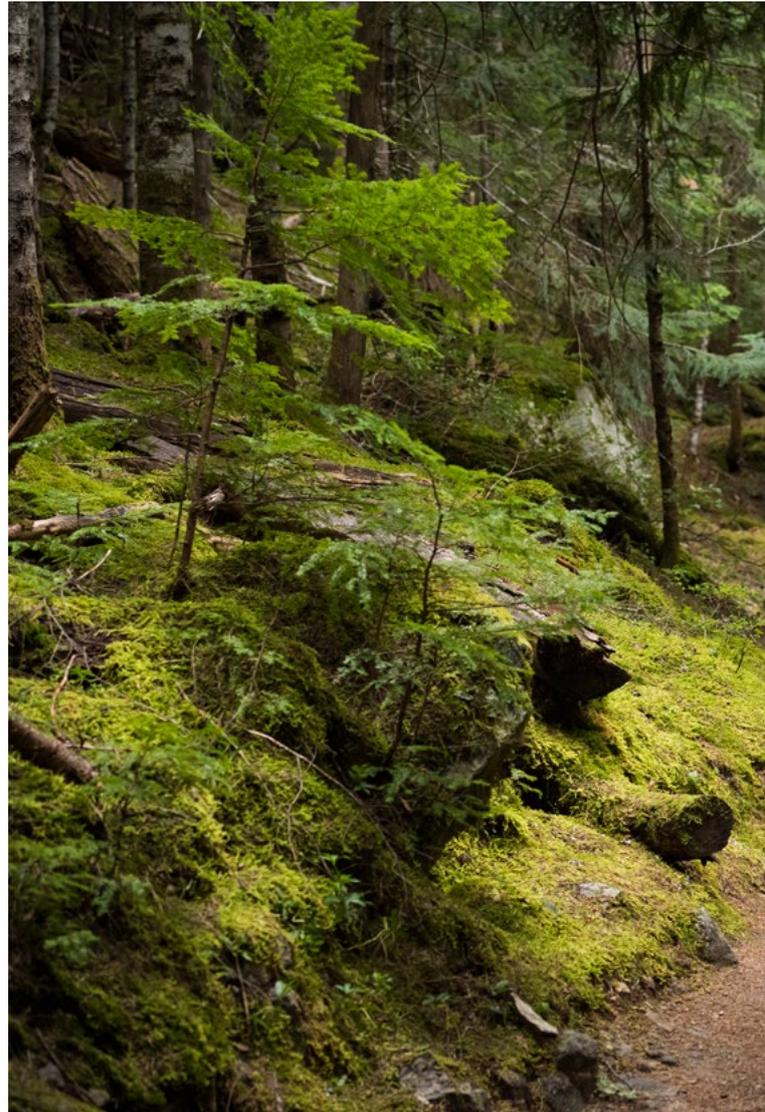
UBP's Scope 3 emissions, that is emissions occurring due to UBP's activities, but from sources not owned or controlled by us such as from business travel, purchased goods and services, and employee commuting, make up about 50% of our total carbon emissions profile for 2020. At the beginning of 2020, prior to Covid-19, UBP reviewed its travel policy in order to curb related emissions. Phone and video conference calls were explicitly recommended for all internal meetings, limiting travel to instances where remote meetings were not feasible. Measures were also taken to encourage people to travel by train, particularly within Switzerland and between Paris and Geneva. Where accommodation is necessary, UBP's Travel Desk has selected a number of eco-labelled "green hotels" that strive to minimise their impact on the environment. UBP will build on lessons learned during the crisis and further promote carbon-friendly business travel and commuting policies when official travel restrictions are lifted.

To use less paper, we have made several administration, finance and procurement operations fully digital and many internal documents are now available only in digital form. In 2020, UBP Hong Kong relaunched its Envi-U (Environment and You) green initiative, committing to reducing our overall environmental footprint via the "3Rs" principle: Reduce, Reuse and Recycle. The Envi-U initiative includes talks, events and competitions to encourage our staff to reduce waste by developing eco-friendly habits.

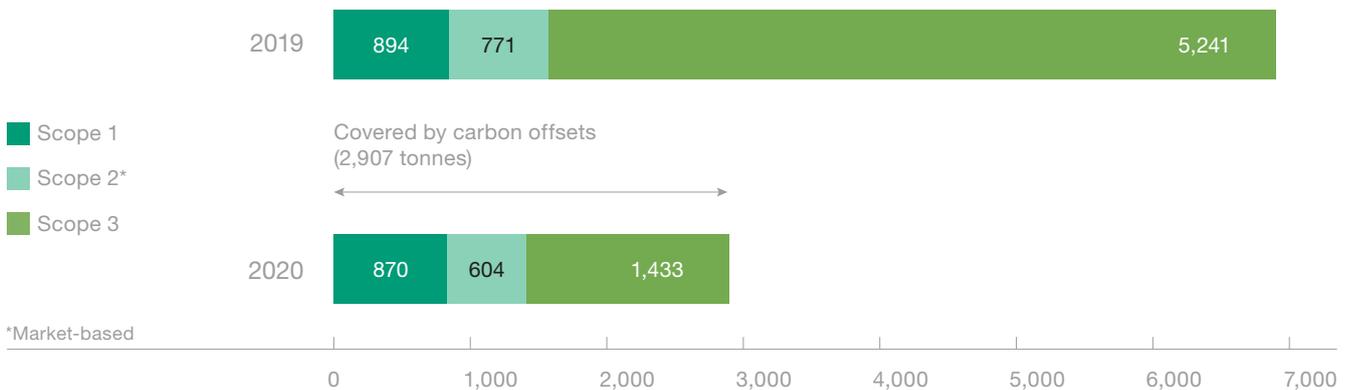
Water use is being curbed with the installation of water-saving taps at many of our office premises.

CARBON-NEUTRAL ALREADY IN 2020

Through a partnership with myclimate, UBP purchased quality offsets to cover our remaining 2020 carbon emissions (2,907 tonnes of CO₂e), primarily from the heating of buildings, the use of conventional electricity and Scope 3 emissions, such as business travel and purchased goods and services. As we reduce our own emissions, we will continue this practice in order to remain carbon-neutral.



EMISSIONS BY SCOPE (IN TONNES OF CO₂ E)





The drive to inspire our people

At its heart, UBP is a family business, driven by a long-term vision. In today's dynamic and challenging environment, our strong values inspire and guide our employees to be agile, responsible and high-performing. We provide a stimulating and safe work environment where career development, equal treatment and well-being are central. Our employees' commitment to deliver the highest value to our clients embodies this unique and supportive corporate culture.

UBP has always stood out through its unique business culture, which is defined by dynamism, passion and agility. It is a key asset, helping us to stand out from the crowd, anticipate trends, understand clients, generate interest from investors, attract talent and adapt to major changes in our operating environment.



