

## Corporate *responsibility*



At UBS, corporate responsibility means 'doing the right thing' - both now and in the future. Our commitment to this is incorporated in the principles and standards set out in our Code of Business Conduct and Ethics. These apply to all aspects of our business and the ways in which we engage with our stakeholders - from the products and services we offer our clients, our management of environmental and social risks, to the way we protect the well-being of our employees. Corporate responsibility is embedded at every level helping us to adopt a responsible and sustainable approach to doing business while underlining our desire to contribute to the communities in which we do business.

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### More

We understand that to be taken seriously as a responsible corporate citizen takes time, and that a solid and proven track record counts for more than a series of quick wins. We have such a track record. The guiding principles and standards set out in our Code of Conduct shape our business activities and all our dealings with our stakeholders including clients, colleagues, shareholders, regulators and business partners. But our commitment to acting in a responsible and sustainable manner extends much wider than that. In 1992, we were one of the first banks to sign up to the UN Environment Program's Bank Declaration (UNEP FI). In 2000, we were among the first companies to sign the UN Global Compact, the largest corporate responsibility initiative globally to date. We co-founded the Wolfsberg Group, an association of 11 global banks committed to setting the standards to combat global financial crime. More recently, we co-launched the Thun Group of Banks' discussion paper on banking and human rights which examines the ways in which our industry can effectively implement the UN's Guiding Principles on Business and Human Rights.

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[Impact Investing – a USD 1trn industry](#)

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According to a recent report by G8's Social Impact Investment Taskforce, impact investing has the potential to unlock USD 1trn globally. Last month the G8 and WEF both published reports, highlighting recommendations to boost impact investing.

[New online survey: help us determine the direction of UBS!](#)

06 Oct 2014, 13:00

## September 2014

[UBS named to Working Mother magazine's "100 Best Companies 2014" list](#)

23 Sep 2014, 17:00

[UBS recognized as a leader in its industry group in the 2014 Dow Jones Sustainability Indices](#)

15 Sep 2014, 13:15

[UBS appoints Caroline Anstey as Global Head of UBS and Society](#)

08 Sep 2014, 09:00

UBS today announced the appointment of Caroline Anstey as Global Head of its newly created UBS and Society program. The program is focused on sustainable investing and philanthropy as well as entrepreneurship and education. Ms. Anstey will begin her new role immediately and will report directly to Juerg Zeltner, CEO UBS Wealth Management, and Chi-Won Yoon, CEO UBS Group APAC.

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26 Aug 2014, 14:00

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## Our commitment



"Our industry has played, and continues to play, an important role in fostering growth and prosperity and, as a consequence, societal change. I see our firm's work in the area of corporate responsibility as part and parcel of this."

Axel A. Weber, Chairman of UBS, and Chairperson of the UBS Corporate Responsibility Committee

At UBS, corporate responsibility means "doing the right thing" – both now and in the future. This covers our conduct as a firm and as individuals, as well as our responsibility towards the communities in which we work. It also encompasses the products and services we offer to support our clients in addressing the challenges of today while achieving their aims.

We understand that to be taken seriously as a responsible corporate citizen takes time, and that a solid and proven track record counts.

### How we do business



Our principles and standards clearly define how we want to do things. These apply to all aspects of our business and the ways in which we engage with our stakeholders. We expect all our employees to adhere to them. As global firm we recognize our responsibility to lead the debate on important societal topics, contribute to the setting of standards and collaboration in and beyond our industry. Living up to our principles and standards contributes to the wider societal goal of sustainable development.

- ▶ Chairman's Statement
- ▶ Code of conduct
- ▶ Environmental & Social Risk Framework 
- ▶ Responsible supply chain management

- ▶ Wolfsberg Group (Anti-Money Laundering)
- ▶ Thun Group (Human Rights)
- ▶ More on our commitments

## How we support our clients to drive change for the better



We recognize the growing interest of our clients in global societal concerns. They want to use their resources for the benefit and

advancement of individuals, communities and societies around the globe. As a global firm, and the world's largest wealth manager, we are in a unique position to enable them to address these concerns. Being their trusted financial advisor, we recognize this responsibility and take it seriously. Our products and services allow us to help clients make a real difference.

- ▶ Values-Based Investing
- ▶ Optimus Foundation
- ▶ ESG approach
- ▶ More on how we enable clients to use their assets towards a better society

## How we support our communities



We actively engage with communities around the globe. Our aim is to overcome disadvantages by supporting education and

entrepreneurship through a combination of targeted funding and the commitment and skills of our employees. Working hand in hand with our partners gives us a better understanding of the needs and requirements of our communities. Based on this, we can deliver long-term, sustainable and measurable benefits to our local communities.

- ▶ UBS Education Initiative
- ▶ Elevating Entrepreneurs
- ▶ Global Apprenticeships Network (GAN)
- ▶ Bridge Academy
- ▶ More on our community investment

**“We want to anchor a culture of long-term thinking and action in the bank. We want our success to be sustainable. Not only for us, but also for our clients.”**

Sergio P. Ermotti, Group CEO, and member of the UBS Corporate Responsibility Committee's Advisory Panel

## Our Corporate Responsibility approach



**To us, corporate responsibility means "doing the right thing" now and in the future.**

We see this not as an end in itself but as a process of continuous improvement. Corporate responsibility is embedded in the standards and policies that we use to frame how we run our business. The key principles and standards are set out in our code and shape our business activities and all our dealings with our stakeholders including clients, colleagues, shareholders, regulators and business partners.

- ▶ [Chairman's statement](#)
- ▶ [UBS and Society](#)

# Chairman's statement on Corporate Responsibility



**Weber**

**Axel.**  
**A.** As Chairman of UBS and Chair of its Corporate Responsibility Committee, one of my key duties is to understand the scope and scale of societal challenges and their relevance to, and impact on the firm, our clients and other stakeholders. Our industry has played, and continues to play an important role in fostering growth and prosperity and, as a consequence, societal change. I see our firm's achievements in the area of corporate responsibility as part-and-parcel of this. It is through such achievements that we have made, and continue to make progress.

Read the full Chairman's statement:

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## Introduction

We live in a world that is more interconnected, more interdependent and more interactive than ever before. Rapid technological advances in particular continue to have a profound effect on the economic, political, cultural, environmental and social landscape. These advances have changed the way we think and act. They have altered the way we do business. They have transformed the products and services we consume, and reshaped our perceptions of the world around us. While this has brought with it significant benefits and opportunities, it has also created far greater awareness of the challenges we all face. As Chairman of a large, global bank and, since 2013, also Chair of UBS's Corporate Responsibility Committee, I see it as my duty to understand the scale of these challenges and to consider together with my fellow board members their relevance to UBS - as well as potential (mid-to-long-term) actions our firm may need to take.

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## Strategy

In 2012, we had made significant changes to our strategy. We have, and continue to execute that strategy in a focused, determined and disciplined manner, while dealing with the headwinds that we, and the industry as a whole, continue to face. We have achieved a great deal already. We have demonstrated that our business model works in a variety of market conditions. We are in line with, or ahead of, many of our key strategic and [financial targets](#). This has been recognized by our clients who have entrusted us with yet more of their assets. In short, our achievements have given our clients and other stakeholders even greater confidence in the firm.

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## UBS and Society

Our clients care deeply about societal issues and want to use their resources for the benefit and advancement of individuals, communities and societies around the globe. They are increasingly focused on issues such as the maintenance of functioning infrastructures, the impact

of climate change, the strains imposed by demographic shifts, the growth in inequalities, and the provision of education, jobs and health for all.

This translates into a strong and growing interest in investing according to sustainable and responsible criteria. In 2013, this trend was documented very clearly in one of the flagship publications of our Wealth Management business division. "UBS Research Focus - Sustainable Investing", the result of collaboration between experts in Wealth Management, Global Asset Management and the Investment Bank, also demonstrated why and how a well-considered sustainability approach may add value to the portfolio of clients.

UBS has played an active role in this field for many years and, in 2013, our Wealth Management Values-Based Investing team established an Impact Investing Private Equity fund for SMEs in emerging and frontier markets. I am proud to say that we were the first bank to do so. To me, the fund shows that banks can use their traditional strengths to meet the demands of new realities. Another example of this innovative approach is our Global Real Estate business's Responsible Property Investment Strategy. With buildings accounting for some two-thirds of global CO2 emissions it is imperative that we look at ways to reduce the harm such emissions do to our environment for the sake of future generations. Our Global Real Estate business is already actively engaged in such work across its global real estate investment portfolio.

While we have long provided such offerings, we have not done so holistically. As a global bank, and the world's largest wealth manager, we recognize that we are in a unique position to do so. This is why, in 2013, we made a significant commitment to maximize our efforts through a dedicated, industry-leading platform. This will deliver comprehensive research, advisory and product capabilities in sustainable investments and philanthropy, and is currently under development. While we have always provided such offerings, it is our objective to do this holistically, channeling a growing percentage of assets, through innovative financial mechanisms, to address societal challenges and

make societal performance part of every client conversation.

The Board and I are taking a keen interest in this exciting development and will oversee its progress alongside our work to monitor our other corporate responsibility activities and commitments. Careful oversight of these significant endeavors requires more time and we have therefore increased the frequency of the Corporate Responsibility Committee's meetings.

A well-founded understanding of the issues that are of relevance to the firm and its stakeholders is crucial to the successful execution of the Corporate Responsibility Committee's mandate. To that end, and at the behest of the committee, UBS undertook a comprehensive assessment of such issues in 2013. The results are reflected in the [UBS materiality matrix](#), which distills the views of our stakeholders. The contents of the matrix reflect focal points of our strategy both explicitly and implicitly, including financial stability, risk behavior and culture, operational efficiency, as well as broader societal concerns.

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## Concluding reflections

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Our industry has played, and continues to play an important role in fostering growth and prosperity and, as a consequence, societal change. However, recent events have shown that the global financial system needs to be strengthened significantly. We must restore trust and confidence in the financial system. Policy-makers and financial institutions have already embarked on a concerted multi-year effort to make the financial system more resilient and better able to secure sustainable returns.

I see our firm's work in the area of corporate responsibility as part-and-parcel of this. I am a realist at heart and, as such, I know that we still have work to do. As Chairman, I know we must continue to implement our firm's ambitious strategy. As Chair of our Corporate Responsibility Committee, I know we must think in terms of advancing our societal activities and commitments in a more holistic fashion. Finally, as an ordinary citizen, I know that it is only together that we can successfully address the many sustainability challenges we all face.

Yet, being realistic also means that one should not become fixated on the challenges alone. It is important to recognize the achievements too. It is only through such achievements that we have made, and continue to make progress. As the economist and Nobel prize winner Robert J. Shiller says, we will not achieve progress "if we simply condemn financial capitalism as a system of irresponsibility." I agree, and believe that the best way forward is to harness the power and influence of our industry for the good of society.

## Our commitment to the UN Global Compact

Our firm's corporate responsibility strategy is founded in the spirit of continuous improvement. This is a continuous process, one that demands a commitment to quality and transparency. It requires a regular and critical assessment of our policies and practices - which, in turn, requires the careful consideration and assessment of societal issues of potential relevance to UBS. This endeavor is directly linked to a key external corporate responsibility commitment of our firm, the UN Global Compact. As one of the original signatories of the Compact, which fosters adherence to ten principles covering the areas of human rights, labor standards, the environment and anti-corruption, we continue to consider it as an important reference point for our corporate responsibility efforts.

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## Working with our clients towards a better society



**Our clients care deeply about societal issues** and want to use their resources for the benefit and advancement of individuals, communities and societies around the globe. They are increasingly focused on issues such as the maintenance of functioning infrastructures, the impact of climate change, the strains imposed by demographic shifts, the growth in inequalities, and the provision of education, jobs and healthcare for all.

As a global company, and the world's largest wealth manager, we are in a unique position to **help our clients address their societal concerns**. As their trusted financial advisor, we recognize this responsibility and take it seriously. For a long time, we have been helping them to invest according to sustainable and responsible criteria. Building on this capability, in 2013, we made a significant commitment to maximize these efforts through **a dedicated, industry-leading platform**. This will deliver comprehensive research, advisory and product capabilities in sustainable investments and philanthropy, and is currently under development. While we have always provided such offerings, it is our objective to do this holistically, channeling a growing percentage of assets, through innovative financial mechanisms, to address societal challenges and make societal performance part of every client conversation.

To date, 24% of our assets are already invested according to sustainable and socially responsible investment criteria. We want this to increase, in particular through developing innovative solutions. In 2013, a key example included our **ground-breaking Impact Investing Private Equity fund** for small- and medium-sized enterprises (SMEs) in emerging and frontier markets. This provides our clients with yet more opportunities to direct their investments and address social and environmental challenges. Client focus is also a crucial component of our **climate change strategy**. In 2013, we made progress in several areas, including through the environmental optimization of our Global Real Estate investment portfolios, by offering the "Energy check-up for SMEs" to Swiss SMEs, and through our innovative UBS Clean Energy Infrastructure Switzerland fund for our institutional clients, enabling them to invest in renewable energy infrastructures.

We also continue to provide **thought leadership** in this area through our leading research capabilities and our active involvement in discussions on key societal topics. In 2013, an important example was the collaboration of environmental, social and governance (ESG) research experts in Wealth Management, Global Asset Management and the Investment Bank on one of our flagship publications, the "UBS Research Focus." Recognizing **growing client interest in sustainable investing**, this publication explored sustainability issues and demonstrated how a well-considered sustainability approach can add real value to a client's portfolio. As a second major example,



we co-launched the Thun Group of Banks' **discussion paper on banking and human rights**, which examines the ways in which our industry can effectively implement the UN's Guiding Principles on Business and Human Rights.

Our own efforts towards the sustainable development of societies and communities, including our **community investment and employee volunteering** activities focused on education and entrepreneurship, complement our client-focused platform. Our response to the devastation in the Philippines caused by Typhoon Haiyan demonstrates our unique and integrated approach. UBS Community Affairs and the UBS Optimus Foundation joined forces, including both clients and employees in our firm's matched-giving schemes. This resulted in a combined (client and UBS) commitment of more than CHF 3 million in financial contributions. While the UBS Optimus Foundation established a Rapid Response Emergency Fund to provide immediate essential supplies to children and families in the hardest hit and most remote areas, contributions will also be used for the longer-term reconstruction and development efforts that must follow.

**We aim to work with, and for, our clients towards a better society.** The spirit and ambition of our client-focused approach is aimed at helping our clients express their values and achieve both financial and societal benefits. We will continue to expand our capabilities in order to provide our clients with an industry-leading and integrated range of sustainability and impact investment products and services, which will enable them to continue to **invest with societal goals in mind.**

# Our climate change commitment



Climate change is one of the most significant challenges of our time. The world's key environmental and social challenges, such as population growth, energy security, loss of biodiversity and access to drinking water and food are all closely intertwined with climate change. This makes the transition to a low-carbon economy vital.

We recognize that financial institutions are increasingly expected to play a key role in the transition to a low-carbon economy and, we are determined to support our clients in preparing for success in an increasingly carbon-constrained world. We are one of the leading wealth management firms worldwide, and the leading universal bank in Switzerland, backed by a top asset management business and a client-centered investment bank. Therefore, our climate change strategy focuses on the areas of risk management, investments, financing, research and in-house operations.. It is in these areas that we believe we can make the greatest contribution to the transition towards a low-carbon economy.

## Our contribution in 2013 to these areas include:

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### Risk management

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#### **Seeking to protect our clients', and our own, assets from climate change risks, within our sphere of influence.**

Recognizing that the transition to a low-carbon economy will take time and that fossil fuels will continue to dominate energy production for decades to come, we are determined to understand the risks that our clients', and our own, assets are exposed to in the context of uncertain policy and technology developments addressing climate change. This includes developing a metrics-based approach to measure our exposure to climate change risks in high-risk sectors such as real estate and energy.

We committed to participate in the international efforts led by the Greenhouse Gas Protocol and the United Nations (UN) Environment Programme Finance Initiative to develop a greenhouse gas accounting and reporting guidance for financial intermediaries.

We helped our clients manage their exposure to the emissions markets and offer execution and full service clearing for contracts on, for

example, EU Emissions Trading System allowances and UN Certified Emissions Reductions in Europe and North America.

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## Investments

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### **Helping to mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation.**

Our clients will continue to look for investment opportunities and some will increasingly focus on investments facilitating climate change mitigation and adaptation.

We launched an Impact Investing Private Equity fund for small- and medium-sized enterprises (SME) in emerging and frontier markets. With a volume slightly in excess of CHF 50 million at closure, it is one of the largest impact funds in the sector funded by clients and private capital. The fund represents a unique investment opportunity for wealthy clients and is expected to generate significant social and environmental impact.

Our UBS Portfolio Screening Services helped Wealth Management clients align their portfolios to their values by assessing portfolios using specific sustainability criteria (including environmental issues). Based on increased interest among our clients, we screened CHF 4.2 billion of client assets in 2013.

The UBS Clean Energy Infrastructure Switzerland offers institutional investors unprecedented access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energies and energy efficiency. Capital commitments had reached approximately CHF 350 million on 31 December 2013.

Six of Global Asset Management's Global Real Estate funds, with CHF 20 billion gross assets under management, obtained the top ranking ("green star") and two of them were awarded "sector leader" status by the 2013 Global Real Estate Sustainability Benchmark, thus recognizing our efforts in defining and implementing a sustainability and responsible property investment strategy (RPI). All six funds rank within the first and second quartiles of their respective peer set (among more than 540 real estate portfolios).

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## Financing

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### **Supporting this transition as corporate advisor, and/or with our lending capacity.**

We are helping corporate clients raise capital on domestic/international capital markets in order to meet the high investment levels required for the transition to a low-carbon economy. In Switzerland, we are also supporting private clients in renovating their private homes sustainably and innovative small and medium-sized enterprises (SMEs) in providing solutions for climate change mitigation and adaptation.

We supported Swiss SMEs to save energy, promoted by the Swiss Energy Agency's SME Model. Clients profited from the agency's "energy check-up for SME" at reduced costs and were granted cash premiums if they commit to an energy reduction plan within this scheme. 116 companies signed-up by end of 2013.

In supporting Swiss private clients when renovating their private homes sustainably, we redistributed CHF 2.9 million in cash benefit, funded by proceeds from the Swiss CO2 levy refund. Swiss private clients could also benefit from the UBS "eco" mortgage when building energy-efficient homes.

Expressing our commitment to be a financial partner for the energy transition in Switzerland, we sponsor the Swiss Energy and Climate Summit 2013 and 2014 as a Premium Partner.

In 2013, the Investment Bank supported 190 clients that provide a positive contribution to climate change mitigation and adaptation, either in equity and debt capital market transactions (total deal value CHF 28.5 billion) or as financial advisor (total deal value CHF 49

billion).

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## Research

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### **Offering world-class research capacity to our clients on climate change issues.**

Building on our renowned expertise, we act as a thought leader and expert advisor to our clients on financial impacts of, and solutions for, climate change.

We continued to provide clients with award-winning research on climate change related issues. Examples include “ESG Outcomes for a ‘New Global Economy’”, “Postcards from the US... on Energy & Climate”, “Global Utilities: Can utilities survive in their current form?” and “China Integrated Natural Gas: Will a coal-to-gas boom eventually go bust?”. Our thought leadership in this area was recognized by the annual Thomson Reuters Emtel/UKSIF Socially Responsible Investing (SRI) & Sustainability Survey where UBS ranked fourth for Climate Change and second for Renewable Energy.

Our Chief Investment Office (CIO) Wealth Management research provided regular research updates on renewables, agribusiness, energy efficiency and water. The latter was the sustainable investment theme promoted in the 2013 UBS CIO House View.

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## In-house operations

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### **Reducing our own greenhouse gas emissions.**

We are positioning our in-house operations in support of a low-carbon economy by further investing in sustainable real estate and efficient IT infrastructure and limiting business travel-related CO2 emissions.

We further reduced our emissions by 15% year-on-year, achieving a 49% reduction from baseline year 2004. This brings us very close to reaching our target of a 50% reduction by 2016. We continued to invest in sustainable real estate and efficient IT and reduced our energy consumption by 3.2% year-on-year, being on track to reach our target of a 10% reduction compared with 2012 levels by 2016.

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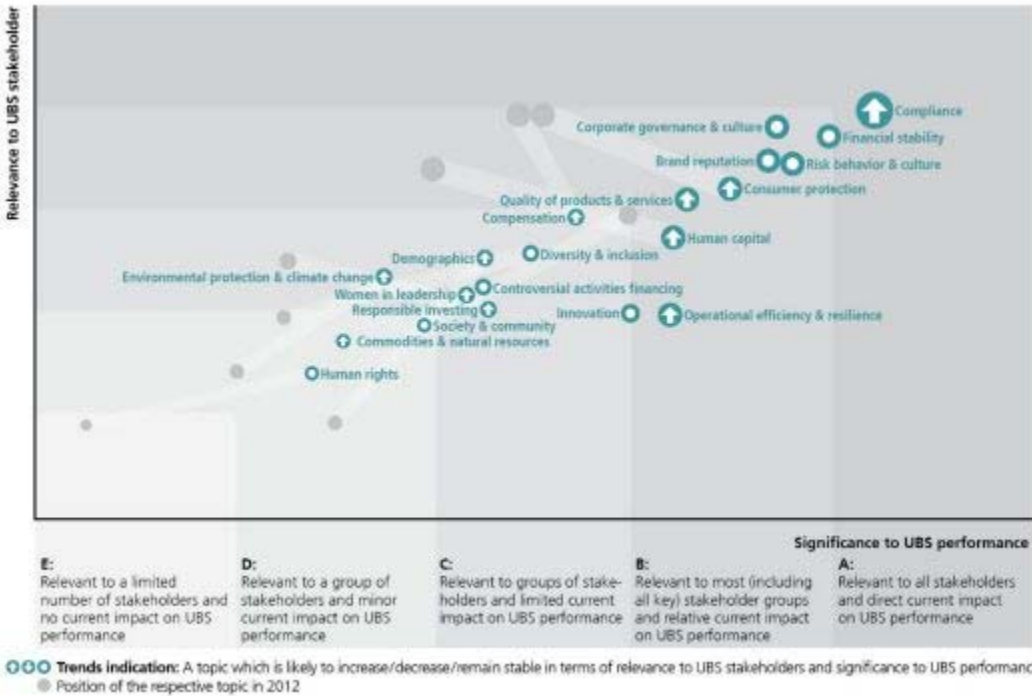
## Engagement & disclosure

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### **Reporting and communicating transparently about the progress of our strategy.**

We are engaging with our stakeholders on climate change issues and continue to raise awareness among our employees. In addition, we are disclosing the progress we have made in executing our climate strategy through established standards, such as the Global Reporting Initiative and the Carbon Disclosure Project.

# Materiality assessment



▶ Please click here to enlarge the display of the picture above

"Organizations are faced with a wide range of topics on which they could report. Relevant topics are those that may reasonably be considered important for reflecting the organization's economic, environmental and social impacts, or influencing the decisions of stakeholders, and, therefore, potentially merit inclusion in the report. Materiality is the threshold at which Aspects become sufficiently important that they should be reported. Beyond this threshold, not all material Aspects are of equal importance and the emphasis within a report should reflect the relative priority of these material Aspects." From: GRI G4 Sustainability Reporting Guidelines

**The UBS materiality matrix 2013 distills the views of our stakeholders. The matrix highlights the topics that most concern these stakeholders which may have implications for our firm's performance.**

The UBS Materiality Matrix distills the views of the diverse stakeholder groups with whom our firm interacts. We regard clients, shareholders, employees and governments as key stakeholders. These have a direct and immediate effect on the company's (financial) performance. The impact of other stakeholders upon UBS's performance tends to be more indirect, notably via our company's reputation. All stakeholders can have an important influence upon UBS's societal license to operate.

The topics included in the Materiality Matrix have been incorporated due to their relevance to our stakeholders and to our perception of their impact upon UBS's long-term and sustainable performance. While the Matrix constitutes a 2013 view of stakeholder topics, it also indicates how these topics are likely to develop in future (trend). The contents of the Matrix are drawn from assorted formal and informal monitoring tools we employ, from our dialogue with stakeholders and from relevant studies and reports. We will update this Matrix on a regular basis.

Undertaken on behest of and supervised by the UBS Corporate Responsibility Committee (CRC), UBS's comprehensive materiality assessment process is managed by a UBS-internal, cross-business division and cross-regional materiality assessment team. The team consists of a group of experts who - due to their function - deal with stakeholder expectations and concerns on a daily basis. The team is responsible for delivering the outcome of the materiality assessment to the CRC on an annual basis. Additionally, the CRC is also informed about potentially relevant developments arising from the (ongoing) materiality assessment on a regular basis.

► [Materiality assessment according to Global Reporting Initiative requirements \(GRI G4\)](#)

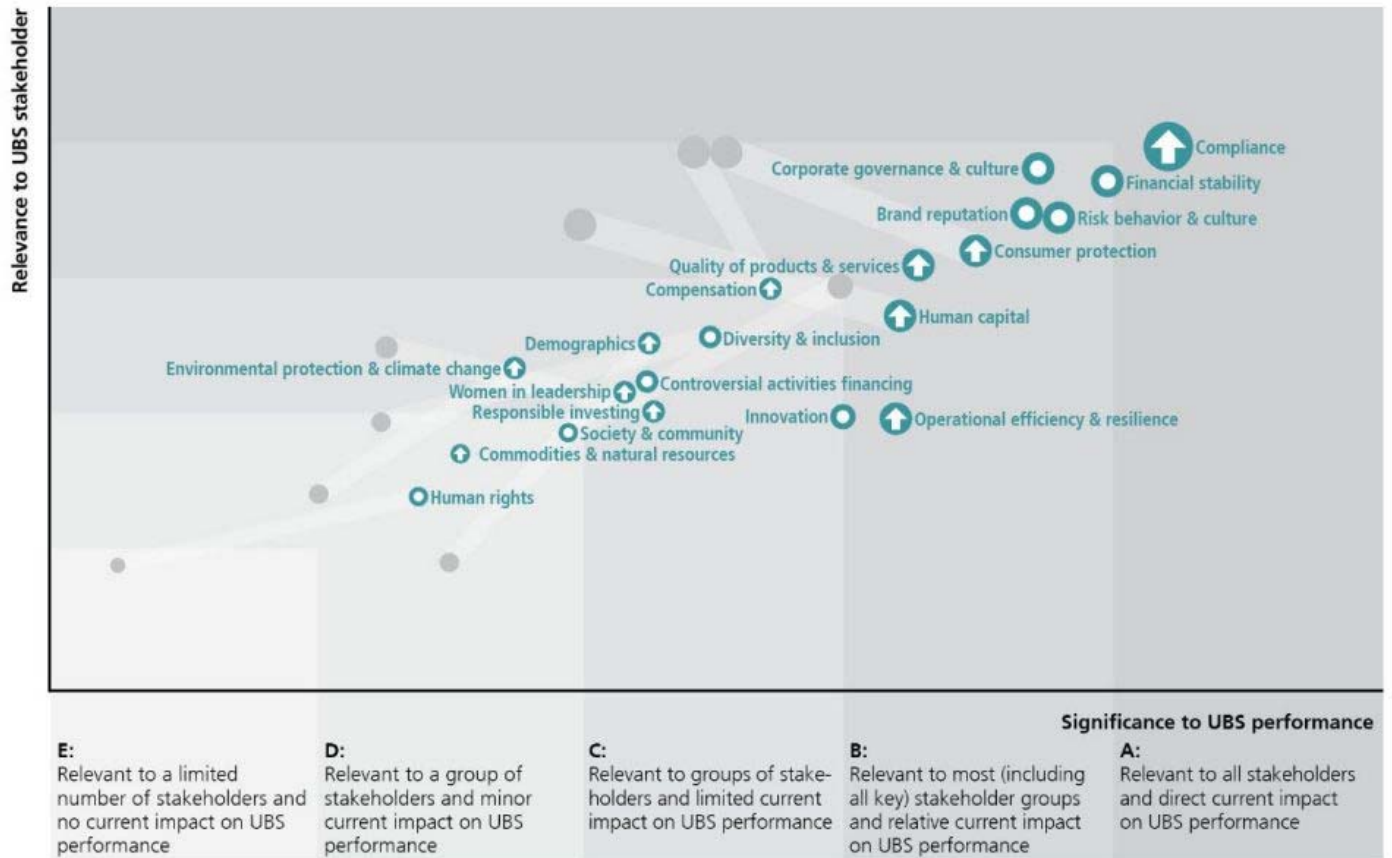
## Materiality matrix topics and sub-topics



"Material Aspects are those that reflect the organization's significant economic, environmental and social impacts; or substantively influence the assessments and decisions of stakeholders." From: GRI G4 Sustainability Reporting Guidelines

Topic	Sub-topics
<b>Compliance</b>	<a href="#">compliance with laws, rules and regulations</a> / <a href="#">integrity of the financial system</a> / <a href="#">KYC, AML, anti-corruption and anti-terrorist financing</a> / <a href="#">compliance with tax regulations</a>
<b>Financial stability</b>	<a href="#">sustainable performance, consistent returns</a> / <a href="#">BASEL III conform equity ratio</a> / <a href="#">managing relationships with UBS's regulators transparently and cooperatively</a> / <a href="#">TBTF</a>
<b>Corporate governance &amp; culture</b>	<a href="#">governance structure and supervisory processes</a> / <a href="#">internal policies and guidelines</a> / <a href="#">code of conduct, business ethics, behaviors and principles</a>
<b>Brand reputation</b>	<a href="#">perception of UBS brand</a> / <a href="#">trust and loyalty</a> / <a href="#">client's choice</a> / <a href="#">attractiveness to work for</a>
<b>Risk behavior &amp; culture</b>	<a href="#">dealing with litigation issues</a> / <a href="#">forward looking, pro-active engagement with risk topics and risk prevention</a> / <a href="#">leading by example</a>
<b>Consumer protection</b>	<a href="#">data confidentiality</a> / <a href="#">suitability, transparency, fair design of products</a>
<b>Human capital</b>	<a href="#">recruit, develop and maintain people, training, talent acquisition &amp; retention</a> / <a href="#">health &amp; safety</a>
<b>Quality of products &amp; services</b>	<a href="#">excellence, above-average performance, best services and practices</a>
<b>Compensation</b>	<a href="#">compensation system, bonus &amp; executive payments</a> / <a href="#">reward long-term performance (instead of short-term gains)</a>
<b>Operational efficiency &amp; resilience</b>	<a href="#">industrialization</a> / <a href="#">cost and process efficiency</a> / <a href="#">customization</a> / <a href="#">service model</a> / <a href="#">speed to react and adapt to new regulation</a> / <a href="#">customer demands, general trends</a> / <a href="#">business opportunities and risks</a>
<b>Diversity &amp; inclusion</b>	<a href="#">diverse work force</a> / <a href="#">equal employment conditions</a> / <a href="#">diverse client base</a>
<b>Innovation</b>	<a href="#">digitalization</a> / <a href="#">online offering</a> / <a href="#">differentiating products</a> / <a href="#">innovative customer approach</a>
<b>Demographics</b>	<a href="#">pension and succession planning</a> / <a href="#">health prevention</a> / <a href="#">age balance within teams</a>
<b>Controversial activities financing</b>	<a href="#">Contribution to environmentally and/or socially controversial activities through products and services</a>
<b>Responsible investing</b>	<a href="#">sustainable &amp; responsible investing (SRI), Values-Based Investing, impact investing, portfolio screening, sustainability health check, impact measurement</a>
<b>Women in leadership</b>	<a href="#">percentage of women in senior management positions, women talent development programs</a>

<b>Topic</b>	<b>Sub-topics</b>
<b>Environmental protection &amp; climate change</b>	<a href="#">In-house resource consumption and efficiency, reducing CO2 emissions</a> / <a href="#">educating employees</a> / <a href="#">(environmental) products offering</a> / <a href="#">managing environmental risk</a> / <a href="#">biodiversity</a>
<b>Society &amp; community</b>	<a href="#">philanthropy, employee volunteering, community investments, stakeholder dialogue</a>
<b>Commodities &amp; natural resources</b>	<a href="#">soft and hard commodities</a> / <a href="#">biodiversity</a>
<b>Human rights</b>	<a href="#">responsible use of products and services</a> / <a href="#">responsible supply chain management</a>

# Materiality assessment



 **Trends indication:** A topic which is likely to increase/decrease/remain stable in terms of relevance to UBS stakeholders and significance to UBS performance  
 Position of the respective topic in 2012



# Our Stakeholders



Our approach to corporate responsibility is guided by our in-depth understanding of the expectations and concerns of our diverse stakeholders. This, in turn, requires regular and multi-faceted interactions with stakeholders. By actively fostering such interactions we are in a position to address stakeholder expectations and concerns in an informed and effective manner. This section provides an overview of key (corporate responsibility) interactions with all our stakeholder groups in 2013.

## UBS & its stakeholders

We engage with our stakeholders, both key groups (clients, investors, employees, governments/regulators) and others, on a regular basis and on a wide range of topics. This engagement with stakeholders yields important information on their expectations and concerns (always taking account of the fact that they are diverse and may even occasionally be contradictory) and thus provides a critical contribution to our understanding and management of issues of potential (positive and negative) relevance to our banks.

Our relationships with stakeholders are multi-faceted and include major single interactions with large groups (e.g. employee survey), regular communications throughout the year with representatives from a particular group (e.g. media), as well as dialogue meetings with single individuals (e.g. client enquiries).

In 2013, we engaged with experts and stakeholders on a range of topics. These included discussions with clients on values-based

investing, including those taking place at the 2013 UBS Global Philanthropy Forum. Over 100 clients from around the world spent two days discussing how they can help to narrow the gender gap and ensure equal educational and employment opportunities for girls and women.

Discussions with employees covered various sustainability topics, including energy. A key annual campaign, the UBS Environmental Month in April, again raised awareness among employees and external stakeholders about our efforts towards reducing the environmental impact of our operations and banking activities.

Working together with investors and rating agencies, we also considered key environmental, social and governance topics such as climate change. Discussions with non-governmental organizations focused on the subjects of reputational risks, controversial weapons, food “speculation” as well as climate change, particularly in relation to coal. In addition, we sought input from our employees regarding our corporate responsibility strategy and associated activities. An internal, cross-divisional and cross-regional network of experts continues to play an important role, with its members providing critical input on stakeholder expectations and concerns. These contributions are relayed back to the Corporate Responsibility Committee and provide a very valuable addition to information gathered through other monitoring channels.

In our dealings with stakeholders, we are guided by the UBS principles, client focus, excellence and sustainable performance, and standards set out in the Code of Business Conduct and Ethics. By fostering an open and honest dialogue with our stakeholders, we strive to meet their expectations and address their concerns in an informed and effective manner.

## Our stakeholders

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### Clients

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**Clients are at the center of our activities. We are committed to building and sustaining relationships with clients based on trust and integrity. Regular dialogue with clients and their feedback ensures that we understand their expectations.**

Collecting client feedback (including via our [Quality Feedback management system](#)) enables the firm to act and continuously improve products and client service standards in order to provide the best client experience.

Sustainability topics are considered in client interactions across UBS globally. Key examples include our research with, in 2013, one of the flagship publications of UBS Wealth Management, UBS research focus, focusing on "Sustainable investing". It discussed how sustainability considerations are increasingly incorporated into investment decisions. In the Investment Bank, our newly established publication, "ESG Keys," addresses the what, how and why of ESG issues and sustainability investment styles. Reports in 2013 addressed corporate governance, human capital, and energy and climate change.

The UBS European Conference hosted a number of panels on sustainability issues, featuring experts and UBS research analysts, such as "The great sustainability debate," "Human capital - driving returns," and "Energy: prospects and challenges for fracking."

Our outreach and dialogue programs included a three-year partnership with the Smith School of Enterprise and the Environment at the University of Oxford, with which UBS hosted a series of events between 2011 and 2013, open to both UBS clients and employees, and featuring thought leaders from around the globe.

Wealth Management maintains a continuous dialogue with clients on sustainability topics, notably through its Values-Based Investment (VBI) initiative. In 2013, VBI again organized a flagship client event of WM, the UBS Philanthropy Forum. VBI also organized other client events on a broad range of important topics.

Regular client requests around the themes of sustainability and greentech are met by UBS's influential subject matter experts in its equity research team.

Find out more about topics of relevance to clients: [www.ubs.com](http://www.ubs.com)

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## Shareholders / Investors

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**Our senior management and the Investor Relations team regularly communicate with the investment community to ensure accurate and timely distribution of our financial results and latest developments.**

We believe that our financial disclosures rank amongst the best in the industry and that we are a recognized leader in disclosures in several areas, including capital and strategy. In October 2012, we made a key announcement to investors regarding the significant acceleration in the implementation of our strategy to transform the firm and create the UBS of the future. 2013 was the first full year of execution following our 2012 announcement. We made excellent progress and accomplished our goals of further adapting our business to better serve clients, reducing risk, delivering more sustainable performance and enhancing shareholder returns. All our businesses were profitable in every quarter, demonstrating that the firm's model has the flexibility to adapt and perform well in a variety of market conditions. This enabled us to finish a transformational year ahead of the majority of our strategic and financial targets.

