

2021 UK Gender & Ethnicity Pay Gap Report

March 2022







We are pleased to share our fifth annual UK Gender Pay Gap Report with you, and for the first time, decided to publish our UK Ethnicity Pay Gap.

At UBS, we reimagine the power of people and investments to create a better world for all – a world that’s fair and sustainable. To support our purpose, we have a clear ambition to build and develop a diverse, equitable and inclusive workforce that is representative of the clients and communities we serve. UBS is and continues to be fully committed to hiring, promoting and retaining talent of all genders and ethnicities across the firm.

Our entire leadership community play a pivotal role in helping us make progress and our most senior leaders are held accountable. Throughout 2021, we continued to provide additional career support as well as enhance HR processes and technology solutions to help us more effectively attract, develop and retain female and ethnic minority talent at all career stages.

Our HR policies and practices are designed to ensure that all employees are treated fairly across all of our people activities, including the focus of this report on fair pay.

We confirm that the data reported is accurate.



A handwritten signature in blue ink that reads "Beatriz Martin".

Beatriz Martin

UK Chief Executive, Group Treasurer and Chief Transformation Officer



A handwritten signature in black ink that reads "Sharon Persia".

Sharon Persia

Head of Human Resources, UK & Investment Bank



A handwritten signature in black ink that reads "Cecilia Wan".

Cecilia Wan

Global Head of Diversity, Equity & Inclusion and Employee Relations

UBS's commitment to hiring, retaining and promoting more women and ethnic minority employees remains unchanged

To ensure we deliver on this, we revised our **aspirations** at the start of 2020.

Our data tells us we have a representation gap of women and ethnic minority employees in leadership positions (Director and above).

We have defined a **global aspirational** goal to increase our representation of women in leadership positions to 30% by 2025.

30%

Aspirational global representation of women in leadership positions by 2025.

26%

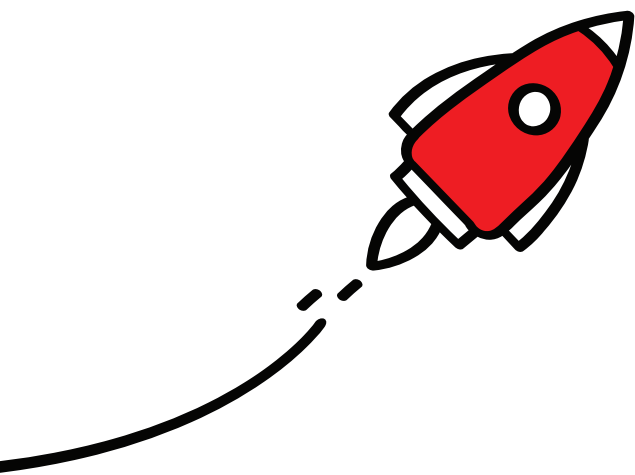
Aspirational UK representation of ethnic minority employees in leadership positions by 2025.

In addition, we are working to increase the representation of ethnic minority employees in leadership roles to above 26% (a headcount increase of 40%¹) by 2025 and Black employees in leadership roles to above 4% (a headcount increase of 80%¹) by the same date. Our senior leaders are accountable for supporting our aspirational goals.

In 2021, we've increased representation of women by 0.8% with 28.3% of Director and above roles now held by women in the UK.

Additionally, 21.3% and 2.8% of Director and above roles are held by our ethnic minority and Black employees respectively.

¹ From a headcount baseline of June 2020



A note on Pay Gaps and Pay Equity

The gender pay gap is the difference in average / median pay between male and female staff across the entire organization regardless of their role. Importantly, the gender pay gap is not the same as pay equity, which means ensuring male and female employees are paid equally for the same or similar role, or for work of equal value.

As outlined in our 2020 report, we are recognized with an external certification for our HR and fair pay practices in some of our largest locations, including the UK. The certification, awarded by the EQUAL-SALARY Foundation, includes an independent review by a leading audit firm, who monitored our practices again in 2021 and re-accredited our certification.

We are very pleased to be recognized for our consistency and treatment, as well as outcomes, across all our people practices including pay.

We conduct regular and rigorous internal compensation reviews across the firm.