Our employees

While remaining dedicated to its historical roots in Switzerland, UBP has become an international group, with operations spread over twenty locations worldwide. In 2020, our Bank had 1,812 employees, and despite the health-related constraints, we continued our recruitment policy intended to broaden our skills and attract new talent.

Composition of the workforce at the end of the year (GRI 102-8)				
	2020	Share	2019	Share
Employees (FTE) ¹	1,812	75%	1,743	73%
Full-time	1,662	90%	1,596	90%
Part-time	150	10%	147	10%
Internal temporary staff ²	99	4%	74	3%
External staff ³	511	21%	559	24%

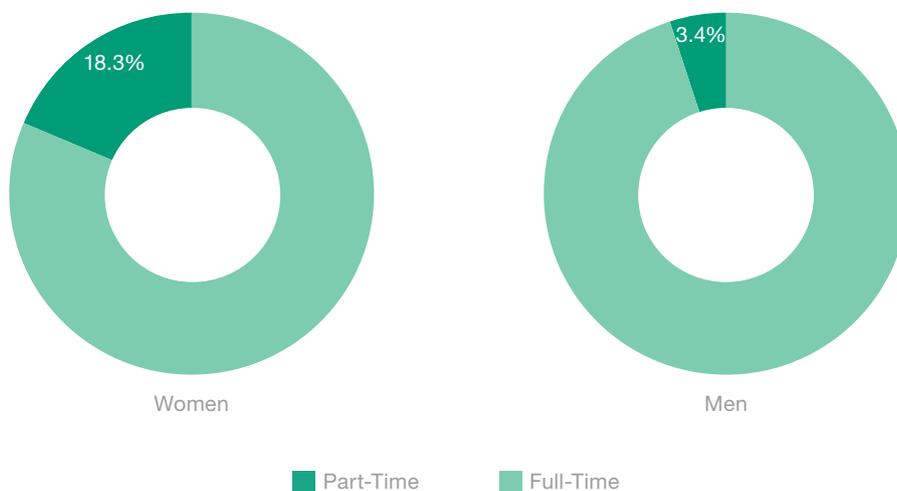
Data scope: The assessment that forms the basis for all HR figures in this chapter includes the workforce of the UBP Group.

¹ All permanent employees including apprentices. No employees are covered by collective bargaining agreements (GRI 102-41)

² Including trainees

³ Including consultants

PART-TIME EMPLOYMENT BY GENDER





Employee recruitment and retention

At UBP we are determined to provide a work environment that inspires and motivates our highly skilled staff and attracts new, driven talent. We closely observe the evolution of working practices and career expectations and adapt our recruitment and remuneration policies accordingly to remain a competitive employer, especially for the next generation.

AGILITY IN RECRUITMENT

Since candidates were less mobile and business travel for recruitment was restricted during the pandemic, we enhanced and digitalised our hiring process in 2020. The digitalisation started with Geneva and other locations will follow as of 2021. To further support our hiring managers, we developed an e-learning module in 2020 on the new recruiting tool, which was launched in early 2021. The tool improves global access to candidates and ensures an automatic end-to-end process with seamless onboarding of candidates. In a dedicated intranet section on recruitment, we provide all the tools for preparing for interviews and ensure that each candidate is a cultural fit.

FOSTERING MOBILITY

We view internal mobility as an opportunity to support personal development as well as increasing teamwork between divisions and countries. Our business is constantly evolving and having staff members move between divisions and internationally is a way for our Group to remain dynamic and keep staff motivated. In 2020, the pandemic limited the number of staff transferring between sites. However, we remain convinced that, without jeopardising our specific local expertise or culture, these transfers are a way for us to bolster our expertise at global level since they allow staff members to pass on their experience and share best practice.



“We want to offer our staff continuous training and development programmes to ensure they are equipped to face future challenges.”

Christian Scherrer

Group Head of Human Resources



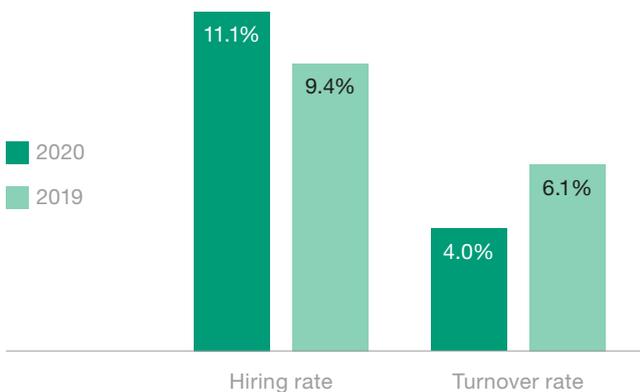
EMPLOYEE WELL-BEING AND SATISFACTION

The well-being of employees remains a key priority for UBP and at the start of the pandemic, we took immediate precautionary measures to protect staff members' health and safety. We created the UBP Pandemic Task Force which mobilised the Business Continuity Plan Correspondents and coordinated their close collaboration with departments such as Human Resources, IT, Logistics, Physical Security and Real Estate Management. We ensured secure systems access for working from home and a series of safety measures for those remaining on the premises. These included the provision of hand sanitiser and masks at all sites; recommendations regarding the wearing of masks; daily temperature checks at certain sites according to local recommendations; frequent cleaning of offices and common areas; and social distancing. We also implemented an employee assistance programme available at all Group sites, with a dedicated hotline and external contact points.

Despite the challenges, the pandemic also inspired new approaches to the way we work, such as the creation of flexible and remote work arrangements. In April 2020, we launched the "UBP@home" series of internal communications to support a smooth transition to the home-office environment. We have noticed that working from home reduced short-term absenteeism and created benefits in terms of work-life balance without compromising efficiency. UBP is witnessing rising demand for new working practices and recognises the need to equip its managers with the means to respond to this cultural shift. At the same time, we are developing a Health & Learning programme that will be implemented at some sites once a full return to the office is possible.

UBP keeps track of both short- and long-term employee satisfaction with various measurement instruments. We carried out two surveys in June and November 2020 to measure employee opinion regarding the work arrangements during the pandemic. Participation was very high, and 94% of respondents considered the anti-Covid measures put in place appropriate. We also conducted our yearly evaluation of employee seniority. The results in 2020 indicated that our employees enjoy working with us long-term, as it was revealed that on average women remain with UBP for 9 years and men for 10 years. New hires amounted to 11.1% in 2020, while the turnover rate was low, at 4%.

HIRING AND TURNOVER (GRI 401-1)



Learning and development

Globalisation, digitalisation and changing compliance rules mean that the skillsets required in our industry are constantly changing. In this rapidly evolving context, UBP believes it is vital for its employees to be able to access opportunities that help them maintain the highest level of know-how and competence. This approach fosters expertise, motivation and responsibility.