Our success enables us to continue delivering on our stated objective of progressive capital returns to shareholders with a recommendation for a 67% increase in dividend to CHF 0.25 per share for 2013. We are confident that we will achieve our target of a fully applied Basel III CET1 ratio of 13% in 2014. After reaching this, we aim for a total payout ratio of at least 50% of our profits.

During 2013 we also used individual meetings and discussions with ESG-focused shareholder groups to consider topics such as climate change and human rights. This direct exchange with our shareholders enables us to improve our services and better meet stakeholder expectations.

Find out more about topics of relevance to shareholders: [www.ubs.com/investors](http://www.ubs.com/investors)

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## Employees

**Our employees' drive, skill, insight and experience are fundamental to delivering superior services to our clients. We communicate with our employees every day to help ensure that they are well informed and engaged with management as key stakeholders for the firm's long-term success.**

UBS communicates with employees through a diversity of channels such as internet, intranet, UBS Connections (internal social network), UBStv, e-mail and interactive employee "help and information sites". These channels are used to inform about the firm's strategy, policies and processes, to raise awareness, or simply to share know-how, research and matters of broad interest. As an example of specific relevance to societal topics, extensive communication during UBS's annual environmental month raises awareness about UBS's environmental activities regarding issues such as climate change.

We interact directly with our employees and request feedback through personal meetings, emails, town halls and the Quality Feedback system. In 2013, employees attended more than 165 town halls and small group meetings, directly or via UBS TV, and thus had the opportunity to discuss relevant issues directly with UBS's senior management. An important example constituted "Ask the CEO" events, at which a large number of employees was able to discuss a broad range of topical issues such as the firm's strategy.

On an alternate-year basis, we conduct a Group-wide survey to get employees' views on where we stand in relation to living up to our principles, achieving our strategy and providing a work environment where employees can succeed. We openly communicate the findings to our employees and use the results as a benchmark for continuous improvement.

UBS has more than 20 employee networks focused on areas of interest to employees, including women, cultural awareness, LGBT, disability, veterans and family. These networks, which collectively have more than 14,500 members, encourage collaboration and understanding, as well as helping employees expand their networks, develop creative solutions, support and inform each other. The Women's Business Network (WBN), for instance, is a group of more than 2,000 UBS employees in Switzerland committed to the personal and professional development of women at UBS. The WBN provides networking opportunities, mentoring support and leadership development.

The UBS Future Panels organize evening and lunch events involving senior management and external speakers featuring panel discussions on important trends.

UBS's in-house corporate university exists to enhance the skills and capabilities that employees need to excel in their careers, implement business strategies and deliver superior client service. Senior managers as well as external and internal subject matter experts sponsor and deliver programs, designed to promote leadership capabilities and build professional skills. Online learning is a large part of our offering, with more than 5,100 eLearning courses in our library on topics such as communication, leadership, financial markets and IT.

Find out more about topics of relevance to employees or potential employees: [www.ubs.com/employees](http://www.ubs.com/employees)

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## Governments and regulators

**Financial market stability and efficiency is largely dependent on the regulatory and political environment. We actively participate in political discussions to share our expertise surrounding regulatory changes and corporate responsibility-related issues.**

In 2013, discussions regarding the future regulatory framework for financial institutions continued to figure prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments and regulators.

With regard to corporate responsibility issues we actively participated in discussions with government bodies. A key example has been the multi-stakeholder dialog initiated by Swiss government ministries (notably the Foreign and Economics Ministries) on the topic of

business and human rights, in which we participated both as a member of the UN Global Compact Network Switzerland and as a representative of the Thun Group of banks (see Peers).

For more information on governmental and regulatory topics see ... [quarterly or annual reports](#).

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## Politicians and political parties

**We maintain a regular dialogue with politicians globally and strive to establish long-term relationships with political representatives. This dialogue contributes to promoting the interests of UBS and enhancing the firm's reputation.**

### *Support of the Swiss militia system*

UBS values the important role of political parties in the Swiss political system, which is the foundation of state, politics and society in Switzerland. Swiss citizens engage voluntarily at all three levels of the Swiss state (federal, cantonal, local) both as public officials and in the country's parliaments, alongside their regular professions. Switzerland refers to this arrangement - where representatives take on public tasks and mandates on a part-time basis - as militia system.

In Switzerland, political parties do not receive state funding while members of parliament in Switzerland are not professional politicians. It is for this important reason that UBS views the support of the militia system as a crucial component of its societal responsibility in its home market Switzerland. Recognizing the vital function of Switzerland's political parties, UBS provided CHF 1 million to political parties in 2013 as a contribution to their operational costs, providing they committed to competition and the market economy. Any financial contribution for a party is calculated on the basis of the number of parliamentary mandates it holds at federal and cantonal level. Swiss parties applying for a financial contribution must either form a parliamentary group in the federal parliament or be represented in at least one cantonal government. Any financial contribution is provided without additional conditions attached to it. UBS views its contribution to political parties in Switzerland as a long-term commitment (though subject to regular reviews).

UBS complies with legal requirements on disclosing political donations, as applicable in the relevant jurisdiction. However, UBS does not provide financial support to political parties outside Switzerland. In the US, eligible employees may make financial contributions through a federal Political Action Committee (PAC), the UBS Americas Fund for Better Government. The PAC then makes contributions to federal candidates. These contributions do therefore not constitute political donations by UBS.

### *Annual "Political Forum" for employees who hold elected public office in Switzerland*

UBS provides express support for the political commitments of its employees. Currently, more than 350 employees serve as political office holders at federal, cantonal and local level. If necessary employees are allowed to take a certain amount of working time to exercise their public function. UBS holds an annual "Political Forum" at which senior management and political office holders discuss topics of key relevance to the bank in Switzerland.

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## Peers

**We actively engage in regular discussions on corporate responsibility issues with specialists in peer banks, and more widely through trade bodies and associations. Sharing experiences and assessments of corporate responsibility issues helps us to compare and improve our strategy, approach and tools.**

We are a founding member of the [Wolfsberg Group](#), an association of 11 global banks established in 2000 which aims to develop financial services industry standards and related products for know-your-client, anti-money laundering and counter-terrorist financing policies.

In October 2013, we co-launched the Thun Group of Banks' discussion paper on banking and human rights. The Thun Group is an informal group of representatives from seven banks, with the name derived from the location (the UBS conference center in the Swiss city of Thun) where the group met to share experiences and ideas regarding the implementation of the UN's Guiding Principles on

Business and Human Rights. The paper is the result of these discussions. It aims to support banks in mapping and analyzing their potentially adverse impacts on human rights, and also looks at related risks, including reputational, legal, operational and financial risks. The work of the Thun Group is being reflected in our environmental and human rights policy framework.

UBS is also an active member of the London Benchmarking Group, an internationally recognized standard for measuring corporate community investment.

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## Communities

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**We actively engage with our communities for example through our community investment program. The community investment program aims to overcome disadvantages in our local communities by supporting education and entrepreneurship through a combination of targeted funding and the commitment and skills of our employees.**

Community engagements are coordinated through our dedicated Community Affairs teams around the world. In 2013, UBS and our affiliated foundations made direct cash donations totaling CHF 28.3 million to carefully selected non-profit partner organizations and charities. Additionally, spending on the UBS Anniversary Education Initiative amounted to CHF 14.0 million. Contributions were also made to other causes, in particular disaster relief, including a commitment of more than CHF 1.9 million in total financial commitment by UBS to both short-term relief and long-term rebuilding efforts in response to the devastation caused by Typhoon Haiyan in the Philippines. UBS Community Affairs and the UBS Optimus Foundation joined forces, including both clients and employees in our firm's matched-giving programs. This resulted in a combined (client and UBS) commitment of more than CHF 3 million in financial contributions. While the UBS Optimus Foundation established a Rapid Response Emergency Fund to provide immediate essential supplies to children and families in the hardest hit and most remote areas, contributions will also be used for the longer-term reconstruction and development efforts that must follow.

Our employees play a very active role in our community investment efforts, in particular through their volunteering activities. In 2013, 10,648 employees spent 91,370 hours volunteering. Our employee engagement focuses increasingly on direct societal impact in the areas of education and entrepreneurship. For the second year in a row, employees who have demonstrated outstanding engagement were rewarded with the UBS Global Employee Volunteer Awards.

Furthermore, we strengthened the measurement of the impact of our Community Affairs activities. We measure impact of projects across all regions using the London Benchmarking Group model. Understanding where we make an impact provides the vital data that helps us evaluate and focus our program. Therefore we plan to further expand the measurement in 2014 of our strategic programs across all regions.

UBS regularly receives rewards for its community engagement. In 2013, UBS in the UK was recognized with a Business in the Community 2013 Responsible Business Award for its volunteering program.

### **Client foundation**

The UBS Optimus Foundation is an expert grant-making foundation established by UBS in 1999. The Foundation works to break down barriers that prevent children from reaching their potential by funding leading organizations to improve the health, education and protection of children. The UBS Optimus Foundation supports programs in places where children face adversity. Since its establishment, the Foundation has received more than 25,000 donations totaling over CHF 195 million. By the end of 2013 the Foundation supported 107 projects in 48 countries for a total value of CHF 69.8 million. As UBS bears all administrative costs related to the UBS Optimus Foundation, 100% of every donation goes directly towards the projects funded.

Find out more about topics of relevance to the communities UBS operates in: [www.ubs.com/community](http://www.ubs.com/community)

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## Suppliers

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**In 2013, UBS spent close to CHF 6.9 billion purchasing a wide range of goods and services. As a major procurer we maintain many relations with suppliers worldwide.**

Significant spend categories include real estate, outsourcing, IT and also professional & legal fees. Procurement is an important supporting function for the business units. Consequently, UBS manages its supply chains mainly via the relationships with direct suppliers.

We aim to ensure that our social and environmental values are being followed throughout the supply chain. Since 2008 a firm-wide guideline provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environmental protection and corruption. A central component of this guideline is the UBS Responsible Supply Chain Standard to which our direct suppliers are bound by contract. UBS expects its suppliers to apply the same standards in the relationships with their suppliers.

▶ [Find out more about our responsible supply chain management](#)

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## Rating and research agencies

**We actively engage in dialogue with analysts in rating and research agencies. The evaluation of specialized agencies helps to evaluate our corporate responsibility performance and activities, and provides a useful means for benchmarking.**

In 2013, we provided detailed information on our sustainability performance to a range of agencies either in response to questionnaires or via meetings or calls (with environmental, social and governance analysts). Our corporate responsibility website regularly serves as a key source of information for these agencies.

▶ [Find out more about UBS's external ratings and awards](#)

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## Non-governmental organizations

**We regularly interact with non-governmental organizations (NGOs) and appreciate their input and insight, as it helps the firm consider its approach to, and understanding of, societal issues and concerns.**

NGOs have long established themselves as the most critical "watchdogs" of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2013, we communicated with NGOs on topics as diverse as reputational risks, controversial weapons, food "speculation" and also climate change (in particular related to coal).

Together with other banks and the Federal German Foundation for the Environment (Deutsche Bundesstiftung Umwelt), we co-sponsored dialogue events between banks and NGOs. In 2013, we participated in such an event on the subject of reputational risks with about 50 representatives from banks and NGOs.

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## International organizations and initiatives

**UBS participates actively in several organizations and initiatives that promote the advancement of corporate responsibility and sustainability. We are among the thought leaders in corporate responsibility in banking.**

These memberships and commitments include the United Nations Global Compact, the Global Reporting Initiative, the United Nations Environment Program Finance Initiative, the Carbon Disclosure Project and the UN Principles for Responsible Investment. Our representatives participate in external meetings, events and conferences and use these platforms to exchange ideas, promote joint

actions among participants and gain valuable input for the development of our corporate responsibility approach and strategy.

In 2013, UBS representatives participated in major corporate responsibility events such as the [World Demographic & Ageing Forum](#) conference in August, the [UN Global Compact Leadership Summit](#) in September and the [UN Forum on Business and Human Rights](#) in December.

► [Find out more about our corporate responsibility memberships and commitments](#)

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## Media

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**We conduct an active and consistent dialogue with media in all of our major locations worldwide.**

Our media teams have established direct and long-term relations with media representatives across all our business regions and provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management (BoD and GEB-level) also regularly gives account to journalists, predominantly through interviews. In addition to the interviews at our firm's major corporate events (i.e. quarterly and annual reporting and annual general meeting) senior management conducted more than eighty interviews in 2013.

We also communicated with media representatives - through interviews or background talks - on a broad range of corporate responsibility or sustainability topics such as renewables, energy efficiency, or human rights.

► [Find out more about UBS's media relations](#)

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## External commitments

We are committed to engaging in external corporate responsibility initiatives - and to provide thought leadership through our active involvement in discussions on key societal topics. This commitment supports us in our efforts to advance in areas that are already mandated by government and regulators, as well as in areas that, while still largely voluntary, are nonetheless of significance to strengthening our corporate responsibility agenda.

UBS has endorsed and signed several charters:

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### UN Global Compact



In 2000, UBS became one of the first companies to sign the United Nations (UN) Global Compact. This global corporate responsibility initiative unites governments, business, labor organizations and civil society, fostering adherence to 10 principles covering the areas of human rights, labor standards, the environment and anti-corruption.

[▶ More](#)

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### UNEP Finance Initiative



In 1992, we were one of the first signatories to the United Nations Environment Program's Bank Declaration.

[▶ More](#)

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### Wolfsberg Group - preventing money laundering



We remain strongly committed to promoting stringent anti-money laundering standards for the financial industry as a whole. As a prime example of this, UBS was one of the driving forces behind the launch of the Wolfsberg Group and its issuance of global anti-money laundering principles in 2000.

[▶ More](#)

## Principles for Responsible Investment (PRI)

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UBS Global Asset Management is an Investment Manager signatory to the Principles for Responsible Investment (PRI). This global investor initiative, in partnership with the UNEP Finance Initiative and the UN Global Compact, is designed to provide a framework for better integration of ESG issues into mainstream investment practice.

▶ [More](#)

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## Thun Group - banking & human rights

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The Thun Group is an informal group of bank representatives, with the name derived from the location (the UBS conference center in the Swiss city of Thun) where the group meets to share experiences and ideas regarding the implementation of the UN's Guiding Principles on Business and Human Rights.

### **Further commitments**

UBS is a member of further organizations that promote corporate responsibility and is actively engaged in their activities.

▶ [Read the Thun Group of banks' discussion paper](#) 

▶ [Read the Thun Group statement](#)

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▶ [Read more on our external commitments](#)

## UN Global Compact

In 2000, UBS became one of the first companies to sign the United Nations (UN) Global Compact. This global corporate responsibility initiative unites governments, business, labor organizations and civil society, fostering adherence to 10 principles covering the areas of human rights, labor standards, the environment and anti-corruption. UBS considers the initiative, which has over 6,000 corporate participants, to be an important measurement in providing guidance for its key corporate responsibility initiatives and activities. In addition, by participating in the Swiss UN Global Compact network, UBS contributes actively to important corporate responsibility discussions across industrial sectors among Swiss-based companies.

- ▶ [The UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption](#)
- ▶ [Global Compact website](#)



- ▶ Labor standards and human rights
- ▶ Environment
- ▶ Fighting corruption

## Human rights and labor standards

In line with the firm's endorsement of the UN Global Compact and its underlying principles, U human rights have been reflected in our environmental and human rights policy frameworks since 2006. It defines principles and responsibilities for managing environmental and human rights issues and includes a responsible supply chain guideline, the UBS position on relationships with clients and suppliers associated with controversial activities (including human rights), and industry sector guidelines supporting the consistent identification and assessment of environmental and social (including human rights) risks in the firm's banking activities.

In October 2013, we co-launched the Thun Group of Banks' discussion paper on banking and human rights. The Thun Group is an informal group of representatives from seven banks, with the name derived from the location (the UBS conference center in the Swiss city of Thun) where the group met to share experiences and ideas regarding the implementation of the UN's Guiding Principles on Business and Human Rights. The paper is the result of these discussions. It aims to support banks in mapping and analyzing their potentially adverse impacts on human rights, and also looks at related risks, including reputational, legal, operational and financial risks. The work of the Thun Group is being reflected in our environmental and human rights policy framework.

UBS has well established human resources policies and practices that address issues such as employment, diversity, equal opportunity and discrimination. Such policies also tackle human rights issues, as do policies relating to health and safety practices. UBS's human resources policies and practices are regularly reviewed to ensure that labor standards are respected.

[UBS statement on human rights](#)

- ▶ [Our employees](#)
- ▶ [Diversity](#)
- ▶ [The Thun Group statement](#)

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## Environment

UBS's Environmental Program was introduced in the 1970s, and since 1999, we have managed the program through an Environmental Management System in accordance with ISO 14001. At the time, we were the first bank to obtain ISO 14001 certification for our Group-wide environmental management system.. The system covers our operations, risk management and business opportunities.

Addressing climate change

- ▶ [Our operations](#)
- ▶ [Our clients](#)
- ▶ [UNEP](#)

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## Fighting corruption

By taking responsibility to preserve the integrity of the financial system, and its own operations, UBS is committed to assisting in the fight against money laundering, corruption and terrorist financing. UBS employs a rigorous risk-based approach to ensure our policies and procedures are able to detect risks and effectively manage those risks, including, for example, managing relationships which are classified as higher risk with increased scrutiny. We adhere to strict know-your-client regulations without undermining our clients' legitimate right to privacy. Ongoing due diligence and monitoring, including the use of advanced technology to help identify transaction patterns or unusual dealings, and, assists in the identification of suspicious activities. If suspicious activities are discovered, they are promptly escalated to management or control functions and externally, as required.

- ▶ [Preventing money laundering, corruption and terrorist financing](#)

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# The Global Compact

## The Ten Principles

### **Human Rights**

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere of influence; and
- Principle 2: make sure that they are not complicit in human rights abuses.

### **Labour Standards**

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labour;
- Principle 5: the effective abolition of child labour; and
- Principle 6: eliminate discrimination in respect of employment and occupation.

### **Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies

### **Anti-Corruption**

- Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.



# The Thun Group statement

## **Statement by the Thun Group of banks\* on the "Guiding principles for the implementation of the United Nations 'protect, respect and remedy' framework" on human rights**

The endorsement of the "Guiding Principles for the implementation of the United Nations 'Protect, Respect and Remedy' Framework" ("Guiding Principles") by the UN Human Rights Council in June 2011 is a fitting culmination of the in-depth work undertaken by the UN Special Representative, Professor John Ruggie, and his team over the past years and a landmark in the protection and promotion of human rights as they relate to business activities. We would like to express our appreciation for the excellent work Professor Ruggie and his team undertook in fulfilling such a challenging mandate.

The "Guiding Principles" bring a welcome profile and degree of clarity to the human rights and business agenda. They provide a blueprint for companies to show that they respect human rights, and reduce the risk of causing or contributing to human rights abuses. At the same time, they do not - nor do they intend to - provide specific guidance for each industrial sector. Further interpretation work is required to understand how the "Guiding Principles" should be implemented within specific industries, including the banking sector.

In support of the "UN Protect, Respect and Remedy Framework" we, the undersigned banks, have been collaborating in reviewing how the Principles may apply within our sector. We are considering the particular challenges we face as universal banks when addressing human rights issues, notably the scope and depth of our human rights-related responsibilities and the due diligence requirements commensurate to these.

The outcome of this process will be a practical application guide setting out the challenges and best practice examples of operationalizing the "Guiding Principles" in universal banks. We will keep the relevant bodies at the UN and other external stakeholders informed as we make progress towards achieving this challenging task.

Signed by:

Barclays

Credit Suisse

UBS

UniCredit

\* In May 2011, discussions took place in Thun in Switzerland to consider what the UN Guiding Principles may mean for the banking sector. The developments outlined in this Statement arose from these discussions.



## UNEP Finance Initiative: UBS among first signatories in 1992

In 1992, UBS was one of the first signatories of the United Nations Environment Program's (UNEP) Bank Declaration (Statement by Financial Institutions on the Environment and Sustainable Development). The Declaration provided the basis for UNEP's Finance Initiative (UNEP FI) which seeks to promote the integration of environmental aspects into the financial sector.

The Declaration has since been endorsed by over 200 financial institutions. By signing the Declaration, UBS made a commitment to integrate appropriate environmental measures within its activities. It has resulted in a well developed global environmental management system, certified to the ISO 14001 standard, which covers both banking activities and in-house operations.



UNEP seeks to promote the integration of environmental aspects into the financial sector by means of its Finance Initiative.

▶ [Content of UNEP bank declaration](#)

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# UNEP Bank Declaration

UNEP Statement by Financial Institutions on the Environment and Sustainable Development  
(Revised version, May 1997)

## 1. Commitment to sustainable development

1.1 We regard sustainable development as a fundamental aspect of sound business management.

1.2 We believe that sustainable development can best be achieved by allowing markets to work within an appropriate framework of cost-efficient regulations and economic instruments. Governments in all countries have a leadership role in establishing and enforcing long-term common environmental priorities and values.

1.3 We regard the financial services sector as an important contributor towards sustainable development, in association with other economic sectors.

1.4 We recognize that sustainable development is a corporate commitment and an integral part of our pursuit of good corporate citizenship.

## 2. Environmental management and financial institutions

2.1 We support the precautionary approach to environmental management, which strives to anticipate and prevent potential environmental degradation.

2.2 We are committed to complying with local, national, and international environmental regulations applicable to our operations and business services. We will work towards integrating environmental considerations into our operations, asset management, and other business decisions, in all markets.

2.3 We recognize that identifying and quantifying environmental risks should be part of the normal process of risk assessment and management, both in domestic and international operations. With regard to our customers, we regard compliance with applicable environmental regulations and the use of sound environmental practices as important factors in demonstrating effective corporate management.

2.4 We will endeavor to pursue the best practice in environmental management, including energy efficiency, recycling and waste reduction. We will seek to form business relations with partners, suppliers, and subcontractors who follow similarly high environmental standards.

2.5 We intend to update our practices periodically to incorporate relevant developments in environmental management. We encourage the industry to undertake research in these and related areas.

2.6 We recognize the need to conduct internal environmental reviews on a periodic basis, and to measure our activities against our environmental goals.



2.7 We encourage the financial services sector to develop products and services which will promote environmental protection.

### 3. Public awareness and communication

3.1 We recommend that financial institutions develop and publish a statement of their environmental policy and periodically report on the steps they have taken to promote integration of environmental considerations into their operations.

3.2 We will share information with customers, as appropriate, so that they may strengthen their own capacity to reduce environmental risk and promote sustainable development.

3.3 We will foster openness and dialogue relating to environmental matters with relevant audiences, including shareholders, employees, customers, governments, and the public.

3.4 We ask the United Nations Environment Programme (UNEP) to assist the industry to further the principles and goals of this Statement by providing, within its capacity, relevant information relating to sustainable development.

3.5 We will encourage other financial institutions to support this Statement. We are committed to share with them our experiences and knowledge in order to extend best practices.

3.6 We will work with UNEP periodically to review the success in implementing this Statement and will revise it as appropriate.

We, the undersigned, endorse the principles set forth in the above statement and will endeavor to ensure that our policies and business actions promote the consideration of the environment and the sustainable development.

## Wolfsberg Group

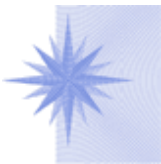
**UBS remains strongly committed to promoting the development and implementation of anti-money laundering (AML) standards for the financial industry as a whole, thereby contributing to wider efforts against money laundering. As an example of this, UBS was one of the driving forces behind the launch of the Wolfsberg Group, which issued its first global AML principles in 2000.**



UBS is a founding member of the Wolfsberg Group, an association of 11 global banks established in 2000 which aim to develop financial services industry standards and related products for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies. Together with other members of the Group, UBS has actively engaged with the Financial Action Task Force (FATF), in its consultation processes with the private sector. The FATF is an inter-governmental body that developed the FATF 40 Recommendations on Money Laundering and the 9 Special Recommendations on Terrorist Financing which have been endorsed by more than 180

countries and jurisdictions, and are recognized as the international anti-money laundering / counter-terrorist financing standards. In February 2012, the FATF issued revised Recommendations, focusing on a stronger framework to act against criminals and address new threats to the international financial system. We took action accordingly to implement the revised Recommendations and continue to take appropriate steps and allocate tasks as part of our work throughout 2014.

The Wolfsberg Group continues to update existing publications it has produced over the last thirteen years. During 2012, UBS played an active role in the work undertaken by the Wolfsberg Group to revise its AML Principles for Private Banking, together with the related FAQs on Beneficial Ownership and the Wolfsberg FAQs on Intermediaries. No material changes resulted from the update but the greater clarity on certain issues will help understanding across the industry. During 2013, UBS has lead an AML Risk Assessment Working Group for the Wolfsberg Group and is leading the design of industry guidance. UBS continues to be compliant with the revised principles.



- ▶ The Wolfsberg Group
- ▶ Swiss Bankers Association
- ▶ Swiss Financial Market Supervisory Authority FINMA
- ▶ Financial Action Task Force
- ▶ Swiss anti-money laundering legislation



## Further commitments

### ASrIA

UBS is a member of the Association for Sustainable & Responsible Investment in Asia (ASrIA), a not for profit, membership association dedicated to promoting corporate responsibility and sustainable investment practice in the Asia Pacific region. ASrIA's goal is to build market capacity for SRI providing insightful, up to date and accessible information on the development of Socially Responsible Investments (SRI) in Asia and elsewhere around the world. It is also a platform for different sectors within the community to exchange and disseminate information and perspectives on SRI.

▶ [www.asria.org](http://www.asria.org)

### Business in the Community

UBS is a founding member of Business in the Community, a unique movement of companies across the UK committed to continually improving their positive impact on society.

▶ [www.bitc.org.uk](http://www.bitc.org.uk)

### The Conference Board

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. UBS participates in a number of Councils that are relevant for its corporate responsibility strategy, such as The Council of Diversity Executives.

▶ [www.tcb.org](http://www.tcb.org)

### CSR Asia

UBS is a Strategic Partner of CSR Asia, the leading provider of information, training, research and consultancy services on sustainable business practices in Asia.

▶ [www.csr-asia.com](http://www.csr-asia.com)

### Eurosif

UBS is founding member of the European Sustainable and Responsible Investment Forum (Eurosif). Eurosif was created in 2001 to serve as an umbrella association to cover socially responsible investment issues at the European level. Eurosif members are made up of the national Social Investment Forums (SIFs) and include SIFs from Belgium, France, Germany, Italy, the Netherlands and the UK.

▶ [www.eurosif.org](http://www.eurosif.org)

### European Venture Philanthropy Association

The European Venture Philanthropy Association (EVPA) is a membership association made up of organizations interested in or practicing venture philanthropy across Europe. Established in 2004, the association is a unique network of venture philanthropy organizations and others committed to promoting high-engagement grant making and impact investment in Europe. UBS has been a

member since 2007 and has co-hosted multiple events together with EPVA. EVPA has expanded to Asia and opened in 2009 its Asian operations Asian Venture Philanthropy Association (AVPA), with whom UBS is equally working together with closely.

▶ [www.evpa.eu.com](http://www.evpa.eu.com)

## Global Impact Investing Network

The Global Impact Investing Network (GIIN) is the practitioners' umbrella organization. The GIIN is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. They can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances.

The GIIN addresses systemic barriers to effective impact investing by building critical infrastructure and developing activities, education, and research that attract more investment capital to poverty alleviation and environmental solutions. UBS is an Investor Council member since 2011.

▶ [www.thegiin.org](http://www.thegiin.org)

## Institute of Business Ethics

The Institute of Business Ethics (IBE) was established in 1986 by business to encourage high standards of business behavior based on ethical values. Today it leads the dissemination of knowledge and good practice in business ethics globally.

IBE raises public awareness of the importance of doing business ethically, and collaborates with other UK and international organizations with interests and expertise in business ethics. The institute also helps organizations to strengthen their ethics culture by hosting events, running training courses, publishing relevant materials and providing an information web service.

UBS was one of the first subscribers to the Institute, and continues to support it to this day.

▶ [www.ibe.org.uk](http://www.ibe.org.uk)

## oikos

UBS is a donor of oikos foundation, a part of the international oikos student organisation for sustainable economics and management and a leading reference point for the promotion of sustainability change agents. oikos strengthens action competence for sustainable development among the decision makers of tomorrow by increasing awareness of sustainability opportunities and challenges. It focuses on management and economics students with the objective of fostering their ability not only to analyze long-term economic, environmental and social trends, but also to implement sustainability driven innovation. It creates institutional support for these learning processes through the integration of sustainability issues in research and teaching at the world's faculties for management and economics.

▶ [www.oikosinternational.org](http://www.oikosinternational.org)

## Roundtable on Sustainable Palm Oil (RSPO)



The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders. RSPO has more than 1000 members from over 50 countries across the palm oil supply chain, including banks and investors. UBS is a member of the RSPO

since September 2012.

▶ [www.rspo.org](http://www.rspo.org)

## Smith School of Enterprise and the Environment at Oxford University

In January 2011, UBS joined the Partnership Board of the Smith School of Enterprise and the Environment at Oxford University.

The Smith School is a world-class interactive, interdisciplinary research hub which forms part of the University of Oxford. Founded in 2008, the school draws together the best academic minds from around the world to advance partnership between public and private enterprise, finding the most effective solutions to issues such as energy supply, water shortage, food security and climate change.

▶ [www.smithschool.ox.ac.uk](http://www.smithschool.ox.ac.uk)

## Sustainable Finance Geneva

Sustainable Finance Geneva (SFG) is an association of Geneva-based professionals and investors with a common interest in promoting sustainable finance and responsible investment. SFG believes that the inclusion of extra-financial criteria in decision-making processes is necessary to deal efficiently with current global challenges. They have come together to accelerate progress, share their knowledge and form an international movement for action in sustainable finance and responsible investment. SFG members are involved in a wide range of activities such as Socially Responsible Investing (SRI), Environment, Social & Governance (ESG) research, data and ratings, microfinance, philanthropy, corporate social responsibility and social entrepreneurship. UBS is a member since 2012.

▶ [www.sfgeneva.org](http://www.sfgeneva.org)

## VfU

The Association for Environmental Management and Sustainability in Financial Institutions (VfU), founded in 1994, supports the development and application of sector specific strategies and instruments in environmental management.

UBS was active in the formulation and subsequent reviews of the 1996 VfU environmental reporting guidelines for financial service providers. UBS's set of indicators for in-house environmental management is based on the latest version of the VfU Indicators Protocol.

UBS hosted the annual VfU / UNEP FI sustainability roundtable in 2010 and is a member of the organization's board.

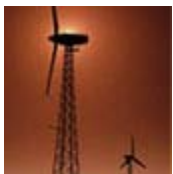
▶ [www.vfu.de](http://www.vfu.de)

## WDA Forum / World Demographic & Ageing Forum

The World Demographic & Ageing Forum (WDA) is the leading international, inter-generational and interdisciplinary platform for a worldwide discussion and coordination of efforts and activities concerning demographic change & ageing. It addresses these topics with stakeholders from business, academia, politics, influential NGOs, and civil society and it disseminates findings and recommendations to the public policy dialogue and a wider general public. UBS became a member of the Forum in 2012.

▶ [www.wdaforum.org](http://www.wdaforum.org)

## Zurich Energy Model



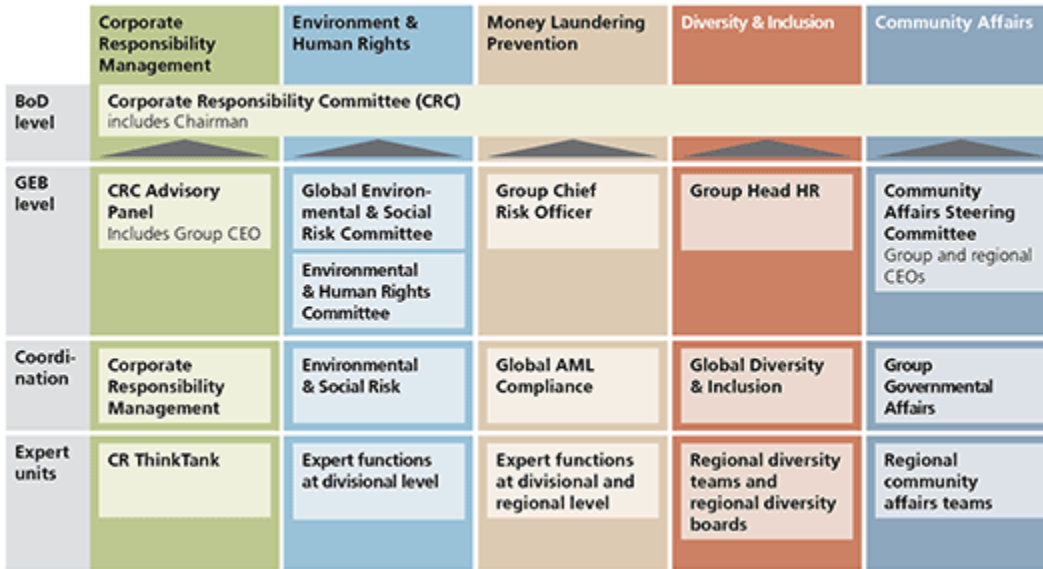
The Zurich Energy Model is a capacity building project established in 1987 by twelve major energy consumers - among them UBS - in the city of Zurich. The objective of the firms involved in the Zurich Energy Model is a joint increase in energy efficiency, to optimize investments and corporate costs, and to communicate innovative solutions to the general public. In 2005, the group agreed with canton Zurich to set a target of increasing energy efficiency by 16.5% until 2012. In 2007, UBS was awarded the Zurich Energy Model trophy for its achievements and successes

in the field of energy efficiency and energy management.

▶ [Voluntary Climate Protection \(Certificate of the Swiss Private Sector Energy Agency\)](#) 

▶ [www.energiemodell-zuerich.ch](http://www.energiemodell-zuerich.ch)

# Corporate responsibility governance structure



▶ [Please click here to enlarge the display of the picture above](#)

The Board of Directors (BoD) is responsible for setting our firm's values and standards and ensuring we meet our obligations to our stakeholders. Both the Chairman of the BoD and the Group Chief Executive Officer (Group CEO) play a key role in safeguarding our reputation and ensuring we communicate effectively with all our stakeholders.

▶ [Find out more about key corporate responsibility themes at UBS](#)

All BoD committees are focused on achieving our goal of creating sustainable value. Of the BoD committees, the Corporate Responsibility Committee (CRC) shoulders the main undertaking for corporate responsibility. As set out in its charter, the Corporate Responsibility Committee actively reviews and assesses how we meet the existing and evolving corporate responsibility expectations of our stakeholders. It also monitors and reviews our corporate responsibility policies and regulations, the implementation of our corporate responsibility activities and commitments, as well as regularly reviewing the Code.

The CRC is advised by an advisory panel, which includes the Group CEO and all regional CEOs. The advisory panel participate in some of the CRC meetings.

▶ [Find out more about how the CRC interacts with the business divisions of UBS](#)

The Group Executive Board (GEB) is responsible for the development and implementation of our Group and business division strategies, including those pertaining to corporate responsibility. At, or directly below, GEB level there are various committees or boards concerned with tasks and activities relating to particular aspects of corporate responsibility, including the Global Environmental & Social Risk Committee chaired by the Group Chief Risk Officer. Additionally, our Environmental & Human Rights Committee oversees the operational execution of UBS's Environmental Policy and Statement on Human Rights.

**Read more about**

- [The BoD and Sustainability \(Corporate Responsibility Committee\)](#)
- [Environmental and human rights governance](#)



## BoD and sustainability

At UBS, the Board of Directors (BoD) sets our values and standards to ensure that we meet our obligations to our shareholders and other stakeholders. Jointly, the Chairman and the Group CEO have a key role in safeguarding our reputation. They also ensure we effectively communicate with our shareholders and stakeholders.

All BoD committees have responsibilities and authorities of direct relevance to our goal of creating sustainable value. The Governance and Nominating Committee, for instance, addresses all relevant corporate governance issues affecting the UBS Group. The Human Resources and Compensation Committee annually reviews our "Compensation and Benefits Principles" and proposes any amendments to the Board for approval. It also evaluates the effectiveness of pay for performance across the firm. The Risk Committee's function is to oversee and support the BoD in fulfilling its duty to supervise and set appropriate risk management and control principles.

The [Corporate Responsibility Committee](#) (CRC) is mandated to review and assess how we should meet the existing and evolving corporate responsibility expectations of our stakeholders. In addition to its mandate pertaining to the expectations of stakeholders, the CRC also monitors and reviews our corporate responsibility policies and regulations, as well as the implementation of our corporate responsibility activities and commitments. As described in the Organization Regulations of UBS the CRC meets as often as its business requires, but at least twice a year. The GEB is responsible for the development of UBS's Group and business division strategies as well as implementing approved new strategies, including those pertaining to corporate responsibility, while various committees or boards are concerned with tasks and activities pertaining to particular aspects of corporate responsibility.