We also regularly engage independent third parties to analyze our compensation data to ensure all employees are paid fairly and to address any unexplained gaps. If we uncover any gaps that cannot be explained by business factors such as experience, role, responsibility, performance or location, we explore the root causes of gaps and address them.

In 2021, we extended our internal analysis beyond gender with a focus on ethnicity with no statistically significant gap identified.

Consolidated gender pay gap figures for UBS in the UK

Combining UK data for **UBS AG** and **UBS Business Solutions AG**

UBS Gender Pay Gap Data – Mean and Median Pay

The table below shows the overall gap between male and female pay. Female hourly fixed pay and variable pay are lower than male pay by the following percentages:

	Mean			Median		
	2019	2020	2021	2019	2020	2021
Hourly Fixed ¹	30%	28%	29%	25%	22%	20%
Variable Pay ²	56%	52%	56%	33%	33%	25%

1 Hourly fixed pay – compensation paid in the relevant period (April 2021)

2 Variable pay includes any bonus paid during the relevant period (April 2020–April 2021)

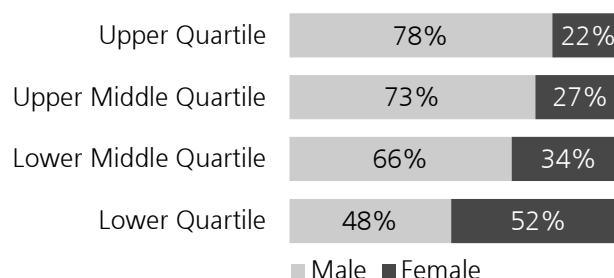
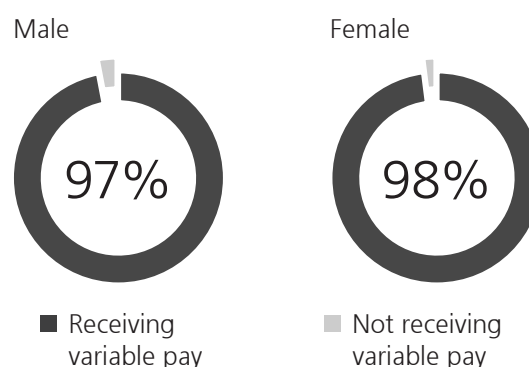
Fixed Pay Quartiles

The chart to the right shows the percentage of women and men represented in each fixed pay quartile.

The quartile bands are determined by ranking the fixed pay for all employees, dividing into four equally sized groups and calculating the proportion of males and females in each group.

Proportion of Colleagues Awarded Variable Pay

The figures below represent the percentage of women and men receiving variable pay in the relevant period (April 2020 to April 2021):



Our gender pay gap continues to reflect a lower representation of women at senior levels at UBS, with a greater proportion of men in our more senior, higher-paying roles.

Our pay gap will only be narrowed by increasing the number of women in leadership and higher-paying roles and a continued focus on creating and leveraging the opportunities to do this whilst maintaining our culture of meritocracy and pay for performance.

We are seeing steady progress in our Director and above female representation in our UK business with a **year-on-year improvement of 0.8%, up to 28.3% in 2021 from 27.5% in 2020.**



Consolidated ethnicity pay gap figures for UBS in the UK

Combining UK data for **UBS AG** and **UBS Business Solutions AG**

UBS Ethnicity Pay Gap Data – Mean and Median Pay¹

The table below shows the overall gap between white and ethnic minority employee pay. Ethnic minority employees' hourly fixed pay and variable pay are lower than white employees' pay by the following percentages:

	Mean 2021	Median 2021
Hourly Fixed ²	24%	12%
Variable Pay ³	46%	50%

- 1 Consistently with the Gender Pay Gap calculation, the population used for the ethnicity pay gap is based on the UBS employees in the UK as of 5 April. Among this population, the disclosure rate is 79% (74% when excluding employees who selected "I do not wish to disclose"). The disclosure rate has since increased further to over 80% by the end of 2021
- 2 Hourly fixed pay – compensation paid in the relevant period (April 2021)
- 3 Variable pay includes any bonus paid during the relevant period (April 2020–April 2021)