EXTENSIVE LEARNING AND DEVELOPMENT PROGRAMMES

We offer a wide variety of learning and development programmes that help us strengthen our continuous and company-wide learning culture. In 2020, the Learning and Development (L&D) department published on our intranet the "UBP Group Training Competence Manual" to define clear and consistent training best practices and ensure employees are well equipped with the knowledge and skills needed to perform their activities. With the aim of encouraging training and the proficiency of its staff members, the Bank contributes to the cost of some professional courses, as defined in the local staff handbooks of UBP branches.

With the introduction of the new Federal Financial Services Act (FinSA), the Swiss Banking Association defined certification standards for client advisors to obtain the banking industry's ISO 17024 certification, Certified Wealth Management Advisor (CWMA). We support our employees in obtaining it as we strongly believe that it offers a unique training opportunity while validating their competences. Other programmes that develop our employees' skillsets include management-essential trainings, which are designed for line managers to familiarise themselves with the core techniques for effective team management, and various in-house, e-learning and video conference courses on a broad range of topics. During the reporting period, we started creating an e-learning course on sustainability to be launched in 2021, designed to enhance our employees' skillsets and raise internal awareness on the topic.

To ensure that we are consistently fulfilling our employees' development needs, we support them throughout their whole career journey and conduct annual performance reviews (GRI 404-3). To prepare our employees for retirement in Switzerland, the Bank offers financial support dedicated to specific training or advice. We also offer guidance to support employees approaching termination of employment. (GRI 404-2)



THE NEXT GENERATION

In 2020, UBP maintained the development of young talent. We generally welcome three apprentices in Geneva and one in Zurich for their three-year courses, and in 2020, the four in their senior year successfully earned their Swiss Federal Certificate of Proficiency in Commerce with specialisation in banking. The Group also employs interns — usually around fifty a year. Despite the implementation of sanitary measures and most colleagues working from home due to the pandemic, we welcomed 25 interns in 2020. At UBP Singapore we participated in a state programme through which we welcomed five trainees over a nine-month period. It is 80% government-financed and enables the trainees to discover the banking environment. At the same time, we also developed our Graduate Programme, the latest pillar in our framework of projects to foster young talent. It will start in September 2021 and offer three positions in an 18-month rotational programme: one in Asset Management with a focus on sustainability and two in Wealth Management.

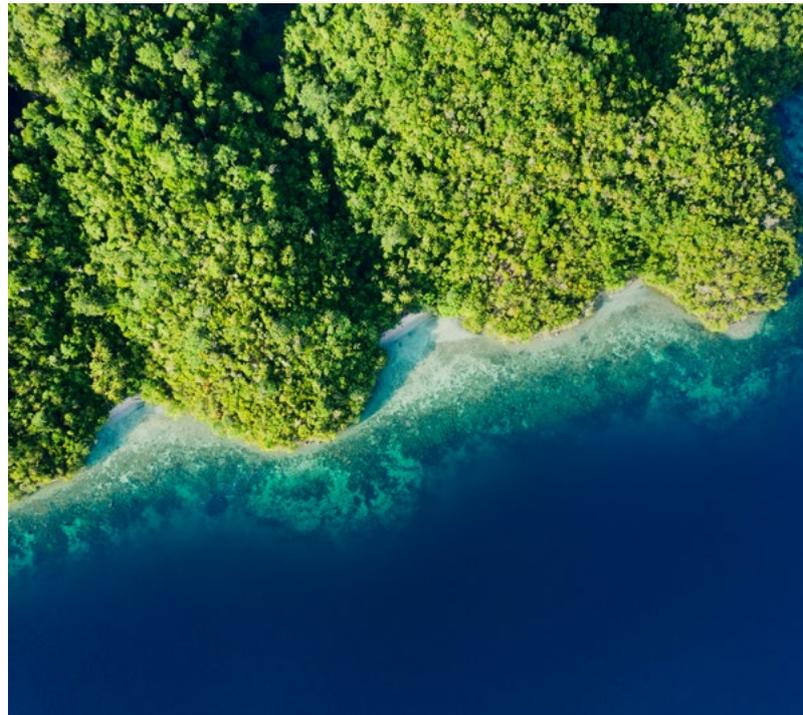
LEADERSHIP AND TALENT PROGRAMME

The Leadership Development Programme (LDP) develops individuals across all professions and includes in-depth training in leading change, as well as a group project in close collaboration with UBP's senior management. While the LDP had Asian and European versions previously, the programme has been further developed to bring together managers from multiple UBP locations around the globe. The new concept of the LDP is delivered in collaboration with the renowned IMD Business School in Lausanne, the residential part of which is due to be held on their campus in November 2021.

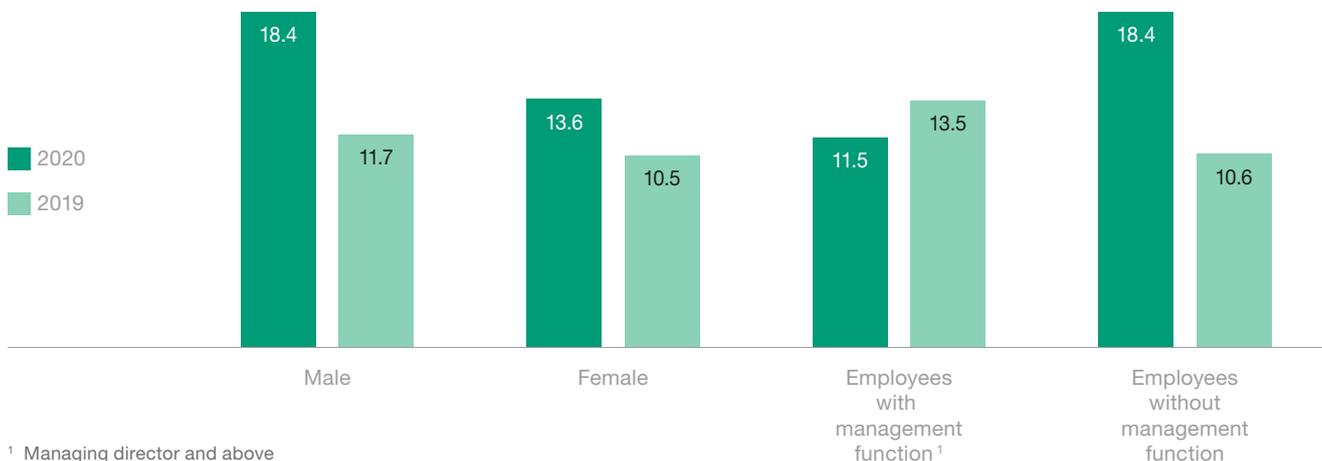
The Talent Management programme is intended to develop our people's expertise and forms the backbone of UBP's succession plan. The Executive Committee, management teams and the Human Resources department together identify staff members with development potential and put together customised training plans for them. Evidence shows that participants are then able to take on new challenges within UBP.