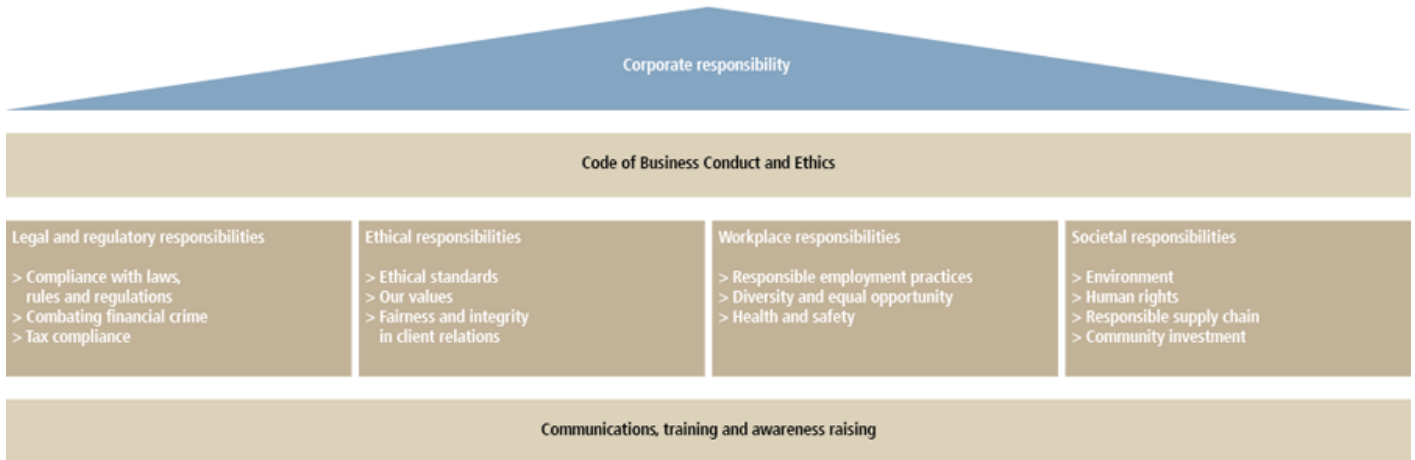
▶ [Read more on the Corporate Responsibility Committee](#)



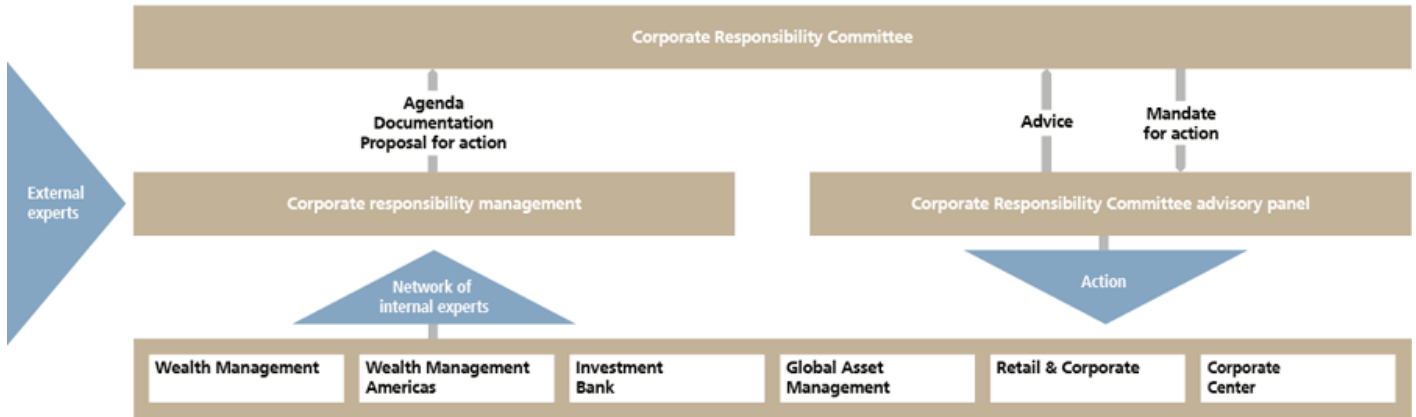
# Corporate responsibility governance

	Corporate Responsibility Management	Environment & Human Rights	Money Laundering Prevention	Diversity & Inclusion	Community Affairs
<b>BoD level</b>	Corporate Responsibility Committee (CRC) includes Chairman				
<b>GEB level</b>	CRC Advisory Panel Includes Group CEO	Global Environmental & Social Risk Committee Environmental & Human Rights Committee	Group Chief Risk Officer	Group Head HR	Community Affairs Steering Committee Group and regional CEOs
<b>Coordination</b>	Corporate Responsibility Management	Environmental & Social Risk	Global AML Compliance	Global Diversity & Inclusion	Group Governmental Affairs
<b>Expert units</b>	CR ThinkTank	Expert functions at divisional level	Expert functions at divisional and regional level	Regional diversity teams and regional diversity boards	Regional community affairs teams

## Corporate Responsibility at UBS



## Our corporate responsibility governance process



# Environmental and human rights governance

## UBS Environmental & Human Rights Organization



► Please click here to enlarge the display of the picture above

The Group Executive Board is responsible for UBS's Environmental and Human Rights Policy and nominates a Group Environmental Representative, who is UBS's senior level representative for environmental and human rights issues.

This function is currently held by Philip Lofts, the Group Chief Risk Officer.

The Global Environmental and Social Risk Committee addresses transactional and policy matters relating to environmental and social (including human rights) risks and associated reputational risks. The Group Environmental Representative is the Chair of the Committee which includes five Group Executive Board members. The Environmental & Human Rights Committee, which consists of senior environmental representatives drawn from each business division, oversees operational execution of UBS's Environmental and Human Rights Policy.

Both committees are supported by the Environmental and Social Risk unit within Group Risk Control which acts as Secretary and oversees the independent control of environmental and human rights risks. Environmental representatives of the business divisions are supported by program managers. They oversee day-to-day execution of the environmental policy's principles on risk management and business opportunities (business divisions) and management of UBS's potentially negative environmental and social impact from its in-house operations and in its supply chain (Corporate Center).

## Management indicators (including training)

		For the year ended			%change from
		31.12.13	31.12.12	31.12.11	
<i>Full-time equivalent, except where indicated</i>	GRI <sup>1</sup>	31.12.13	31.12.12	31.12.11	31.12.12

<b>Personnel financial businesses</b>		<b>60'205</b>	62'628	64,820	(4)
Personnel in specialized environmental units/functions		<b>34</b>	31	31	14
<b>Environmental awareness raising</b>					
Employees trained	FS4	<b>7,136</b>	3,548	15,693	101
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>2,135</b>	966	3,677	121
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>58</b>	63	182	(8)
Auditing time (days)	FS9	<b>11</b>	11	22	5
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>160</b>	249	181	(36)
Auditing time (days)	FS9	<b>47</b>	51	28	(8)

<sup>1</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

<sup>2</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive Re-Certification Audit was done in 2011.

<sup>3</sup> Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

- 
- ▶ [Environmental policies and guidelines](#)
  - ▶ [Environmental & social risk management](#)
  - ▶ [Investment advisory](#)
  - ▶ [Research](#)
  - ▶ [Investment products](#)
  - ▶ [Corporate and private clients finance and advisory](#)
  - ▶ [In-house environmental management](#)
  - ▶ [Responsible supply chain management](#)

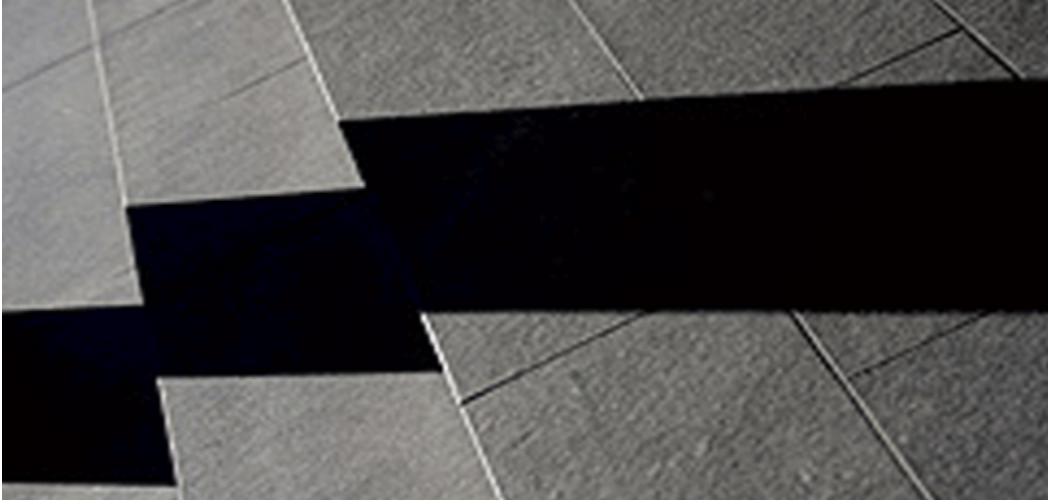
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## UBS Environmental & Human Rights Organization



# Money laundering prevention



**We have developed extensive policies intended to prevent, detect and report money laundering, corruption and terrorist financing. These policies seek to protect the firm and our reputation from those who may be intending to use UBS to legitimize illicit assets.**

Our efforts to fight money laundering, corruption and the financing of terrorism are led by the Head of Global AML Compliance, and supported by a network of expert global business teams. These efforts are monitored by the Group Executive Board. We are streamlining policies and processes to enhance consistency between business divisions as well as to assess threats and risks within our business. We have developed extensive policies intended to prevent, detect and report money laundering, corruption and terrorist financing. These policies seek to protect the firm and our reputation from those who may be intending to use UBS to legitimize illicit assets.

Global AML compliance supports the Group General Counsel and the Head of Compliance and Operational Risk Control in their functional responsibilities by, in conjunction with the compliance functions in the business divisions, providing reasonable assurance that we meet relevant regulatory and professional standards in the conduct of business and defining (where considered appropriate) uniformly applicable minimum standards for AML as a whole.

Global AML compliance has a general obligation to monitor key AML risks, and oversees and coordinates the UBS Group's management and control of AML risks to ensure efficiency and consistency throughout the firm and safeguard our reputation. Business divisions are required to promptly inform Global AML compliance of all material issues.

Anti-corruption policies and procedures are in place in all business divisions, which aim to prevent bribery occurring throughout our operations. These policies are derived from the standards that are set out in the Group Policy Against Corruption and the Group Policy on Gifts and Business Entertainment. A cross-business division Anti-Corruption Network is mandated to address specific areas that may need more detailed standards and for these to be implemented across the bank where practicable.

[▶ More](#)

## Diversity & inclusion



**Our global diversity and inclusion team supports senior management and Human Resources (HR) business partners in developing diversity and inclusion-related strategies and plans for each business division.** The implementation of these strategies and plans is monitored by the Group Executive Board and overseen by the Corporate Responsibility Committee. The global diversity team also coordinates efforts to integrate diversity and inclusion awareness and content into the HR process. Regional diversity and inclusion heads, along with senior business managers, consider and design diversity and inclusion and business-aligned plans that are linked to regional and divisional business and talent strategies. They also provide regional support for divisional management in assessing the progress made on relevant diversity and inclusion objectives. Additionally, they support our numerous employee networks, including the development and coordination of diversity-related events which support regional diversity and inclusion initiatives.

[▶ More](#)



## Community Affairs



**Community activities are governed by a central framework based on our Group Community Affairs Guidelines. These guidelines are supplemented by additional regional guidelines which are embedded in UBS's regional structures.**

The Global Community Affairs Steering Committee is chaired by the Group CEO and composed of several members of our senior management. This GEB-level committee sets the overall strategic direction and goals of our community affairs. In addition, it is ultimately responsible for determining our response to worldwide disasters. In 2014, this committee will be integrated in the Corporate Responsibility Committee, and its advisory panel, to ensure further alignment.

Each region has a dedicated Community Affairs team which coordinates charitable commitments by the firm and our employees. The Corporate Center ensures global coordination of these activities and also provides a central reporting structure to collect community investment data from across UBS as a whole.

UBS community affairs activities (financial and in-kind donations, employee matched-giving and volunteering) deliver on the firm's commitment to corporate responsibility with the specific objective of supporting the communities where UBS has a presence. UBS sponsorship activities are primarily focused on the firm's business and brand requirements.

[▶ More](#)



# Policies and guidelines

The importance UBS attaches to responsible corporate behavior is reflected in the various documents and policies defining the rules and principles the firm applies to the behavior of its employees. Key among these is the Code of Business Conduct and Ethics of UBS, which is the basis for all UBS policies, guidelines and statements relating to each of the firm's employees' personal commitment to appropriate and responsible corporate behavior.

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## Code of business conduct and ethics

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The "[Code of Business Conduct and Ethics of UBS](#)" sets out the principles and practices that UBS expects all of its employees and directors to follow unreservedly both in letter and in spirit. The principles and standards set out in the Code should characterize all of UBS's business activities and all its dealings with the firm's stakeholders including clients, colleagues, shareholders, regulators and business partners. It is the basis for all UBS policies, guidelines and statements relating to each of the firm's employees' personal commitment to appropriate and responsible corporate behavior.

▶ [Code of business conduct and ethics](#) 

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## Employment of staff

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UBS provides equal employment and advancement opportunities for all individuals regardless of race/ethnicity, gender, national origin, age, disability, sexual orientation, or religion. This non-discrimination policy applies to the entire employment process, including recruiting, hiring, placement, promotion, transfers, compensation, training, and termination. In addition, UBS complies with and supports all national and local laws pertaining to non-discrimination and advancement opportunity.

▶ [www.ubs.com/employees](http://www.ubs.com/employees)

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## Environmental and human rights policy

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UBS is committed to acting in a responsible manner in all its business dealings and to promote sustainable business activities. The policy defines principles and responsibilities for managing environmental and human rights issues..

▶ [More](#)

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## Money laundering prevention

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UBS is committed to assisting in the fight against money laundering, corruption and terrorist financing. This is illustrated by the way we take responsibility in our own operations, aiming to help preserve the integrity of our the financial system.

[▶ More](#)

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## Conflicts of interest

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UBS is committed to identifying and managing or avoiding potential conflicts of interest in its business. This is enshrined in our Code of Business Conduct & Ethics. The firm has established guiding principles outlining its approach to properly identifying and managing conflicts of interest. In addition, various other policies address situations in which a conflict of interest might potentially arise, such as personal account dealing, or the providing and receiving of gifts. UBS's Investment Bank also has specific conflict of interest policies for its research activities.

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## Whistleblowing protection

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UBS is committed to conducting its business lawfully and ethically. The firm has a Whistleblowing Policy and established procedures for dealing with genuine concerns staff may have about suspected ethical breaches or misconduct within the firm. Both the Whistleblowing Policy and the Code of Business Conduct and Ethics encourage staff to report promptly any concerns. UBS does not allow retaliation for reports of misconduct by others made in good faith. All staff have easy access to anonymized, free, internal or external mechanisms for submitting whistleblowing reports. All concerns raised are taken seriously and investigated fully and promptly.

[▶ Whistleblowing protection](#) 

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## Community affairs

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A guideline is in place which sets out UBS's community affairs activities and intends to ensure a unified approach to community affairs globally. It outlines responsibilities, focus areas, the scope of the programs as well as minimal criteria applicable to all community affairs activities and any financial contributions to charities and non-profit organizations made by UBS.

[▶ More](#)

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## Information security

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UBS adheres to the highest standards of information security. It meets legal and regulatory requirements related to information security, satisfying the obligations it has to clients, employees and shareholders.

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# Environmental & human rights policy

## Our environmental and human rights policy

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UBS is committed to acting in a responsible manner in all its business dealings and to promote sustainable business activities. The environmental and human rights policy defines principles and responsibilities for managing environmental and human rights issues. Our environmental policy was established in 1993, our statement on human rights in 2006. Both were integrated into one policy in 2014. The policy incorporates recent commitments made in the areas of climate change and human rights.

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## Foundations

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We recognize that financial institutions are increasingly expected to play an active role in addressing pressing issues facing our world today, including respect for human rights and the protection of our environment. Climate change, for instance, will have wide-ranging effects on ecosystems, on societies and on economies worldwide, and as a bank we are determined to support our clients in preparing for success in an increasingly carbon-constrained world. The increasing awareness of environmental and human rights issues has resulted in a fast-changing regulatory and competitive landscape which is affecting UBS, our suppliers and our clients. In response to these emerging risks and opportunities, appropriate strategies are being shaped.

UBS was one of the first financial institutions to sign the United Nations Environment Programme's "Statement by Financial Institutions on the Environment and Sustainable Development" in 1992. UBS was also among the first companies to endorse the UN Global Compact, is an original signatory of the Carbon Disclosure Project (CDP), and UBS Global Asset Management is an Investment Manager signatory to the Principles for Responsible Investment (PRI). UBS was also a driving force behind the development of the Thun Group of banks discussion paper, which sets out challenges and best practice examples for the banking sector's implementation of the UN Guiding Principles on business and human rights.

UBS is committed to observing international environmental and human rights standards in all that it does - not only with respect to its direct impact, but also when providing financial services to its clients, and when reporting its performance to stakeholders. This commitment is underpinned with an ISO 14001 certified environmental management system and a third party assurance of the firm's sustainability reporting according to the Global Reporting Initiative (GRI).

The environmental and human rights policy sets out UBS's approach to managing related risks and opportunities. It is the firm's objective that it be embedded in its culture, management practices and control principles.

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## Purpose and Scope

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UBS is committed to acting in a responsible manner in all its business dealings and to promote sustainable business activities. The policy defines principles and responsibilities for managing environmental and human rights issues, and aims to create long term value for the firm and its stakeholders. The policy ensures that:

- UBS identifies and manages potential adverse impacts to the environment and to human rights, as well as the associated environmental and social risks our clients' and our own assets are exposed to.
- UBS supports its clients in meeting their sustainable investing and financing needs.
- UBS promotes and respects human rights of its employees and provides for a safe and healthy work environment.
- UBS improves its environmental performance and resource efficiency continuously and aims to reduce negative environmental and social impacts of goods and services it purchases.

The policy applies world-wide to all transactions, services and activities involving environmental and human rights issues entered into by or on behalf of UBS in the course of business. Banking activities, in-house operations and supply chain management are subject to and must be conducted in compliance with this policy. Respect for employee human rights and workplace safety are primarily governed by Human Resources policies, employee relations and Health & Safety guidelines.

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## Principles

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### **Principle 1: Risk Management**

- UBS applies an environmental and social risk framework to all transactions, products, services and activities in order to identify and manage potential adverse impacts to the environment and to human rights, as well as the associated environmental and social risks our clients' and our own assets are exposed to. UBS has set "do no harm" standards in product development, investments, financing

and supply chain management decisions. These include the stipulation of controversial activities UBS will not engage in, or will only engage in under stringent pre-established guidelines. As part of this process, UBS will engage with clients and suppliers in order to understand their processes and policies and to explore how environmental and social risks may be mitigated. UBS avoids transactions, products, services, activities or suppliers if there are material environmental and social risks that cannot be properly assessed or where, in the judgment of UBS, the counterparty/issuer is not addressing environmental or social issues in an appropriate and responsible manner.

## **Principle 2: Business Opportunities**

UBS advises clients on how to generate financial and societal returns through sustainable investing, and supports clients' financing needs for addressing environmental and social challenges.

## **Principle 3: Our employees**

UBS's human resource policies, programs and processes support our commitment to providing an inclusive work environment that is free from discrimination, harassment and other unwanted impediments to performance and that provides equal opportunities to all employees and applicants. UBS values the diversity of its staff as diverse perspectives reduce blind spots and improve the quality of decision making and our capacity to innovate. In addition, UBS's guidelines emphasize the importance of providing a sound physical infrastructure and a work environment that promotes the health and safety of our employees and contractors working on UBS premises.

## **Principle 4: Our operations**

UBS sets quantitative targets to reduce group-wide CO2 emissions and the environmental impact of our operations. Environmental programs include investments in sustainable real estate and efficient information technology, energy and water efficiency, paper and waste reduction and recycling, the use of environmentally friendly products (such as renewable energy or recycled paper), business travel and employee commuting. UBS aims to reduce negative environmental and social impacts of goods and services it purchases and engages with suppliers to promote responsible practices.

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## **Implementation**

UBS ensures efficient implementation of the policy through a global management system. The management system is structured in a cycle consisting of planning, implementation, controlling and review including corrective actions .

UBS regularly reports on progress made in implementing the environmental and human rights policy as part of UBS's annual reporting. This reporting is reviewed and assured externally according to the requirements of the Global Reporting Initiative's (GRI) Sustainability Reporting Guideline.

UBS is certified according to ISO 14001, the international environmental management standard. This certificate attests that UBS's management system is an appropriate tool for evaluating compliance with the relevant environmental regulations, achieving self-defined environmental objectives, and maintaining continual improvement of environmental performance.

Environmental and human rights awareness and expertise play an important role in implementing our goals. UBS therefore invests in know-how and integrates environmental and human rights considerations into internal communications and training. The firm seeks to maintain open dialogue and active communications with stakeholders.

Implementation of this policy is a process of continual improvement.

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## **Responsibilities and Structure**

The **Group Executive Board** is responsible for approving the environmental and human rights policy, for nominating a Group

environmental and human rights representative and for approving the annual ISO 14001 environmental management review.

The **Group environmental and human rights representative** is UBS's senior level representative for environmental and human rights issues. He or she submits annual objectives to the GEB via the annual ISO 14001 management review and liaises with the Corporate Responsibility Committee of the Board of Directors<sup>1</sup> in order to raise relevant environmental and human rights concerns. He or she is a member of the Global Environmental & Social Risk Committee, the Environmental & Human Rights Committee and is supported by the Environmental & Social Risk unit.

The **Global Environmental & Social Risk Committee**<sup>2</sup> resolves transactional and policy matters relating to environmental and social risks and their associated reputation risks. It is chaired by the Group CRO, who is responsible for the development and implementation of principles and appropriate independent control frameworks for environmental and social risks within the UBS Group.

The **Environmental & Human Rights Committee**<sup>3</sup> oversees the implementation of UBS's environmental and human rights policy; it defines Group priorities and objectives to be submitted to the Group Executive Board for approval; it oversees execution by the divisions and initiates action if required it reviews potential external initiatives and commitments and advises the Group Executive Board on their adoption.

The **Business Division environmental and human rights representative** is nominated by the Business Division's CEO and is a member of the Business Division's Executive Committee. He or she is responsible, in accordance with ISO 14001, for the implementation of the environmental and human rights policy and for the execution of annual objectives within the Business Division. He or she is a member of the Environmental & Human Rights Committee and is supported by a program manager.

The **Business Divisions** are responsible for implementing the environmental and human rights policy's principles<sup>4</sup>.

- Principle 1 (Risk Management): the Business Divisions are responsible for identifying and assessing environmental and social risks. They must also determine whether the identified risks are acceptable according to UBS's standards for controversial activities and areas of concern. If identified risks are also determined to create potential reputational risk, they must be escalated according to requirements set out in the Environmental and Social Risk Supplement (1-S-004081).
- Principle 2 (Business Opportunities): the Business Divisions take full ownership for the identification and development of products and services that support clients' sustainable investing and financing needs.
- Principle 3 (Our Employees): Corporate Center is responsible for ensuring that UBS respects human rights standards through human resource policies and practices and for maintaining a healthy and safe workplace for employees and contractors.
- Principle 4 (Our Operations): Corporate Center is responsible for managing UBS's environmental and social impact associated with its own operations and with products and services sourced from suppliers..

<sup>1</sup> The Corporate Responsibility Committee supports the Board in its duties to safeguard and advance the UBS Group's reputation for responsible corporate conduct. It reviews and monitors the implementation of UBS's environment and human rights policy.

<sup>2</sup> See Terms of Reference for the Global Environmental & Social Risk Committee (1-B-004653)

<sup>3</sup> See Terms of Reference for the Environmental & Human Rights Committee (1-B-002975)

<sup>4</sup> Detailed requirements, responsibilities and procedures are described in UBS's ISO 14001 manual

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## Definitions/Glossary

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### Environmental and social risk

Environmental and social risks are broadly defined as the possibility that UBS is harmed reputationally or financially as a result of transactions, products, services or activities such as lending, capital raising, advisory services or investments that involve a party associated with environmentally or socially sensitive activities, or that is exposed to risks such as environmental liabilities, human rights

infringements or changes in environmental regulations. Environmental and social risks can also arise if UBS's operational activities and its employees (or contractors working on behalf of UBS) fail to operate within relevant environmental and human rights regulations.

### **Sustainable Investments**

UBS defines Sustainable Investments as an approach to investment that takes account of environmental, social or corporate governance criteria besides traditional financial factors such as risk, return and liquidity when selecting investments.

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# Sustainability at UBS

September 2013 saw the launch of the triennial UN Global Compact-Accenture study on sustainability. Entitled "Architects of a Better World", the study benefited from the input of more than 1,000 top executives from 27 industries across 103 countries. The study's "Agenda for action: Seven steps to sustainability and success" forms the framework for the following reflections on our bank's corporate responsibility activities and achievements in 2013. The agenda is as follows:

1. Realism & context allows us to strike a balance between our actions regarding societal developments and the requirement to ensure the firm's sustainable performance.
2. Growth & differentiation shows how we take sustainability criteria into account in our value chain - from research through to products.
3. Value & performance helps to quantify and track how well our corporate responsibility efforts are doing in supporting effective management.
4. Technology & innovation stresses the importance of supporting innovation among our clients and, equally, of developing innovative solutions for their benefit.
5. Partnerships & collaboration are central themes of our firm's longstanding and active community affairs program and of the active contributions of our clients and employees to communities worldwide.
6. Engagement & dialogue explores both the importance and complexity of stakeholder engagement and dialogue.
7. Advocacy & leadership underscores the importance of innovative solutions in defining and delivering a sustainable global economy.

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## Realism & context

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### Understanding the scale of the challenge - and the opportunity

At UBS, corporate responsibility means 'doing the right thing' - both now and in the future. This intention is incorporated in the principles and standards set out in our Code of Business Conduct and Ethics (Code). These apply to all aspects of our business and the ways in which we engage with our stakeholders - from the products and services we offer our clients, our management of environmental and social risks, to the way we protect the well-being of our employees. Corporate responsibility is embedded at every level of our firm, helping us to adopt a responsible and sustainable approach to doing business while underlining our desire to contribute to the communities in which we operate.

Our approach to corporate responsibility also recognizes that it is important to understand key societal challenges and opportunities - and to consider their relevance to UBS as well as potential (mid-to-long-term) actions our firm may need to take. At the same time, however, UBS must strike a careful balance between such likely actions on societal developments with a potentially less immediate materiality to our firm - and the immediate requirements demanded to ensure our bank's successful and sustainable performance.

In 2012, we had decided to significantly accelerate the implementation of our strategy. We have come a long way on capital strength and our common equity tier 1 ratio leads the industry. We have also generated efficiencies of more than CHF 2 billion and are deploying our capital far more efficiently. At the same time, we are committed to transforming how we work by learning from other industries that

have effectively reshaped their value chain. We have worked intensively to address a number of UBS and industry issues head-on, resolving many of them quickly and transparently. And we have significantly improved our operational control environment by completing remediation work and implementing better processes.

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## Growth & differentiation

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### **Turning sustainability to advantage and value creation**

According to the Global Sustainable Investment Alliance, 13.6 trillion US dollars of professionally managed assets incorporated environmental, social and governance (ESG) criteria into their investment selection and management at the end of 2012. This clearly highlights a strong (and growing) interest in investing according to sustainable and responsible criteria. In 2013, one of the flagship publications of our Wealth Management business division, UBS Research Focus, discussed precisely this growing interest in incorporating sustainability considerations into investment decisions. In addition to evaluating this global trend, "UBS Research Focus - Sustainable investing" also demonstrated why a well-considered sustainability approach may add value to the portfolio of clients. UBS has, in fact, played an active role in sustainable investing for many years. In 2013, we provided an exciting new example of our active engagement in this (growing) field when our Values-Based Investing team within Wealth Management set up and closed an Impact Investing Private Equity fund for SMEs in emerging and frontier markets.

As a global company, and the world's largest wealth manager, we are in a unique position to help our clients address their societal concerns. As their trusted financial advisor, we recognize this responsibility and take it seriously. In 2013, we made a significant commitment to maximize our efforts through a dedicated, industry leading platform. This will deliver comprehensive research, advisory and product capabilities in sustainable investments and philanthropy, and is currently under development. While we have always provided such offerings, it is our objective to do this holistically, channeling a growing percentage of assets, through innovative financial mechanisms, to address societal challenges and make societal performance part of every client conversation.

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## Value & performance

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### **"What gets measured gets managed"**

Not every positive action needs necessarily to be measured. Yet, quantifying and tracking the value of sustainability efforts does support their effective management. A close look at the topic of energy, a fundamental societal challenge, supports this assumption. We take great care to measure and manage our energy consumption across all our business regions. In 2013 in Switzerland, our home market, these efforts received external confirmation when, according to a study by environmental organization WWF, our bank was ranked among the eight top energy savers among Switzerland's 50 largest companies.

The results acknowledge the intensive efforts our bank has made in the last few years as regards the protection of the environment. In 2012, we reached our 2006 goal of reducing our firm's CO2 emissions by 40% from the level in 2004. We set further demanding global targets to be reached by 2016, aiming to reduce our greenhouse gas footprint by 50% from 2004 baseline levels, another 15% below 2012 levels, and reducing our overall energy consumption by 10% from 2012 levels by 2016. These ambitious targets form part of the new client-centric climate change strategy of our firm, with our own operations as one of the foci areas (alongside finance, investments, research and risk management).

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## Technology & innovation

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### **New models for success**

As a financial intermediary, we regard it as vital to support innovation among our clients - and, equally, to develop innovative solutions

for their benefit. With regards to UBS itself, innovation and technology are also key components to the measures we are implementing to improve our long-term efficiency - and, as highlighted in our strategy, to capture gross cost savings of CHF 5.4 billion by the end of 2015. Innovation undoubtedly forms the lifeblood of economic growth.

At the same time, we are faced with growing challenges across the globe, which - if unmet - will negatively affect this very economic growth and, more importantly, will lead to unacceptable suffering among humanity, be it through the depletion of natural resources and loss of biodiversity, water scarcity, or climate change. Technology and innovation can and do play vital parts in the mitigation of these sustainability challenges.

As UBS, we support this through our products and services. An important example is provided by the sustainability and responsible property investment strategy for the real estate products and mandates of Global Asset Management's Global Real Estate business. As a responsible property investor, the financial objectives of clients remain the primary focus, but we also consider long-term social and environmental aspects. Six of Global Asset Management's real estate funds, with CHF 20 billion gross assets under management, obtained the top ranking ('green star') and two of them were awarded 'sector leader' status in the 2013 Global Real Estate Sustainability Benchmark. With buildings accounting for some two-thirds of CO2 emissions worldwide, it is imperative to work towards a comprehensive reduction of this significant environmental impact. Our Global Real Estate business actively does so across its global real estate investment portfolio.

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## Partnerships & collaboration

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### **New challenges, new solutions**

In 2012, our firm celebrated its 150th anniversary. Among the many activities and events UBS organized for clients, employees and the wider public in many countries, we deliberately instituted some with a longer time horizon in mind. Key among these enduring programs is the UBS Education Initiative, which we established with the goal of supporting various education projects at all age groups.

Partnership and collaboration are central themes of these projects - as they are indeed more generally for our firm's longstanding and active community investment program. In 2013, UBS and our affiliated foundations made direct cash donations totaling CHF 28.3 million to carefully selected non-profit partner organizations and charities. Additionally, spending on the UBS Anniversary Education Initiative amounted to CHF 14 million. Moreover, across all business regions, our employees continue to play a very active role in our community investment efforts, in particular through their volunteering activities. In 2013, 10,648 employees spent 91,370 hours volunteering.

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## Engagement & dialogue

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### **Broadening the conversation**

UBS operates in over 50 countries worldwide. This means differing regulatory and governmental environments, different stages of economic development, diverse cultures. This diversity naturally finds expression in our stakeholder community. A very direct example is provided by the diversity of our employees who together speak more than 137 languages and are citizens of 144 countries.

In light of this diversity, stakeholder engagement and dialogue is as important as it is complex. It is therefore important for our firm to gain a holistic understanding of the topics that are or will increasingly be of relevance to our stakeholders - and of the materiality of these topics to UBS. On behest of the Corporate Responsibility Committee, UBS therefore undertook a detailed materiality assessment for 2013. The results of this analysis are reflected in a UBS [materiality matrix](#) (as defined by the Global Reporting Initiative), which distills the views of the stakeholders, with which our firm interacts and covers 20 topics including financial stability, risk behavior and culture, operational efficiency and resilience, environmental protection and climate change, and society and community.

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## Advocacy & leadership

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## Shaping future systems

We continue to provide thought leadership through our leading research capabilities and our active involvement in discussions on key societal topics. In 2013, a key example was the collaboration of ESG (environmental, social and governance) research experts in Wealth Management, Global Asset Management and the Investment Bank for one of our (aforementioned) flagship publications, the “UBS Research Focus” on Sustainable Investing. As a second major example, we co-launched the Thun Group of Banks’ discussion paper on banking and human rights which examines the ways in which our industry can effectively implement the UN’s Guiding Principles on Business and Human Rights. As a firm, we are committed to respecting and promoting human rights in all our business activities as we believe this reflects a responsible approach to doing business while underlining our desire to reduce as far as possible potentially negative impacts on society. Our active and prominent role in the Thun Group is but one of many instances in which we are helping to foster more in-depth dialogue and explore innovative solutions toward defining and delivering a sustainable global economy.

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## Conclusion & outlook

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The successful delivery of our corporate responsibility commitments and activities is reliant on the firm conviction that, above all, we must conduct our business in a sustainable way. We understand that to be taken seriously as a responsible corporate citizen takes time, and that a solid and proven track record counts for more than a series of quick wins. We have such a track record. The guiding principles and standards set out in our Code of Business Conduct & Ethics shape our business activities and all our dealings with our stakeholders including clients, colleagues, shareholders, regulators and business partners. Proper implementation of the Code contributes to the wider societal goal of sustainable development. Policies and guidelines as well as associated objectives related to this aspiration are guided and supervised at the highest level of the firm. We demonstrate accountability for our corporate responsibility commitments and activities at both Board of Directors (BoD) and Group Executive Board (GEB) levels.

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▶ [Achievements 2013](#)

▶ [Objectives 2014](#)

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# Training and raising awareness

**We actively engage in internal and external education and awareness-raising training on corporate responsibility topics and issues. Through induction, education and broader awareness-raising activities, we ensure that our employees are in no doubt as to their responsibilities in complying with our policies and the importance of our societal commitments.**

General information is published on our intranet and on our corporate responsibility website. In 2013, training and awareness-raising activities for employees continued to embrace the Code, notably through induction events for all new employees. Employees were also made aware of the firm's corporate responsibility strategy and activities through other training and awareness-raising activities.

Community Affairs engagement forms part of our key internal leadership programs, while skills-based employee volunteering further contributes towards staff development.

## AML and Anti-Corruption

**Employees are required to undergo regular refresher training in issues relating to anti-money laundering and anti-corruption. This includes online training, awareness campaigns and seminars.**

As the Code also covers anti-corruption from the perspective of risks relating to clients, all current employees and new joiners were alerted to the importance of this topic through Code-related training and awareness activities. Whilst the Code focuses on preventing the misuse of the financial system, including in relation to bribery, the specific anti-corruption standards of conduct that apply to all employees are more fully set out in a separate policy. In 2008, it was agreed that new joiners across the firm be trained on the issue of anti-corruption as it pertains to the firm itself in the revised Group Policy Against Corruption (issued in early 2008). The policy sets out our zero-tolerance stance towards corruption and prohibits all forms of bribery by the firm and our employees, including so-called facilitation payments.

In relation to the Group Policy Against Corruption, training materials were developed by Group AML compliance, which formed the basis for business division training modules that raise awareness on new and revised topics. The business divisions also regularly refresh their web-based training modules to address compliance issues, including anti-corruption standards.

Generally, all compliance employees receive mandatory compliance training every two years (usually web-based). This also covers anti-corruption, as it pertains both to employees and clients. Employees in specific areas (e.g. Compliance) also receive targeted training on client-related corruption, including the bank's own corruption risks in relation to intermediaries, gifts and entertainment, or when major new developments require additional training (e.g. UK Bribery Act).

## Environment

Some 9,271 employees received training on environmental issues, of which 7,136 received general training on our environmental policy and programs and 2,135 participated in specialist training targeted within their area of expertise and influence. Employee speaker sessions, exhibitions and lunchtime training sessions were delivered in all regions alongside specific technical training for the regional environmental teams.