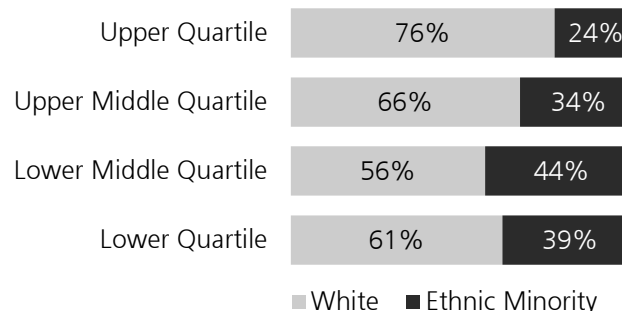
Fixed Pay Quartiles

The chart to the right shows the percentage of white and ethnic minority employees represented in each fixed pay quartile.

The quartile bands are determined by ranking the fixed pay for all employees, dividing into four equally sized groups and calculating the proportion of white and ethnic minority employees in each group.

Proportion of Colleagues Awarded Variable Pay

The figures below represent the percentage of white and ethnic minority employees receiving variable pay in the relevant period (April 2020 to April 2021):




In line with the UK Government Ethnic group definition

White

White – Any other White background; White – English / Welsh / Scottish; White – Gypsy or Irish Traveler; White – Irish

Ethnic Minority

Asian – Any other Asian Background; Asian – Bangladeshi; Asian – Indian; Asian – Pakistani; Black – African; Black – Any other Black Background; Black – Caribbean; Black British – African / Caribbean; Chinese; Mixed – Any other Mixed / Multiple; Mixed – White and Asian; Mixed – White and Black Africa; Mixed – White and Black Caribbean; Other – Arab; Other Ethnic Group

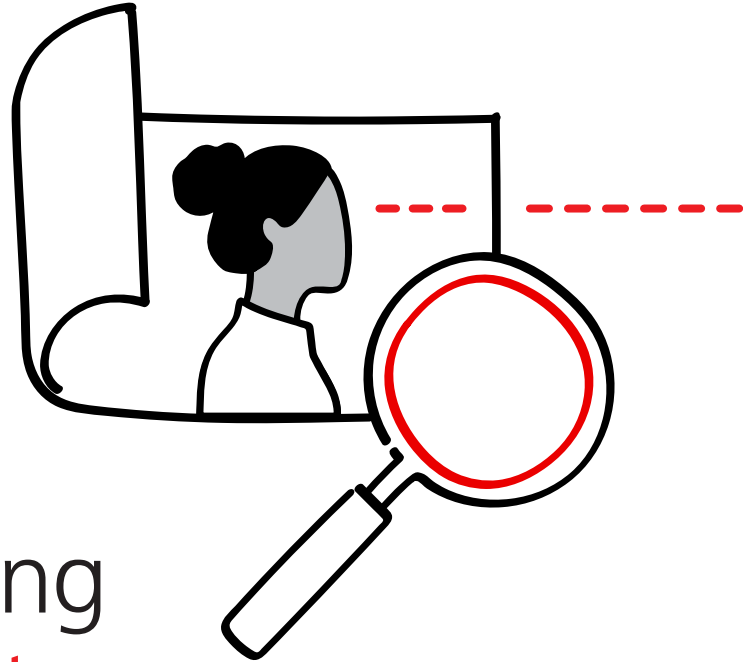


Ethnic minority pay gap calculations are based on the employees who have voluntarily disclosed their ethnicity.

Our ethnicity pay gap reflects a representation gap caused by having unequal numbers of white and ethnic minority employees at each level at UBS, with a greater proportion of white employees in our more senior, higher-paying roles. Only by increasing the number of ethnic minority employees in leadership and higher-paying positions will we be able to close the pay gap, and we must remain focused on creating and leveraging opportunities to do so while upholding our culture of meritocracy and pay-for-performance.

We are seeing steady progress in our Director and above ethnic minority representation in our UK business with **an increase of 1.2% up to 21.3% in 2021 from 20.1% in 2020.**

Hire more



Our focus on hiring has **driven impact.**

37.5%

Women account for 37.5% of new hires at every level. Up from 34.5% in 2020.



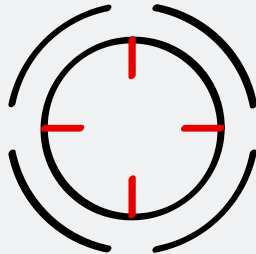
34.6%

Ethnic minority employees account for 34.6% of new hires across all levels; included in this number, Black employees account for 6.7% of new hires. This is up from 31.2% and 5.6%, respectively in 2020.