PROGRAMME SUPERVISION AND IMPROVEMENT

All learning and development programmes are supervised by the HR department, and the LDP and Talent Management programmes are also overseen by the Executive Committee. We measure the quality of trainings by gathering feedback and running surveys, which allows us to continuously enhance our training offering and steadily adapt our programmes to the needs of our employees and business. In 2020, all UBP's employees attended at least one training session and undertook 23,200 hours of training in total — an equivalent of 16.3 hours per staff member. 10% of our staff members attended more than 10 hours of training.



AVERAGE HOURS OF TRAINING (GRI 404-1)





Diversity and inclusion

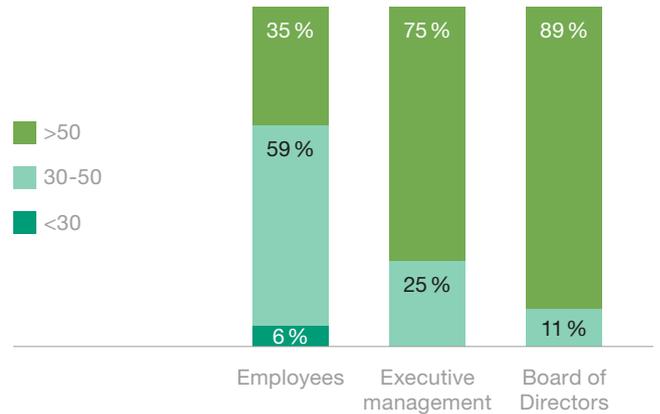
Our diverse workforce drives progress and innovation at UBP. We are committed to ensuring fairness, equal opportunities and equal rights for all our people, and condemn every form of discrimination. We treat all employees alike, regardless of their ethnicity, nationality, gender, gender identity, sexual orientation, religion, age, marital or family status, or any other status protected by applicable local laws, including pregnancy and disability. We promote diversity and inclusion in all our HR processes, from the early recruitment stages to promotions and pay reviews. Our efforts to build a diverse workforce are well reflected in the over 60 nationalities it comprises. We also emphasise inclusion with each business acquisition, illustrating our integration capabilities.

The Group's staff handbooks were updated in 2020 to include new clauses regarding our diversity and anti-discrimination policies. These changes came into effect in 2021.

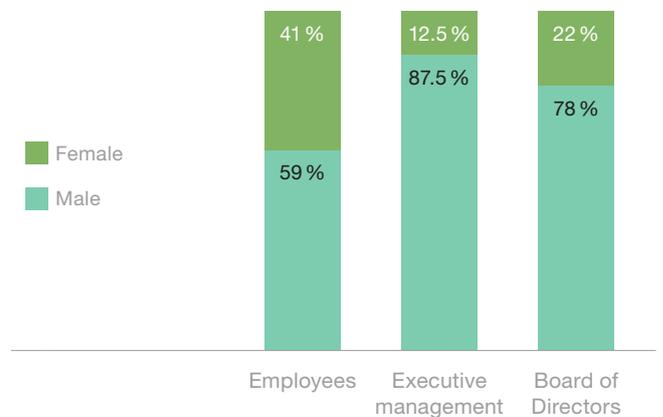
The Corporate Social Responsibility Committee (CSRCO) addresses the topic of diversity and inclusion. As an element of UBP's CSR strategy and in line with the Gender Equality Act in Switzerland, we will regularly conduct gender pay gap analysis in the future. The 2020 analysis for our Switzerland offices showed a 6.9% differential taking into account personal and job-related factors ("unexplained wage gap"). This is slightly above the 5% threshold below which the gap is considered not to be statistically significant. The gap is reduced to 3.3% when relationship managers are excluded, partially due to the fact that senior banker positions are mainly held by male employees (GRI 405-2). The figure can be set against the Federal Statistical Office's national study published in February 2021. This study has shown that in Switzerland's private sector as a whole, the unexplained gap between men's and women's pay was 8.6%, reaching 10.2% in the financial and insurance sector. The result of our analysis attests to the consistency of UBP's pay structure, which includes the use of benchmarks to ensure the Bank's salaries are fair and attractive.

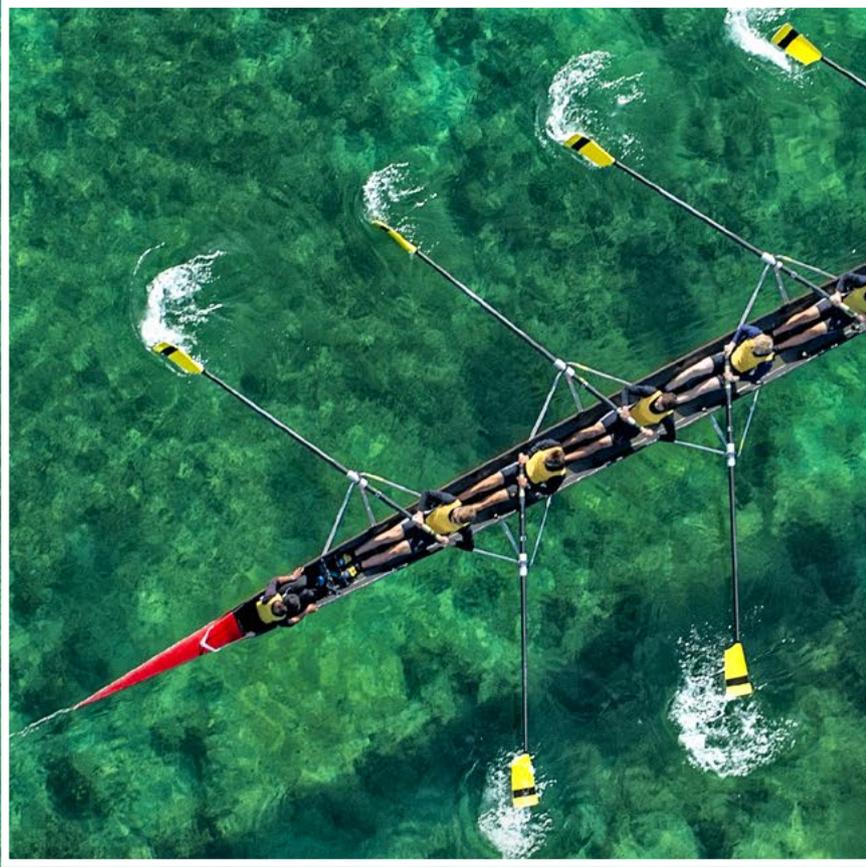
Female employees comprise 41% of the workforce at UBP, a figure which has been stable since 2019. Female representation at the executive management level is comparatively low at 12.5% and the proportion on the Board of Directors is 22% (GRI 405-1). As regards age, UBP has a long tradition of training apprentices and in 2020 we intensified our focus on offering employment and learning opportunities to young people.

DIVERSITY BY AGE GROUP 2020



DIVERSITY BY GENDER 2020





The drive to engage with our communities

UBP has always considered it has a moral responsibility to help the communities where it operates, discreetly but efficiently. The Bank places great emphasis on incorporating social responsibility into every aspect of its business. For many years, UBP has sponsored cultural, educational and research projects that support its communities and promote sustainable development.