▶ Environmental management indicators (including training numbers)

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# Excerpt from the UBS Code of Business Conduct and Ethics

Excerpt from UBS Code of Business Conduct and Ethics:

**Preventing money laundering, terrorist financing and corruption**

***UBS is committed to assisting in the fight against money laundering, corruption and terrorist financing.***

- We operate effective, dynamic, risk-based money laundering prevention programs that seek to prevent, detect and report suspicions of money laundering.
- We seek to identify and know our clients and screen them to assure acceptability.
- We undertake ongoing due diligence and monitoring to assist in the identification of suspicious activities, which we promptly escalate to management or control functions.

## Ratings and awards

Our performance and success in the area of sustainability is reflected in the key external ratings and rankings we have achieved. In 2013, we re-entered the Dow Jones Sustainability Indices (DJSI) and have been a member of the FTSE4Good index series since its inception. We have also been awarded corporate responsibility prime status by oekom research.


### Read more:

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#### CDP



The CDP (formerly known as Carbon Disclosure Project) is an independent not-for-profit organization, which by its own account today represents a group of 722 institutional investors, representing a total investment volume of 87 trillion US dollars (as of January 2014). The audit firm PricewaterhouseCoopers annually evaluates the 500 largest listed companies for CDP. The evaluation criteria include greenhouse gas emissions, data quality and transparency. Awareness of the risks and opportunities of climate change for the company itself are also examined. We were among the top 20 financial institutions in the CDP Global 500 Climate Change Report 2013 and were included in the Climate Disclosure Leadership Index (CDLI) DACH. CDLI DACH 2013 includes the 10% highest Disclosure Scores of scored companies in the DACH region (Germany, Austria, Switzerland).

- ▶ [www.cdproject.net](http://www.cdproject.net)
- ▶ [CDP Climate Disclosure Leadership Index DACH Award 2013](#) 
- ▶ [CDP Climate Disclosure Leader](#)

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#### FTSE4Good Indexes

UBS again met the FTSE4Good criteria designed to identify companies that are compliant with globally recognized corporate responsibility standards. As a continued index component for the FTSE4Good Index, we have been included since its inception in 2001. FTSE4Good measures the performance of global companies in the areas of environmental sustainability, stakeholder relations and support for human rights.

- ▶ [www.ftse4good.com](http://www.ftse4good.com)

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#### oekom Corporate Rating

**oekom research AG** is one of the world's leading sustainability rating agencies and has actively helped to shape the market for sustainable investments since 1993. oekom research has awarded UBS corporate responsibility prime status which, according to the oekom Corporate Rating, signifies companies which are among the leaders in their industry and which meet industry-specific minimum requirements.



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## Dow Jones Sustainability Indexes

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The Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index. In 2013, UBS re-entered the DJSI from which we had been removed in 2012, as our score had been just below the raised benchmark. This followed continuous inclusion in the DJSI since their launch in 1999. At the time, the DJSI were the first global indices to track the financial performance of the leading sustainability-driven companies worldwide. The DJSI follow a best-in-class approach and include companies from across all industries that outperform their peers in numerous sustainability metrics.

▸ [www.sustainability-index.com](http://www.sustainability-index.com)

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## 2013 awards

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We received several honors in the 11th annual Thomson Reuters Eitel/UKSIF Socially Responsible Investing (SRI) & Sustainability Survey of over 500 investment professionals from 27 countries. The UBS Investment Bank ESG & Sustainability Team was ranked third overall for ESG and SRI, including second for Corporate Governance and for Renewable Energy, fourth for Climate Change and for Thematic Research, and fifth for SRI Research.

Six of Global Asset Management's real estate funds, with CHF 20 billion gross assets under management, obtained the top ranking ("green star"), and two of them were awarded "sector leader" status, by the 2013 Global Real Estate Sustainability Benchmark, thus recognizing our efforts in defining and implementing a sustainable and responsible property investment strategy (RPI). All six funds rank within the first and second quartiles of their respective peer set (among more than 540 real estate portfolios)..

UBS in the UK was recognized with a Business in the Community 2013 Responsible Business Award for its volunteering program while UBS Singapore's Diversity in Abilities arts program, targeted at bringing visual and performing arts to children in special education, was awarded Singapore's National Arts Council Patron of the Arts Award 2013.

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# Performance and Compensation

## Overview

We promote a performance- and development-oriented culture that values integrity and encourages collaboration across the entire firm. Our principles of client focus, excellence and sustainable performance serve as the basis for all of our endeavors, helping us focus on every opportunity to create value for our stakeholders.

As a results-driven firm, personal accountability, effective performance management and sound compensation practices are critical for our success. Our performance management framework features regular employee-manager dialogue, consistent assessment processes and clear links between performance, behavior, achievements and compensation. We provide the tools and support employees need to set clear goals, be effective in their jobs and advance their careers.

We further strengthened our year-end evaluation processes in 2013 to more closely align individual performance with the firm's strategy and culture. More than ever, we want to evaluate not only each employee's achievements, but how those results were achieved. As part of this, specific corporate behaviors were integrated into our performance management processes starting with 2013 year-end evaluations. Employees and managers are expected to use concrete examples to illustrate how these behaviors were exhibited in 2013 and provide feedback on areas for future focus. We also assess employees' competencies and development needs as part of our overall performance management approach.

Performance management for our executives is especially rigorous. Senior leaders, including all Group Executive Board members, are evaluated on key achievements, business performance, risk management, leadership skills and meeting specific financial targets, in addition to acting as role models for our corporate culture. Comprehensive feedback from peers, direct reports and internal clients forms part of this assessment.

Our people management processes are global. In 2013, 99% of the employees eligible to participate in the firm's performance assessment processes received a performance review. We have Group-wide ranks and country-specific salary ranges that are applicable to all employees. We also have a standardized role classification model which is used across the firm. Many human resource processes are based on these global role profiles, and this supports more clearly defined career paths and development plans for all employees.

Objectives focusing on our key corporate responsibility and sustainability commitments are set for managers and employees in pertinent departments or units. Most notably, this would include managers and employees in Corporate Responsibility, Anti-Money Laundering, Human Resources, Environmental, and Community Affairs functions.

To ensure our employees' and stakeholders' interests are aligned, we grant part of our performance awards in UBS notional shares and UBS notional bonds. To help ensure our employees are focused on the medium- and longer-term profitability of the firm, all variable compensation plans require a significant part of an employee's performance award above a total compensation threshold to be deferred for up to five years and include forfeiture provisions. Compensation is closely linked to longer-term sustainable performance. All our variable compensation plans feature performance conditions.

## Group Executive Board (GEB)

The Group CEO and other GEB members are eligible to receive an annual performance award at the full discretion of the BoD. In 2013, we enhanced our performance assessment approach based on a balanced scorecard. We assess an individual's performance against a

number of financial and qualitative key performance indicators (KPI). The qualitative factors considered are the same for the Group CEO and other GEB members. Among others, they include "people and culture" (assesses the extent to which the individual actively develops successors for the most senior positions, facilitates talent mobility within the firm and promotes a diverse and inclusive workforce. Furthermore, this measure evaluates the individual's ability to reinforce a culture of accountability and responsibility, demonstrating our commitment to being a responsible corporate citizen and acting with integrity in all our interactions with our stakeholders) and "brand and reputation" (assesses the individual's protection of our reputation and full compliance with our standards and principles, particularly our Code of Business Conduct and Ethics).

### **Board of Directors (BoD)**

As set out in the Organization Regulations of UBS, BoD committee members must have the necessary knowledge and experience to fulfill their respective functions. Performance and effectiveness of the Chairman, the Board as a whole and each BoD Committee are assessed annually, a process overseen by the Governance and Nominating Committee (GNC). All BoD committees perform a self-assessment of their activities and report back to the full BoD..

The Corporate Responsibility Committee and its members as a group, are expected to: (i) commit such time to the role as may be necessary for the proper discharge of their duties. An indication of the time expected for this purpose will be set out in each of the CRC members' letter of appointment; and (ii) have good knowledge of corporate responsibility and relevant political issues and such other experiences in order to perform their duties. The CRC's chairman is expected to have good knowledge of the relevant committee's area of responsibility together with experiences that the Board considers desirable in the context of that committee's work.

Members of BoD receive fixed fees for their services, of which 50% is paid in blocked UBS shares unless they elect to receive 100% in blocked UBS shares. The BoD members do not receive variable compensation. This reinforces their focus on long-term strategy, supervision and governance. It also helps them to remain independent of the firm's senior management. The Chairman, as a non-independent BoD member, receives an annual base salary, UBS blocked shares and benefits.

▶ [Compensation report 2013](#) 

▶ [Objectives & Achievements 2013](#)

▶ [Objectives 2014](#)

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## Reporting and assurance



**UBS strives to report openly and transparently about the firm's corporate responsibility strategy and activities both via a section in the [UBS annual report](#) and, in more detail, on the [UBS corporate responsibility website](#). Additional relevant information is provided in an employees section in the annual report and on the [UBS employees website](#).**

We use the Global Reporting Initiative (GRI) as the basis for our corporate responsibility reporting and apply a careful process weighing up the materiality and relevance of the information reported and the expectations of all our stakeholders.

**UBS's reporting efforts are assessed externally.** At the beginning of 2014, we had our 2013 sustainability disclosure externally assured against the GRI. The assurance was conducted by Ernst & Young Ltd. which were satisfied that UBS's sustainability disclosure as referenced in the GRI index had been prepared 'in accordance' with the comprehensive option of GRI G4.

- ▶ [GRI Content Index](#)
- ▶ [Reports](#)
- ▶ [Environmental management indicators \(including number of audit days\)](#)
- ▶ [EY Assurance Statement](#) 
- ▶ [UN Global Compact COP](#) 
- ▶ [CDP submission](#)
- ▶ [ISO 14001 Certificates](#)



# Sustainability Disclosure 2013



## Global Reporting Initiative Content Index

Version: March 14, 2014

This content index refers to the 2013 Global Reporting Initiative (GRI) Guidelines 'G4' and the Financial Services Sector Supplements which form together a voluntary reporting framework that provides guidance on how organizations can disclose their sustainability performance.



UBS's reporting efforts are assessed externally. We had our 2013 sustainability disclosure externally assured against the GRI. The assurance was conducted by Ernst & Young Ltd. which were satisfied that UBS's sustainability disclosure as referenced in the GRI index **had been prepared 'in accordance' with the comprehensive option of GRI G4.**

**ALL items** of the GRI Content Index were **externally assured** by Ernst & Young Ltd.






















- ▶ [GRI Content Index](#) 
- ▶ [EY Assurance Statement](#) 

# Reports

## Corporate Responsibility reports

- [Download "Corporate responsibility" section in UBS annual report 2013](#) 
- [Download "Our Employees" section in UBS annual report 2013](#) 

## Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
2012	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2011	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2010	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2009	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2008	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2007	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2006	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2005	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2004	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2003	<a href="#">PDF</a> 	<a href="#">PDF</a>  <a href="#">PDF</a> 		
2002	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2001	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2000		<a href="#">PDF</a> 		
1999/2000		<a href="#">PDF</a> 		
1998/1999		<a href="#">PDF</a> 		

## Environmental management indicators

<i>Full-time equivalent, except where indicated</i>	GRI <sup>1</sup>	For the year ended			%change from
		31.12.13	31.12.12	31.12.11	31.12.12
<b>Personnel financial businesses</b>		<b>60'205</b>	62'628	64,820	(4)
Personnel in specialized environmental units/functions		<b>34</b>	31	31	14
<b>Environmental awareness raising</b>					
Employees trained	FS4	<b>7,136</b>	3,548	15,693	101
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>2,135</b>	966	3,677	121
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>58</b>	63	182	(8)
Auditing time (days)	FS9	<b>11</b>	11	22	5
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>160</b>	249	181	(36)
Auditing time (days)	FS9	<b>47</b>	51	28	(8)

<sup>1</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

<sup>2</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive Re-Certification Audit was done in 2011.


<sup>3</sup> Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

## Submission to CDP

UBS acknowledges that climate change represents one of the most significant environmental challenges of our time



UBS is a founding member of the CDP (formerly known as Carbon Disclosure Project) that encourages organizations to measure, manage and reduce emissions and climate change impacts. The CDP issues annual climate change Information Requests on behalf of institutional investors to almost 6,000 corporations across the globe. UBS also annually responds to the questionnaire.

- ▶ UBS - CDP Information Request 2014 
- ▶ ISO 14001 Certificate
- ▶ Environmental management indicators (incl. number of audit days)





# ISO 14001 Certificates

## **UBS is globally certified according to the international environmental management standard ISO 14001**

In 1999, UBS was the first bank to obtain ISO 14001 certification for its worldwide environmental management system. The management system covers the entire scope of UBS's products, services and in-house operations which may give rise to an environmental impact. It is audited annually and re-certified every three years by Société Générale de Surveillance (SGS).

These comprehensive audits verify that appropriate policies and processes are in place to manage environmental issues, and that they are executed in day-to-day practice.

- ▶ 2014 - 2017, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide 
- ▶ 2011 - 2014, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide 
- ▶ 2008 - 2011, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide 
- ▶ 2005 - 2008, ISO 14001 Certificate. Scope: Banking Business and Inhouse operations worldwide 
- ▶ 2002 - 2005, ISO 14001 Certificate. Scope: Corporate Services outside Switzerland 
- ▶ 2002 - 2005, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland 
- ▶ 1999 - 2002, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland 
- ▶ Environmental management indicators (including audit numbers)

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## Objectives and achievements



An important element to explaining the impact of sustainability trends, risks, and opportunities on the long-term prospects and financial performance of UBS are the following tables summarizing targets, performance against targets, and lessons learned for the 2013 reporting period and targets for the 2014 reporting period (and, where appropriate, medium term objectives and goals) related to key risks and opportunities.

### Read more on:

- [Objectives 2014](#)
- [Objectives and achievements 2013](#)

# Corporate Responsibility Objectives 2014

Our approach	
Materiality matrix topics	Objectives 2014
Financial stability / Operational efficiency & Resilience	<p>Key performance targets:</p> <ul style="list-style-type: none"> <li>▪ Reduce Basel III RWAs to CHF 200 billion by end 2017 (below CHF 225 billion by the end of 2015)</li> <li>▪ Reduce funded balance sheet: approximately CHF 300 billion by end of 2015</li> <li>▪ Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014</li> <li>▪ Cost / income ratio: 60-70% from 2015</li> <li>▪ Return on equity: target of 15% for 2015<sup>1</sup></li> </ul> <p>(For more details see <a href="http://www.ubs.com/global/en/about_ubs/about_us/strategy.html">http://www.ubs.com/global/en/about_ubs/about_us/strategy.html</a>)</p>
Operational efficiency & Resilience	<p>Make structural changes that will lower operating costs substantially by 2015 (including, among others, lean front-to-back processes, a simplification of our product portfolio and production processes, more focused technology requirements, a reduced real estate footprint and the removal of excess layers of management). The efficiency program is expected to result in restructuring charges estimated to total CHF 3.3 billion over three years, but is expected to deliver incremental annual cost savings growing to CHF 3.4 billion by 2015, in addition to the savings of CHF 2 billion announced in 2011</p> <p>(For more details see <a href="http://www.ubs.com/global/en/about_ubs/about_us/strategy.html">http://www.ubs.com/global/en/about_ubs/about_us/strategy.html</a>)</p>
Environmental protection & climate change	Pass 2014 ISO 14001 re-certification audit
Environmental protection & climate change / Corporate governance & culture / Human rights / Responsible Investing / Controversial activities financing / Society & community	Develop web-based Corporate Responsibility training module and Corporate Responsibility video
Human rights	Organize and host Thun Group of banks meeting to advance discussions on banking and human rights
Human capital / Environmental protection & climate change / Corporate governance & culture / Human rights / Society & community / Responsible investing	Establish program and roll out "UBS Future Panels" speaker series for employees
	Accomplish transition from GRI (Global Reporting Initiative) G3.0 A+ to GRI G4 Comprehensive

## Our approach

Brand reputation	Retain favorable position of UBS in key ESG ratings
Corporate governance & culture	Increase the frequency of the UBS Corporate Responsibility Committee's meetings

<sup>1</sup> Group RoE expected to average in the mid-single digits in 2013 and 2014. Given elevated operational risk RWA, we may not achieve our 15% target until 2016

## Our operations

Materiality matrix topics	Objectives 2014
Environmental protection & Climate change	<p>Execute 2016 greenhouse gas reduction target and operational environmental targets for energy, water, paper and waste</p> <ul style="list-style-type: none"> <li>■ Reduce energy by 10% below 2012 level</li> <li>■ Reduce water consumption by 5% below 2012 level</li> <li>■ Reduce paper consumption per FTE by 5% below 2012 level</li> <li>■ Increase share of sustainable (FSC/recycled) paper to 60%</li> <li>■ Reduce waste per FTE by 5% below 2012 level</li> <li>■ Increase waste recycling ratio to 60%</li> </ul>
Environmental protection & Climate change	Refine sustainable real estate and IT infrastructure strategy (incl. Green IT Vision)
Environmental protection & climate change / Human rights / Controversial activities financing	Ensure continuous compliance with Responsible Supply Chain Management (RSCM) in light of Supply & Demand Management (SDM) transformation

## Our clients

Materiality matrix topics	Objectives 2014
Society & Community / Responsible investing / Brand reputation / Innovation	Establish a dedicated, industry-leading platform offering comprehensive research, advisory and product capabilities in sustainable investments and philanthropy ("UBS & Society")
Environmental protection & Climate change / Human rights / Controversial activity financing / Commodities & Natural resources	Proactive management of emerging environmental and social risk (ESR)
Consumer protection / Quality of products & services / Compliance	<p>Suitability:</p> <ul style="list-style-type: none"> <li>■ Continue and close the 2014 Legal &amp; Compliance agenda on suitability („SUSTAIN 2014“ – Suitability Strategy and Implementation) according to action plan</li> <li>■ Manage suitability risks in response to emerging regulation such as MiFID II and FIDLEG</li> </ul>

<b>Our clients</b>	
Quality of products & services	<p>Quality Feedback:</p> <ul style="list-style-type: none"> <li>▪ Continue to keep up awareness of importance of client and employee feedback in order to foster client focus and service excellence</li> <li>▪ Make sure that all relevant client feedback is entered into the tool in order to increase quality of products and processes and to mitigate business risks</li> </ul>
Compliance / Risk behavior & culture	<ul style="list-style-type: none"> <li>▪ Assess and strengthen the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force), particularly in regard to predicate offences, and FATCA (Foreign Account Tax Compliance Act) requirements</li> <li>▪ Manage those developments to ensure requirements are properly captured and adequate policy responses are provided</li> </ul>
Compliance / Risk behavior & culture	<p>Continue active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> <li>▪ Working with the FATF (Financial Action Task Force) on implementation of their proposed enhancements</li> <li>▪ Lead the AML Risk Assessment Working Group to develop an industry-wide standard for conducting AML Risk Assessments</li> <li>▪ Active engagement on various working groups (i.e. Sanctions, Cross-Border, Insider Dealing, Market Abuse)</li> </ul>
<b>Our people</b>	
<b>Materiality matrix topics</b>	<b>Objectives 2014</b>
Operational efficiency & Resilience / Human capital / Corporate governance & culture	Continue to offer programs in every UBS business region to provide social and transitional support to employees impacted by headcount reductions related to our ongoing cost reduction programs
Corporate governance & culture / Human capital	<p>Continue to align the UBS compensation framework to changing market and regulatory frameworks, including but not limited to:</p> <ul style="list-style-type: none"> <li>▪ compensation elements linked to business performance</li> <li>▪ longer deferral periods</li> <li>▪ multi-year performance conditions on equity-based deferred compensation</li> <li>▪ a new loss-absorbing high-trigger deferred capital instrument</li> <li>▪ a reduction in the maximum amount of immediate cash paid as performance awards to individual employees</li> </ul>
Human capital / Human rights / Corporate governance & culture	<p>Health &amp; safety review:</p> <ul style="list-style-type: none"> <li>▪ Strengthen global accountability for H&amp;S, further strengthen regional representation and penetration</li> </ul>
Human capital	Roll-out of targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles
Risk behavior & culture / Compliance	Intensify Risk & Compliance education for all employees, with separate modules for line managers, to raise risk awareness, further develop the UBS risk culture, promote newly defined UBS principles & behaviors, and to help protect the firm's exposure and reputation.
Human capital	Leverage the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to actively manage our key talent)
Human capital	Improve our service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015), and review the footprint of

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**Our people**

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the HR organization

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Human capital

Increase relevance, quality, learning transfer and impact of Business University programs per business requirements

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**Our communities**

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**Materiality matrix topics****Objectives 2014**

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Society & Community /  
Responsible investing /  
Innovation

Taking Community Affairs to the next level:

- Further develop the Community Affairs agenda in line with the Initiative "UBS in Society"
  - Roll-out of impact measurement according to LBG standards to cover at least 80% of strategic Community Affairs projects across all regions
  - Further increase employee engagement in line with the strategic themes of Education and Entrepreneurship and measure its societal impact
  - Further intensify collaboration with clients and the Optimus Foundation
- 

Society & Community

UBS Education Initiative

- Internationalize the Education Initiative, with a roll-out in EMEA and the launch a global project
- 

Society & Community

UBS Optimus Foundation

- Assess opening of a Singapore office to expand the (client) reach of the UBS Optimus Foundation to South-East Asia
- Prepare for a new presence in the USA to expand the (client) reach of the UBS Optimus Foundation to the Americas

# UBS Corporate Responsibility Objectives & Achievements 2013

## Our approach

Materiality matrix topics	Objectives 2013	Achievements 2013
Financial Stability / Operational efficiency & Resilience	<p>Key performance targets:</p> <ul style="list-style-type: none"> <li>▪ Reduce Basel III RWAs to CHF 200 billion by end 2017 (below CHF 250 billion by end 2013)</li> <li>▪ Reduce funded balance sheet: approximately CHF 300 billion by end of 2015</li> <li>▪ Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014</li> <li>▪ Cost / income ratio: 60-70% from 2015</li> <li>▪ Return on equity: at least 15% from 2015<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Fully applied RWA reduced by CHF 33 billion (at end of 2013 compared to end of 2012)</li> <li>▪ Reduction of balance sheet by CHF 250 billion in 2013</li> <li>▪ Basel III common equity tier (CET) 1 ratio fully applied at 12.8% at end of 2013</li> <li>▪ Cost / income ratio: 88% for year ended 31 December 2013</li> <li>▪ Return on equity: 6.7% for year ended 31 December 2013. Given the elevated operational risk RWA, 2015 target may not be achieved until 2016</li> </ul>
Financial Stability / Operational efficiency & Resilience	<p>Exit lines of business of the Investment Bank that do not meet their cost of capital sustainably or in areas with high operational complexity. Businesses and positions exit to be transferred to, and reported in, the Corporate Center, from the first quarter of 2013</p>	<ul style="list-style-type: none"> <li>▪ Businesses and positions transferred to and reported in Corporate Center ("Non-core and Legacy Portfolio")</li> </ul>
Operational efficiency & Resilience	<p>Make structural changes that will lower operating costs substantially by 2015 (including, among others, lean front-to-back processes, a simplification of our product portfolio and production processes, more focused technology requirements, a reduced real estate footprint and the removal of excess layers of management). The efficiency program is expected to result in restructuring charges estimated to total CHF 3.3 billion over three years, but is expected to deliver incremental annual cost savings growing to CHF 3.4 billion by 2015</p>	<ul style="list-style-type: none"> <li>▪ Cost / income ratio reduced from 106.6% for year ended 31 December 2012 to 88% for year ended 31 December 2013</li> <li>▪ CHF 2.2 billion gross cost savings since 1H11</li> </ul>
Brand reputation / Human capital / Quality of products & services	<p>Sharpen the definition of the UBS key principles of "client focus", "excellence" and "sustainable performance", advance their integration into our corporate decision-making and people management processes and in the shaping of the daily actions of our employees</p>	<ul style="list-style-type: none"> <li>▪ Definitions have been sharpened (and expanded through the addition of UBS "behaviors"), integration into corporate decision-making and people management processes advanced</li> </ul>

## Our approach

Environmental protection & Climate change / Responsible investing	<p>Climate change: Start execution of revised client centric climate change strategy by focus on the following elements:</p> <ul style="list-style-type: none"><li>▪ Participating in an industry-wide initiative to develop accounting metrics for CO2 emissions associated with lending and investments;</li><li>▪ Reducing the environmental impact of our Global Real Estate investment portfolios;</li><li>▪ Offering the "Energy check-up for SME" to Swiss SMEs in partnership with the Swiss Private Sector Energy Agency and renewing the cash bonus to support private clients in renovating their private homes sustainably;</li><li>▪ Launching UBS Clean Energy Infrastructure Switzerland for institutional clients to invest in renewable energy infrastructure;</li><li>▪ Continuing to support renewable energy and clean technology financing through our Investment Bank;</li><li>▪ Developing the UBS Sustainability Health Check, which will allow Wealth Management clients to identify discrepancies between their sustainability preferences (including climate change) and the composition of their portfolio</li></ul>	<ul style="list-style-type: none"><li>▪ Participation in 2013 scoping workshop. Initiative to participate in technical working groups postponed to 2014.</li><li>▪ Top ranking for six of Global Asset Management's Global Real Estate funds ("green star") and two were awarded "sector leader" status by the 2013 Global Real Estate Sustainability Benchmark, thus recognizing our efforts in defining and implementing a sustainable and responsible property investment strategy (RPI). These funds rank within the first and second quartiles of their respective peer set (among more than 540 real estate portfolios) and represent 75% of our total RPI portfolio (CHF 39 billion).</li><li>▪ Swiss SMEs supported in saving energy, as promoted by the Swiss Energy Agency's SMEs Model. Clients profited from the agency's "energy check-up for SMEs" at reduced costs and were granted cash premiums for committing to an energy reduction plan within this scheme. By the end of 2013, 116 companies had signed-up; Further 118 applications pending. By supporting Swiss private clients when renovating their private homes sustainably, we redistributed CHF 2.9 million in cash benefit, funded by proceeds from the Swiss CO<sub>2</sub> levy refund. Swiss private clients could also benefit from the UBS "eco" mortgage when building energy-efficient homes.</li><li>▪ UBS Clean Energy Infrastructure Switzerland offers institutional investors unprecedented access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energies and energy efficiency. Capital commitments had reached approximately CHF 350 million on 31 December 2013.</li><li>▪ Investment Bank helped raising CHF 28.5 billion and provided strategic advisory services for CHF 49.4 billion for companies that provide a positive contribution to climate change mitigation and adaptation.</li><li>▪ UBS Portfolio Screening Services helped Wealth Management clients align their portfolios to their values by assessing portfolios using specific sustainability criteria (including environmental topics). Based on increased interest among our clients, we screened CHF 4.2 billion of client assets in 2013. In addition, continue considering technical options to offer a sustainability portfolio screening for all Wealth Management clients, prospectively starting in 2015 for clients domiciled in Switzerland.</li></ul>
Environmental protection & climate change	Environmental Management System: Pass 2013 surveillance audit	▪ ISO 14001 surveillance audit successfully passed



## Our approach

Environmental protection & climate change / Corporate governance & culture / Human rights / Responsible Investing / Controversial activities financing / Society & community	Develop new web-based Corporate Responsibility training module	<ul style="list-style-type: none"> <li>Postponed to 2014 (as part of newly developed CR communications and awareness raising strategy)</li> </ul>
Human rights	Contribute to the finalization of the Thun Group discussion document on banking and human rights	<ul style="list-style-type: none"> <li>Thun Group discussion document published in October 2013</li> </ul>
	Analyze GRI 4 Guidelines (upon their release in 2013) for their potential relevance to UBS's sustainability disclosure	<ul style="list-style-type: none"> <li>GRI G4 Guidelines analyzed and to be applied for UBS 2013 Sustainability Disclosure Assurance</li> </ul>
Human capital / Environmental protection & climate change / Corporate governance & culture / Human rights / Society & community / Responsible investing	Expand reach and size of the sustainability@ubs employees network	<ul style="list-style-type: none"> <li>Postponed to 2014 (with new title of network "UBS Future Panels")</li> </ul>

<sup>1</sup> Group RoE expected to average in the mid-single digits in 2013 and 2014

## Our operations

Materiality matrix topics	Objectives 2013	Achievements 2013
Environmental protection & climate change	<ul style="list-style-type: none"> <li>Start execution of revised client centric climate change strategy by further investing in sustainable real estate and IT infrastructure and limit business travel-related CO2 emissions.</li> <li>Reduction of own greenhouse gas emissions by 50% compared to 2004 by 2016 (another 15% below 2012), and overall energy consumption by 10% compared to 2012 by</li> </ul>	<ul style="list-style-type: none"> <li>Framework development in progress</li> <li>We further reduced our emissions by 15% year on year, achieving a 49% reduction from baseline year 2004. This brings us very close to reaching our target of a 50% reduction by 2016.</li> </ul>

## Our operations

	2016.	
Environmental protection & climate change	<p>Deliver against targets on energy, water, paper and waste (by 2016):</p> <ul style="list-style-type: none"> <li>▪ Reduce energy by 10% below 2012 level</li> <li>▪ Reduce water consumption by 5% below 2012 level</li> <li>▪ Reduce paper consumption per FTE by 5% below 2012 level</li> <li>▪ Increase share of sustainable (FSC/recycled) paper to 60%</li> <li>▪ Reduce waste per FTE by 5% below 2012 level</li> <li>▪ Increase waste recycling ratio to 60%</li> </ul>	<ul style="list-style-type: none"> <li>▪ Significant progress made in 2013 towards achieving 2016 targets: <ul style="list-style-type: none"> <li>▪ Energy consumption -3.2%</li> <li>▪ Water consumption: -9.1%</li> <li>▪ Paper consumption: -1.1%</li> <li>▪ Share of sustainable paper: 57.6%</li> <li>▪ Waste reduction: -7.8%</li> <li>▪ Waste recycling ratio: 55.6%</li> </ul> </li> </ul>
Environmental protection & climate change / Human rights / Controversial activities financing	<p>Full roll-out of the revised Responsible Supply Chain Management concept</p>	<ul style="list-style-type: none"> <li>▪ Further strengthening of our existing RSMC framework by focusing on suppliers that either have a potentially high environmental or social impact, or suppliers that are active in high-risk countries. We screened relevant suppliers and identified around 40 suppliers for which remediation measures have been defined in order to be in line with UBS's RSCM standards. Due diligence is performed by our experienced procurement and sourcing specialists, and is supported by a centralized team of experts.</li> </ul>

## Our clients

Materiality matrix topics	Objectives 2013	Achievements 2013
Environmental protection & climate change / Responsible investing	<p>Proactive management of emerging environmental and social risk (ESR)</p> <ul style="list-style-type: none"> <li>▪ Test a human rights due diligence document (developed in cooperation with Thun Group)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Work of the Thun Group reflected in UBS environmental and human rights policy framework</li> </ul>
Environmental protection & climate change / Responsible investing / Human rights / Controversial activities financing	<p>Identify and develop environmental and social business opportunities:</p> <ul style="list-style-type: none"> <li>▪ Execute Sustainable / Values Based Investing (VBI) strategy</li> <li>▪ Broaden application of UN PRI throughout Global AM</li> <li>▪ Further integrate environmental, social and governance (ESG) criteria in research</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase in all SRI classes. In particular assets that are subject to UBS's policy pertaining to controversial weapons have increased substantially largely due to the global expansion of the policy.</li> <li>▪ Successful support of (<i>UBS held</i>) company to become a PRI signatory and ongoing participation in PRI benchmark</li> <li>▪ Key example for further integration of ESG criteria in research was the collaboration of environmental, social and governance (ESG) research experts in Wealth Management, Global Asset Management and the Investment Bank on one of our flagship publications, the "UBS Research Focus". Also, our newly established publication, "ESG Keys," addresses the what, how and why of ESG issues and sustainability investment styles. Reports in 2013 addressed corporate governance, human capital, and energy and climate change.</li> </ul>

## Our clients

Quality of Products & services	<p>Quality Feedback:</p> <ul style="list-style-type: none"> <li>▪ Foster mutual collaboration with a greater number of product managers and specialist units to better focus on and respond to various client needs and expectations</li> <li>▪ Intensify client complaint education for client advisors by means of a revised e-lecture in order to raise awareness for client feedback issues and help reduce firm's risk and reputation exposure</li> </ul>	<ul style="list-style-type: none"> <li>▪ Targeted meetings with dedicated specialist units have been carried out on a regular basis to focus on and follow-up upon major and recurrent client topics and issues. Tracking of measurements in order to ensure impact and implementation of specific product or service</li> <li>▪ Rollout of new e-lecture "Dealing with client complaints": completion mandatory for new joiners of client facing employees in Switzerland. Regular communication of best practices through intranet</li> </ul>
Quality of Products & services / Consumer protection / Compliance	<p>Suitability:</p> <ul style="list-style-type: none"> <li>▪ Commence implementation process of Legal &amp; Compliance agenda on suitability ("SUSTAIN 2014" - Suitability Strategy and Implementation) in 2013 according to action plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Actions from SUSTAIN 2014 defined and implemented according to action plan (e.g. analysis on client classification requirements, enhancements to pre-trade product documentation).</li> </ul>
Compliance / Risk behavior & culture	<ul style="list-style-type: none"> <li>▪ Assess and strengthen the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force), particularly in regard to predicate offences, and FATCA (Foreign Account Tax Compliance Act) requirements.</li> <li>▪ Roll out an AML Program to drive and manage those developments and to ensure requirements are properly captured and adequate policy responses are provided.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Publication of annual updates of relevant AML policies, including Anti-Bribery and Corruption, and Sanctions Policies and supplementary documents.</li> <li>▪ Further enhancements are expected to the regulatory landscape in relation to FATF and FATCA and these will be monitored in 2014 with appropriate changes made to policies and procedures as necessary.</li> </ul>
Compliance / Risk behavior & culture	<p>Continued active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> <li>▪ Working with the FATF (Financial Action Task Force) on implementation of their proposed enhancements</li> <li>▪ Host a meeting in India with local regulators on AML/KYC programme definition and implementation</li> <li>▪ Active engagement on various working groups (i.e. Sanctions, Cross-Border, Insider Dealing, Market Abuse)</li> </ul>	<ul style="list-style-type: none"> <li>▪ UBS actively engaged in the Wolfsberg Group including various working Groups throughout the year, including direct consultation by FATF on their proposed amendments.</li> </ul>

## Our people

Materiality matrix topics	Objectives 2013	Achievements 2013
Operational efficiency & Resilience	<p>Reduce the number of personnel by 2015 (to approximately 54,000 people, calculated on 2012 business strategy and volume) and continue to offer programs in every UBS business region to provide social and transitional support to employees impacted by restructuring exercises.</p>	<p>Continued expectation of UBS headcount reduction to approximately 54,000 by end of 2015. Implemented net reductions in 2013 indicate that UBS is on track to achieve the ambitions of our cost reduction program.</p>
Corporate governance & culture / Human capital	<p>Implement changes to the UBS compensation framework, including:</p> <ul style="list-style-type: none"> <li>▪ longer deferral periods</li> <li>▪ multi-year performance conditions on equity-based</li> </ul>	<p>Integration of all four changes into the UBS compensation framework and the relevant instruments.</p>

## Our people

	<p>deferred compensation</p> <ul style="list-style-type: none"> <li>▪ a new loss-absorbing high-trigger deferred capital instrument</li> <li>▪ a reduction in the maximum amount of immediate cash paid as performance awards to individual employees</li> </ul>	
Human capital / Human rights / Corporate governance & culture	<p>Health &amp; safety review:</p> <ul style="list-style-type: none"> <li>▪ Strengthen global accountability for H&amp;S, further strengthen regional representation and penetration</li> </ul>	<p>Health &amp; safety review:</p> <ul style="list-style-type: none"> <li>▪ Reporting since end of 2012 available globally</li> </ul>
Human capital	Roll-out of targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles	Large-scale rollout of UBS Principles and Behaviors workshops, particularly at senior management levels, cascading afterwards within the organizations.
Risk behavior & culture / Compliance	Intensify Risk & Compliance education for all employees, with separate modules for line managers, to raise risk awareness, further develop the UBS risk culture, to help protect the firm's exposure and reputation.	Close to 100 % completion of mandatory risk and compliance trainings, plus anchoring proactive risk identification and management in performance objectives and appraisal framework.
Human capital	Leverage the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to actively manage our key talent)	Initiation of large scale recruiting and learning transformation in order to become more agile, and focused on business demand, to support workforce/skill changes and capability upgrades.
Human capital	Improve our service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015)	Implementation of the new service organization in all major UBS regions, granting access to employees re HR (self) services 24h a day.
Human capital	Increase relevance, quality, learning transfer and impact of Business University programs per business requirements	Improved client feedback on satisfaction, transferability of learned content, and impact after 6 months of training.