This positive trend has also been observed by women and ethnic minority employees accounting for 23.2% and 30.4% of all hiring at Director and above in 2021, up from 21.8% and 24.9% respectively in 2020. Hiring for Black employees at Director and above stands at 3.1% and we are focused on increasing this going forward. The work we have done around increasing promotion rates and decreasing attrition rates at all levels has led to an increase in our Black representation headcount.

Additionally, we are building a strong pipeline of future Black talent at Associate Director and below, where we have seen a 0.3% increase in representation.



Tomorrow's Talent

Tomorrow's Talent at UBS is a structured program designed to help women and ethnic minority candidates discover their potential and realize their professional aspirations. Aimed at university students, it incorporates virtual insight experiences and summer internship opportunities, designed to help progression into long term careers at UBS. We have partnered with the 10,000 Black Interns initiative and SEO London with focus on undergraduates and recent graduates who are considered for our internship, industrial placement and graduate talent program.

Intersectionality

Throughout 2021 we increased the response rate of our UK employees declaring their ethnicity data to over 80%. This allowed us to re-baseline our aspirational goals for ethnic diversity at Director level and above. This means we continue to consider intersectionality to ensure more people can thrive at UBS.

Diverse Pipeline – Junior Talent

The gender balance of our UK graduate population for 2021 was 47% female and our School Leaver Apprentice program 54% female. We also have strong representation of ethnic minority employees with 36% representation in our UK graduate population and 29% representation in our school leaver apprentice program.

Diverse Pipeline – Professional Hires

Our professional recruiting team have worked to ensure all our suppliers are aware of the priority we place on Diversity, Equity and Inclusion. Additionally, we have worked to develop our relationship with suppliers who specialize in providing diverse candidates from within the financial services sector and beyond. Examples of our partners are, The Return HUB, Inclusion Partners, Barrington Hibbert Associates, Coding Black Females, Black Young Professionals Network (BYP) and Women in Banking and Finance (WIBF).

Career Comeback

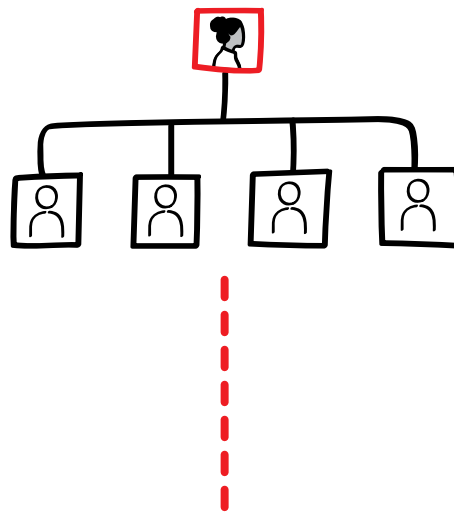
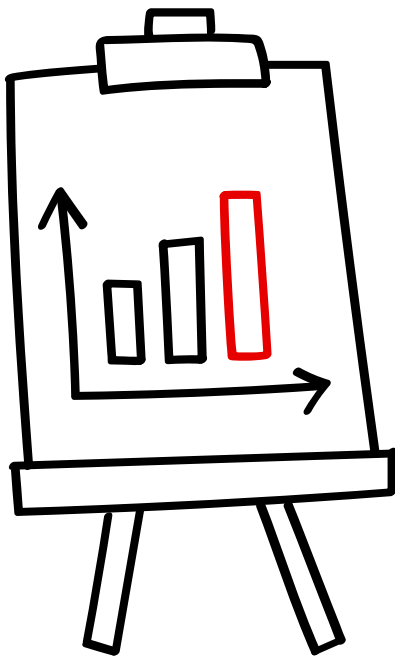
Our award-winning UBS Career Comeback program offers permanent roles to professionals wishing to return to corporate jobs after a career break. Returnees are supported with remote onboarding, 1:1 executive coaching, group coaching, regular education and development sessions and peer support – all of which have been effectively delivered virtually in 2021.