Sponsorship and community engagement

We assert our values through our partnerships as well as by supporting many non-profit organisations and associations. With Covid-19 impacting our scope of action, during the pandemic we have focused on donations and encouraged employees to volunteer their time and their skills remotely. We have also used the opportunity to take stock of our past community actions and assess their effectiveness and their popularity.

TOGETHER AGAINST COVID-19

In 2020, UBP made specific efforts in several areas linked to the pandemic. Significant sums earmarked for corporate events were reallocated to projects that alleviated the effects of the health crisis. In Switzerland, the de Picciotto family and UBP donated over CHF 2.5 million to hospitals and various organisations on the front line of the fight against Covid-19.

UBP supported projects that have a direct, practical impact, aiming to accelerate the economic recovery and support caregivers and hospitals, as well as to drive innovation and medical research. UBP wanted to show its gratitude by contributing to funds supporting the caregivers at Lausanne University Hospital (CHUV) and the Ticino Cantonal Hospital in Switzerland, but also the Royal Free Charity in London and Give2Asia in Hong Kong. Furthermore, UBP supported a study by Zurich University Hospital and a clinical trial by the Geneva University Hospitals looking at the effects of prophylactic treatments for the virus. We also supported the development of two apps to help monitor Covid-19 patients at home and to identify potential new cases. In London, we helped 1,500 vulnerable or homeless people who lost their income by donating to The London Community Foundation. The Bank has also donated to The Courage Fund in Singapore, a charity that works with the country's most vulnerable households, which have been hit particularly hard by the pandemic. Over 250 employees contributed by donating over CHF 80,000 in our internal matching challenge to raise funds. UBP doubled each employee's contribution with a matching amount, bringing the total amount of donations to over CHF 160,000. (GRI 203-1)

ONGOING COMMITMENTS

UBP supports the communities in its various locations throughout the world by contributing to cultural, educational and medical research via donations and sponsorships. The Bank also organises or participates in solidarity projects with an ecological or social impact while fostering teamwork.

Although the healthcare sector was dominated by the fight against coronavirus in 2020, UBP has also been active in other health-related projects. In Geneva, we raised money by auctioning off artworks to employees and donated the proceeds to CANSEARCH, a cancer foundation that funds research projects at the Geneva University Hospitals' Paediatric Oncology & Haematology department.

In the educational arena, UBP's Hong Kong branch has put in place a community engagement programme, "Philanthropy By U", which has initiated a project to encourage literacy in disadvantaged areas. It has been ongoing since 2018 and in 2020 led to the opening of a school library in a remote part of China.

In the cultural arena, we focus on artistic creation and young talents by supporting several institutions and artists in theatre, classical music and cinema, such as the Camerata Venia orchestra in Geneva, of which we have been a partner for numerous years.

ENGAGING OUR EMPLOYEES

In a bid to encourage its staff to get charitably involved, for two years the Bank has been using a solidarity platform to help its staff connect with local and international charities that run projects with a high social impact. Any staff member can sign up and get involved as a volunteer by offering their expertise, their time in the field, or making a donation to a cause. In order to facilitate this involvement, the Bank offers each staff member a day of leave per year for charity work. Since 2018 more than 720 employees have registered on the platform, 54 charities have received support, and CHF 103,200 in donations was raised in 2020. Additionally, 238 staff devoted time and expertise to a charitable cause of their choice.

In 2020 we asked our employees to share their ideas and feedback about our social initiatives in a survey, which helped us maintain and expand our community engagement efforts. The results showed that most employees care about community engagement, working conditions and the environment in equal measure. We are driven to further engage our employees in community activities, and once the pandemic abates, UBP plans to run many new community engagement activities.

"It is important for us to give our employees the opportunity to connect with charities that run projects with a high social impact."

Bernard Schuster

Head of Group Communications

About this report

The GRI Sustainability Reporting Standards provide 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.

UBP is publishing its first Sustainability Report according to the GRI Standards to report transparently on its sustainability activities (GRI 102-48, 102-49, 102-51). The reporting period comprises the calendar year 2020 (GRI 102-50). UBP commits to an annual reporting process (GRI 102-52). This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). The reporting principles for defining report content and quality have been applied throughout

the information collection and report development process (GRI 102-46). The reporting scope comprises all our locations. The list of consolidated subsidiaries is available in UBP's [Annual Report 2020](#), p. 50-51 (GRI 102-45). In the reporting period, there were no significant changes to the organisation and its supply chain (GRI 102-10). The contents of the Sustainability Report have not been externally assured (GRI 102-56).

The contact point for questions regarding the report is sustainability@ubp.ch (GRI 102-53).

Consultancy on sustainability and TCFD reporting:
Sustainerv (Zurich/Boston)



UN Global Compact – Communication on Progress

In 2020, we underpinned our commitment to responsible business practices by joining the United Nations Global Compact (UNGC). We describe the way in which we contribute to meeting the UNGC’s Ten Principles in this Sustainability Report. UBP’s CEO’s statement of support to the UNGC is included in the [foreword](#) of this report.

THE TEN PRINCIPLES OF THE UN GLOBAL COMPACT

Human rights

While we are committed to respecting and promoting human rights in all our business activities, we see minimal risks in this regard within our own operations. Therefore, we are focusing on proactively channelling capital towards responsible investments, taking into consideration potential breaches of international norms, including human rights, when investing in corporates.

Principles	Reference
1 Businesses should support and respect the protection of internationally proclaimed human rights and	Responsible investment, p. 28–31
2 make sure they are not complicit in human rights abuses.	

Labour

UBP is diligent in upholding labour rights within its own operations as well as screening potential breaches of international norms, such as International Labour Organization (ILO) Standards, before investing in companies.

Principles	Reference
3 Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Responsible investment, p. 28–31
4 the elimination of all forms of forced and compulsory labour;	
5 the effective abolition of child labour; and	Diversity and inclusion, p. 43
6 the elimination of discrimination in respect of employment and occupation.	

Environment

UBP takes its role in reducing the footprint of its own operations on the environment seriously. Furthermore, through its investments UBP promotes greater environmental responsibility and supports solutions for the existing environmental challenges.

Principles	Reference
7 Businesses should support a precautionary approach to environmental challenges;	Responsible investment, p. 28–31
8 undertake initiatives to promote greater environmental responsibility; and	
9 accelerate the development and diffusion of environmentally friendly technologies.	TCFD Report, p. 55–59

Anti-corruption

As a family-owned bank, UBP is proud of its strong ethics and commitment to compliance and takes a stand against corruption.