## Our communities

Materiality matrix topics	Objectives 2013	Achievements 2013
Society & community	<p>Optimus Foundation:</p> <ul style="list-style-type: none"> <li>▪ Open Hong Kong office to expand the (client) reach of the Optimus Foundation in Asia</li> <li>▪ Open London office to expand the (client) reach of the Optimus Foundation in the UK</li> </ul>	<ul style="list-style-type: none"> <li>▪ The UBS Optimus Foundation successfully launched a Hong Kong office in Q2 2014 with two local headcounts to strengthen its footprint in Asia and expand client reach to clients of UBS in Hong Kong. Strong interest from clients, in particular for the Foundation's programs in North Asia.</li> <li>▪ Soft opening of the new presence of UBS Optimus Foundation in the UK in December 2013, launch event with UBS clients in London in January 2014.</li> <li>▪ Developed and implemented new global grant-making strategy with focus on education, child health and child protection.</li> </ul>

Our communities

- Established an Emergency Rapid Response Fund to support the relief and rehabilitation efforts in the Philippines after the devastation caused by Typhoon Haiyan. UBS has committed up to CHF 3m to match client contributions to the emergency fund. As per year-end, UBS clients have already contributed CHF 914,000 to the fund with a continuously strong donation pipeline.

Society & Community

Further embedding of the global Community Affairs Strategy across the Group:

- Increase employee engagement
- Develop tools for impact measurement
- Further implementation of global communication strategy

- For the second year in a row, the firm organized the Global Employee Volunteer Awards, recognizing 60 individuals and teams for their outstanding engagement. The focus of our employee engagement has shifted increasingly towards impact through volunteering. Also the alignment of volunteering engagement to the strategic themes of Community Affairs was improved. As a result of this strategic transition, absolute volunteering numbers slightly decreased
- A global pilot of Impact Measurement using the LBG standard was successfully started and included projects from all regions. Impact measurement will be rolled out further across all regions in 2014
- Global communication improved throughout the year with regular intranet features and Senior Management Communications (year-end message, quarterly results shareholders letter, announcement of the Global Employee Volunteer Awards), highlighting the firm's community engagement
- *Other achievements relating to the overarching objective of "embedding the global Community Affairs Strategy across the Group"*
- As part of the overall strategy, the Donor Advised Foundation was launched in the UK
- The collaboration between HR and Community Affairs was strengthened with pilot programs running to deliver joint objectives i.e. community impact as well as personal/professional development
- The collaboration between Community Affairs and the Optimus Foundation was strengthened by the joint effort to provide disaster relief following Typhoon Haiyan in the Philippines

Society & community

UBS Education Initiative

- Further development of sub-group projects

- Within the six work streams of the Initiative, a range of new projects was launched in Switzerland, offering benefits to both society and employees. Due to the success of the Education Initiative, the Global Community Affairs Steering Committee decided to internationalize the initiative in 2014

# Objectives 2013

Governance & strategy	
GRI	Objectives 2013
EC	<p>Key performance targets:</p> <ul style="list-style-type: none"> <li>▪ Reduce Basel III RWAs to CHF 200 billion by end 2017 (below CHF 250 billion by end 2013)</li> <li>▪ Reduce funded balance sheet: approximately CHF 300 billion by end of 2015</li> <li>▪ Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014</li> <li>▪ Cost / income ratio: 60-70% from 2015</li> <li>▪ Return on equity: at least 15% from 2015<sup>1</sup></li> </ul>
EC	<p>Exit lines of business of the Investment Bank that do not meet their cost of capital sustainably or in areas with high operational complexity. Businesses and positions exit to be transferred to, and reported in, the Corporate Center, from the first quarter of 2013</p>
EC	<p>Make structural changes that will lower operating costs substantially by 2015 (including, among others, lean front-to-back processes, a simplification of our product portfolio and production processes, more focused technology requirements, a reduced real estate footprint and the removal of excess layers of management). The efficiency program is expected to result in restructuring charges estimated to total CHF 3.3 billion over three years, but is expected to deliver incremental annual cost savings growing to CHF 3.4 billion by 2015</p>
Various	<p>Sharpen the definition of the UBS key principles of "client focus", "excellence" and "sustainable performance", advance their integration into our corporate decision-making and people management processes and in the shaping of the daily actions of our employees</p>
FS, EC2	<p>Start execution of revised client centric climate change strategy focusing on the following elements:</p> <ul style="list-style-type: none"> <li>▪ Participating in an industry-wide initiative to develop accounting metrics for CO<sub>2</sub> emissions associated with lending and investments;</li> <li>▪ Reducing the environmental impact of our Global Real Estate investment portfolios;</li> <li>▪ Offering the "Energy check-up for SME" to Swiss SMEs in partnership with the Swiss Private Sector Energy Agency and renewing the cash bonus to support private clients in renovating their private homes sustainably;</li> <li>▪ Launching UBS Clean Energy Infrastructure Switzerland for institutional clients to invest in renewable energy infrastructure;</li> <li>▪ Continuing to support renewable energy and clean technology financing through our Investment Bank;</li> <li>▪ Developing the UBS Sustainability Health Check, which will allow Wealth Management clients to identify discrepancies between their sustainability preferences (including climate change) and the composition of their portfolio</li> </ul>
EN	<p>Pass 2013 Environmental Management System surveillance audit</p>
HR3, SO3, FS4	<p>Develop new web-based Corporate Responsibility training module</p>
HR, FS. 4.12-4.17	<p>Contribute to the finalization of the Thun Group discussion document on banking and human rights</p>

## Governance & strategy

3.5	Analyze GRI 4 Guidelines (upon their release in 2013) for their potential relevance to UBS's sustainability disclosure
Various	Expand reach and size of the sustainability@ubs employees network

## Responsibility in banking

GRI	Objectives 2013
FS	<p>Manage emerging environmental and social risk (ESR) proactively:</p> <ul style="list-style-type: none"> <li>▪ Test a human rights due diligence document (developed in cooperation with Thun Group)</li> </ul>
FS	<p>Identify and develop environmental and social business opportunities:</p> <ul style="list-style-type: none"> <li>▪ Execute Sustainable / Values Based Investing (VBI) strategy</li> <li>▪ Broaden application of UN PRI throughout Global AM</li> <li>▪ Further integrate environmental, social and governance (ESG) criteria in research</li> </ul>
PR5	<p>Quality Feedback:</p> <ul style="list-style-type: none"> <li>▪ Foster mutual collaboration with a greater number of product managers and specialist units to better focus on and respond to various client needs and expectations</li> <li>▪ Intensify client complaint education for client advisors by means of a revised e-lecture in order to raise awareness for client feedback issues and help reduce firm's risk and reputation exposure</li> </ul>
SO, FS	Commence implementation process of Legal & Compliance agenda on suitability ("SUSTAIN 2014" - Suitability Strategy and Implementation) in 2013 according to action plan
SO2	<ul style="list-style-type: none"> <li>▪ Assess and strengthen the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force), particularly in regard to predicate offences, and FATCA (Foreign Account Tax Compliance Act) requirements</li> <li>▪ Roll out an AML Program to drive and manage those developments and to ensure requirements are properly captured and adequate policy responses are provided</li> </ul>
SO2	<p>Continue active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> <li>▪ Working with the FATF (Financial Action Task Force) on implementation of their proposed enhancements</li> <li>▪ Host a meeting in India with local regulators on AML/KYC programme definition and implementation</li> <li>▪ Active engagement on various working groups (i.e. Sanctions, Cross-Border, Insider Dealing, Market Abuse)</li> </ul>

## Responsibility in operations

GRI	Objectives 2013
EN	Start execution of revised client centric climate change strategy by further investing in sustainable real estate and IT infrastructure and limit business travel-related CO <sub>2</sub> emissions. Reduction of own greenhouse gas emissions by 50% compared to 2004 by 2016 (another 15% below 2012), and overall energy consumption by 10% compared to 2012 by 2016.
EN	<p>Deliver against targets on energy, water, paper and waste (by 2016):</p> <ul style="list-style-type: none"> <li>▪ Reduce energy by 10% below 2012 level</li> <li>▪ Reduce water consumption by 5% below 2012 level</li> <li>▪ Reduce paper consumption per FTE by 5% below 2012 level</li> </ul>

## Responsibility in operations

	<ul style="list-style-type: none"> <li>▪ Increase share of sustainable (FSC/recycled) paper to 60%</li> <li>▪ Reduce waste per FTE by 5% below 2012 level</li> <li>▪ Increase waste recycling ratio to 60%</li> </ul>
HR, EN, SO	Roll out fully the revised Responsible Supply Chain Management concept

## Our employees

GRI	Objectives 2013
LA	Reduce the number of personnel by 2015 (to approximately 54,000 people, calculated on 2012 business strategy and volume) and continue to offer programs in every UBS business region to provide social and transitional support to employees impacted by restructuring exercises
LA	Implement changes to the UBS compensation framework, including: <ul style="list-style-type: none"> <li>▪ longer deferral periods</li> <li>▪ multi-year performance conditions on equity-based deferred compensation</li> <li>▪ a new loss-absorbing high-trigger deferred capital instrument</li> <li>▪ a reduction in the maximum amount of immediate cash paid as performance awards to individual employees</li> </ul>
LA6-8	Strengthen global accountability for Health & Safety and further strengthen regional representation and penetration
LA10-11	Roll out targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles
LA10-11	Intensify Risk & Compliance education for all employees, with separate modules for line managers, to raise risk awareness, further develop the UBS risk culture, to help protect the firm's exposure and reputation
LA	Leverage the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to actively manage our key talent)
LA	Improve service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015)
LA9	Increase relevance, quality, learning transfer and impact of Business University programs per business requirements

## Community investment

GRI	Objectives 2013
FS7	Optimus Foundation: <ul style="list-style-type: none"> <li>▪ Open Hong Kong office to expand the (client) reach of the Optimus Foundation in Asia</li> <li>▪ Open London office to expand the (client) reach of the Optimus Foundation in the UK</li> </ul>
SO1	Embed global Community Affairs strategy further across the group: <ul style="list-style-type: none"> <li>▪ Increase employee engagement</li> <li>▪ Develop tools for impact measurement</li> <li>▪ Further implementation of global communication strategy</li> </ul>
SO1	Develop further UBS Education Initiative sub-projects



<sup>1</sup> Group RoE expected to average in the mid-single digits in 2013 and 2014

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# Objectives 2012

## Governance & strategy

GRI	Objectives 2012
EC	Annual target financial performance ranges: <ul style="list-style-type: none"> <li>▪ Basel 3 common equity tier 1 ratio: 13% (to be achieved by 2013 under "phased-in" Basel 3 rules)</li> <li>▪ Annual return on equity: 12-17%<sup>1</sup></li> </ul>
EC	More focused and less complex Investment Bank. Reduction of Basel 3 risk-weighted assets from CHF ~230 billion (as of end of Q3-11) to no more than CHF 150 billion in our core Investment Bank (target to be achieved by 2016). <sup>2</sup>
4.14-4.17, FS	Host and facilitate dialogue meeting between banks and non-governmental organizations on the topic of mining
Various	Establish a sustainability awareness raising employees network (including speaker series) in Switzerland
EN	Environmental Management System: Pass 2012 surveillance audit

## Responsible banking

GRI	Objectives 2012
FS	Complete and test, jointly with peer banks ("Thun Group"), a practical guidance tool interpreting the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights with specific reference to their application to the banking sector
FS	Identify and develop environmental and social business opportunities: <ul style="list-style-type: none"> <li>▪ Implement values-based investment advisory approach in all business divisions as appropriate</li> <li>▪ Broaden application of UN PRI throughout Global AM</li> <li>▪ Further integration of environmental, social and governance (ESG) criteria in research</li> </ul>
SO, FS	Suitability: <ul style="list-style-type: none"> <li>▪ Ensure continued high-quality in our advisory process while reflecting the requirements of a quickly changing regulatory environment</li> <li>▪ Develop SUSTAIN (Suitability Strategy and Implementation) strategy for 2014, defining the strategic agenda, objectives, risks and execution roadmap in relations to product and client suitability for WM&amp;SB</li> </ul>
PR5	Quality Feedback: <ul style="list-style-type: none"> <li>▪ Establish effective mutual exchange platforms with Product Managers (and other specialist units) in order to foster impact on improving services and products</li> <li>▪ Ensure that client and employee feedback is systematically given attention to in product lifecycles and any relevant steps implemented accordingly</li> </ul>
SO2	Continue to reform the UBS Group Policy framework to ensure its continued adherence to emerging regulation, including FATF (Financial Action Task Force) predicate and FATCA (Foreign Account Tax Compliance Act) requirements

## Governance & strategy

SO2	Continued active participation in the Wolfsberg Group, notably concerning: <ul style="list-style-type: none"> <li>▪ working with the FATF on implementation of their proposed enhancements</li> <li>▪ working with Egmont (Egmont Group of Financial Intelligence Units) on Anti Corruption matters</li> <li>▪ revised Wolfsberg Private Banking Principles</li> <li>▪ Wolfsberg Sanctions Compliance Program Elements 2012</li> </ul>
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## CR in operations

GRI	Objectives 2012
EN	Achieve our climate change strategy target (40% CO2 reduction by 2012; baseline 2004)
EN	Deliver on firm-wide energy, paper, waste & recycling and water reduction targets for 2010-2012: <ul style="list-style-type: none"> <li>▪ Reduce energy by -10% below 2009, by 2012</li> <li>▪ Stabilize paper consumption per FTE at 2009 level, by 2012</li> <li>▪ Increase share of sustainable (FSC/recycled) paper to 50% by 2012</li> <li>▪ Stabilize waste per FTE at 2009 level, by 2012</li> <li>▪ Reduce waste to landfill by -10% below 2009 level, by 2012</li> <li>▪ Increase waste recycling ratio to 70%, by 2012</li> <li>▪ Reduce water consumption by 5% below 2009 level, by 2012</li> </ul>
HR, EN SO	Responsible Supply Chain management: <ul style="list-style-type: none"> <li>▪ Implement findings of 2011 strategic review to ensure best practice in this area</li> </ul>

## Our employees

GRI	Objectives 2012
LA6-8	Strengthen global accountability for H&S
LA10-11	Roll-out of targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles
LA10-11	Intensify Risk & Compliance education for all employees, with separate modules for line managers, to raise risk awareness, to help protect the firm's exposure and reputation.
LA	Intensify the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to maintain our key talent criteria)
LA	Improve our service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015)
LA9	Increase relevance, quality, learning transfer and impact of Business University programs per business requirements

## Community investment

GRI	Objectives 2012
SO1	Implement new global Community Affairs (CA) strategy: <ul style="list-style-type: none"> <li>▪ Focus on education and entrepreneurship</li> <li>▪ Emphasis on employee engagement</li> <li>▪ Strengthened governance</li> <li>▪ Global communication strategy</li> </ul>

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## Governance & strategy

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SO1            Implement 150th anniversary CA activities program

<sup>1</sup> The return on equity target for the Group applies from the beginning of 2013. 2012 is a transition year as the Investment Bank is targeting a substantial reduction in RWAs

<sup>2</sup> Core Investment Bank refers to the Investment Bank as currently configured, excluding the Legacy businesses and positions that will be reported in the Corporate Center starting 2012.

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# Objectives and achievements 2012

## Governance & strategy

GRI	Objectives 2012	Achievements 2012
EC	<p>Annual target financial performance ranges:</p> <ul style="list-style-type: none"> <li>▪ Basel 3 common equity tier 1 ratio: 13% (to be achieved by 2013 under "phased-in" Basel 3 rules)</li> <li>▪ Annual return on equity: 12-17%<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Basel 3 common equity tier 1 ratio (phase-in) as of 31 Dec 2012: 15.3%</li> <li>▪ Negative return on equity (-5.2%). New mid-term return on equity target (at least 15% from 2015) was communicated in the October 2012 strategic acceleration announcement<sup>2</sup>. Group RoE expected to average in the mid-single digits in 2013 and 2014.</li> </ul>
EC	<p>More focused and less complex Investment Bank. Reduction of Basel 3 risk-weighted assets from CHF ~230 billion (as of end of Q3-11) to no more than CHF 150 billion in our core Investment Bank (target to be achieved by 2016).<sup>3</sup></p>	<ul style="list-style-type: none"> <li>▪ Original RWA targets exceeded: Basel III RWA in the Investment Bank reduced to ~CHF 131 billion as of 31 Dec 2012.</li> <li>▪ Announcement of a significant acceleration in the implementation of our strategy to transform the firm (October 2012). Building on the progress it has made, UBS will achieve this transformation by further sharpening its focus in the Investment Bank. By concentrating on its traditional strengths in advisory, research, equities, FX and precious metals and by exiting business lines, predominantly those in fixed income that have been rendered uneconomical by changes in regulation and market developments, UBS will reduce costs significantly while driving further efficiencies across the Group more rapidly.<sup>4</sup></li> </ul>
4.14-4.17, FS	<p>Host and facilitate dialogue meeting between banks and non-governmental organizations on the topic of mining</p>	<ul style="list-style-type: none"> <li>▪ Hosting of dialogue meeting on the topic of mining (October 2012) with about 50 representatives from banks and NGOs</li> </ul>
Various	<p>Establish a sustainability awareness raising employees network (including speaker series) in Switzerland</p>	<ul style="list-style-type: none"> <li>▪ Establishment of the sustainability@ubs network with evening and lunch events, usually featuring panel discussions on selected sustainability-related topics.</li> </ul>
EN	<p>Environmental Management System: Pass 2012 surveillance audit</p>	<ul style="list-style-type: none"> <li>▪ ISO 14001 surveillance audit of Environmental Management System (EMS) successfully passed (September 2012). The audit consisted of more than 5 audit days involving 50 employees in six countries and including three site audits. The audit scope covers Banking Business and In-house Operations worldwide.</li> </ul>

## Responsibility in banking

## Responsibility in banking

GRI	Objectives 2012	Achievements 2012
FS	<p>Complete and test, jointly with peer banks ("Thun Group"), a practical guidance tool interpreting the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights with specific reference to their application to the banking sector</p>	<ul style="list-style-type: none"> <li>▪ Discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks drafted and developed. Work is ongoing in order to finalize the document.</li> <li>▪ Two follow-up objectives in objectives 2013 table</li> </ul>
FS	<p>Identify and develop environmental and social business opportunities:</p> <ul style="list-style-type: none"> <li>▪ Implement values-based investment advisory approach in all business divisions as appropriate</li> <li>▪ Broaden application of UN PRI throughout Global AM</li> <li>▪ Further integration of environmental, social and governance (ESG) criteria in research</li> </ul>	<ul style="list-style-type: none"> <li>▪ Development of the UBS Sustainability Health Check. The Sustainability Health Check will enable Wealth Management Client Advisors to understand clients' sustainability related investment preferences and to highlight discrepancies between their sustainability preferences and their current investments. Implementation planned for 2013/14.</li> <li>▪ Continued application of UN PRI. Further expanded engagement and proxy voting in 2012. Voted on more than 59,000 separate resolutions at 5,945 company meetings.</li> <li>▪ Further established leading position in values-based investing and providing environmental, social and governance (ESG) research. In 2012 global roll-out of our Investment Bank's ESG Analyzer. The ESG Analyzer identifies top-positioned stocks for sustainability themes and identifies environmental, social and governance issues in more than 30 sectors and across close to 500 stocks. This comprehensive view is made possible by the input of more than 80 UBS sector analysts worldwide.</li> </ul>
SO, FS	<p>Suitability:</p> <ul style="list-style-type: none"> <li>▪ Ensure continued high-quality in our advisory process while reflecting the requirements of a quickly changing regulatory environment</li> <li>▪ Develop SUSTAIN (Suitability Strategy and Implementation) strategy for 2014, defining the strategic agenda, objectives, risks and execution roadmap in relations to product and client suitability for WM&amp;SB</li> </ul>	<ul style="list-style-type: none"> <li>▪ Changes in the regulatory environment were reflected in the advisory process with more to come in 2013</li> <li>▪ Legal &amp; Compliance agenda on suitability ("SUSTAIN 2014") developed. Implementation process to commence in 2013 according to action plan.</li> </ul>
PR5	<p>Quality Feedback:</p> <ul style="list-style-type: none"> <li>▪ Establish effective mutual exchange platforms with Product Managers (and other specialist units) in order to foster impact on improving services and products</li> <li>▪ Ensure that client and employee feedback is systematically given attention to in product lifecycles and any relevant steps implemented accordingly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Recurrent meetings with some dedicated specialist units have been carried out to measure impact of employee &amp; client feedback on product lifecycles</li> <li>▪ Implementation of targeted communication measures have resulted in tangible enhancements of collaboration processes and mutual understanding with product managers and internal stakeholders</li> <li>▪ Target projects have been initiated to implement particular client requests / products where deemed necessary and feasible</li> </ul>
SO2	<p>Continue to reform the UBS Group Policy framework to ensure its continued adherence to emerging regulation, including FATF (Financial Action Task Force) predicate and FATCA (Foreign Account Tax Compliance Act) requirements</p>	<ul style="list-style-type: none"> <li>▪ Publication of annual updates of relevant AML policies, including Anti-Bribery and Sanctions policies and supplementary documents</li> </ul>

## Responsibility in banking

SO2	Continued active participation in the Wolfsberg Group, notably concerning: <ul style="list-style-type: none"> <li>▪ working with the FATF on implementation of their proposed enhancements</li> <li>▪ working with Egmont (Egmont Group of Financial Intelligence Units) on Anti Corruption matters</li> <li>▪ revised Wolfsberg Private Banking Principles</li> <li>▪ Wolfsberg Sanctions Compliance Program Elements 2012</li> </ul>	<ul style="list-style-type: none"> <li>▪ UBS hosted the annual Wolfsberg Forum already in 2011 and again in 2012</li> <li>▪ Active engagement in the Wolfsberg Group to provide a written response to the latest FATF recommendations</li> <li>▪ Publication of principles, guidance and FAQs including (i) the Wolfsberg Guidance on Prepaid and Stored Value Cards, (ii) the Wolfsberg Anti-Corruption Guidance and Appendix, (iii) The Wolfsberg Trade Finance Principles, and (iv) the Wolfsberg AML Principles on Private Banking together with the related FAQs with regard to Beneficial Ownership as well as Intermediaries/Authorised Signers</li> </ul>
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## Responsibility in operations

GRI	Objectives 2012	Achievements 2012																					
EN	Achieve our climate change strategy target (40% CO <sub>2</sub> reduction by 2012; baseline 2004)	<ul style="list-style-type: none"> <li>▪ In 2006, the GEB endorsed a firm-wide CO<sub>2</sub> emission reduction target of 40% below 2004 levels by 2012 which was achieved in the reporting year. Steps taken towards achieving this target included adopting internal efficiency measures, increasing the proportion of renewable energy and offsetting emissions we cannot avoid, e.g. business air travel.</li> </ul>																					
EN	Deliver on firm-wide energy, paper, waste & recycling and water reduction targets for 2010-2012: <ul style="list-style-type: none"> <li>▪ Reduce energy by -10% below 2009, by 2012</li> <li>▪ Stabilize paper consumption per FTE at 2009 level, by 2012</li> <li>▪ Increase share of sustainable (FSC/recycled) paper to 50% by 2012</li> <li>▪ Stabilize waste per FTE at 2009 level, by 2012</li> <li>▪ Reduce waste to landfill by -10% below 2009 level, by 2012</li> <li>▪ Increase waste recycling ratio to 70%, by 2012</li> <li>▪ Reduce water consumption by 5% below 2009 level, by 2012</li> </ul>	<ul style="list-style-type: none"> <li>▪ Targets (over)achieved in all areas but waste recycling, for which ambition level was adjusted in 2016 targets.</li> </ul> <table border="1"> <thead> <tr> <th>Type</th> <th>Target</th> <th>Achievement</th> </tr> </thead> <tbody> <tr> <td>Energy (KWh)</td> <td>-10%</td> <td>-21%</td> </tr> <tr> <td>Paper consumption (kg/FTE)</td> <td>Stabilize</td> <td>-6%</td> </tr> <tr> <td>Sustainable paper (% of total)</td> <td>50%</td> <td>56%</td> </tr> <tr> <td>Waste per FTE (kg/FTE)</td> <td>Stabilize</td> <td>-13%</td> </tr> <tr> <td>Waste recycling (% of total)</td> <td>70%</td> <td>54%</td> </tr> <tr> <td>Water consumption (litres)</td> <td>-5%</td> <td>-24%</td> </tr> </tbody> </table>	Type	Target	Achievement	Energy (KWh)	-10%	-21%	Paper consumption (kg/FTE)	Stabilize	-6%	Sustainable paper (% of total)	50%	56%	Waste per FTE (kg/FTE)	Stabilize	-13%	Waste recycling (% of total)	70%	54%	Water consumption (litres)	-5%	-24%
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Water consumption (litres)	-5%	-24%																					
HR, EN SO	Responsible Supply Chain management: <ul style="list-style-type: none"> <li>▪ Implement findings of 2011 strategic review to ensure best practice in this area</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revised RSCM guideline approved, governance structure, processes and toolkits developed and tested. In 2012, we refined our risk rating concept and initiated training with our procurement and sourcing specialists. We screened over 400 suppliers according to our social and environmental criteria. Full implementation planned in 2013.</li> </ul>																					

## Our Employees

## Our Employees

GRI	Objectives 2012	Achievements 2012
LA6-8	<p>Health &amp; safety review:</p> <ul style="list-style-type: none"> <li>▪ Strengthen global accountability for H&amp;S</li> </ul>	<ul style="list-style-type: none"> <li>▪ Mandate and H&amp;S committee in existence, governance via regional Employer Relations structures</li> <li>▪ Global catalogue of H&amp;S products, services and offerings reviewed and updated</li> <li>▪ Aligned with Employee Relations/Assistance teams to leverage services, e.g. post hurricane Sandy support for affected employees</li> </ul>
LA10-11	<p>Roll-out of targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles</p>	<ul style="list-style-type: none"> <li>▪ One of the Business University's primary objectives is to help our senior leaders and key talent to lead people in line with our principles and leadership culture. Our leadership and talent development offerings were enhanced in 2012 to better support them and this training, along with a comprehensive suite of management skills training and new hire programs, provides current and future leaders with the necessary skills to lead UBS forward.</li> </ul>
LA10-11	<p>Intensify Risk &amp; Compliance education for all employees, with separate modules for line managers, to raise risk awareness, to help protect the firm's exposure and reputation</p>	<ul style="list-style-type: none"> <li>▪ Introduction of mandatory risk and compliance trainings</li> <li>▪ Trainings for risk item owners and line managers</li> <li>▪ Further aligned risk and performance culture (individualized specified risk objectives as part of annual performance review for risk item owners, line managers, and employees)</li> </ul>
LA	<p>Intensify the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to maintain our key talent criteria)</p>	<ul style="list-style-type: none"> <li>▪ Ongoing workforce planning &amp; management, talent reviews, succession planning, and performance management</li> </ul>
LA	<p>Improve our service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015)</p>	<ul style="list-style-type: none"> <li>▪ Introduction of new HR service model in Switzerland in August 2012</li> <li>▪ Other hub countries will follow in due course as the transformation is being implemented on a country-by-country basis</li> </ul>
LA9	<p>Increase relevance, quality, learning transfer and impact of Business University programs per business requirements</p>	<ul style="list-style-type: none"> <li>▪ All employees can access a broad range of development and training. Our eLearning portfolio consists of more than 2,000 courses.</li> <li>▪ In 2012, about 18,000 employees participated in voluntary online learning on topics such as communication skills, management and leadership, financial markets and IT.</li> <li>▪ Other learning modules on risk, general finance and compliance topics help employees develop the skills they need to work effectively in their roles and within the evolving business and regulatory environments. In 2012, employees across all business divisions completed more than 378,000 mandatory training sessions.</li> </ul>

## Community investment



## Community investment

GRI	Objectives 2012	Achievements 2012
SO1	Implement new global Community Affairs (CA) strategy: <ul style="list-style-type: none"> <li>▪ Focus on education and entrepreneurship</li> <li>▪ Emphasis on employee engagement</li> <li>▪ Strengthened governance</li> <li>▪ Global communication strategy</li> </ul>	<ul style="list-style-type: none"> <li>▪ The strategy was implemented across the regions. Highlight was the UBS Education Initiative, but also a substantial number of regional activities focused on education and entrepreneurship.</li> <li>▪ Employee volunteering increased across the globe with 12,563 employees engaging in volunteering.</li> <li>▪ The Global Community Affairs Steering Committee is chaired by the Group CEO and Senior Management is informed regularly about highlights across the group.</li> <li>▪ Communication initiatives include special intranet features, booklets and newsletters on regional level to raise awareness and increase employee engagement.</li> </ul>
SO1	Implement 150th anniversary CA activities program	<ul style="list-style-type: none"> <li>▪ Launch of the UBS Anniversary Education Initiative, consisting of six sub-projects centering on the UBS International Center of Economics in Society at the University of Zurich.</li> <li>▪ Employee Recognition Award, recognizing 150 employees or teams of employees for their outstanding community involvement.</li> </ul>

<sup>1</sup> The return on equity target was a mid-term target (applying only from the beginning of 2013). 2012 was considered to be a transition year as the Investment Bank was targeting a substantial reduction in RWAs

<sup>2</sup> See [http://www.ubs.com/global/en/about\\_ubs/media/global/releases/news\\_display\\_media\\_global.html/en/2012/10/30/20121030b.html](http://www.ubs.com/global/en/about_ubs/media/global/releases/news_display_media_global.html/en/2012/10/30/20121030b.html)

<sup>3</sup> Core Investment Bank as defined at the Investor Day November 2011.

<sup>4</sup> See [http://www.ubs.com/global/en/about\\_ubs/media/global/releases/news\\_display\\_media\\_global.html/en/2012/10/30/20121030b.html](http://www.ubs.com/global/en/about_ubs/media/global/releases/news_display_media_global.html/en/2012/10/30/20121030b.html)

# History of corporate responsibility at UBS

1954	Beginnings of Community Affairs at Wealth Management US
1962	Establishment of Union Bank of Switzerland's 100 <sup>th</sup> anniversary foundation (since 1999: UBS Culture Foundation)
1971	Launch of "A Helping Hand from UBS Employees" (UBS Mitarbeiter helfen) in Switzerland
1972	Establishment of Swiss Bank Corporation's 100th anniversary foundation (since 1999: UBS Foundation for Social Issues and Education)
1978	Beginnings of Community Affairs in EMEA Establishment of first energy functional unit
1982	Co-founder member of <i>Business in the Community</i> in the UK
1988	First bank in Switzerland with the position of environmental officer
1989	First formal energy guidelines
1992	Among the first signatories of the UNEP bank declaration (UNEP FI) Start of an award-winning school partnership with Deptford Green School in the UK
1993	Introduction of first Environmental Policy
1994	Publication of first environmental report and introduction of environmental credit assessment procedure for Swiss corporate clients
1995	Introduction of employee volunteering at Wealth Management US and of matched-giving scheme for London employees
1996	Launch of first cohesive and branded Community Affairs programme, "Tomorrow's Adults"
1997	Launch of Socially Responsible Investment (SRI) Funds "Eco-Performance-Portfolio" Establishment of IB Community Affairs in Stamford (monetary and in-kind donations, and employee volunteering).
1998	<i>Merger of Union Bank of Switzerland and Swiss Bank Corporation to create UBS</i>
1999	Founding member of Wolfsberg Group First bank to obtain ISO 14001 certification for worldwide environmental management system in banking business and launch of Environmental Risk Policy in IB Establishment of UBS Optimus Foundation
2000	UBS among first 38 companies to sign UN Global Compact Wolfsberg Group Anti-Money Laundering (AML) Principles for Private Banking (revised 2002) UBS commences reporting on corporate responsibility in Annual Report
2001	Establishment of Corporate Responsibility Committee (CRC), a Board of Directors committee, and publication of first Corporate Responsibility section in Annual Report Establishment of a Global Diversity Steering Committee within the Investment Bank Founding member of European Social Investment Forum (Eurosif)

	<p>Wolfsberg Group Commitment against Terrorism</p> <p>Employee volunteering time off policy introduced for London employees</p>
2002	<p>Wolfsberg Group Statement on Fight against Financing of Terrorism and AML Principles for Correspondent Banking</p> <p>Launch of group-wide Diversity initiative</p> <p>Founding signatory of Carbon Disclosure Project (CDP)</p> <p>Commencement of joint WM and IB Community Affairs programme in Chicago</p> <p>Expansion of in-house ecology programme to Corporate Services outside Switzerland</p>
2003	<p>Institution of NGO communications &amp; analysis function</p> <p>First financial services firm to formally register interest as an Academy sponsor in the UK (leads to the opening of the The Bridge Academy, Hackney, in 2007)</p>
2004	<p>Establishment of SRI Equity Research in Investment Bank</p>
2005	<p>Establishment of coordination function for Community Affairs in Switzerland</p> <p>Setting up of UBS Tsunami Relief Fund</p> <p>UBS commences social reporting in Annual Report (section on employees)</p>
2006	<p>Introduction of Climate Change Strategy</p> <p>Adoption of UBS Statement on Human Rights</p> <p>Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach</p>
2007	<p>Establishment of SRI Research in Global WM&amp;B</p> <p>Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments</p> <p>First company-wide volunteering at Wealth Management US</p>
2008	<p>Introduction of group-wide Responsible Supply Chain Guideline</p> <p>Wolfsberg Group Revised PEP FAQs</p>
2009	<p>UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI</p> <p>UBS Global Asset Management becomes a signatory to the UN Principles for Responsible Investment</p>
2010	<p>UBS's Sustainability Disclosure 2009 meets the requirements of level A+ of the GRI</p>
2011	<p>UBS's Sustainability Disclosure 2010 meets the requirements of level A+ of the GRI</p>
2012	<p>UBS's Sustainability Disclosure 2011 meets the requirements of level A+ of the GRI</p>

► [www.ubs.com/history](http://www.ubs.com/history)

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# Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CDP	Carbon Disclosure Project
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons

PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

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# Corporate responsibility

## Contact us

If you have any **suggestions or questions** about corporate responsibility at UBS or about the website [www.ubs.com/corporateresponsibility](http://www.ubs.com/corporateresponsibility) please get in contact with us.

You can either use the [contact form](#) or [e-mail](#) us.



# Have we awoken your interest? Get in contact!

## Personal Details

Title\*  Mrs/Ms  
 Mr

First name\*

Last name\*

Address\*

Postal code\*

City\*

Country\*

Phone\*

E-mail

Reason for contact\*  Private  
 Business  
 University

Message

**Legal note:** The data entered into this form is transmitted encrypted to UBS via the internet. Nevertheless, in order to maintain discretion, please do not include any confidential data such as account numbers. Via this form UBS does not accept any instructions for business transactions such as the opening of accounts, payment orders, trading orders, revocations of orders or authorizations, blocking of credit cards, changes of address, etc. Please contact the appropriate office or your client advisor for such transactions.

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## Environmental management indicators

<i>Full-time equivalent, except where indicated</i>	GRI <sup>1</sup>	For the year ended			%change from
		31.12.13	31.12.12	31.12.11	31.12.12
<b>Personnel financial businesses</b>		<b>60'205</b>	62'628	64,820	(4)
Personnel in specialized environmental units/functions		<b>34</b>	31	31	14
<b>Environmental awareness raising</b>					
Employees trained	FS4	<b>7,136</b>	3,548	15,693	101
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>2,135</b>	966	3,677	121
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>58</b>	63	182	(8)
Auditing time (days)	FS9	<b>11</b>	11	22	5
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>160</b>	249	181	(36)
Auditing time (days)	FS9	<b>47</b>	51	28	(8)

<sup>1</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

<sup>2</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive Re-Certification Audit was done in 2011.

<sup>3</sup> Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.





## Quality feedback management system

In Wealth Management and Retail & Corporate, the Quality Feedback system provides a comprehensive and systematic platform to receive and process feedback and suggestions from both clients and employees. Feedback is received in a wide range of formats, including letters, electronically, verbally (e.g. comments made to employees in UBS branches) and via the [Swiss banking ombudsman](#).

Client feedback, including complaints and suggestions, is of crucial importance to UBS as it enables new products and services to be introduced in a client-oriented manner, strengthens client relationships, restores client satisfaction, and makes a tangible improvement to client service and overall banking services. Having a wide variety of quality feedback from our clients enables us to systematically evaluate and review our actions. By sharing their views, clients definitely contribute to make targeted quality improvements at all levels.

UBS strives to respond directly to each individual who provides feedback. Moreover, on significant topics and key developments, UBS also provides a collective response in its external reporting (Quarterly/Annual Report, Letter to the Shareholders). In 2013, key topics and developments included some targeted products and services: mostly the UBS Maestro Card respectively the quality of the card magnetic stripes and the introduction of the new UBS e-Banking platform. Moreover a substantial amount of client feedback related to UBS E-banking payments processes and to the new payment slips.

Feedback from employees - quality tips and ideas or proposals - helps to foster creativity and innovation arising from their knowledge and experience in improving and updating products, processes and services.

## Our operations



In 2013, we continued our efforts to reduce our greenhouse gas footprint. **We achieved a 15% year-on-year reduction meaning we have reduced emissions by 49% compared with 2004 levels, and are closing fast on our target of a 50% reduction by 2016.** The greenhouse gas footprint per full-time employee was down by 12% year-on-year.