Funding African Caribbean Societies

We've established relationships with African Caribbean Societies across UK Universities to give us access to a more diverse applicant base to leverage in our internships and graduate programs.

Promote more

We are fully committed to a promotion process that is fair, equal and unbiased, with clear and transparent guidelines.



37.0%

Women represent 37.0% of promotions to Director and above positions, up from 31.0% in 2020.



25.6%

Ethnic minority employees account for 25.6% of promotion to Director and above positions; included in this number, Black employees account for 3.3% of promotions. This is up from 18.9% and 3.2%, respectively in 2020.





We are pleased that we have seen an increase in the representation of diversity across our promotions in 2021, be it for women, ethnic minority employees or Black employees.

Key Talent Development

We focus on our key talent cycle to identify high potential individuals and potential successors for leadership positions to ensure equal opportunity. Additionally, we run development programs to support key talents in reaching their potential.

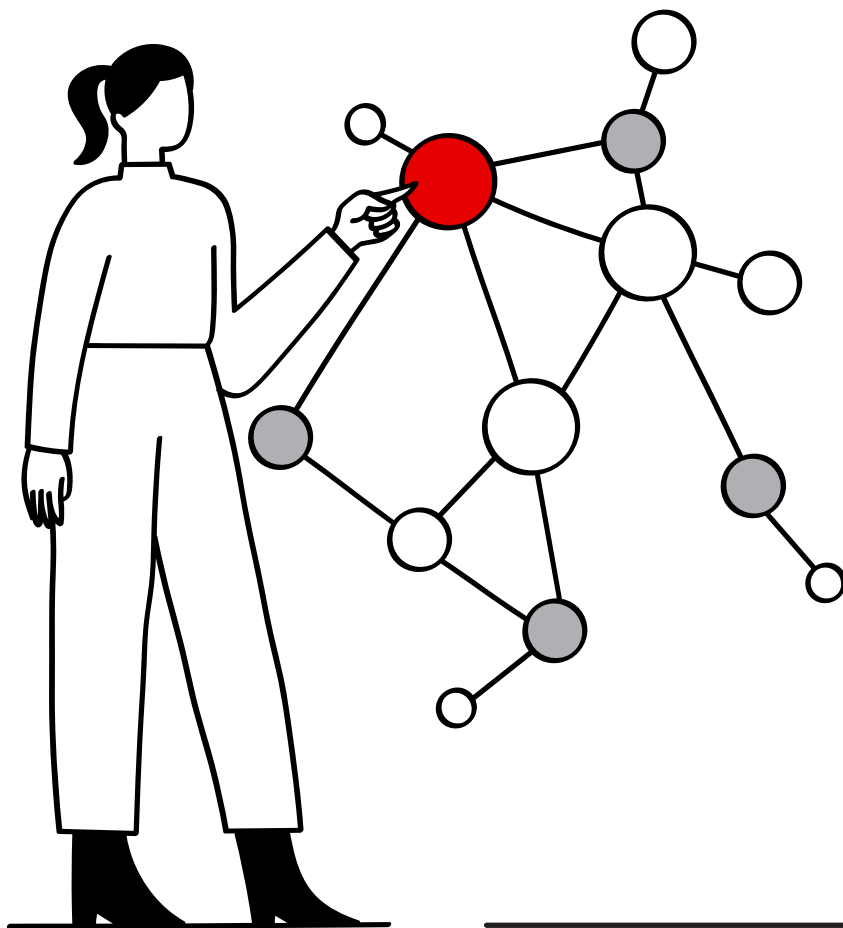
Employee Networks

Our gender employee network, All Bar None, runs several development sessions for their members, including the continuation of the Financial Confidence series in partnership with our Women's Wealth initiative covering everything from ISAs to Pensions.

Our race and ethnicity employee network, MOSAIC, introduced a sponsorship program – Not in Your Image, which provides career development for MOSAIC members and an opportunity for senior management to gain insights and provide a platform to support career advancement for participants.

Retain more

Our retention approach is focused on enhancing our inclusive culture and opportunities for all at UBS. We continue to focus on improving line manager capability, enhancing career development opportunities and empowering people to bring their full selves to work and thrive.



“To enable our businesses to innovate and thrive, it is essential that our people reflect the diverse communities in which we live and work, and that everyone feels they belong and have equitable access to opportunities to reach their full potential.”

