

## UBS Annual General Meeting

Wednesday 15 April 2026 - St. Jakobshalle, Basel

Speech by Vincent Kaufmann, CEO Ethos Foundation

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Mr. Chairman, Members of the board of directors, dear shareholders,

I am speaking on behalf of the Ethos Foundation and its more than 250 members, Swiss pension funds that collectively manage some 380 billion Swiss francs. As long-term shareholders, we have a direct interest in seeing UBS managed sustainably, both environmentally and financially.

I would like to address three topics today.

**First: the bank's sustainability ambition remains insufficient.**

We acknowledge UBS's climate targets and the 83 % reduction in financed emissions from fossil fuels since 2021. But let us look at the full picture.

Sustainable investments account for just 5.8 % of total assets under management. Five-point eight percent: That is simply not enough for the world's largest wealth manager. At the same time, gross lending exposure to fossil fuels still amounts to over 9 billion US dollars across the full value chain. Moreover, the lending portfolio decarbonisation targets do not even cover half of the total credit exposure.

On the lending side, there is a simple metric to measure a bank's contribution to financing the energy transition: the "Energy Supply Financing Ratio." Green financing is divided by fossil financing. If the result is above one, the bank finances more renewables than fossils. If it is below one, the opposite is true. Leading European banks already publish this key figure and exceed the threshold.

UBS does not publish this ratio. We call on UBS to do so annually and to set a target to bring it above one.

**Second: executive remuneration remains excessive and inadequately calibrated.**

UBS ranks at the very top of remuneration among major European banks. Its CEO is among the highest-paid bank executives in Europe. We do not dispute the principle of paying for performance. But the current system has two structural shortfalls.

First, the long-term incentive plan is valued at only 50 % of the share price. This results in a leverage effect that is not yet reflected in the maximum variable remuneration cap submitted to the shareholder vote and published in the remuneration report. Shareholders vote on a maximum amount, but the actual amount can be significantly higher.

Second, the performance criteria remain too heavily tied to the Return on Tangible Equity. This creates an incentive for the management to keep the core capital as low as possible in order to inflate profitability. This cannot be considered as an incentive for performance but rather for risk-taking.

We call on the board of directors to set a lower cap on variable remuneration that fully incorporates the leverage effect. We also expect the board to prevent potential remuneration excesses, in particular to avoid political measures that could prove more restrictive.

We further urge the board to revise performance criteria by applying more transparent, quantitative and ambitious sustainability targets, fostering sound long-term value creation.



**Third: capital strength must remain the priority.**

UBS is now the only global systemically important bank in Switzerland. Its balance sheet is twice the size of Swiss GDP. This scale carries a responsibility that extends to the entire Swiss economy.

We are concerned that share buybacks and high bonuses are coming at the expense of a solid capital base. The Federal Council has rightly proposed stricter capital requirements. We support this approach. Today's proposal to cancel the shares bought back last year strikes us as illogical, since a part of the reform of the capital requirements will be published most likely in just a few days.

We must not allow a system where executives are rewarded while the risk is borne by the financial system and taxpayers. This was one of the lessons of the 2008 crisis. This was one of the lessons of the collapse of Credit Suisse. We shall not forget these lessons, especially since UBS's new size would no longer allow a taxpayer bailout.

UBS stands at a turning point. The question is not whether the bank is profitable. Undoubtedly it is. The question is whether the bank remains sustainably profitable. Profits must not be earned at the expense of financial stability and the future.

We expect UBS to live up to this responsibility in the interest of all shareholders and of Switzerland.

Thank you for your attention.