Our strong performance reflects our success in using energy efficiency measures to reduce energy consumption in our buildings. At the same time we increased the proportion of renewable energy we use. We continue to offset emissions that cannot be reduced by other means, including business air travel.

In the 1970s, we introduced our Environmental Program. **Since 1999, we have managed the program through an Environmental Management System in accordance with ISO 14001.** We were the first bank to obtain ISO 14001 certification for our firm-wide environmental management system. In addition, our greenhouse gas emissions data is externally verified according to ISO 14064 standards.

**Our responsible supply chain management (RSCM) principles govern our relationship with our suppliers, contractors and service partners.** The RSCM framework allows us to identify, assess and monitor supplier practices in the areas of human and labor rights, the environment, health and safety and anti-corruption. In 2013, we strengthened this framework by focusing on suppliers that have a potentially high environmental or social impact, or suppliers that are active in high-risk countries. Our screening process identified around 40 suppliers with whom we need to work to bring them in line with our RSCM standards.

**Health and safety are integral parts of being a responsible corporate citizen.** We aim to create an environment that safeguards employees, business partners and clients. Our long-standing commitment to ensuring the well-being of our employees is included in our Code of Business Conduct and Ethics. We review our health and safety activities regularly to ensure issues are effectively managed and improvements are made where necessary. The reviews include involve our employees through employee representation groups such as the Employee Representation Council in Switzerland. Operational responsibility for the governance and review of health and safety sits with the Group Chief Operating Officer. In addition, our activities are monitored by the Corporate Responsibility Committee, a committee of the Board of Directors.

## Read more

- [In-house environmental management](#)
  - [Responsible supply chain management](#)
- 

### Case study: Enhanced biodiversity around a major UBS building in Zurich



The grounds around a major UBS building in Zurich were recertified in 2013 as a "nature park" by the Swiss foundation "Natur & Wirtschaft". The goal of the foundation is to encourage firms to contribute to conservation and biodiversity on land surrounding their buildings, in particular in urban and industrialized areas. Criteria include the planting of indigenous species, no herbicides, pesticides or fungicides, and that the grassland may not be cut more than twice a year.

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### Case study: Environmental stewardship through biological diversification at UBS building in Connecticut

One of UBS's large buildings in Connecticut collaborated with a conservation biologist from the state's Audubon Society in order to conduct a wildlife habitat evaluation of the property, which ultimately led to recommendations that would further enhance the building's land stewardship and sustainability program. As a result, specialized bird houses, specifically designed for local birds, were installed on the property. The building also introduced fifteen botanical plants, all of which are on the state's endangered plant list, to the property's grounds. One of the newly planted species, Pink Muhly grass, attracts beneficial insects, is a natural means of biological control and serves as a protective wildlife cover. Additionally, the building implemented an 'Integrated Pest Management' process, reducing the use of toxic pesticides.

Through these conservation and stewardship efforts, the UBS building was awarded the prestigious "Green Shield Certification" in 2013 by the United States Environmental Protection Agency (EPA)-endorsed Green Shield Certified™, a national environmental non-profit organization that promotes practitioners of effective, prevention-based pest control while minimizing the need to use harmful pesticides. The certification is based on a rigorous building environmental audit and review of environmentally-aware management practices related to landscaping and biological sustainability.

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## In-house environmental management



In 2013 we continued to reduce our greenhouse gas footprint. Our emissions were down by 15% year-on-year, meaning we have already achieved a 49% reduction since 2004 and are very close to reaching our target of a 50% reduction by 2016. Additionally, we remain on track with our target to reduce energy and paper consumption, waste and water usage by 2016.

### Continuously reducing our greenhouse gas footprint

In 2013, we reduced our greenhouse gas footprint again by decreasing our emissions 15% year on year, achieving a 49% reduction from baseline year 2004. This brings us very close to reaching our target of a 50% reduction by 2016. We also reduced our footprint per full-time employee 12% year on year. Our strong performance is a result of adopting energy efficiency measures to reduce the energy consumption of the buildings we occupy, and of critical facilities such as the data centers we use, while increasing the proportion of renewable energy. Emissions that cannot be reduced by other means (for example, business air travel) are offset.

UBS's Environmental Program was introduced in the 1970s, and since 1999, we have managed the program through an Environmental Management System in accordance with ISO 14001. At the time, we were the first bank to obtain ISO 14001 certification for our Group-wide environmental management system. In addition, our greenhouse gas emissions data is externally verified according to ISO 14064 standards.

#### Read more on:

- ▶ [Energy consumption and efficiency](#)
- ▶ [Renewable energy](#)
- ▶ [Business travel and offsetting carbon emissions](#)
- ▶ [Paper, waste and water](#)
- ▶ [Our climate change commitment](#)

## Environmental indicators and statistics

## Environmental targets and performance in our operations

### Environmental targets and performance in our operations

	GRI2	2013	Target 2016	Baseline	% change from baseline	Progress /	2012	2011
						Achievement <sup>7</sup>		
Total net greenhouse gas emissions (GHG footprint) in t carbon equivalents <sup>4</sup>	EN15-17	183,011	-50%	360501 <sup>5</sup>	-49.2	On track	215,279	220,593
Energy consumption in GWh	EN3	737	-10%	761 <sup>6</sup>	-3.2	On track	761	827
Share of renewable energy	EN3	49%	increase	24% <sup>5</sup>	104.2	On track	42%	45%
GHG offsetting (business air travel) in t carbon equivalents	EN18	72,612	100%	0 <sup>5</sup>	100	On track	73,024	88,867
Paper consumption in kg per FTE <sup>8</sup>	EN1	121	-5%	122 <sup>6</sup>	-1.1	On track	122	122
Share of recycled and FSC paper	EN2	57.60%	60%	55.8% <sup>6</sup>	3.1	On track	55.80%	44.30%
Waste in kg per FTE <sup>8</sup>	EN23	213	-5%	230 <sup>6</sup>	-7.8	On track	230	242
Waste recycling ratio	EN23	55.60%	60%	54.2% <sup>6</sup>	2.5	Behind schedule	54.20%	54.20%
Water consumption in m <sup>3</sup>	EN8	1.77	-5%	1.95 <sup>6</sup>	-9.1	On track	1.95	2

Legend: CO<sub>2</sub>e = carbon equivalents; FTE = full-time employee; GWh = giga watt hour; kWh = kilo watt hour; km = kilometer; kg = kilogram; m<sup>3</sup> = million cubic meter; t = tonne

1 Detailed environmental indicators are available on the internet [www.ubs.com/environment](http://www.ubs.com/environment). Reporting period 2013 (1 July 2012 - 30 June 2013).

2 Related to Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). EN stands for the environmental performance indicators as defined in the GRI.

3 Gross GHG emissions include: direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam and other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

4 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG offsets.

5 Baseline year 2004

6 Baseline year 2012

7 FTEs are calculated on an average basis including contractors.

### Environmental indicators

#### Environmental indicators<sup>1</sup>

	2013 <sup>2</sup>	2012 <sup>2</sup>	2011 <sup>2</sup>
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**Environmental indicators<sup>1</sup>**

	GRI <sup>3</sup>	Absolute normalized <sup>4</sup>	Data quality <sup>5</sup>	Trend <sup>6</sup>	Absolute normalized <sup>4</sup>	Absolute normalized <sup>4</sup>
<b>Total direct and intermediate energy consumption<sup>7</sup></b>		737 GWh	***	Stable	<b>761 GWh</b>	<b>827 GWh</b>
<b>Total direct energy consumption<sup>8</sup></b>	EN3	119 GWh	**	Low increasing	<b>112 GWh</b>	<b>128 GWh</b>
natural gas		77.7%	**	Stable	84.8%	84.2%
heating oil		16.3%	***	Increasing	12.3%	13.1%
fuels (petrol, diesel, gas)		5.9%	***	Increasing	2.9%	2.6%
renewable energy (solar power, etc.)		0.10%	***	Increasing	0.03%	0.03%
<b>Total intermediate energy purchased<sup>9</sup></b>	EN3	618 GWh	***	Stable	<b>649 GWh</b>	<b>699 GWh</b>
electricity from gas-fired power stations		15.1%	**	Decreasing	19.3%	18.1%
electricity from oil-fired power stations		2.4%	***	Stable	2.4%	2.3%
electricity from coal-fired power stations		14.1%	**	Low decreasing	17.2%	15.8%
electricity from nuclear power stations		10.2%	**	Low decreasing	12.3%	10.8%
electricity from hydroelectric power stations		30.5%	***	Stable	30.0%	29.5%
electricity from other renewable resources		17.4%	***	Increasing	11.0%	13.9%
district heating		10.3%	***	Increasing	7.7%	9.7%
<b>Share of renewable energy and district heating</b>		49%	***	Increasing	42%	45%
<b>Total business travel</b>	EN30	658 m Pkm	***	Stable	<b>649 m Pkm</b>	<b>762 m Pkm</b>
rail travel <sup>10</sup>		1.7%	***	Stable	1.7%	1.5%
road travel <sup>10</sup>		1.1%	**	Stable	1.1%	0.4%
air travel		97.2%	***	Stable	97.2%	98.1%
<b>Number of flights (segments)</b>		287,483	***	Low decreasing	308,555	337,573
<b>Total paper consumption</b>	EN1	7,693 t	***	Stable	8,083 t	8,093 t
post-consumer recycled	EN2	18.7%	***	Decreasing	21.1%	18.2%
new fibers FSC <sup>11</sup>		38.9%	***	Increasing	34.7%	26.1%

## Environmental indicators<sup>1</sup>

new fibers ECF + TCF <sup>11</sup>		42.3%	***	Stable	43.9%	55.6%
new fibers chlorine bleached		0.2%	**	Low decreasing	0.2%	0.1%
<b>Total waste</b>	EN23	13,551 t	***	Decreasing	<b>15,264 t</b>	<b>16,083 t</b>
valuable materials separated and recycled		55.6%	***	Stable	54.2%	54.2%
incinerated		19.9%	***	Low increasing	18.5%	20.0%
landfilled		24.4%	**	Low decreasing	27.3%	25.8%
<b>Total water consumption<sup>12</sup></b>	EN8	1.77 m m3	**	Stable	<b>1.95 m m3</b>	<b>2.00 m m3</b>
<b>Greenhouse Gas (GHG) Emissions in carbon equivalents</b>						
Direct GHG emissions (Scope 1) <sup>13</sup>	EN15	24,122 t	***	Stable	21,838 t	25,232 t
Gross indirect GHG emissions (Gross Scope 2) <sup>13</sup>	EN16	195,066 t	***	Low decreasing	207,630 t	227,978 t
Gross other indirect GHG emissions (Gross Scope 3) <sup>13</sup>	EN17	92,811 t	***	Stable	94,044 t	110,010 t
<b>Total Gross GHG Emissions</b>		311,998 t	***	Stable	<b>323,513 t</b>	<b>363,220 t</b>
GHG reductions from renewable energy <sup>14</sup>		-56,375 t	***	Increasing	-35,209 t	-53,759 t
carbon equivalents offsets (business air travel) <sup>15</sup>		-72,612 t	***	Stable	-73,024 t	-88,867 t
<b>Total Net GHG Emissions (GHG Footprint)<sup>16</sup></b>		183,011 t	***	Decreasing	<b>215,279 t</b>	<b>220,593 t</b>

Legend: GWh = giga watt hour; Pkm = person kilometer; t = ton; m3 = cubic meter; m = million; CO2e = carbon equivalents

1 All figures are based on the level of knowledge as of January 2014.

2 Reporting period: 2013 (1 July 2012 - 30 June 2013), 2012 (1 July 2011 - 30 June 2012), 2011 (1 July 2010 - 30 June 2011)

3 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). EN stands for the Environmental Performance Indicators as defined in the GRI.

4 Non-significant discrepancies from 100% are possible due to roundings.

5 Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5% - \*\*\*, up to 15% - \*\*, up to 30% - \*. Uncertainty is the likely difference between a reported value and a real value.

6 Trend: at a \*\*\* /\*\*/ \* data quality, the respective trend is stable if the variance equals 5/10/15%, low decreasing/increasing if it equals 10 /20/30% and decreasing/increasing if the variance is bigger than 10/20/30%.

7 Refers to energy consumed within the operational boundaries of UBS.

8 Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels).

9 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating).

10 Rail and road travel: Switzerland only.

11 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free.



12 Predominantly municipal water.

13 Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" ([www.ghgprotocol.org](http://www.ghgprotocol.org)), the international standards for GHG reporting: scope 1 accounts for direct GHG emissions by UBS; gross scope 2 accounts for indirect GHG emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

14 GHG savings by consuming electricity from renewable sources.

15 Offsets from third-party GHG reduction projects measured in carbon equivalents (CO<sub>2</sub>e). These offsets neutralize GHG emission from our business air travel.

16 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and CO<sub>2</sub>e offsets.

## Environmental indicators per full-time employee (FTE)

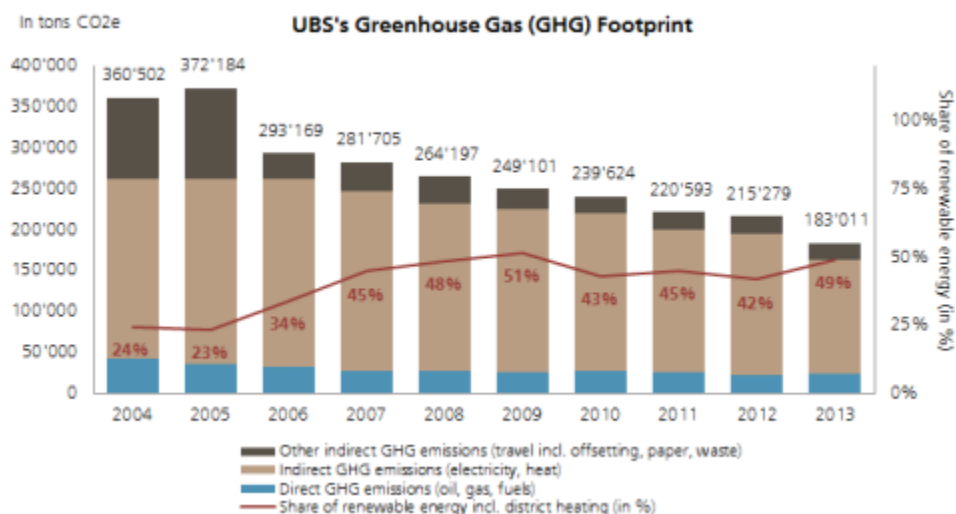
### Environmental indicators<sup>1</sup> per full-time employee

	Unit	2013	Trend	2012	2011
Direct and intermediate energy	kWh / FTE	11,555	-	11,485	12,459
Business travel	Pkm / FTE	10,318	--	9,805	11,489
Paper consumption	kg / FTE	121	=	122	122
Waste	kg / FTE	213	=	230	242
Water consumption	m <sup>3</sup> / FTE	27.8	=	29.5	30.1
CO <sub>2</sub> footprint	t / FTE	2.87	=	3.25	3.32

Legend: FTE<sup>2</sup> = full-time employee; kWh = kilo watt hour; Pkm = person kilometer; kg = kilogram; m<sup>3</sup> = cubic meter; t = ton

1. Reporting period 2013 (1 July 2012 - 30 June 2013). 2. FTE are calculated on an average basis including contractors.

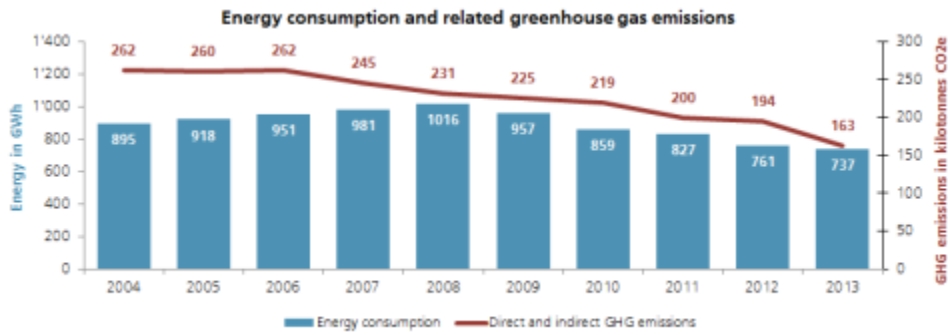
## Our greenhouse gas footprint



► Please click here to enlarge the display of the picture above



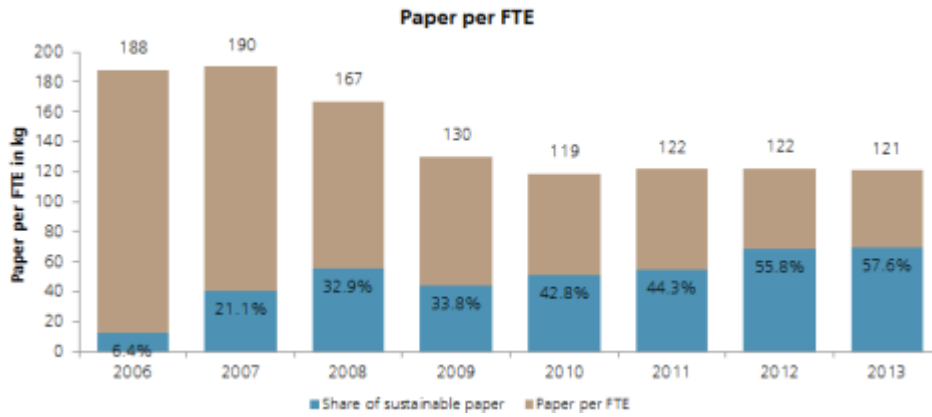
## Energy consumption time series



Footnote: GHG emission = Direct GHG emissions (scope 1) + Gross indirect GHG emissions (Gross scope 2) - GHG reductions from renewable energy

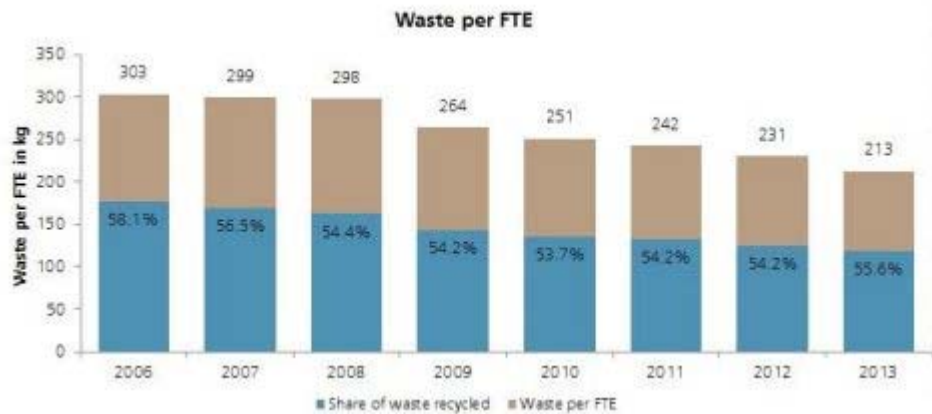
▶ [Please click here to enlarge the display of the picture above](#)

## Paper consumption time series



▶ [Please click here to enlarge the display of the picture above](#)

## Waste generation time series



▶ [Please click here to enlarge the display of the picture above](#)

## Case studies

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### Reducing our environmental footprint by moving from many inefficient buildings to one certified building in Zurich

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Previously, UBS employees in Zurich were spread around the city in various old and energy inefficient buildings. Through our footprint project we moved around 10'000 employees from 54 buildings into 17 consolidated and refurbished offices. As a result, our energy consumption has been reduced by around 7% over the last few years. As part of this, UBS constructed a new low energy (Minergie) office at Europaallee in Zurich city center, with the capacity for 2'400 employees.

#### **Energy & Atmosphere**

Europaallee was built in accordance with the Swiss low energy standard label. The building's shell was designed to reduce energy consumption by over 25% compared with average new constructions. In addition to efficient building technology and lighting, employees work year-round in a comfortable environment. The building's electricity consumption is covered 100% by labeled hydro power. Heat is drawn from district heating from waste incineration. There is no fossil fuel on site.

#### **Sustainable and public transport**

The new building has excellent public transport links as it is located next to Zurich main train station. There is only a very limited car parking capacity. Secure bicycle storage, changing rooms, showers and Mobility car-sharing all support sustainable commuting.

#### **Biodiversity**

The decision was made to build Europaallee on a disused industrial site rather than on greenbelt land. The building's roof has been planted-up to enhance biodiversity. In addition, the building's design reduces light pollution.

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### BREEAM Excellent and LEED Platinum for 5 Broadgate office building in London

Sustainability has been integral to the 5 Broadgate design from the start. UBS collaborated closely with the developer (British Land) to ensure a sustainable building design in line with our commitment to reduce our environmental impact. The building's design has been recognized internationally: BREEAM Excellent for base building confirmed and LEED Platinum (targeted) for internal fit-out. This office building will provide over 700,000 sq ft (66,890 sq m) of new space.

The buildings features include:

#### **Staff Facilities**

- Excellent cycling facilities (520 bicycle spaces, 50 showers, and 528 lockers)
- Vending design includes dishwashers and mugs/glasses to replace paper cups
- Centralized recycling stations and bin-less office
- Toilet design with sensors, lower flow rate, low flush toilets and energy efficient hand dryer
- Staff restaurant to include cutlery and crockery; disposables will only be used for take away; all appliances will be Energy Star rated

### **Energy Efficiency**

- Intelligent building management system optimises building performance (occupancy sensors linked to lighting, cooling, etc.)
- 850m<sup>2</sup> photovoltaic panels, generating 102,845 KWh of electricity per year
- 350m<sup>2</sup> solar thermal panels used to heat the water in the building
- Energy Star rated IT and catering equipment (energy star = certified energy efficiency)

### **Water Efficiency**

- Rainwater harvesting tank – water used in the toilets (rain water collected from the roof and used in toilets)
- Water borehole allows water supply from underground supplies at optimum temperatures for air conditioning systems.

### **Sustainable Materials**

- Targeted 100% FSC certified wood including furniture. FSC = Forestry Stewardship Council certified and guarantees that wood is from sustainable sources

### **Biodiversity**

- On-site habitat creation initiatives, including a green roof, tree planting, landscaping, bird and bat boxes and bug hotels

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Environmental management system rolled out to Krakow and Johannesburg

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Our expansion to offices in Poland and South Africa was completed successfully. Both locations are now fully compliant with the requirements of ISO14001. Both locations have implemented environmental management systems and will continue to improve and reduce their environmental impact.



Can a schnitzel cause more environmental damage than a car? Indeed, food comes out ahead of private transportation with regard to impact on the climate—the most significant items being meat and dairy products.

The 19 UBS restaurants in Switzerland prepare 2.2 million meals each year. This opens up enormous potential to protect the climate and to raise awareness among employees about the connection between food and climate protection. UBS has a contractual agreement in place with the commissioned caterer to:

- purchase mainly regional, sustainable and fair trade products
- increase the amount and quality of vegetables, salads and vegetarian dishes
- reduce energy and water consumption by 2% p.a.
- reduce waste (food and other waste) and increase recycling by efficient management, offer clients tap water
- clean with environmental friendly products
- offer regular training for cooks other staff
- apply socially responsible employment practices

In order to ensure implementation, we held a workshop with all caterers and restaurant managers. Different measures have been agreed upon such as making vegetarian meals tastier and one day per week the main menu will be without meat. Results of this became apparent after six months following implementation: In most restaurants, UBS employees are pleased with the changes and support the initiative. Restaurant managers report that at least one day per week the vegetarian dish is the most popular menu item.

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# Energy consumption and efficiency



**In 2013, we reduced our energy consumption 3% towards our target to reduce energy consumption 10% by 2016 compared with 2012 levels.**

In 2013, we reduced energy consumption 3%, contributing to our target of reducing energy consumption 10% by 2016 compared with 2012 levels. Between 2009 and 2012, we overachieved on our previous targets and reduced our energy consumption 21%. We will continue to invest in energy-efficient infrastructure and implement established energy reduction measures, such as ensuring that heating, air-conditioning and lighting controls of the buildings we occupy are optimized. In addition, we apply externally verified standards to validate building performance. Information technology consumes up to half of the electricity used by the Group worldwide, and consolidation, virtualization and the Desktop Transformation Program (designed to reduce the number of personal computers whilst ensuring that new computers and monitors are more energy-efficient than the equipment they replace) have contributed to significant energy savings in recent years. In 2013, we reduced the electricity consumption of our data centers more than 6% year on year.

## Read more

▶ [Statistics and awards](#)

## Case studies

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### LED lights brighten UBS in New York

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The selection of 1285 Avenue of the Americas building in New York as the new Americas regional headquarters has resulted in numerous building infrastructure and upgrade projects for increased efficiency. As part of the new headquarters' 'green design' - aligned with UBS's commitment to sustainability - the three pronounced 'UBS' building signs, located on the top exterior of the 1285 Avenue of the Americas location, were upgraded in 2013 from neon to LED lighting technology.

Compared to traditional neon bulbs, the new LED lights will utilize approximately 80% less electricity and save approximately 25% of

contract-related maintenance that was necessary for the past use of less-efficient neon lighting. In addition to their electrical energy savings, the newly installed LED lights are brighter and have a lifespan of approximately 5-10 years longer than previously used lighting sources. Illuminating the 'UBS' building signs even from far distances with efficient LED lights demonstrates a forward-facing view of UBS's unwavering dedication to corporate social responsibility

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## UBS named a top energy saver by WWF Switzerland

UBS is one of the top energy savers among Switzerland's 50 largest companies, according to the World Wide Fund for Nature (WWF).

The WWF has surveyed the largest Swiss companies (by turnover and number of employees) on their energy consumption, mix and efficiency. UBS is among the top eight firms in terms of energy efficiency.

The top eight energy savers:

Company	Industry
Coop	Retail
Die Schweizerische Post	Transport/logistics
Migros	Retail
SBB AG	Transport/logistics
Swisscom AG	Telecommunications
Swiss Re	Insurance
UBS	Banking
Zürcher Kantonalbank	Banking

This group has demonstrated a stable or decreasing use of energy and has set ambitious targets for reducing energy consumption. Furthermore, a higher than average part of the energy they consume is from renewable sources. UBS, together with the other firms in the group, is far ahead of the other firms surveyed, more than half of which either could or would not provide any information. The survey was conducted by oekom research, one of the world's leading sustainable investment rating companies.

The results of the survey, which are summarized in the WWF energy study, acknowledge the intensive efforts UBS has made in the last few years on the environmental protection front. In 2012, UBS reached its goal of reducing its CO2 emissions by 40% from 2004 levels. At the same time, it has set further demanding global targets to be reached by 2016. UBS aims to reduce its energy consumption by 10%, its water consumption by 5%, and to increase the proportion of waste it recycles to 70%. Already today, 100% of the energy UBS uses in Switzerland is derived from renewable sources. This has been the case since 2007.

According to the WWF, transparency and ambitious energy-saving targets and other appropriate measures are required for the smooth implementation of the energy revolution. This is already happening in Switzerland and Germany due to their planned exit from nuclear energy and is being discussed in other countries. How a company handles its energy consumption shows how forward-thinking it is. Companies that use energy efficiently do not only protect the environment, they also gain cost advantages and can maintain their independence in the face of rising energy prices

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## Infrastructure investments lead to double-win in Stamford

At the UBS building in Stamford, we sought to increase both its energy and water efficiency through a multi-faceted 'Demand Flow' project. As part of the key real estate initiative, water chiller plant controls and variable frequency devices (VFDs) were installed on water pumps to improve metering and reduce energy consumption. To complement this project, a 'Daylight Harvesting' system was also installed in key areas of the building, including the windowed lobby, enabling automatic analysis of outside lighting levels and when appropriate, corollary shut-offs of the building's internal lighting system.

As a result of these two efforts for increased efficiency in facility operations, the building has realized an energy savings of approximately 590,000 kWh within one year after implementation. Moreover, these initiatives have contributed to the building's 2013 overall energy reduction of 15% and decreased water usage of 11% compared to 2012, as well as improved operational reliability and controls for water usage

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### Infrastructure upgrades with dual benefits in Jersey City

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In an effort to elevate existing infrastructure, UBS at Newport Office Center (NOC) VII, in Jersey City, New Jersey reprogrammed the parameters of its Secondary Water System resulting in both increased energy efficiency and improved balanced controls for water usage. The reprogramming calibration technique enables the building to more effectively control the high-horsepower pumps required to maintain proper pressure by either slowing down or even completely powering down the pumps, when possible.

The infrastructure upgrade in 2013 reduced electricity consumption by approximately 730,000 kWh, a figure that contributed to the building's overall annual electricity reduction of 27%. Also, operational efficiency decreased water usage by 39% compared to 2012. Additionally, the balancing initiative reduces costs associated with less-effectively controlled Secondary Water Systems, notably maintenance and inefficient usage.

The Carbon Trust Standard was developed by the Carbon Trust in 2007/08 to encourage good practice in carbon footprint management and reduction by businesses and public sector organizations. It is designed to provide a robust, objective and consistent methodology for assessing corporate carbon performance. Assessment against the Standard is undertaken by independent third-parties. Following a submission of evidence and an external audit, we were able to demonstrate a consistent and ongoing reduction in carbon emissions during the previous three years. We have implemented policies and procedures as well as organizational groups that aim to continue this trend.

UBS first achieved certification to the Carbon Trust Standard across all UK operations in 2010, achieved recertification 2012, with accreditation to the end of 2013.



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## Leadership in Energy and Environmental Design (LEED)

UBS achieves LEED recognition in the US



Leadership in Energy Efficiency and Design (LEED) is an internationally recognized standard applied across the spectrum of building types. With awards ranging from Bronze to Platinum, the scheme recognizes excellence in building design and operation. At 1285 Avenue of the Americas (New York City, New York), the 12th floor occupied by UBS received LEED Gold Certification in the 'Commercial Interiors' category.

Additionally, UBS worked with its landlord at the UBS Tower in Chicago to achieve LEED 'Existing Building' Silver Certification. Numerous sustainability measures were taken into account, including energy saving modifications, waste stream improvements, low-mercury lamp purchasing policy and improvement of building recycling programs. This achievement complements the building's ENERGY STAR label already held by this facility

Other buildings with UBS offices recognized by LEED include 101 California Street (San Francisco), 2029 Century Park East (Century City), 3455 Peachtree Road (Atlanta), and 11325 North Community House (Charlotte).



## Case study: Carbon Reduction Commitment (CRC) energy efficiency scheme

The CRC is a mandatory UK emission trading scheme aimed at large organizations which use more than 6,000 MWh of electricity a year. The scheme, which was launched by UK Government in April 2010, aims to reduce carbon emissions through energy efficiency. UBS submitted its first Annual and Footprint reports for 2010/2011 in July this year. The reports are a summary of UBS's emissions from electricity and gas supplies. In total, we consumed 117,000 MWh of electricity and 13,000 MWh of gas, which emitted a total of 65,450 tonnes of CO<sub>2</sub>.

UBS was recently ranked joint number one in the CRC league table ranking over 2,000 organizations in the UK according to early actions metrics, including the installation of smart utility meters and performing well under the Carbon Trusts Standard (CTS) for good energy management.

Building on this success, we will continue to set challenging energy reduction targets to be able to maintain a high position in the CRC ranking going forward.



## Case study: Energy save projects in Jersey City, New Jersey

At 480 Washington Boulevard, Jersey City, UBS realized energy savings following the completion of several key real estate and engineering projects resulting in over 45 tonnes of avoided CO2 emissions.

Three domestic water Variable Frequency Drives (VFD) were installed which support the pumping equipment to reduce the amount of electrical demand. The project has resulted in a projected 61,000 kWh saved and 15 tonnes of CO2 emissions avoided each year.

Three cooling system condenser water pumps were retrofitted with soft start kits which reduce the amount of electrical demand that occurs when the pumps start-up. This change will deliver a projected 9,500 kWh saving and 2 tonnes of CO2 avoided each year. In addition this project will also reduce ongoing repairs and maintenance costs.

Efficiency upgrades to the air-conditioning, cooling tower includes a conversion from belt drives to direct drive fans and the installation of new controls to optimize the system at times of light building load. As a result of these changes, an estimated saving of 118,000 kWh and nearly 30 tonnes of CO2 annually is expected.

## Case study: New photovoltaic plant in Zurich



In 2011, a photovoltaic plant (PV) was installed on the roof of the Flur Süd building in Zurich. The system consists of 360 high-performing solar modules with a capacity of 90 kWp, allowing UBS to generate 83,000 kWh of solar power each year, equivalent to the annual consumption of 20 Swiss households. 16 UBS employees volunteered to help set up the PV, thus gaining valuable insights on how a PV plant works and is installed.

## Case study: Energy efficient lighting for the UBS London campus



Efficient lighting design and control continues to be an area for improvement and opportunity for innovation. In recent years, the development of light emitting diode (LED) lighting has offered a low energy alternative to low voltage, halogen feature lighting that was used extensively in the client meeting and dining rooms across the London campus.

After a series of trials to validate the reliability and lighting quality of LED, a project was delivered to replace 2000 lamps across the 7th Floor of our offices at 1 Finsbury Avenue, London.

Delivering an energy saving of over 80 percent, the scheme is expected to save 350,000 kWh a year, significantly reduce maintenance and improve the quality of lighting in these sensitive client areas.

The success of the pilot has led to the use of LED lighting technology across other buildings in London and established the solution as good practice globally.

## Case study: New lighting system for the Sydney trading floor

In June 2011 a project to upgrade lighting on the trading floor at 2 Chifley Tower, Sydney was completed. The change incorporated energy efficiency, improvements to the lighting design and changes to ceiling fixture.

The design incorporated a 29 % reduction in the number of fluorescent tubes, new fittings & diffusers and an integrated lighting control system. Outside normal office hours, passive infra-red (PIR) sensors reduce lighting levels across the area to a minimum. Each zone can be reactivated for periods of 60 minutes using a manual override button.

The scheme also incorporates daylight sensors in the dealers' area so that when natural light exceeds 400 lux for more than 15 minutes, the lights automatically switch off.

The solution reduced electricity consumption from lighting by 46 %, saving 67,000 kWh of electricity, with a CO2 emissions reduction of 17 tons and a cost saving of over CHF 4,000 each year.

## Case study: Desktop Transformation Program (DTP)



Our IT teams continue to optimize the speed and efficiency of both data centre and desktop infrastructure. DTP is a global project designed to improve further the quality of PCs, monitors and peripherals, whilst standardizing the solution across all employees.

The scope of DTP includes a reduction in the number of PCs from 115,000 to less than 90,000 and selects replacement equipment that reduces the energy consumption of each machine by 14 %.

In addition, DTP will ensure that all UBS employees are migrated to the latest Windows platform and that energy saving features (e.g. screen-savers, PC hibernation, etc) are enabled where possible.

Started in the fourth quarter of 2010, the DTP project is due to be completed by the end of the second quarter of 2012.

## Renewable energy



We are reducing our use of carbon-intensive energy by replacing fossil-fuelled heating infrastructure where feasible purchasing renewable energy for a high proportion of the energy we use (49% in 2013).

In Switzerland, the percentage of electricity sourced from renewable sources, such as hydro power stations, remained at 100%. Sourcing 100% renewable energy in Germany was introduced in 2012. In the UK, we purchased 97 GWh electricity backed by 100% renewable sources, representing 100% of the total volume for our main London buildings.

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### **Case study: Refurbishment of UBS's Davos branch: 100% reduction of CO2 emissions**

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UBS's environmental management commitment stretches to its buildings outside of the main urban hubs. The branch in Davos is located in the Swiss Alps 1'500 m above sea level. It is therefore exposed to extreme weather conditions.

In the summer of 2013, UBS took the decision to completely refurbish the building and refresh its design. The roof and façade have been completely insulated using materials with the lowest environmental and health impact. The building's windows were replaced with triple glazing. Thanks to the building's smart and appealing design light pollution has been reduced to a minimum.

The former heating system was oil-fired. This has been replaced by a geothermal system. Electricity consumption on site is covered 100% by labeled hydro power.

The refurbishment has created a comfortable work environment for employees and a suitable venue in which to welcome clients from all over the world. This has been achieved without having negative impact on the environment. In fact, energy consumption has been reduced significantly with CO2-emissions down by 100%.

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## Case study: Renewable Energy Certificates (RECs)



As part of our integrated carbon management work, UBS continues to invest in RECs to mitigate the emissions from fossil fuels across the Americas region. Traded separately from the delivered power, RECs are the zero carbon component of renewable energy generation facilities.

In 2011, we purchased 100,000 MWh of RECs from the Ashtabula and Langdon wind farms in North Dakota. These farms have a combined total capacity of 490 megawatts, capable of supplying the electrical needs of 146,000 homes.

# Business travel, events and carbon offsetting



We are reducing our use of carbon-intensive energy by replacing fossil-fuelled heating infrastructure where feasible and by purchasing renewable energy for a high proportion of the energy we use (49% in 2013).