Cicilia Wan

Global Head of Diversity, Equity & Inclusion and Employee Relations

Our Culture

Our culture is key to our success. Our people are respected and valued for the differences they bring to the table and we ensure they're free to contribute their individual opinions throughout their career. We continue to give all our people a voice, ensuring they feel seen and heard and allowing them to feel they belong at UBS. As part of our annual performance process, we connect our people to our purpose, helping them understand how their work contributes to the impact our Firm has.

Hybrid Working Model

In every situation there are challenges and opportunities. An example of this is the accelerated increase in hybrid working triggered by the pandemic. This year significantly changed the way we work and we're role modeling this from the top, with senior management also working in a hybrid set up. In 2021, up to two thirds of employees requested to work on a hybrid schedule beyond the pandemic, and we believe this approach will allow our people to continue to have a better work-life integration.

Engaging Male Allies

Our male colleagues continue to play a key role in creating an inclusive culture for women. Our All Bar None network has established a Male Allies program which has since been expanded globally with over 70 male senior leaders now engaged. This initiative recognizes that gender inequality is something men need to be purposefully engaged in and we have senior sponsors who regularly speak on this topic.

Our Benefits

When our people need extra support and help, we ensure we have the right benefits on offer. We offer a wide variety of parental leave options including 26 weeks full pay for maternity leave, adoption leave and shared parental leave (SPL). Expectant parents are offered parental transition coaching and we have a parental buddy system in place. People managers are also given coaching on how to support their staff member through the parental transition.

We continued to offer menopause support throughout 2021, recognizing the impact that menopause has on many of our people. We offered menopause clinics via our onsite GP service and continued running all-employee menopause demystified sessions.

We're proud of the support in place for our trans employees, starting with information for people managers and employees to help them understand gender identity. We continue to offer access to specialist support for employees with gender dysphoria through our UK health insurance provider, including counseling and hormone treatment.

Constantly evolving our commitment to race and ethnicity diversity

Race and ethnicity were first highlighted in our DE&I priorities for the UK in 2016, when we ran several focus groups to understand the areas in which we needed to improve. As a result, we launched the employee network "MOSAIC" and initiated reverse mentoring for our senior leaders. In 2019, we signed the Race at Work Charter, showing our commitment to attracting and retaining a diverse workforce and started our journey on data collection.

In 2020, the death of George Floyd, and the subsequent Black Lives Matter Protests that took place across the globe, intensified the focus on how organizations are progressing the DE&I agenda for ethnic diversity.

This has led us to implement several practices and programs, including:

- Introduction of aspirational goals in the UK for the representation of ethnic minority employees as well as an additional aspirational goal for Black employees
- Production of our first annual UK Diversity Equity and Inclusion Impact Report to publicly document our progress
- Launch of a "Race and Ethnicity" eLearning module globally for all UBS employees, supported by additional in-person training sessions offered to employees across the UK
- Increased visibility for employees to understand how to raise concerns around microaggressions and the impact they can have

Our Group Executive Board have continued to monitor deliverables against our commitments and oversee our progress.

At UBS, our Group Executive Board made several commitments against four key themes:



