# UBS quits NZBA in latest blow to bank climate coalition, cites stronger in‑house capabilities



Swiss banking giant UBS will withdraw from the Net‑Zero Banking Alliance (NZBA) after an annual review of its sustainability and climate‑related memberships, joining a string of major lenders that have recently left the UN‑convened initiative. The move, announced as part of the bank’s routine reassessment of external partnerships, follows high‑profile exits by Barclays and HSBC and comes amid a broader reshaping of how large financial institutions approach collective climate commitments. According to Reuters, UBS framed the decision as a reflection of its own evolved capabilities rather than a repudiation of net‑zero aims.

The NZBA was launched in 2021 under the auspices of the UN Environment Programme Finance Initiative as part of the Glasgow effort to marshal private finance behind the goal of limiting global warming. The alliance’s founding cohort—43 banks from 23 countries—committed to align lending and investment portfolios with pathways to net‑zero by 2050 and to set interim 2030 targets. In April 2025 the NZBA membership voted to renew and refocus its mandate, signalling a shift away from purely prescriptive target‑setting towards practical support for banks to finance decarbonisation in the real economy. UNEP FI described that strategic change as intended to bolster implementation tools, sectoral engagement and capacity building, especially for emerging‑market lenders.

UBS’s departure is the latest in a year of high‑profile withdrawals that have dramatically thinned NZBA’s roster. Reuters and other reports list major global banks—including several large US names such as JPMorgan Chase, Citigroup and Morgan Stanley, as well as Macquarie and Bank of Montreal—among those that have left or signalled moves away from the coalition in 2025. Observers and the banks themselves have linked the exodus in part to intensifying political and regulatory scrutiny in some jurisdictions, where elected officials have questioned whether collective climate initiatives overly constrain banks’ commercial responsibilities. Several banks have said they will continue climate work independently while prioritising client and shareholder interests.

The alliance has pushed back against any suggestion that departures undermine its purpose. An NZBA spokesperson said the initiative’s “strength lies in the commitment of its member banks to lead the net zero transition” and emphasised the long‑term nature of the work, which requires “courage, consistency and true leadership.” At the same time, the NZBA has loosened some membership requirements and reconfigured its mandate to remain attractive to a broader and more diverse set of banks, acknowledging the slow pace of change in the real economy and the need for practical implementation support.

UBS itself said the NZBA played a useful role in the early stages of setting targets but that the bank has since “bulked up” its in‑house sustainability capabilities and no longer requires the alliance’s frameworks. The bank’s decision coincides with recent changes in its sustainability leadership: Michael Baldinger stepped down as chief sustainability officer in July 2025 and Christian Leitz was named to add the CSO title to his existing role. UBS said its sustainability strategy and impact are overseen by a board‑level executive, signalling that the firm intends to continue pursuing its net‑zero commitments through internal governance and bespoke client engagement.

Campaigners and some industry analysts warned that the fragmentation of collective mechanisms such as NZBA risks weakening transparency and the comparability of banks’ climate plans. Reuters reported concerns that, without shared standards and reporting expectations, it will be harder to track finance flows and hold firms to account for real‑world emissions outcomes. Proponents of the NZBA’s refreshed approach argue the alliance’s pivot to implementation support and capacity building could nonetheless preserve its relevance by helping smaller and emerging‑market banks to mobilise capital for decarbonisation.

UBS’s exit underlines a broader tension in banking climate policy: the interplay between multilateral, sector‑wide frameworks and individual banks’ desire to set and execute strategies under their own governance amid shifting political pressures. The NZBA and UNEP FI appear to be betting that practical tools, targeted sectoral engagement and support for implementation will keep the alliance useful even as membership evolves. Whether that refocusing will be enough to stabilise confidence in collective standard‑setting and deliver the scale of finance needed for real‑economy decarbonisation remains an open question.

### 📌 Reference Map:

* Paragraph 1 – [[1]](https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance), [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/)
* Paragraph 2 – [[4]](https://www.unepfi.org/industries/banking/43-banks-launch-net-zero-banking-alliance-as-key-part-of-consolidated-glasgow-cop-climate-action/), [[5]](https://www.unepfi.org/net-zero-banking/media/nzba-renews-mandate-with-increased-focus-on-unlocking-opportunities-for-financing-real-economy-decarbonization/)
* Paragraph 3 – [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/), [[6]](https://www.reuters.com/business/environment/jpmorgan-says-leave-net-zero-banking-alliance-2025-01-07/), [[7]](https://www.reuters.com/sustainability/cop/hsbc-joins-us-peers-leaving-bank-climate-coalition-2025-07-11/), [[1]](https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance)
* Paragraph 4 – [[1]](https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance), [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/), [[5]](https://www.unepfi.org/net-zero-banking/media/nzba-renews-mandate-with-increased-focus-on-unlocking-opportunities-for-financing-real-economy-decarbonization/)
* Paragraph 5 – [[1]](https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance), [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/)
* Paragraph 6 – [[7]](https://www.reuters.com/sustainability/cop/hsbc-joins-us-peers-leaving-bank-climate-coalition-2025-07-11/), [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/), [[5]](https://www.unepfi.org/net-zero-banking/media/nzba-renews-mandate-with-increased-focus-on-unlocking-opportunities-for-financing-real-economy-decarbonization/)
* Paragraph 7 – [[5]](https://www.unepfi.org/net-zero-banking/media/nzba-renews-mandate-with-increased-focus-on-unlocking-opportunities-for-financing-real-economy-decarbonization/), [[3]](https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/), [[1]](https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance)