**Since 2006, we have been offsetting carbon emissions from business travel**

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## Minimizing carbon emissions from business travel - encouraging video conferencing

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We continuously try to minimize our CO<sub>2</sub> emissions in business travel by encouraging our employees to choose alternatives to air travel, such as high-speed rail, recording a 7% reduction in the number of flights taken, and a 2% increase in employee rail travel in Switzerland in 2013. Our investments in video conferencing solutions also contributed to the reduction in air travel. Globally, over 400 rooms with video facilities are available and more than 80,000 room bookings were processed in 2013. The marketing and events teams adhere to environmental guidelines for client conferences and consider the impact of delegate travel, hotels, venue facilities and catering as part of their logistics and planning.

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## Minimizing environmental impact from conferences

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UBS conferences and other events can affect the environment in a wide variety of ways: travel to and from venues usually has the most significant impact on the environment, but the consumption of paper, water and electricity and the volume of waste produced are all important issues for organizers seeking to put environmentally responsible arrangements in place. To minimize these impacts, in 2009 UBS issued guidelines for environmentally sound event planning and has subsequently offset CO<sub>2</sub> emissions from all UBS Investment Bank conferences, events and roadshows.

The guideline describes how environmental considerations should be factored into the evaluation and selection of vendors of products

(e.g. branded gifts) and services (e.g. catering, transport, event venue and accommodation). The guidelines also provide detailed recommendations on how the environmental impacts of events can be managed, for example through energy-saving measures, waste and water management, and the avoidance of excessive usage of communication and printed materials.

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## Offsetting carbon emissions

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We continue to offset all CO<sub>2</sub> emissions resulting from agency booked business air travel and client events and conferences, thereby supporting renewable energy and other projects reducing CO<sub>2</sub> emissions. Projects we selected meet the requirements of the Gold Standard for voluntary emissions reductions and also provide positive community benefits. Schemes selected include a wind power project in Turkey and community biofuel projects in China and India.

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## Case studies

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### Gold Medal for UBS global travel program

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The Global Business Travel Association (GBTA) has honored UBS with Gold medal recognition for its global travel program. This accolade recognizes UBS's commitment to ensure sustainability is a core consideration within business travel and is a great achievement for UBS's Travel and Environmental teams who worked together to influence external suppliers and raise awareness among employees.

Several environmentally-focused initiatives have been implemented by the Travel and Environmental teams to reduce carbon emissions, including:

- Offsetting CO<sub>2</sub> emissions from air travel by selecting Gold Standard projects for voluntary emissions reduction and investing over CHF5.3 million over the past six years. Investments in video conferencing solutions contributed towards an 8% reduction in the number of trips taken in 2012, along with a 30% increase in video conference volumes compared to the previous year.
- Adding links to a carbon calculator on the UBS online travel booking tool and to more sustainable options for chauffeur drive and executive cars.
- Considering sustainability across many of our business transport and commuting streams, such as moving from petrol and diesel executive cars to suppliers who can provide hybrid fleets and, more recently, emerging electric vehicle solutions.
- Offering interest free season ticket loans to employees to encourage the use of public transport for their daily travel from home to work.
- Overall demand management activity has led to 5% reduction in air spend, of which CHF2.6m can be attributed to the use of video conference
- Successfully minimized our carbon footprint and continue to encourage our employees to choose high-speed rail rather than air travel, recording a 5.7% increase in global employee rail travel

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### Video conferencing: No need to pack your bags - the world is just across the table

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Video conferences are an inherent part of today's day-to-day business environment. Approximately 7,000 room bookings for video conferences are processed by the global video booking desk every month. Since the summer of 2013, our new Meeting Reservation System has been available. It provides an intuitive online reservation system for booking video conference meetings easily and quickly in all UBS locations. It also provides a comprehensive overview on rooms within UBS, shows real-time room availability, and an efficient

booking process

Face-to-face meetings have many benefits. They help reinforce relationships and are a better way to get meaningful feedback. Video conferencing allows the participants to see facial expressions, make eye contact, and judge body language

Perhaps the biggest benefit offered by video conferencing is the ability to work with people in remote locations without incurring travel costs and travel time. Regular travel and work hours saved from flying or driving to different cities can be used for other organizational activities.

Video Conferencing facts and figures

- 426 Video Facilities in 114 UBS buildings
- 2500 video conferences per months with over 9000 video locations connected
- 20 new video rooms were built in 2013

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Our 2012/2013 carbon offsetting projects

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#### **Tekirdag wind power project in Turkey**

The Tekirdag wind power project is designed to replace 95,000 MWh of electricity a year previously generated by fossil fuel power stations. It is a Gold Standard project consisting of 15 wind turbines with a combined capacity of 29MWe. The project employs 45 construction workers from the community and 12 operational and maintenance staff recruited from nearby villages. In addition, the project owner has invested in improved road infrastructure and enhanced forestry and livestock facilities in the region.

#### **Efficient biomass stoves in China**

This project focuses on replacing existing coal fuelled domestic stoves with a low carbon biomass solution. It is a Gold Standard project and centered on the Shanxi Province. In addition to the climate change benefits, the semi-gasifier stove design reduces health risks from poor indoor air quality caused by burning coal and wood for domestic cooking. Carbon finance revenues are re-invested into the scheme, which includes a subsidy for rural customers unable to afford the new stoves.

#### **From coal to biomass in South Africa**

On the South African citrus farm chosen for this offsetting project, the steam production is being shifted from the fossil fuel, coal, to climate-friendly biomass. The citrus farm is surrounded by immense forests as well as sawmills. This leads to a large quantity of sawdust and wood waste being available within a radius of 20 km. Through the purchase of emission certificates, the project supports the replacement of the current boilers with a biomass boiler. The region's sawdust and wood waste are used to heat the boiler, burning around 18,000 tons of biomass annually.

#### **Biomass Boilers for communal kitchens in India**

The efficient cookers project replaces polluting liquid petroleum gas (LPG) cookers with climate-friendly biomass cookers. Within two years, 7'500 biomass cookers will be sold to communal kitchens, such as restaurants, canteens and schools, and save an average of 69'000 tonnes of CO<sub>2</sub> per year.

The biomass cookers are subsidized by carbon credits and are sold to communal kitchens at a 30% discount. Biomass cooker users also benefit from the cheaper prices of biomass pellets compared with LPG.

## Case study: 2011 offsetting projects

### Tachia wind power project in Taiwan



The Tachia wind power project is situated on the West Coast of Taiwan and replaces electricity previously generated by fossil fuel power stations. It is a Gold Standard project consisting of 62 wind turbines with a combined capacity of 142 MWe, capable of supplying 110,000 households. 24 technical and security personnel are employed on the scheme from the local community and the developer has included a tree planting scheme at a nearby industrial park to further extend their investment in the community.

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## Dares Datca Wind Project in Turkey



A Gold Standard project, the Dares Datca project consists of 36 wind turbines and is expected to generate over 98,000 MWh annually. The project also has benefitted the local community by employing 15 local people during construction as well as providing 12 people from the local community with work on a permanent basis.

## Case study: Video conferencing technology



In order to reduce agency booked business air travel, we have continued to install extensive video conference facilities in all our major buildings worldwide. These range from latest high-definition "Telepresence" technology to standard boardroom videoconferences to desktop videos and PC mounted units for one-to-one calls. A significant increase in usage was observed in 2011. Over 48,000 video conferences were held in 2011, representing a 26% increase from 2010.

## Case study: 2012 CO<sub>2</sub> offsetting projects

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## Events



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# Paper, waste and water



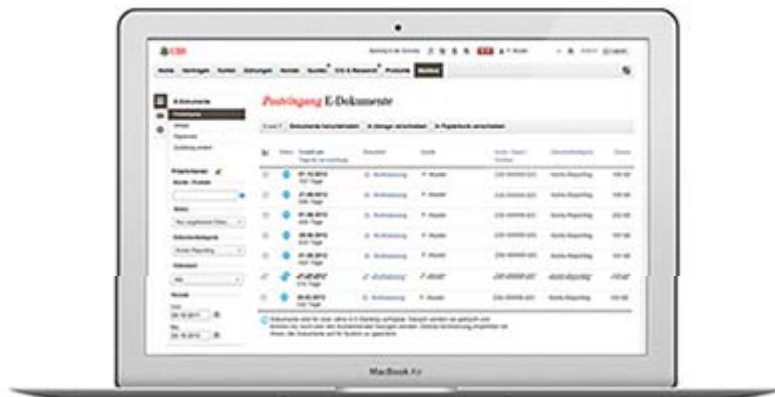
**We are committed to further reducing our environmental footprint and are on track to reach our 2016 targets, which use 2012 performance as the baseline:**

- The amount of paper used per employee decreased 1% compared with baseline year 2012. Double-sided printing and copying, now the default setting for printers used by the majority of our employees, combined with an ongoing shift towards the distribution of electronic documents, will enable us to reach our target of reducing paper usage 5%. We increased the percentage of office paper from Forest Stewardship Council (FSC), or recycled sources, to 58% in 2013, contributing towards reaching our 60% target.
- The continued implementation of bin-less offices in many larger locations has reduced the waste per employee 8% since 2012, outperforming our 5% reduction target by 2016. Our waste recycling ratio improved from 54% in 2012 to 56%, a step in the right direction towards reaching our target of 60% by 2016.
- Our water consumption decreased 9% compared with 2012 levels, exceeding our target of 5% by 2016.

▶ [Environmental indicators and statistics](#)

## Case studies

### E-documents in Switzerland



In Switzerland, UBS offers its clients the option of viewing and retrieving their account statements, stock exchange transaction statements, prospectuses and other documents online. This reduces the amount of paper mail they receive and minimizes environmental impacts at the same time.

In 2013, UBS delivered 27 mio. pages as e-documents, 3 mio. pages more than in 2012. This represents 19% of UBS's total client mailing volume in Switzerland. For comparison only, 100'000 pages are one Euro-pallet of paper. 261'000 clients or 44% in e-banking receive their banking documents already online as e-documents.

In 2013, we undertook three direct marketing campaigns to promote e-documents. In these campaigns we used the e-banking direct marketing functionalities without sending physical flyers.

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### UBS wins Platinum London Clean City Award

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UBS received a Platinum Award at the London Clean City Awards on 8 February 2013. The Clean City Awards scheme was launched in 1994 by the City of London Corporation. It is designed to foster partnerships between City businesses, both large and small, to achieve a clean environment through good waste management. The aim of the scheme is to encourage waste minimization, reuse and recycling, and an increased awareness of, and compliance with Duty of Care regulations.

This is a fantastic accomplishment as the City of London recognized UBS's many initiatives, achievements and passion that it demonstrates with regard to dealing with its waste.

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## Case study: E-documents in Switzerland

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The product was launched back in October 2007 and has so far resulted in almost 200,000 clients switching to the new process. More than 19 million pages have been diverted through the e-Banking solution in 2011, a 26% increase compared to 2010, and now representing 12% of UBS's total client mailing volume in Switzerland.

▶ [E-documents for private clients in Switzerland](#)

## Binless office pilot extended to Hong Kong



Following the success of the bin-less office in Sydney, Li Po Chun Chambers in Hong Kong implemented its Pilot Binless Programme on two of its floors in 2011. The individual desk bins have been replaced with recycling stations with separate bins for paper, metal, plastics and general waste are placed across the floors.

Within three months of implementation, the recycling rate for the two floors in question has increased from 32% to 40% while waste to landfill has decreased by 18%.

With the positive result from the Pilot Bin-less Program and the support of employees, the remaining seven floors of the building will adopt the Bin-less Program in 2012. It is expected that the total recycling rate will be increased by 10% and waste to landfill will be reduced by 20%.

# Employee engagement

**By educating, increasing awareness among and offering incentives to employees on environmental matters, we hope to help them behave in a sustainable way both at work and at home.**

As part of our commitment to reducing CO<sub>2</sub> emissions, we continued to support Earth Hour in March 2013, switching off lights in UBS offices in 73 cities around the world for one hour. This was also the starting signal for our annual internal and external environmental awareness campaign. The theme in 2013 was "Protecting our future" and focused on our renewed climate change commitment, with activities including environmental fairs, an online environmental quiz, as well as articles and interviews with senior management posted on our internal and external websites.

## Read more

- ▶ [Training & awareness raising](#)
- ▶ [Environmental indicators and statistics \(including training figures\)](#)

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## Case study: Employee engagement in the Asia Pacific region

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### 'Zero waste' competition

The UBS Asia Pacific region engaged with 400 employees for a 'zero waste' competition. Employees posted their ideas on the internal social media tool and other employees voted for the winner.

The competition was aimed at raising awareness of the environmental benefits of reuse and the value of discarded materials, focusing on the reuse of materials in artistic or functional ways. Winners showed creative ways to reuse milk or juice bottles, containers and glass bottles.

UBS Eco Fair in Hong Kong and Singapore

The second annual UBS Eco Fair in Hong Kong and Singapore featured over 50 environmental organizations, vendors and partners. Approximately 250 UBS employees attended and took part in the interactive displays and information booths on environmental concerns, our environmental impact, and innovative products, initiatives and solutions to make our lives and office a greener place. Attractions and information booths included sustainable travel management, e-bikes and organic food tasting.

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## Case study: Environmental Champions UK initiative

In partnership with [Earthwatch](#), an international environmental charity, UBS has launched the Environmental Champions programme. The team in the UK recruited volunteers who were selected to form a team of enthusiasts across a range of business functions and management levels.

Training focused on climate change was provided at a one day offsite to help the 23 "Champions" promote sustainability in the workplace. The group have already established their own communications network and a working group.

The "Environmental Champions" promote sustainability amongst colleagues to help raise awareness and reduce the environmental impact of both individuals and the organisation.

This UK pilot is being monitored to act as a template for the other regions which might benefit from a similar "Champion" group.

## Case study: "Bike to work" in Switzerland



During the month of June, 2011, over 1,000 UBS employees rode 150,000 km participating in the "Bike to work" campaign - despite the rather damp weather conditions. Of the 20 possible bike days in June, staff on average cycled all or part of their journey to work on 12 days, saving 24 tons of CO<sub>2</sub> emissions compared to the emissions of commuting by car. Many participants took this opportunity to ride to work for the first time and most committed to continue as they saw the benefits to their health and the environment.

Over 50,000 people from 1,300 companies took part in this Swiss initiative. UBS recorded the second highest number of participants.

## Case study: Employee engagement in the Americas



To coincide with Earth Hour and Earth Day, a host of employee engagement initiatives were launched at the beginning of April in the Americas region. Nearly 2,000 employees within select regional offices participated in events such as Green Fairs, Arbor Day events and guest speaker forums. For example, the Stamford Campus (Connecticut) hosted an on-site car expo, featuring eco-friendly vehicles powered by electricity, hydrogen and natural gas. A keynote speaker engaged an audience of nearly 200 with a presentation about fuel efficiency and alternative fueled vehicles. Following this public event, UBS installed two electric vehicle charging stations on the Campus.

In the fall of 2011, the Environmental Photo Contest offered UBS Americas employees across all divisions the opportunity to submit their own, environmentally themed photographs representing the diversity of life on Earth. In partnership with the region's employee environmental network, the 500 submissions were reviewed and shortlisted down to the five top photos.

More than 700 UBS employees voted for their favorite image, and the winning photo of a dragonfly was incorporated in environmental artwork throughout 2011.



## Case study: Electric vehicle charging facilities in the United States

Electric vehicles have no emissions from the tailpipe, so they are cleaner for the environment and better for everyone's respiratory health. Electric motors have very few moving parts and do not need fluids such as engine oil, anti-freeze or transmission fluid, so they require little maintenance and are far less likely to leak.

Electric vehicle charging stations have been installed in the car parks of three major office locations in Stamford, CT, at the Lincoln Harbor Campus in Weehawken, NJ and a site in Jersey City, NJ. The electric charging stations are available free of charge to UBS employees.

The two New Jersey sites also installed an air compressor in the parking structures for employees' use, free of charge, as a means to reduce our carbon footprint and reduce consumption of fossil fuel through proper tire inflation. The average person who drives 12,000 miles per year on under inflated tires uses about 144 extra gallons of gasoline each year. For each gallon of gas consumed 20 pounds of carbon dioxide is released into the environment. As such any vehicle running on soft tires is contributing as much as 1.5 extra tons of greenhouse gases into the environment annually.



## Case study: Driving change instead of cars at UBS's Mexico City office

Mexico City launched a public bike-sharing system in February 2010, called Ecobici. Ecobici offers nearly 1,200 bicycles at 90 docking stations. Users of the program pay approximately 30 USD a year to use bikes at any one of the 90 stations.

Damian Fraser, Head of UBS Latin America Equities, and a cycling enthusiast, has been cycling to work for 14 years. As Damian explained, "I saw biking as an opportunity for a professional and personal triple-win, one that, if utilized, could save time, reduce negative impacts on the environment and promote a healthier lifestyle." With this idea, Damian displayed his environmental commitment and stewardship earlier this year by purchasing a one-year Ecobici card for each employee at the UBS Torre Omega office. Damian's approach of 'lead by example' is the type of senior management support that continues to drive UBS's environmental program and advances employee awareness of UBS's commitment to environmental sustainability.

## Environmental management indicators (including training figures)

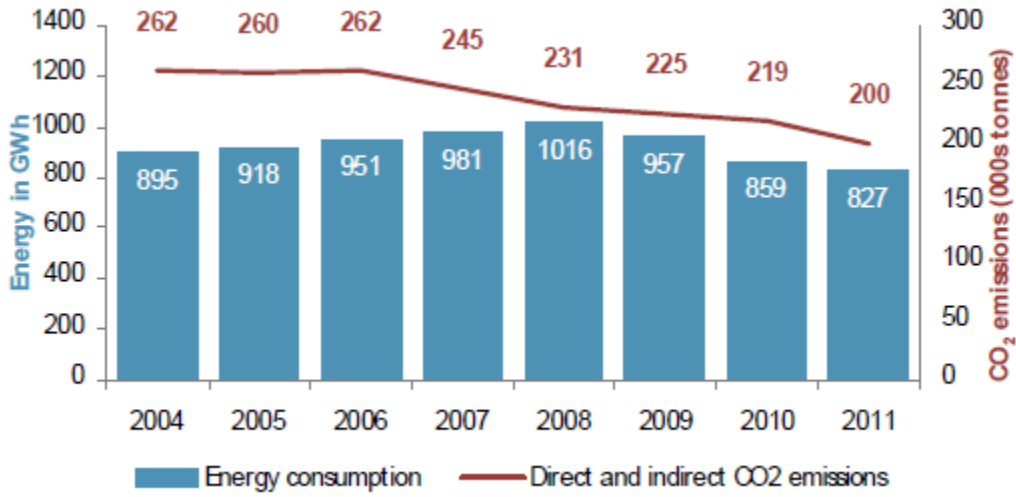
Environmental management indicators					
			For the year ended		% change from
<i>Full-time equivalent, except where indicated</i>	GRI <sup>1</sup>	<b>31.12.12</b>	31.12.11	31.12.10	31.12.11
<b>Personnel financial businesses</b>			64,820	64,617	(100)
Personnel in specialized environmental units/functions		<b>31</b>	31	35	(0)
<b>Environmental awareness raising</b>					
Employees trained	FS4	<b>3,548</b>	15,693	8,616	(77)
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>966</b>	3,677	1,383	(74)
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>63</b>	182	36	(65)
Auditing time (days)	FS9	<b>11</b>	22	5	(52)
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>249</b>	181	261	38
Auditing time (days)	FS9	<b>51</b>	28	115	82

1 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

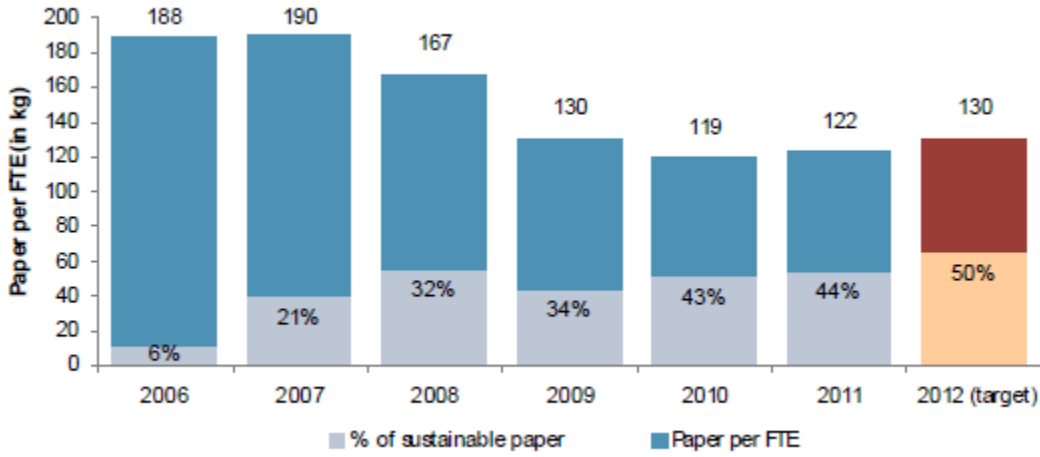
2 Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2010 and 2012. The more comprehensive Re-Certification Audit was done in 2011.

3 Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

# Energy consumption time series

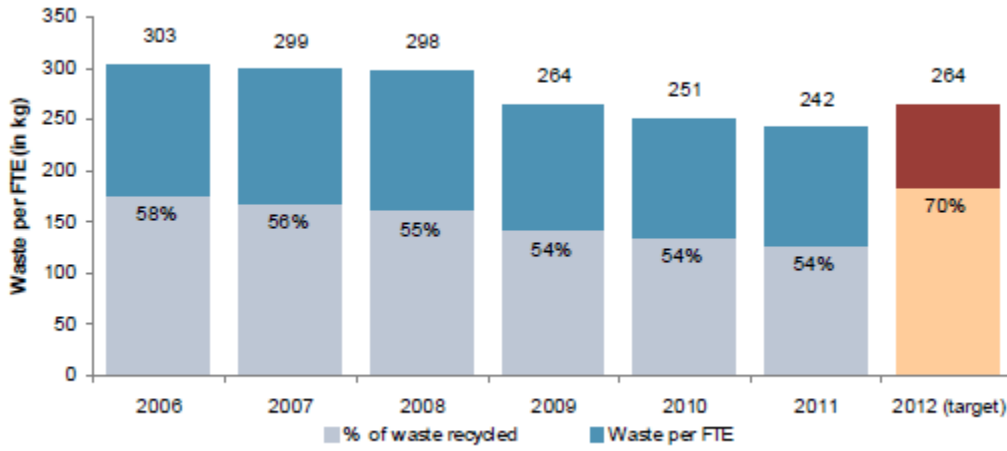


# Paper consumption time series





## Waste generation time series





## Case study: Installing energy-efficient lighting in Asia Pacific and the United Kingdom

Light-emitting diode (LED) lighting as a low energy, low maintenance solution to both general and feature lighting is popular across our global operations.

In one of our Taiwan offices, the halogen lights in the pantry areas were replaced by LED lighting with an annual estimated energy saving of 521 kWh. In our building in Mumbai, LED lighting was deployed in the lobby and corridors with an annual estimated energy saving of 21,468 kWh. In addition, the national heritage Command House in Singapore, where UBS Business University is located, recently replaced 90% of the interior lighting area with LED light fittings as part of the refurbishment project. With the longer lifespan and lower maintenance requirement, an annual energy saving of 72,000 kWh is estimated.

Following a number of high profile case studies and a small scale pilot, the engineering team in the UK embarked on a project to upgrade lighting technology across the London campus, taking the opportunity to deploy LED lighting. The project reduced energy consumption for the 2000 lamps replaced by over 80% and a payback of less than 2 years. Additional benefits included reduced ongoing maintenance and improved lighting quality.

## Fallbeispiel: Ersatz von Ventilatoren in Klimaanlage in Hayes, Grossbritannien

Rechenzentren sind für rund 30% des gesamten jährlichen Stromverbrauchs von UBS verantwortlich. Nach Servern und anderen IT-Anlagen sind Klimaanlage der nächste grössere Stromfresser. Zu den Innovationen in der Raumkühlung für Rechenzentren in den letzten Jahren gehört die elektronisch kommutierte Ventilatorentechnologie, die bei verbesserter Leistung und Kontrolle erheblich Energie spart. 2012 wurden im Rahmen eines Projekts in unserem Rechenzentrum in Hayes die alten Ventilatoren durch die neue Technologie ersetzt. Diese Massnahme senkte den Stromverbrauch um 11%. Dieses Projekt wurde zudem für zwei Branchenauszeichnungen nominiert (Client Energy Management Award (CIBSE) und Project of the Year Category of the H&V News Awards).



## Case study: Renewable energy in Germany

Switching electricity supplies from carbon intensive coal, oil or gas fuelled generation to renewable energy continues to form part of the UBS climate change strategy to reduce the overall greenhouse gas emissions of the firm. In 2012, UBS Germany switched to renewable electricity supplies generated by 100% from hydropower for all their facilities.



## Case study: Wood pellet heating system UBS conference center in Switzerland

With buildings dating from as early as 1576, UBS acquired the Wolfsburg campus, above Lake Constance, in 1970 and converted it into a world class training facility and conference centre and adding a 125 room hotel in 1980. Heating was provided from centralized oil fuelled boilers and a community heating network. Another significant upgrade was completed at the end of 2012 when, in line with UBS's environmental policy, the heating system was converted to renewable energy. By heating with locally sourced biomass (wood pellets), the conference center can be operated sustainably in the future. The new system will reduce the consumption of heating oil by more than 170,000 liters per year, and CO<sub>2</sub> emissions by about 95 percent.

# Performance against environmental targets 2012 and new targets 2013-2016

## Performance against environmental targets 2012 and new targets 2013-2016

	2012	Target 2012	Baseline <sup>4</sup>	change from baseline	Achievement 2012 <sup>6</sup>	Target 2013-2016 <sup>7</sup>
Total net greenhouse gas (GHG) emissions (GHG footprint) in t CO <sub>2</sub> e <sup>3</sup>	<b>215'279</b>	-40%	360'501 <sup>5</sup>	-40%	I	-50% <sup>5</sup>
Energy consumption in GWh	<b>761</b>	-10%	957	-21%	I	-10%
Share of renewable energy	<b>42%</b>	increase	24%	73%	I	increase
GHG offsetting (business air travel) in t CO <sub>2</sub> e	<b>73'024</b>	100%	0 <sup>5</sup>	100%	I	100%
Paper consumption in kg per FTE	<b>122</b>	stabilize	130	-6%	I	-5%
Share of recycled and FSC paper	<b>55.8%</b>	50%	33.8%	65%	I	60%
Waste in kg per FTE	<b>230</b>	stabilize	265	-13%	I	-5%
Waste recycling ratio	<b>54.2%</b>	70%	54.4%	-0.3%	I	60%
Water consumption in m <sup>3</sup>	<b>1.95</b>	-5%	2.55	-23%	I	-5%

Legend: CO<sub>2</sub>e = CO<sub>2</sub> equivalents; FTE = full-time employee; GWh = giga watt hour; kWh = kilo watt hour; km = kilometer; kg = kilogram; m<sup>3</sup> = million cubic meter; t = tonne

1 Detailed environmental indicators according to the Global Reporting Initiative are available on the internet [www.ubs.com/environment](http://www.ubs.com/environment)

2 Gross GHG emissions include: direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam and other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

3 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG offsets.

4 Baseline levels 2009 if not indicated otherwise

5 Baseline levels 2004

6 Green: target achieved / red: target not achieved

7 Baseline levels 2012 if not indicated otherwise

# Case study: Conserving water in the United States

## **Automatic taps in Chicago**

UBS at One North Wacker Drive in Chicago, Illinois sought to reduce its water usage through key real estate initiatives. One unique initiative was implemented in partnership with the building's landlord, who previously achieved LEED Existing Building Silver certification for the building, and involved the continued installation of automatic hands-free taps.

Automatic taps respond to hand movement and automatically turn the water on; and off. The cost-effective retrofit applications feature long-life battery operated units, and are projected to save more than 30% of water compared to traditional manual fittings. Aside from direct water and cost savings, the new taps also prevent water overflow, scalding injuries and the spread of germs and bacteria as a result of touchless technology. Coupled with additional innovative changes, UBS at One North Wacker Drive decreased total water consumption by over 12% in 2012 (compared to 2011).

## **Waterless urinals in Jersey**

Water use in employee washrooms presents an opportunity to deploy new technologies in UBS buildings that can reduce consumption. Fresh water is a precious resource especially for small island communities like the Channel Islands and UBS offices in Jersey decided to install waterless urinals to reduce water consumption. Waterless urinals have been developed as an alternative to traditional 'flushing' systems. Using active enzymes the latest designs also ensure effective hygiene and odour control.

## OUR GREENHOUSE GAS FOOTPRINT

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Share of renewable energy (in %)	24%	23%	34%	45%	48%	51%	43%	45%	42%	49%
Direct GHG emissions (oil, gas, fuels)	41,858	34,556	31,519	26,701	26,490	25,723	27,153	25,232	21,838	24,122
Indirect GHG emissions (electricity, heat)	219,727	225,854	230,015	218,681	204,344	199,090	191,666	174,219	172,421	138,691
Other indirect GHG emissions (travel incl. offsetting, paper, waste)	98,918	111,773	31,635	36,323	33,364	24,288	20,804	21,143	21,021	20,199
<b>GHG Footprint</b>	<b>360,502</b>	<b>372,184</b>	<b>293,169</b>	<b>281,705</b>	<b>264,197</b>	<b>249,101</b>	<b>239,624</b>	<b>220,593</b>	<b>215'279</b>	<b>183,011</b>



# Responsible supply chain management



**We embed environmental and social standards into our sourcing and procurement activities. Our responsible supply chain management (RSCM) framework is based on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment, health and safety and anti-corruption, in line with our commitment to the UN Global Compact and the UBS Environmental and Human Rights Policy.**

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## **Committing suppliers to comply with our standards**

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We aim to ensure that our social and environmental values are being followed throughout the supply chain. Since 2008 a firm-wide guideline has provided systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environmental protection and corruption. A central component of this guideline is the UBS Responsible Supply Chain Standard to which our direct suppliers are bound by contract. The standard defines our expectations towards suppliers and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, remuneration, hours of work, freedom of association, humane treatment, health and safety and anti-corruption issues.

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The UBS Responsible Supply Chain Standard (documents)

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- ▶ [The UBS Responsible Supply Chain Standard \(English\)](#) 
- ▶ [The UBS Responsible Supply Chain Standard \(German\)](#) 
- ▶ [The UBS Responsible Supply Chain Standard \(French\)](#) 
- ▶ [The UBS Responsible Supply Chain Standards \(Italian\)](#) 
- ▶ [The UBS Responsible Supply Chain Standard \(Mandarin\)](#) 

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## Identifying, assessing and monitoring high-impact suppliers

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We identify high-impact suppliers of newly sourced goods or services based on their provision of goods and services that have either a substantial environmental and social impact or are sourced in markets with potentially high social risks. Such high-impact suppliers are requested to fulfill further requirements and are assessed against the UBS Responsible Supply Chain Standard. If this assessment reveals any non-compliance with our standard, UBS defines and agrees, together with the supplier, on specific improvement measures which we monitor. Lack of improvement may lead to the termination of the supplier relationship. We also regularly screen active suppliers as part of our [environmental and social risks process](#).

The framework is operated by experienced and specifically trained procurement and sourcing specialists, supported by a centralized team of responsible supply chain management experts.

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## 2013 changes and reporting

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In 2013, we refined and strengthened the RSCM framework by introducing an impact assessment of newly sourced goods and services and accordingly trained our procurement and sourcing specialists globally. Within this new framework, we assessed and categorized all purchased goods and services with regard to potential environmental and social impacts along their lifecycle. From this categorization, we define the potentially high-impact suppliers.

Our screening showed that 197 suppliers of newly sourced goods or services have potentially high impacts. These suppliers were requested to conduct a self-assessment on their responsible management practices with corresponding evidence. Actual and potential negative impacts that have been considered in the impact assessment of purchased goods and services included:

- Adverse environmental impacts due to inefficient use of resources (e.g. water, energy, biomass) and emissions during the lifecycle of the product
- Hazardous substances, emissions, pollutants and limited biodegradability of products, adversely affecting people and the environment
- Unfair employment practices, e.g. low wages, excessive overtime, absence of occupational health & safety measures
- Risks for consumer health and safety, e.g. low indoor air quality, inappropriate warning signage
- Procurement and use of materials with a strongly negative environmental and/or social impact during complete lifecycle, e.g. wood from illegal or unsustainably managed sources
- Insufficient management of subcontractors regarding sustainability aspects

As a result of our assessments, 23% of the assessed direct suppliers were identified as in need of improving their management practices. Specific remediation actions were agreed with all of them and the implementation progress has been closely monitored.

We also screened all our significant active suppliers for environmental and human rights issues and 103 suppliers with potential material risks were referred to a specialized environmental and social risk unit for enhanced due diligence. In 2013, only one UBS supplier relationship was terminated as a result of RSCM assessments. This can partly be related to the fact that we assess the supplier's potential risks before signing a contract.

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## Case studies

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### **Progressive company policies at Hong Kong printing services supplier**

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Hong Kong local offices rely on a local printing company for a wide range of printing services. An assessment conducted along the UBS RSC Standard revealed that this company only showed limited commitment towards actively managing the social and environmental impacts of its operations. Based on these findings, UBS and the supplier agreed on an improvement process, which, inter alia resulted in a public commitment of the supplier to maintain Corporate Social Responsibility. This commitment will enable UBS and local stakeholders to drive further improvements regarding working conditions.

Moreover, UBS imposes substantial minimum requirements concerning the environmental performance of commissioned print products and is working closely with the supplier to ensure that these requirements are met. For instance, processed paper components typically have to be Forest Stewardship Council (FSC) certified

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### **Improved conditions at UBS construction sites in the United States**

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UBS engaged with over a dozen suppliers of construction services throughout the United States in order to establish long-term framework agreements. In this context, UBS aimed at strengthening the responsible business practice of the selected suppliers, especially regarding the integration of social and environmental criteria in their sourcing and subcontractor management practices. With this collaborative effort between UBS and its key suppliers in the US construction sector, the working conditions and the environmental performance at construction sites in the United States can be expected to further improve - not only on UBS premises.

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### **Sustainable procurement at Swiss electricity provider**

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100% of the electricity UBS sources in Switzerland are from renewable sources, such as hydro power stations. In addition, UBS assesses the responsible management practices of all electricity suppliers before entering a new agreement. Following such an assessment, UBS engaged with a key player in the Swiss energy market, requested an improvement of their sustainable sourcing practices and mutually agreed on the implementation timeline. This interaction accelerated the supplier's internal development towards more sustainability. As a result, the supplier explicitly integrated environmental and social criteria in its sourcing policy, established for the first time a Supplier Code of Conduct and publicly committed to implement both guidelines. The case shows that UBS environmental and social standards effectively influence the practices in the bank's supply chains - a multiplication of the aspired positive impacts.

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## Client Gifts

In the area of client gifts which include those products carrying a UBS logo, UBS has closely worked for several years with its suppliers to take account of human and labor rights and the environment. Today these suppliers have developed a positive reputation as corporate citizens helping them to differentiate themselves and attract new clients while at the same time helping UBS to manage its risks in this area. One such long-standing UBS supplier includes a firm providing merchandise products to UBS such as branded textiles and accessories.



Already back in 2002, UBS conducted first workshops with its suppliers to define its social and environmental requirements specification for branded products and encouraged suppliers to improve their standards of corporate responsibility within their own supply chain. UBS decided to have a closer look on this product category mainly due to their close brand association, the nature of the activity involved in the production as well as the location of production.

A good example of such a close interaction with a supplier started in 2004, when for the first time UBS engaged with a young and innovative firm based in Zurich to develop, design and produce merchandising products including backpacks, suitcase or wallets. In order to meet UBS's expectation and to qualify as a UBS supplier, the firm became one of the first companies in the industry whose production facilities met the social and environmental standards set out by the Business Social Compliance Initiative (BSCI) and SA8000. By doing so, the firm substantially helped to improve standards of their producers located in countries where often limited environmental and labor laws and enforcement exist.

While at the beginning of the process cost have been involved to comply with UBS's expectations, today the firm enjoys several benefits from building up and continuously improve their capabilities in this area. This includes attracting new clients due to their positive reputation in the field of corporate responsibility but also improving the quality of their products and strengthening partnerships due to intensified interaction with local producers.

In return, the program helped UBS to manage reputation risks while at the same time living up to our commitments in the area of human rights and environment in day-to-day business practice with our suppliers.