Principles	Reference
10 Businesses should work against corruption in all its forms, including extortion and bribery.	Business ethics and compliance, p. 20–21



GRI Content Index

MATERIALITY
DISCLOSURES SERVICE

2021

For the Materiality Disclosures Service, the GRI Services team concluded from its review that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

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GRI 102: 2016 General disclosures

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405-2	Ratio of basic salary and remuneration of women to men	43	
	Collaboration for a sustainable financial industry		
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	27, 29, 31	
GRI 417: 2016	Marketing and labeling		
417-1	Requirements for product and service information and labelling	27	

**TOPIC-SPECIFIC STANDARDS**

GRI Standard	Title	Page	Reason for omission
GRI 418: 2016	Customer privacy		
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	24 - 25	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	24 - 25	
	Client-centricity		
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	27	
GRI 419: 2016	Socioeconomic Compliance		
GRI 103: 2016 103-1 / 103-2 / 103-3	Management approach	21	
419-1	Non-compliance with laws and regulations in the social and economic area	21	



TCFD Report 2020

In 2020, UBP showed its determination to address major climate issues by supporting the Task Force on Climate-related Financial Disclosure (TCFD).

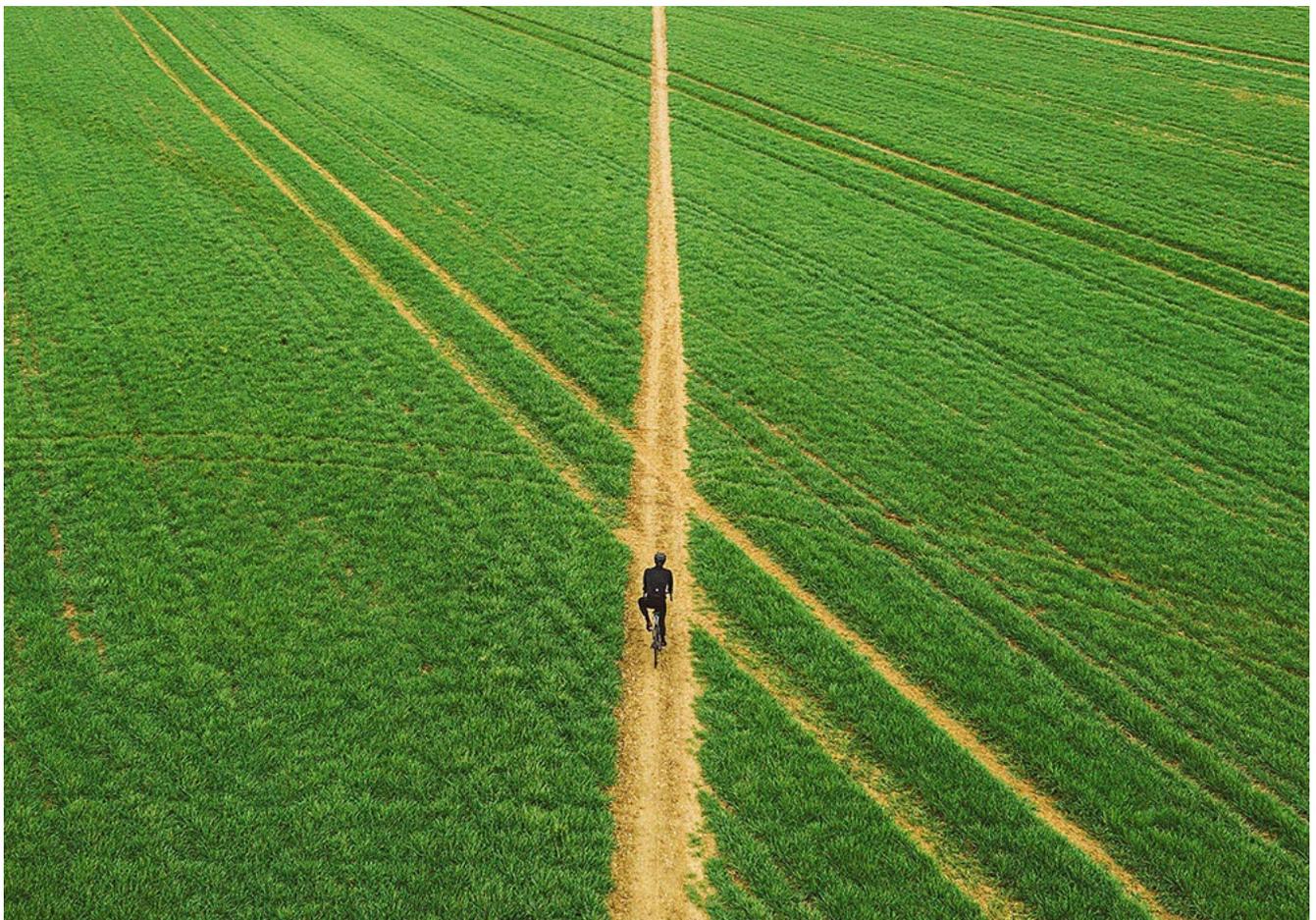
ABOUT THIS REPORT

This report sets out how UBP is addressing the challenges of climate change. At the core is TCFD's call that climate change assessment and action must be driven by management and — unlike a marginal threat — treated strategically in terms of risk management. Additionally, the potential financial impacts of climate change must also be measured and translated into business objectives. The aim of this report is to describe our approach to achieving this strategic goal.

GOVERNANCE & STRATEGY

UBP's commitment to sustainability and climate-related business issues is directed by the Bank's highest executive body, the Executive Committee (ExCo). The ExCo oversees two committees that are instrumental in understanding, measuring and integrating climate-related issues: the Responsible Investing Committee (RICO) and the Corporate Social Responsibility Committee (CSRCO). For more information, please see [Responsible corporate governance](#).

UBP has established [ten key sustainability objectives](#) for the 2021–25 cycle, one of which relates directly to reducing the carbon footprint of our operations, while others refer to increasing sustainable investments. At UBP, all of our sustainable strategies take into consideration climate risks and opportunities, and most of them aim to reduce their carbon footprint.





Risk Management

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Climate-related risks are threats deriving from the transitional or physical effects of climate change that may directly or indirectly impact UBP's financial performance, the Bank's operations or its reputation. Climate-related risks are not a new class of risks, but rather emerge in well-established risk classes, such as those related to business, market, credit or reputation.

Climate change, however, will not only manifest itself in the form of risks, but may also create new opportunities for the Bank, such as investing in climate-change-mitigation technologies. The identification and assessment of both the risks and the opportunities are carried out by the RICO and UBP's investment teams for investment portfolios, and by the CSRCO for UBP's operations. These risks are monitored through the sustainability risk framework.

GOVERNANCE OF THE RISK MANAGEMENT PROCESSES

The Risk Committee is responsible for managing sustainability risks at both Group and business unit levels. The required key risk indicators (KRIs) are provided by the RICO.