Investing in ethnic minorities



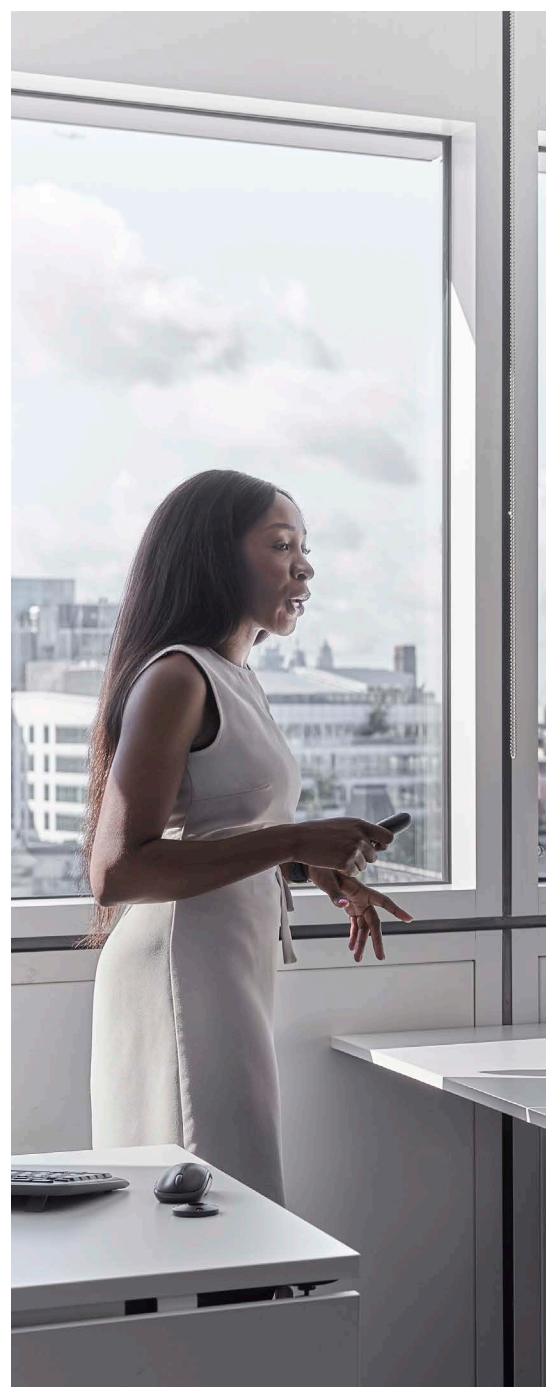
Increasing accountability and transparency



Leveraging UBS core strengths



Improving the culture



“We can only be credible in our aspiration to advancing the DE&I agenda if we lead by example. If we do that, we will activate the entire firm to step up and effect change in our people.”

Beatriz Martin
UK Chief Executive





Gender pay gap detail by legal entity

Since November 2017, UBS has had two main employing entities: UBS AG and UBS Business Solutions AG.

In general, UBS AG is comprised of our revenue generating roles across our Investment Bank, Asset Management and Global Wealth Management businesses, and UBS Business Solutions AG mainly employs our support and logistic functions.

UBS AG

	Mean 2021	Median 2021
Hourly Fixed ¹	42%	37%
Variable Pay ²	64%	70%

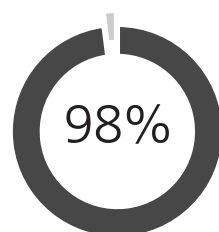
- 1 Hourly fixed pay – compensation paid in the relevant period (April 2021)
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UBS Business Solutions AG

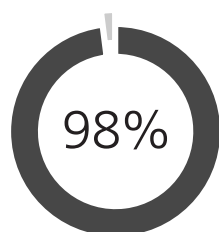
	Mean 2021	Median 2021
Hourly Fixed ¹	13%	14%
Variable Pay ²	17%	17%

- 1 Hourly fixed pay – compensation paid in the relevant period (April 2021)
- 2 Variable pay includes any bonus paid during the relevant period (April 2020–April 2021)

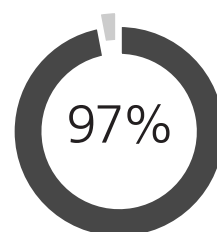
Male



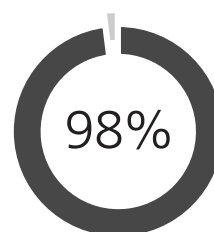
Female



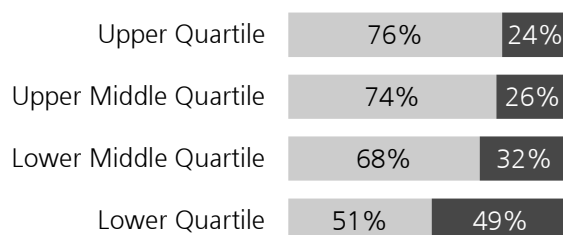
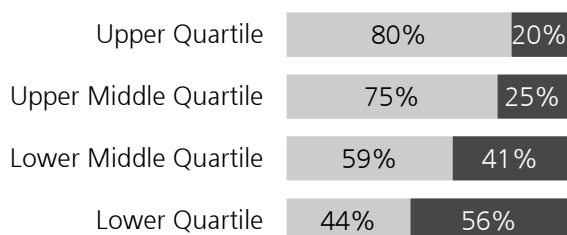
Male