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## Bibliography

1. <https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance> - Please view link - unable to able to access data
2. <https://www.businesstimes.com.sg/esg/ubs-joins-exodus-climate-banking-alliance> - Business Times reported that UBS will leave the Net‑Zero Banking Alliance (NZBA) after an annual review of its sustainability memberships, joining other global lenders in an exodus that includes Barclays and HSBC. The piece explains NZBA’s 2021 purpose—to help banks align lending and investment with global climate goals—and notes recent amendments to membership rules aimed at retaining participants. UBS said NZBA helped early target‑setting but the bank’s internal capabilities have advanced. The article also mentions UBS’s recent sustainability leadership change, with Michael Baldinger replaced by Christian Leitz in July.
3. <https://www.reuters.com/sustainability/climate-energy/ubs-joins-exodus-climate-banking-alliance-2025-08-07/> - Reuters reported that UBS will exit the Net‑Zero Banking Alliance as part of an annual review of climate and sustainability memberships, following the departures of Barclays and HSBC. The report outlines NZBA’s 2021 founding aim to align banks’ portfolios with global net‑zero objectives and notes that several major banks—JPMorgan, Citi, Morgan Stanley, Macquarie and Bank of Montreal—have also left this year. Reuters describes NZBA’s recent vote to relax stringent membership rules to reflect slow real‑economy progress and to appeal to emerging market lenders. It also records UBS’s internal sustainability leadership change, with Michael Baldinger succeeded by Christian Leitz in July.
4. <https://www.unepfi.org/industries/banking/43-banks-launch-net-zero-banking-alliance-as-key-part-of-consolidated-glasgow-cop-climate-action/> - UNEP Finance Initiative’s press release from April 21, 2021, announced the launch of the Net‑Zero Banking Alliance (NZBA) as part of the Glasgow Financial Alliance for Net Zero (GFANZ). The statement set out NZBA’s initial cohort of 43 founding banks from 23 countries, together aiming to align lending and investment activities with pathways to net‑zero by 2050, and to set interim 2030 targets. Convened by UNEP FI and co‑launched with the Sustainable Markets Initiative, the initiative required members to adopt science‑based guidelines, transparent reporting and interim targets, and positioned NZBA as a UN‑convened forum to mobilise finance for the transition.
5. <https://www.unepfi.org/net-zero-banking/media/nzba-renews-mandate-with-increased-focus-on-unlocking-opportunities-for-financing-real-economy-decarbonization/> - UNEP Finance Initiative announced on 15 April 2025 that NZBA members voted overwhelmingly to renew and refocus the alliance’s mandate, moving towards practical support for banks to finance real‑economy decarbonisation. The press release describes a strategic review and a member vote that endorsed shifting from strict target‑setting towards capacity building, sectoral engagement, implementation tools and support for emerging market banks. It explains that the revised framework reflects changing external circumstances and aims to help members implement individual climate strategies, while acknowledging the difficulty of rapid real‑economy transition and the need to retain a diverse membership to mobilise capital at scale.
6. <https://www.reuters.com/business/environment/jpmorgan-says-leave-net-zero-banking-alliance-2025-01-07/> - Reuters reported on 7 January 2025 that JPMorgan Chase would leave the Net‑Zero Banking Alliance, completing the departure of major US banks from the UN‑convened coalition. The story notes that JPMorgan’s exit followed decisions by Citigroup, Bank of America, Goldman Sachs, Wells Fargo and Morgan Stanley, leaving only a handful of smaller US banks in NZBA. Reuters cited political and regulatory pressure, particularly from Republican officials, as part of the context for the wave of withdrawals. JPMorgan said it would pursue its climate and low‑carbon work independently, supporting clients in the energy transition while prioritising shareholder and client interests too.
7. <https://www.reuters.com/sustainability/cop/hsbc-joins-us-peers-leaving-bank-climate-coalition-2025-07-11/> - Reuters reported on 11 July 2025 that HSBC had withdrawn from the Net‑Zero Banking Alliance, stating that the alliance had helped develop initial frameworks but that HSBC would update and implement its own Net Zero Transition Plan. The article highlights HSBC’s assertion that it remains committed to its net‑zero by 2050 ambition and will continue to support customers through transition financing. Reuters situates HSBC’s exit amid a broader pattern of withdrawals by major banks earlier in the year, notes political pressure in the United States and records reactions from campaigners concerned about the implications for transparency and collective climate action.