IDENTIFYING ESG RISKS AND OPPORTUNITIES

Extreme weather events are becoming more common, requiring us to evaluate our investments for their resilience and adaptability to climate change. Climate risks cover both physical and transitional risks, and are assessed independently. The assessment of these risks is conducted using third-party data, as well as in-house assessments. It is based on company disclosures or estimates of greenhouse gas emissions, activities' revenue breakdowns and asset allocation. The objective is to assess companies' resilience to climate change as well as their climate strategies. In general, climate-related information will be included in the analysis of risks that may have a significant negative impact on the assets, balance sheet, earnings or reputation of the entity invested in. UBP's ESG approach is based on the following four principles: screening, integration, exercising active ownership and thought leadership.

- Screening:
 - Exclusion List: this list encompasses a number of controversial business areas in which investments are deemed inappropriate. In particular, to limit the negative impact of our investments on climate, we exclude companies involved in coal extraction (revenue thresholds apply). For our sustainable and impact products, climate-related exclusions are even stricter, including, for instance, companies with revenues linked to coal-powered electricity generation or unconventional oil & gas extraction.
 - Watch List: this list includes companies that are identified as being involved in very severe ESG controversies, such as breaches of environmental or climate-related international norms, which represent a potential threat to our investments

in the long term. Portfolio managers may still invest in these stocks/issuers, but investments are closely monitored by Risk Management through dedicated KRIs. Any investment in such companies is systematically challenged.

- Integration: our investment teams are encouraged to integrate ESG considerations into their investment processes. Moreover, through their research, these teams can identify companies which are either contributing to solving the world's societal and climate challenges or being innovative in their efforts to improve their ESG practices. These companies are shared across the Group through our Sustainability Champions List.
- Active Ownership: to be active and responsible managers of capital, we engage with companies via a partner to address controversial practices while also encouraging our investment teams to engage bilaterally to support best practices, encourage disclosure and promote improvements where necessary. In particular, as far as climate issues are concerned, UBP believes that divestment from companies does not always constitute an appropriate solution to encouraging climate transition. We have therefore developed a questionnaire for engagement with energy and utility companies that, among other aspects, assesses their climate strategies and encourages them to increase disclosure of climate-related data. Last, our voting policy aims to achieve long-term shareholder value and promote best ESG practices.
- Thought Leadership: simply keeping pace with change is not sufficient. We are committed to our role as responsible investors and aim to shape industry developments rather than follow them. We promote and participate in responsible investment initiatives within the investment community, notably through our active involvement in the Cambridge Institute for Sustainability Leadership's "Investment Leaders Group." For more information, please refer to the RISK MONITORING section on p. 57 and to our [Responsible Investment Policy](#).

SUSTAINABILITY RISK SCORING AT UBP

Each investment team is encouraged to integrate sustainability considerations into its investment process, as suited to their asset class, using both in-house and third-party ESG and climate research. In addition, for risk monitoring at Group level, UBP bases its sustainability risk framework on the MSCI ESG methodology, which covers the three main sustainability pillars (environmental, social, and governance). Companies are scored on specific issues relating to each of these pillars, based on their materiality and on the company's level of exposure and management of the issue. Environmental issues include climate-related factors, such as carbon emissions, climate change vulnerability and product carbon footprint.

At portfolio and aggregated levels, UBP monitors the ESG Quality Score, which is a portfolio's ability to manage key medium-to-long-term ESG risks and opportunities. UBP also monitors the individual E, S and G scores, as well as the weighted average carbon-intensity (WACI), in line with the TCFD recommendations (see details in the RISK MONITORING section on p. 57).

More details on sustainability risk monitoring, controlling and reporting can be found in the [Sustainability Risk Framework](#).



DESCRIPTION AND LIST OF OPPORTUNITIES

Opportunities for investing in climate change mitigation and adaptation exist for both products and services. At UBP, we:

- continuously develop sustainable investment products which offer a low-carbon footprint and/or seize new investment opportunities, for instance in secular trends, such as climate change, or in green and sustainable bonds;
- offer two impact strategies in which “Climate Stability” is one of the six investment themes pursued. It targets companies that contribute positively to SDG 7 (“Affordable and Clean Energy”) and SDG 13 (“Climate Action”).

Furthermore, we also manage the Bank’s own environmental footprint and strive to reduce our carbon footprint through higher operational efficiency by:

- improving the energy-efficiency of our premises, including the deployment of modern heating and cooling systems, as well as improved insulation;
- sourcing renewable energy across our premises worldwide to contribute actively to the transition to a low-carbon economy;
- deploying smart working approaches to optimise the use of office space, leading to reduced emissions related to buildings and commuting;
- tightening our travel policy and leveraging videoconferencing solutions to reduce emissions stemming from business travel;
- engaging our suppliers to improve the Bank’s Scope 3 emissions.

Last, we also regularly engage with our employees by raising awareness and encouraging them to manage their own carbon emissions through internal communication campaigns.

RISK MONITORING

At UBP, climate-related risks to investments come under sustainability risk monitoring, which is organised around three main axes:

1. Issuer lists

In line with UBP’s Responsible Investment Policy, Risk Management monitors the exposure to issuers in the Exclusion and Watch Lists (see details in the IDENTIFYING ESG RISKS AND OPPORTUNITIES section on p. 56).

2. Portfolio ESG Quality Scores

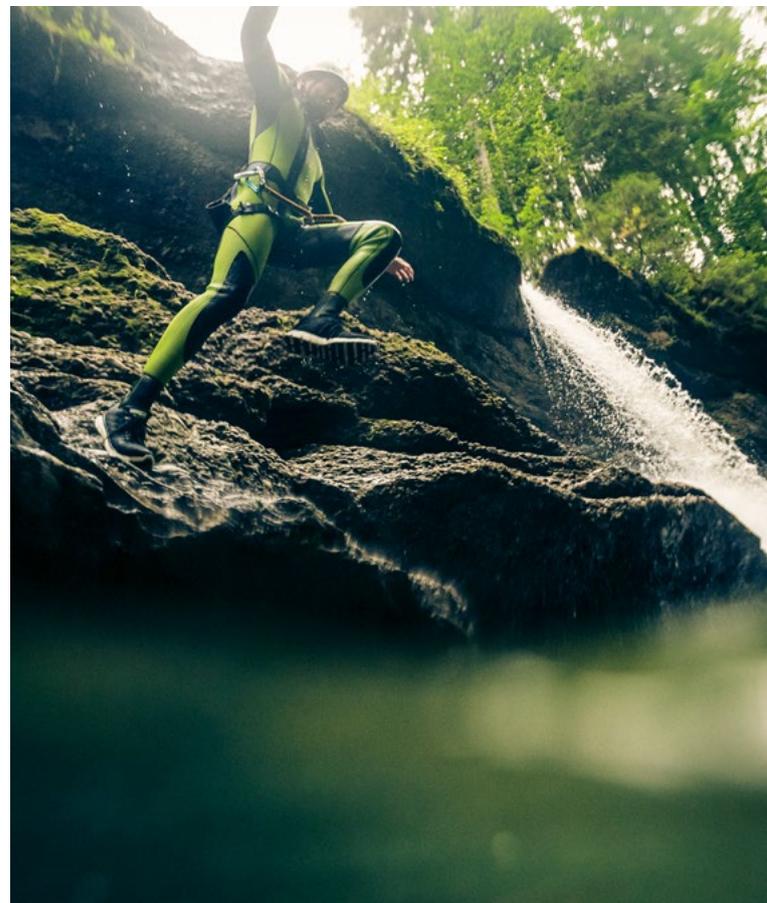
The aim is to compute and monitor the ESG Quality Score for each portfolio using MSCI’s methodology. The ESG Quality Score for a given portfolio is based on the weighted average of individual sustainability scores that reflect the market value of each position, as well as on issuers’ ESG momentum and the distribution of ESG ratings within the portfolio. Minimum thresholds of ESG Quality Scores may apply, depending on the strategy.