Female



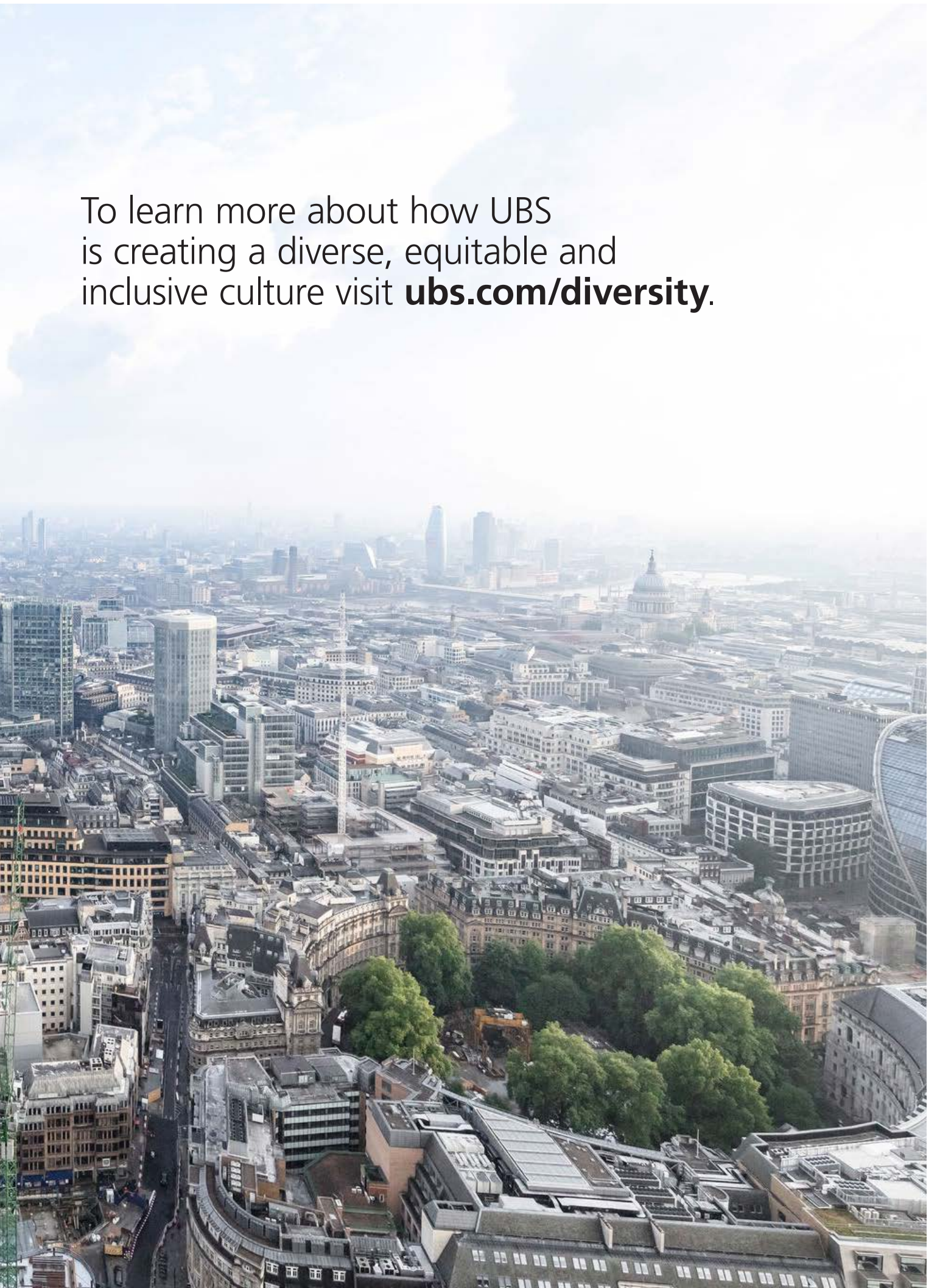
■ Receiving variable pay ■ Not receiving variable pay



■ Male ■ Female



To learn more about how UBS
is creating a diverse, equitable and
inclusive culture visit ubs.com/diversity.



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