3. Carbon emissions

We measure the carbon footprint of our investments by their weighted average carbon intensity (WACI). The WACI is defined as the market-weighted average of total carbon emissions in tonnes of CO₂ divided by total revenues. This measure is the most appropriate across all asset classes, not only for direct holdings in equities and fixed income, but also for mixed assets and funds. The WACI is calculated by MSCI using the latest available carbon emission data or estimates. For now, only Scope 1 and 2 emissions are considered, as Scope 3 data is additive across companies and may result in double counting.

KRIs (e.g. WACI of the balance sheet or total assets under management on the Watch List) and their respective limits are defined by the ExCo in line with the desired risk appetite. Our sustainability risk framework is fully integrated and part of our operational risk framework.

The Risk Management department monitors and analyses specific KRIs across the Group. The implementation of the sustainability risk framework started with the Bank’s Asset Management division and is now being extended to all our activities; this process is set to be completed in January 2022. The framework includes a daily review of sustainability risk exposures and an analysis of potential breaches. If these cannot be resolved, they are escalated to the senior management. In addition, monthly consolidated ESG reports will be prepared and submitted to the Board’s Risk Committee (BRC).





Metrics & targets

REDUCING CARBON EMISSIONS WITHIN PORTFOLIOS

UBP currently monitors the WACI of all its long-only funds invested in corporate bonds and equities domiciled in Luxembourg and France, which represent the majority of our funds. Furthermore, we monitor the carbon footprint (greenhouse gas emissions) of our own operations based on the GHG Protocol reporting standard.

Coverage is gradually being extended across all portfolios and should be completed by the end of 2021.

CARBON EMISSIONS OF UBP'S FUNDS UNDER MANAGEMENT (ASSET MANAGEMENT DIVISION)

Asset class	CHF	Of which relevant ¹	Of which CO ₂ e impact reported ²	Weighted Average Carbon Intensity (WACI)
	CHF (million)	CHF (million)	CHF (million)	Tonnes CO ₂ e/USD million sales
Fixed Income	17,156	8,306	7,160	220.7
Equity	4,684	4,510	4,218	66.7
TOTAL	21,840	12,816	11,378	166.5

Source: UBP Asset Management Division, MSCI ESG Research LLC. Holdings as at 31.12.2020

¹ Includes funds with at least 50% coverage of carbon intensity data; the significant difference in fixed income assets results from the split between sovereign and corporate issuers. The CO₂ intensity is only reported for corporate bonds.

² Includes assets under management of relevant funds weighted by the percentage of coverage of carbon-intensity data.

To reduce the carbon emissions of our investments, we have launched a series of products (or amended existing ones) that have, as one of their objectives, a lower carbon footprint than their investment universe (as measured by the WACI). This is now the case for all our flagship equity funds invested in emerging markets, European, Japanese (large cap), Swiss or global equities, as well as for some of our fixed-income and convertible bond strategies.

In addition to monitoring the WACI of our funds, UBP, via the third-party provider ISS, measures some of its funds' emissions compared with the path of different climate scenarios taking into account the set "carbon budget" of each of the sectors and business activities, as well as the stated climate strategy of companies (e.g. whether or not a company has adopted science-based targets to reduce its emissions) for several scenarios, including the International Energy Agency's (IEA) Sustainable Development Scenario (SDS) which is in line with the Paris Climate Agreement.

As at 31 March 2021, the results for UBP's Sustainable and Impact offering show that close to 90% of our funds are either aligned until 2050 or better aligned than their benchmarks. Our portfolios' average overshoot year in terms of carbon budget is 2040 and the average 2050 potential temperature increase of our portfolios is 2.0°C compared to 3.0°C for their benchmarks.

UBP is currently rolling out climate scenario alignment analyses across its investment teams.

Looking ahead, we aim to further reduce the carbon emissions of our investments by setting specific targets for such reductions once the measurement of the carbon footprint of all our products is completed.



REDUCING CARBON EMISSIONS ACROSS UBP'S OWN OPERATIONS

As a supporter of the TCFD, UBP has implemented a strategy for the management of its own operations' carbon footprint, including regular assessments, reduction targets and concrete measures.

We systematically track sources of emissions and implement reduction measures across all emission scopes. Our target is to reduce our carbon footprint by 25% by 2025 (from the 2019 baseline), focusing on sourcing renewable energy across all company premises, improving the energy consumption of our buildings, and reducing business travel. The remaining unavoidable emissions are offset, starting from the reporting year 2020.

We work with energy consulting agencies and follow recommendations specified in the Carbon Footprint Report prepared for UBP by an engineering company that specialises in energy management and optimisation.

We have entered into an agreement with myclimate, an international organisation offering voluntary carbon-compensation measures, to offset our reported 2020 carbon emissions with the help of high-quality projects according to the Plan Vivo standard.

For more information, please refer to [Managing UBP's environmental footprint](#).

Key environmental performance indicators ¹	2020	2019	Delta
Greenhouse gas emissions in tCO₂e	2,907	6,905	-58%
Scope 1	870	894	-3%
Scope 2²	604	771	-22%
Scope 3³	1,433	5,241	-73%
Carbon offsets purchased⁴	-2,907	0	
Net emissions	0	6,905	-100%

¹ Data scope: The environmental assessment that forms the basis for all environmental figures in this chapter includes the resource consumption of all 33 of UBP's sites (2019: 33). The greenhouse gas inventory has been calculated in accordance with the Greenhouse Gas Protocol. Scope 1 emissions stem from direct energy use and refrigerant leaks (for owned sites); Scope 2 emissions from purchased electricity.

² For market-based Scope 2 emissions a global minimum emission factor was used for sites consuming renewable electricity. For the location-based approach average national mix rates were used.

³ UBP conducted a Scope 3 analysis based on emissions in its Geneva headquarters in 2019. With the help of an external engineering firm, the most significant categories were determined and included in UBP's global emissions inventory. In Scope 3 calculations, paper consumption, IT equipment, and hotel stays, among other factors, were considered.

⁴ Offsets are certified by myclimate and support a pasture conservation and climate action project in Mongolia that is certified under Plan Vivo.

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