# UBS Health and Safety Statement



**Health and safety are integral parts of our corporate responsibility. At UBS, we aim to create a work and business environment that safeguards the health and safety of employees, business partners or clients. A safe and healthy work environment supports employees in performing their jobs in a productive and efficient manner.**

We have a long-standing commitment to support the overall health and safety of all UBS employees, and this commitment is included in our Code of Business Conduct and Ethics (Code). Our health & safety guidelines emphasize the importance of providing a good physical infrastructure (e.g., appropriately maintained buildings and office spaces) and a suitable work environment that is stimulating for employees and that supports them in efficiently doing their work. At the same time, we expect employees to conduct themselves in a manner that helps ensure their own health and safety and that of others. It is a mutual responsibility that ultimately benefits both employees and the firm.

UBS unequivocally complies with the standards and restrictions imposed by applicable laws, rules and regulations, including the health and safety laws and regulations of the countries in which we operate. We also apply internal policies and guidelines - both globally and regionally - which may go beyond the legal health and safety requirements.

An environment without incidents or accidents is in the interest of all employees; it also benefits other stakeholders, including clients. In addition to applying our own health and safety measures, we ask third parties conducting business with UBS or operating on our premises to consider health and safety matters on the basis of these guidelines. All vendors and contractors are also asked to comply with health & safety guidelines when dealing with us.

We communicate with employees about specific initiatives and measures, as appropriate. For example, we have communicated with employees about how to properly manage and reduce the impact of a pandemic. Information and training are also offered as required. Line managers help maintain a safe and healthy work environment; information relevant to their role therefore is provided.

Our working culture reflects UBS's commitment to maintaining a safe and healthy environment for our employees. This commitment is also reflected in the processes we have developed to prevent or address potential or actual risks or threats. Our activities are based on the following principles:

- UBS endeavors to maintain a working environment that supports the general health and well-being of all employees. Our efforts

include flexible working models, competitive vacation and benefits offerings and an open and respectful work environment.

- With ergonomic workstations, workplace safety standards, measures to protect nonsmokers, reviews of radiation exposure and other initiatives, UBS strives to ensure that its working environment is as efficient, safe and comfortable as possible.
- UBS takes preventive measures to mitigate potential emergencies in the workplace and to assist employees on business trips. In addition, travel and security experts, crisis management committees, first aid providers, health specialists, social counselors and other specialists are available, if needed.
- Issues such as personal problems, addictions, conflict in the workplace and harassment impact physical and mental health. UBS assists and advises employees primarily through its Employee Assistance Programs (EAPs), which are offered in a number of locations globally.

We regularly review our health and safety activities to ensure relevant issues are effectively managed and improvements are made where necessary. Our reviews also include employee consultation, in some locations through employee representation groups such as the Employee Representation Council in Switzerland.

Operational responsibility for the governance and review of health and safety sits with the Group Chief Operating Officer. In addition, our activities are monitored by the Corporate Responsibility Committee, a Board of Directors committee. This committee regularly reviews whether UBS's health and safety processes are properly maintained. Where necessary, they recommend modifying or complementing our health and safety processes and guidelines.

# Accessibility



## Public Website and Microsites

UBS is committed to ensuring that our websites are accessible to everyone regardless of disability, capability or technology. Therefore we are continuously optimizing our websites under consultation of the "Access for all" foundation ([www.access-for-all.ch](http://www.access-for-all.ch)) in Switzerland to fit the requirements for a AA rating for accessibility (WCAG).

- All pages are optimized for access with screen readers and can be navigated using the keyboard
- Our website supports seamless page zooming with standard browser functionality
- High color contrast supports readability
- New screenreader-compatible formats provide an alternative to content elements like Flash
- PDF and audio/video will be optimized on an ongoing basis

For suggestions and further questions regarding accessibility please [contact us](#).

Accessibility statement

## Cash machines

**All UBS free-standing cash machines correspond to the recommendations made by ADAAG (Americans with Disabilities ACT accessibility Guidelines).** These cash machines have access key buttons and PIN keypads which have been made usable for the visually impaired. Additionally, on all machines, transaction processes have been made uniform to all machines, enabling blind and disabled visitors to access money with ease by pressing select "touch points" on the keypads as well as the cash express function. Clients who cannot use a cash machine due to a disability or impairment can withdraw cash from a branch counter without being charged a fee.

## disAbility Awareness network

The main objective of UBS's **disAbility Awareness network** is to encourage people to focus on ability, not disability. The network was launched in the UK, with a second network in Switzerland. Open to employees interested in any area of disability awareness, the network focuses specifically on education and awareness, recruitment and retention, employee support and accessibility for both clients and employees.

Since its inception, the disAbility Awareness network has held a number of annual events to raise awareness about disability. It has also sponsored seminars on mental health and caring for elderly parents and/or disabled children, as well as recruiting events for people with disabilities.

UBS efforts over the past years have been recognized, including having been shortlisted for a Disability Champion Award by the Employers' Forum on Disability (UK), the world's leading employers' organization focused on disability as it affects business.



## What is accessibility?

Accessibility can be defined as the level of appropriateness of locations, products and services with regard to easy access by clients with certain disabilities and impairments. Accessibility problems may be due to disability, caused by accident, or related to age.

Accessibility barriers may be related to any of the following:

- **Mobility** - Physical disability, motor skills impairment
- **Hearing** - Deaf, hard-of-hearing / hearing impaired
- **Vision** - Blindness, legal blindness, low vision, myopia, color-blindness

# Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CDP	Carbon Disclosure Project
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons

PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

[↩ Back to top](#)



# Corporate Responsibility

## Contact us

If you have any **suggestions or questions** about corporate responsibility at UBS or about the website [www.ubs.com/corporateresponsibility](http://www.ubs.com/corporateresponsibility) please get in contact with us.

You can either use the [contact form](#) or [email](#) us.





## Making an impact by reducing our impact

**At UBS we aim to minimize the impact our operations have on the environment. At the same time, we want to help our clients, who wish to do so, maximize business opportunities that have a positive environmental or social impact by expanding the range of related products and services that we offer.**

Energy accounts for as much as 10% of our spending on real estate, so investing in **energy efficiency** and improving our building management not only cut costs but can give us a competitive advantage in the near and long term. The fact that we derive more than 45% of our energy from renewable sources such as solar, hydroelectric and wind this year demonstrates our desire to act with future generations and current shareholders in mind.

**Business-related travel** contributes significantly to UBS's greenhouse gas emissions. In 2006 we decided to offset 100% of the emissions we generate annually from agency-booked air travel by funding third-party projects that save equivalent carbon emissions.

UBS offers several environmentally friendly options for meeting clients and internal business partners, including TelePresence, where you feel as if you are right across the table from a colleague who is miles away, as well as LiveMeeting and video conferencing.

The most effective way of reducing the impact that **paper** has on the environment is by using it as economically as possible. Almost all paper in business use today duplicates information created and/or stored electronically. Storing and transmitting data electronically ensures that "hard copies" need only be created when absolutely essential and minimizes the number of paper documents. Using less paper and switching to recycled paper or Forest Stewardship Council (FSC) approved paper produces less pollution, uses resources more efficiently, and encourages sustainable forestry practices.

As societies grow wealthier, they create more **waste**. Though waste cannot be totally eliminated, we can decrease the amount produced and lower its environmental impact through reuse and recycling. UBS will continue its efforts to recycle its waste and to reduce the waste sent to landfills by 10% from 2009 levels.

Our environmental commitment extends beyond managing our operations sustainably. We also aim to help clients who are looking to invest responsibly by providing them with products and services that integrate environmental and social considerations. This applies across all our businesses and covers funds, research and advisory services. Global Asset Management boasts a dedicated Socially Responsible Investing (SRI) team that offers a wide range of products to institutional investors, including thematic SRI funds focused on innovative companies that provide solutions to the challenges presented by issues such as climate change and water scarcity. Wealth Management's philanthropy, values-based investing (VBI) and sustainable investing teams have joined forces to help private clients who wish to make a positive impact through their investment and philanthropic activities. Furthermore, specialized research teams in each of our business divisions focus on a range of environmental, social and governance issues, producing publications that help clients take these issues into consideration at every state of the investment process.

UBS's efforts to address environmental and social issues have gained recognition from various parties, including oekom research in Germany, one of the world's leading rating agencies when it comes to sustainable investments. As only one of 23 financial institutions to receive a "Prime" rating from oekom, out of a total of 294 analyzed, UBS is regarded as being among the leaders in the banking sector in terms of promoting sustainable development.

## Waste generation time series

	2006	2007	2008	2009	2010	2011	2012
Share of waste recycled	176	169	162	143	135	131	125
Waste per FTE	127	130	136	121	116	111	105
Total Waste	303	299	298	264	251	242	231
Share of waste recycling	58.1%	56.5%	54.4%	54.2%	53.7%	54.2%	54.2%

## Environmental indicators per full-time employee

### Environmental indicators<sup>1</sup> per full-time employee

	Unit	2013	Trend	2012	2011
Direct and intermediate energy	kWh / FTE	<b>11,555</b>	-	11,485	12,459
Business travel	Pkm / FTE	<b>10,318</b>	--	9,805	11,489
Paper consumption	kg / FTE	<b>121</b>	=	122	122
Waste	kg / FTE	<b>213</b>	=	230	242
Water consumption	m <sup>3</sup> / FTE	<b>27.8</b>	=	29.5	30.1
CO2 footprint	t / FTE	<b>2.87</b>	=	3.25	3.32

Legend: FTE<sup>2</sup> = full-time employee; kWh = kilo watt hour; Pkm = person kilometer; kg = kilogram; m<sup>3</sup> = cubic meter; t = ton

1. Reporting period 2013 (1 July 2012 - 30 June 2013). 2. FTE are calculated on an average basis including contractors.

# Our climate change commitment

Climate change is one of the most significant challenges of our time. The world's key environmental and social challenges, such as population growth, energy security, loss of biodiversity and access to drinking water and food, are all closely intertwined with climate change. This makes the transition to a low-carbon economy vital.

We recognize that financial institutions are increasingly expected to play a key role in the transition to a low-carbon economy and, we are determined to support our clients in preparing for success in an increasingly carbon-constrained world. As one of the leading wealth management firms worldwide, and the leading universal bank in Switzerland backed by a top asset management business and a client-centered investment bank, our climate change strategy focuses on the following areas. It is in these areas where we believe we can make the greatest contribution to the transition towards a low-carbon economy:

- **Risk management: seeking to protect our clients', and our own, assets from climate change risks, within our sphere of influence.** Recognizing that the transition to a low-carbon economy will take time and that fossil fuels will continue to dominate energy production for decades to come, we are determined to understand the risks that our clients', and our own, assets are exposed to in the context of uncertain policy and technology developments addressing climate change. This includes developing a metrics-based approach to measure our exposure to climate change risks in high-risk sectors such as real estate and energy.
- **Investments: helping to mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation.** Our clients will continue to look for investment opportunities and some will increasingly focus on investments facilitating climate change mitigation and adaptation.
- **Finance: supporting this transition as corporate advisor, and/or with our lending capacity.** We are helping corporate clients raise capital on domestic/international capital markets in order to meet the high investment levels required for the transition to a low-carbon economy. In Switzerland, we are also supporting private clients in renovating their private homes sustainably and innovative small and medium-sized enterprises (SMEs) in providing solutions for climate change mitigation and adaptation.
- **Research: offering world-class research capacity to our clients on climate change issues.** Building on our renowned expertise, we act as a thought leader and expert advisor to our clients on financial impacts of, and solutions for, climate change.
- **In-house operations: reducing our own greenhouse gas footprint.** We are positioning our in-house operations in support of a low-carbon economy by further investing in sustainable real estate and efficient IT infrastructure and limiting business travel-related CO<sub>2</sub> emissions.
- **Engagement & disclosure: reporting and communicating transparently about the progress of our strategy.** We are engaging with our stakeholders on climate change issues and continue to raise awareness among our employees. In addition, we are disclosing the progress we have made in executing our climate strategy through established standards, such as the Global Reporting Initiative and the Carbon Disclosure Project.

These efforts build on a history and strong track record of reducing our environmental footprint in a consistent and transparent manner. In the reporting year 2012, we reached our ambitious goal set in 2006 to reduce CO<sub>2</sub> emissions by 40% compared with 2004 baseline levels. A target on which we delivered successfully by adopting energy efficiency measures to reduce the energy consumption of the buildings we occupy, and of critical facilities such as the data centers we use, while increasing the proportion of renewable energy used. Emissions that cannot be reduced by other means (e.g. business air travel) are offset. Our achievements have been recognized by external experts, in particular by the most significant climate-change-focused investors' initiative, the Carbon Disclosure Project, which in 2012 ranked UBS as one of the top 10 companies worldwide for excellence in transparency and



achievement in combating climate change.

We will regularly report on the progress we make in executing our new climate change strategy which, in 2013, will focus on the following elements:

- Participating in an industry-wide initiative to develop accounting metrics for CO2 emissions associated with lending and investments;
- Reducing the environmental impact of our Global Real Estate investment portfolios;
- Offering the "Energy Check Up for SME" to Swiss SMEs in partnership with the Swiss Private Sector Energy Agency and renewing the cash bonus to support private clients in renovating their private homes sustainably;
- Launching UBS Clean Energy Infrastructure Switzerland for institutional clients to invest in renewable energy infrastructure;
- Continuing to support renewable energy and clean technology financing through our Investment Bank;
- Developing UBS Sustainability Health Check, which will allow Wealth Management clients to identify discrepancies between their sustainability preferences (including climate change) and the composition of their portfolio;
- Reducing our greenhouse gas emissions by 50% compared with 2004 baseline levels, another 15% below 2012 levels, and reducing our overall energy consumption by 10% compared with 2012 levels, by the year 2016.

▶ [www.ubs.com/climatechange](http://www.ubs.com/climatechange)

## Energy consumption time series

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Energy consumption	895.0	918.0	951.0	981.0	1016.0	957.0	859.1	826.6	760.6
Direct energy	203.0	169.0	154.0	130.0	127.0	132.0	137.3	127.8	111.6
Electricity	657.0	722.0	769.0	819.0	835.0	761.0	660.7	631.1	598.8
District heating	35.0	41.0	48.0	32.0	55.0	65.0	61.2	67.7	50.3
Direct GHG emissions	41.9	34.6	31.5	26.7	26.5	25.7	27.2	25.2	21.8
Indirect GHG emissions from electricity	215.3	220.7	224.0	214.6	197.5	191.0	184.0	165.7	166.1
Indirect GHG emissions from heat	4.4	5.1	6.0	4.0	6.9	8.1	7.7	8.5	6.3
Direct and indirect GHG emissions	261.6	260.4	261.5	245.4	230.8	224.8	218.8	199.5	194.3

## Paper consumption time series

	2006	2007	2008	2009	2010	2011	2012
Share of sustainable paper	12	40	55	44	51	54	68
Paper per FTE	176	150	112	86	68	68	54
Total Paper per FTE	188	190	167	130	119	122	122
Share of sustainable paper	6.4%	21.1%	32.9%	33.8%	42.8%	44.3%	55.8%

## Our clients



Our clients and stakeholders expect that all our banking activities are undertaken in a responsible manner, and that all our products and services are suited to the needs of our clients. We aim to beat those expectations. To that end, we have placed societal considerations at the heart of all our advisory, research, investment, financing and ownership processes. Our robust risk framework helps us identify and manage potential environmental and social risks. We also continue to further strengthen our efforts to prevent and combat financial crime. Our aim is simple. We want to continue to earn the trust of our clients and other stakeholders, deliver sustainable performance and create long-term shareholder value

### Read more

- [Environmental and social risk management](#)
- [Sustainable products and services](#)
- [Combating financial crime](#)

### Case studies

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#### **Case study: Institutions increasingly put their money where their mouth is**

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UBS offers a state of the art values-based portfolio screening and investment approach to support not only our private but increasingly our institutional clients in their efforts to align their values with their investment approach. To serve our institutional clients, Wealth Management cooperates closely with Global Asset Management.

Social and environmental changes will have a major impact on the way we live and do business in the future. For forward looking investors these aspects are also playing an increasingly important role in long-term business success and as a consequence also in our investment approach.

The investment behaviour of socially or publicly exposed institutions such as churches, charities or foundations has come under media scrutiny as the public demands higher level standards. Well known non-profit organizations have been alleged of pursuing an investment approach which focused entirely on profit. It is no longer accepted that, for example, a non-profit engaged in children's welfare is invested in companies accused of child labour. Environmental non-profit organizations increasingly ensure that none of their investments are involved with industries or companies that have a negative impact on the environment.

The UBS Values-Based Investing team is a solution provider with the mission to support our clients in establishing their sustainability goals and to help them to reflect them in their portfolio.

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### Case Study: Environmental and social risks assessment in the mining industry

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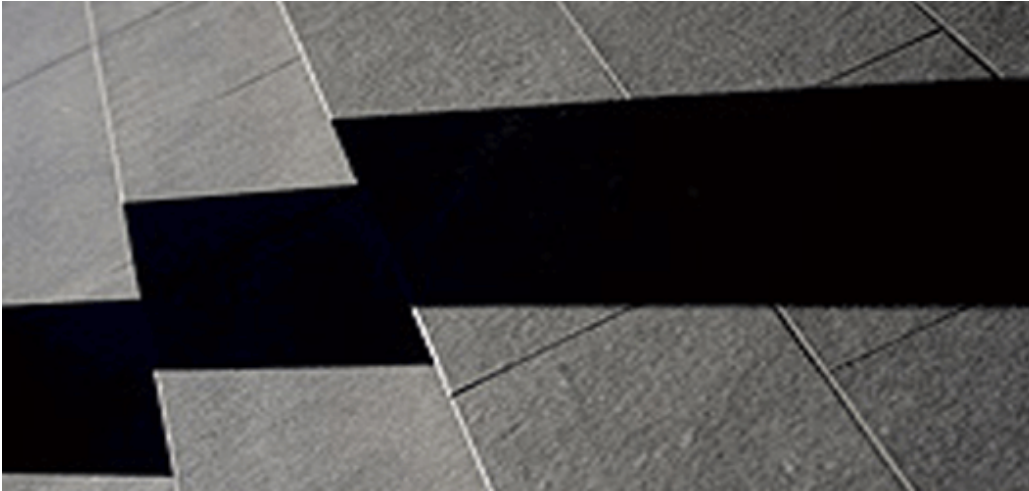
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UBS's sector guideline on metals and mining provides guidance on dealing with the environmental and social issues the sector faces. If significant risks are identified during due diligence, they have to be escalated to senior management for approval. UBS's position on controversial activities states that UBS will not knowingly provide financial services to corporate clients that are engaged in child labor. UBS communicated these requirements to the company and discussed the allegations with them. The company provided insights into the supply chain process it had in place to make sure that suppliers were in line with, among others, ILO standards on child labor and occupational health and safety. Given the severe allegations in the media on the one hand and the company response on the other hand, UBS decided to engage an independent third party to assess the implementation of the firm's supply chain process.

The independent third party confirmed the company's responses, providing confidence that the company was managing its supply chain in line with UBS Standards. The approval was given and certain conditions were stipulated, allowing UBS to monitor the company and withdraw from its obligations would the client be subject to similar allegations in the future and not be able to refute these.

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## Combating financial crime



**We continue to further strengthen our efforts to prevent and combat financial crime. Our commitment to assisting in the fight against money laundering, corruption and terrorist financing is illustrated by the way we take responsibility in our own operations, aiming to help preserve the integrity of the financial system.**

We employ a rigorous risk-based approach to ensure our policies and procedures are able to detect risks and effectively manage those risks, including, for example, managing relationships which are classified as higher risk with increased scrutiny. We adhere to strict know-your-client regulations without undermining clients' legitimate right to privacy. Ongoing due diligence and monitoring, including the use of advanced technology to help identify transaction patterns or unusual dealings, assists in the identification of suspicious activities. If suspicious activities are discovered, they are promptly escalated to management or control functions and externally, as required.

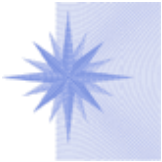
During 2013, Global AML (anti-money laundering) Compliance worked closely with the Environmental and Social Risk group to further develop effective ways of screening potential business partners, vendors and clients with regards to potential issues relating to environmental and social risk, building on the work already carried out during previous years.

In 2011, all business divisions were required to perform a legal and compliance risk assessment. This comprehensive process, which included an assessment of corruption, sanction and anti-money laundering risks, was also forward-looking and included follow-up actions to highlight the priorities and objectives for each business division. This risk assessment did not identify any significant incidents of non-compliance with our AML, sanctions or anti-corruption policies. Additional risk assessments that have taken place since then have confirmed this view. Nonetheless, in 2012 an anti-corruption initiative was put in place to strengthen our defences against corruption, and this continued into 2013, with the conclusion of a significant Group-wide project on the matter. The AML Risk Assessment and Control Framework is being significantly enhanced in 2013 and 2014 and a revised Risk Assessment covering AML, Sanctions and Anti-Corruption will be rolled out in 2014.

Following a major review in 2011, as part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, our internal global anti-money laundering policies were reviewed in 2013 with enhancements made to address more specific risks and changes in law and regulation. A major achievement was the review and amendment of our approach taken in late 2012 relating to controversial weapons in order to comply with the Swiss law that came into effect on 1 February 2013. This law implements the international bans on the use, stockpiling, production and transfer of cluster munitions and of anti-personnel mines and on their destruction.

We are a founding member of the Wolfsberg Group, an association of 11 global banks established in 2000, which aims to develop financial services industry standards and related products for know-your-client, anti-money laundering and counter-terrorist financing policies. We are leading the Wolfsberg Group's development of AML Risk Assessment related guidance. Alongside the other members of the group, we continue to work closely with the Financial Action Task Force, an inter-governmental body that develops and promotes national and international policies to combat money laundering and terrorist financing through consultation with the private sector.

We will always act decisively to prevent potentially irresponsible or harmful actions by individuals. First and foremost, this means that our employees must uphold the law, adhere to relevant regulations, and behave in a responsible and principled manner. To this effect, our business processes and control mechanisms are constantly under review in order to enhance our prevention capabilities.



- ▶ The Wolfsberg Group
  - ▶ Swiss Bankers Association
  - ▶ Swiss Financial Market Supervisory Authority FINMA
  - ▶ Financial Action Task Force
  - ▶ Swiss anti-money laundering legislation
- 

[↩ Back to top](#)

# Environmental & social risk management



We apply a robust risk framework to all of our transactions, products, services and activities in order to identify and manage environmental and social risks faced by our clients' and our firm. This is augmented by our stringent due diligence process which identifies and assesses any environmental and social risks associated with a particular client, supplier or transaction. We will not do business with a client or supplier whose activities contravene our position on controversial activities. The same goes for particular transactions. There are certain activities we will only engage in under stringent, pre-established guidelines. Each case is judged on its merits and we apply an enhanced due diligence and approval process before a final decision is made.

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## Environmental and social risk framework

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**We apply a risk framework to all of our transactions, products, services and activities in order to identify and manage potential adverse impacts to the environment and to human rights, as well as the associated environmental and social risks to which our clients' and our own assets are exposed.** Environmental and social (including human rights) risks are broadly defined as the possibility of UBS suffering reputational or financial harm from transactions, products, services or activities such as lending, capital raising, advisory services or investments that involve a party associated with environmentally or socially sensitive activities. For products, services and activities identified as potentially posing significant environmental and social risks, procedures and tools for the identification, assessment, escalation and monitoring of such risks are applied and integrated into standard risk, compliance and operations processes:

- Client on-boarding or conflict clearance: new corporate clients are assessed for environmental and social risks associated with their business activities.
- Transaction due diligence: before proceeding with a transaction, environmental and social risks are identified and analyzed as part of standard transaction due diligence processes.
- Product development: new financial products and services are reviewed before their launch in order to assess their compatibility and



consistency with UBS's environmental and human rights principles.

- Supply chain management: prior to any new or renewed contract being awarded, standardized checks are completed to assess supplier- and commodity-specific environmental, labor and human rights risks.
- Own operations: our operational activities and employees, or contractors working on UBS premises, are assessed for compliance with relevant environmental, health and safety and labor rights regulations.

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## identifying and assessing environmental and social risks

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**Business or control functions are responsible for identifying and assessing environmental and social risks as part of the client, supplier or transaction due diligence processes.** Where these functions determine the existence of potential material risks, they refer the client, supplier or transaction to a specialized environmental and social risk unit for enhanced due diligence. To support the consistent identification and assessment of such risks, our internal industry sector guidelines provide an overview of key environmental and human rights issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them. These guidelines currently cover six sectors: chemicals; forestry products and biofuels; infrastructure; metals and mining; oil and gas; and utilities. If identified risks are believed to pose potentially significant environmental or social risks, they are escalated for approval to senior management, at divisional, regional, or group level, depending on their significance.

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## UBS position on relationships with clients associated with controversial activities

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**This position stipulates activities that we will not engage in.** We will not knowingly provide financial services to corporate clients, or purchase goods or services from suppliers, where the use of proceeds or primary business activity of the client, supplier or acquisition target involves environmental and social risks, defined as follows:

Extractive industries, heavy infrastructure, forestry and plantations operations that risk severe environmental damage to or through:



**endangered species of wild flora and fauna** listed in Appendix 1 of the [Convention on International Trade in Endangered Species \(CITES\)](#)



**high-conservation-value forests** as defined by the six categories of the [Forest Stewardship Council \(FSC\)](#)



**uncontrolled and / or illegal use of fire for land clearance**



**illegal logging, including the purchase of illegally harvested timber** (logs or roundwood)



**wetlands** on the [Ramsar](#) List of Wetlands of International Importance



**world heritage sites** as classified by the [United Nations Educational, Scientific and Cultural Organization \(UNESCO\)](#)

All commercial activities that:



engage in **child labor** as defined by the [International Labor Organization's](#) Conventions 138 (minimum age) and 182 (worst forms)



engage in **forced labor** as defined by the [International Labor Organization's](#) Convention 29



threaten **indigenous peoples' rights** as defined by the [International Finance Corporation's](#) Performance Standard 7



engage in **diamond mining and trading** of rough diamonds unless [Kimberley Process-certified](#)

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Enhanced due diligence and approval process

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**An enhanced due diligence and approval process is triggered for areas in which we will only provide financial services under stringent, pre-established guidelines.** Such areas include



**palm oil production**, clients have to be a member in good standing of the [Roundtable on Sustainable Palm Oil](#) and are actively seeking to enhance certification of their production



**mountaintop removal** as a coal extraction method (read the [UBS statement on mountaintop removal coal mining](#))



**hydraulic fracturing** as an exploration or extraction method for oil and gas and exploration



development of **oil sands**.

Enhanced due diligence includes an assessment of the company's regulatory compliance, past and present environmental performance records, as well as concerns from stakeholder groups.

## Integrated environmental and social risk process

Clients, transactions or suppliers potentially in breach of UBS's position, or otherwise subject to significant environmental and human rights controversies, are identified as part of UBS's know-your-client compliance processes. Advanced data analytics on companies associated with such risks is integrated into the web-based compliance tool used by our staff before they enter into a client or supplier relationship, or a transaction. The systematic nature of this tool significantly enhances our ability to identify potential reputational risk. The increasing number of cases referred for assessment to our environmental and social risk units in 2013 is explained by the extension of the scope of application of this process.

## Environmental & social risk escalation process



▶ Please click here to enlarge the display of the picture above

## Environmental and social risk assessments

### Environmental and social risk assessments

		For the year ended			% change from
	GRI <sup>1</sup>	31.12.13	31.12.12	31.12.11	31.12.12
<b>Cases referred for assessment <sup>2</sup></b>	FS2	1,716	1,039	416	65
<b>by region</b>					
Americas	FS2	367	288	111	27

Asia Pacific	FS2	296	222	136	33
Europe, Middle East and Africa	FS2	373	225	119	66
Switzerland	FS2	680	304	50	124
<b>by business division</b>					
Wealth Management	FS2	298	157	59	90
Wealth Management Americas	FS2	46	5	5	820
Retail & Corporate	FS2	598	223	22	168
Global Asset Management	FS2	14	12	n/a	17
Investment Bank <sup>3</sup>	FS2	657	533	330	23
Corporate Center	FS2	103	109	n/a	(6)
<b>by sector</b>					
Metals and mining	FS2	418	217	n/a	93
Oil and gas	FS2	239	136	n/a	76
Agribusiness <sup>4</sup>	FS2	155	45	n/a	244
Utilities	FS2	95	38	n/a	150
Chemicals	FS2	67	29	n/a	131
Infrastructure <sup>5</sup>	FS2	51	15	n/a	240
Other	FS2	691	559	n/a	24
<b>by outcome</b>					
approved <sup>6</sup>	FS2	1,462	812	n/a	80
approved with qualifications <sup>7</sup>	FS2/FS3	196	171	n/a	15
rejected or not further pursued <sup>8</sup>	FS2	42	56	n/a	(25)
pending <sup>9</sup>	FS2	16	0	n/a	n/a

1 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement.

2 Transactions and onboarding requests referred to environmental and social risk (ESR) functions.

3 Relates to procurement / sourcing of products and services.

4 includes since 2013 e.g. forestry products, biofuels, food and beverage.

5 Include e.g. financial institutions, aerospace and defence, telecom, technology.

6 Client / transaction / supplier subject to an ESR assessment and considered in compliance with UBS's ESR framework.

7 Client / transaction / supplier subject to an ESR assessment and approved with qualifications. Qualifications may include ring-fencing of certain assets, conditions towards client / supplier or internal recommendations.

8 Client / transaction / supplier subject to an ESR assessment and rejected or not further pursued.

9 Decision pending.

## UBS position on the financing of controversial weapons

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In light of Switzerland's ratification of the Convention on Cluster Munitions and the subsequent changes to Swiss law, UBS amended its policies and guidelines pertaining to controversial weapons.

Relevant UBS policies and guidelines are consistent with the revised "Swiss Federal Act on War Materials". UBS does not directly or indirectly finance the development, production or purchase of controversial weapons of such companies determined to fall within the law.

All dealings with potentially affected companies require a case by case assessment of the transaction and of the likelihood that the transaction could be used to circumvent above financing prohibition. Dealings with potentially affected companies require pre-approval from UBS's Sanctions Compliance department.

UBS employs external expert advice for the assessment of whether a company falls within the restrictions established by Swiss law.

On the topic of cluster munitions and anti-personnel mines:

- UBS does not provide credit facilities to nor conduct capital market transactions for companies that are involved in the development, production or purchase of cluster munitions and anti-personnel mines.
  - UBS does not include securities of affected companies in its actively-managed retail and institutional funds and in discretionary mandates.
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## Case study: Environmental and social risks assessment in the mining industry

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UBS was approached by a mining company operating in sub-Saharan Africa. The mining industry often is associated with severe environmental impacts, including the loss of biodiversity and environmental pollution, as well as social issues such as involuntary resettlements, poor working conditions, and child labor. The company was facing severe media criticism stating that it was indirectly sourcing from artisanal miners, including children that were all working without any safety equipment.

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The independent third party confirmed the company's responses, providing confidence that the company was managing its supply chain in line with UBS Standards. The approval was given and certain conditions were stipulated, allowing UBS to monitor the company and withdraw from its obligations would the client be subject to similar allegations in the future and not be able to refute these.

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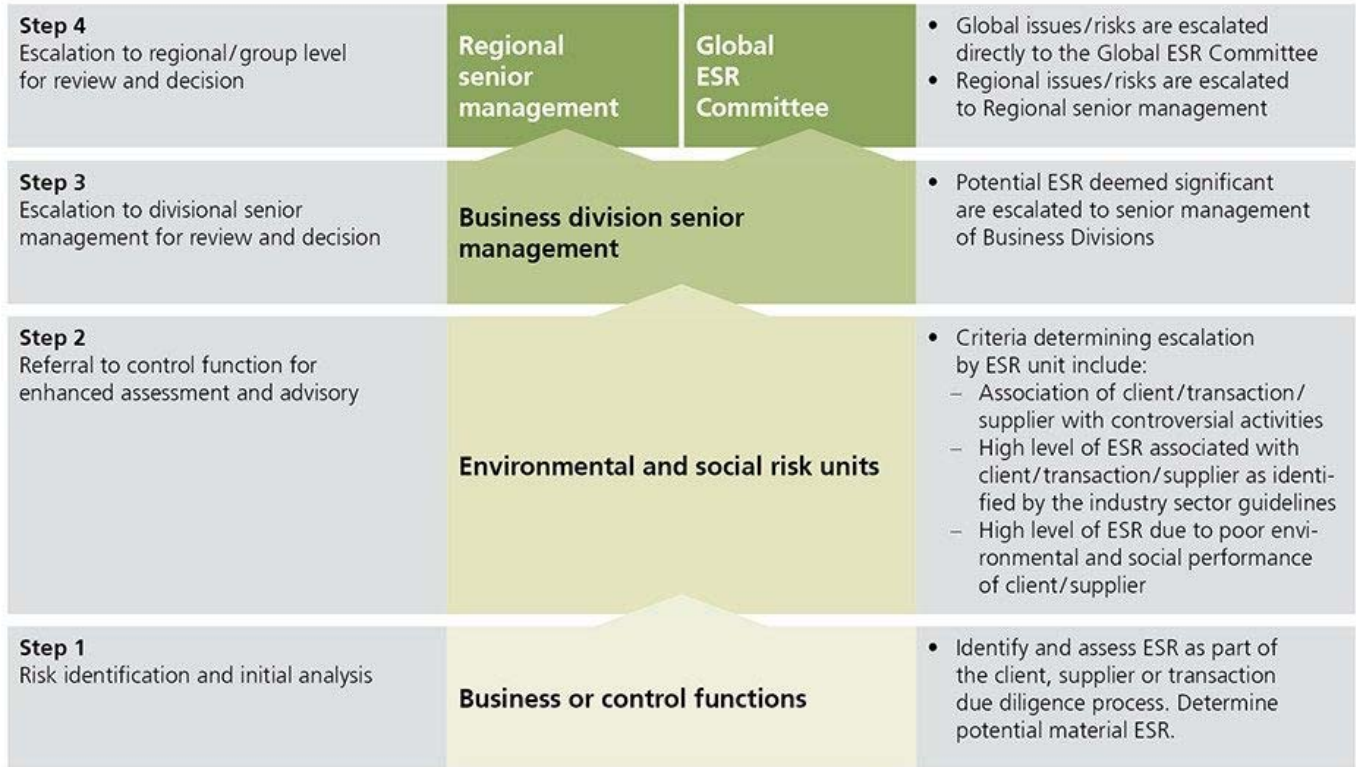
## Case Study: Environmental and social risks assessment in the palm oil industry

In October 2010, UBS had an opportunity to enter into a new client relationship with a palm oil production company. The palm oil industry is often associated with severe environmental degradation, such as deforestation and loss of biodiversity, as well as with social issues, such as conflicts over land rights with local communities. UBS's policies require that a client is a member in good standing of the Roundtable on Sustainable Palm Oil (RSPO) and is actively seeking to enhance certification of its production according to the RSPO Principles and Criteria for Sustainable Palm Oil Production.

UBS was transparent with the client about the reasons for its palm oil production policy and explained that this approach will lay the foundation for a long-term partnership. Before entering the new client relationship, UBS performed a detailed environmental and social risk assessment to evaluate the client's compliance with UBS standards. By liaising directly with the company's own environmental team, UBS was able to review and comment on the company's environmental report without having to involve the company's executives each time. Also, it was crucial that the client was informed about the steps in the approval process early on - UBS made it a point to provide the client with regular updates throughout the process.

Approval was obtained shortly before the end of December 2010, within the timeframe requested by the client. The approval was granted based on the report prepared by the client and made subject to certain conditions that will allow UBS to monitor the company's commitment to sustainable palm oil production over time.

## Environmental & social risk (ESR) escalation process



## Case Study: Environmental and social risks assessment in the mining industry

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# Suitability

To meet both client expectations and regulatory requirements, Wealth Management (WM) and Retail & Corporate (R&C) have established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation of agreed solutions and by the proper documentation of the steps taken during this process.

## Suitability Framework

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**Clients expect to be provided with products and services which are suitable for them.**

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In nearly all countries this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisers. Most jurisdictions also require the systematic assessment and documentation of the suitability of products (including 3rd party products) and services, including compliance with applicable eligibility criteria and sales restrictions. These standards are reflected in local policies and procedures as well as the respective local control framework. The European Union's Markets in Financial Instruments Directive (MiFID) is one example of the reflection and implementation by UBS of specific standards required by a regulator in the applicable local control framework. Other locations apply similar standards as required by the relevant local regulators.

To meet both client expectations and regulatory requirements, Wealth Management (WM) and Retail & Corporate (R&C) have established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation of agreed solutions and by the proper documentation of the steps taken during this process. It is completed by requirements for monitoring and control activities which target - amongst others - at capturing tail-risks. The global WM and R&C Suitability Framework was fully revised in 2011 to reflect the changed legal and regulatory landscape.

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### Client Suitability

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#### **Client Suitability<sup>1</sup>**

Within the frame of its UBS Client Experience (Understand - Propose - Agree & Implement - Review), WM and R&C have established a structured advisory process, which is supported by a number of forms and tools at the disposal of the client advisors: In a first step, these forms and tools support the initial identification of a client's investor profile, including - amongst others - investment objectives and risk ability. In a second step, they serve the identification of an appropriate investment strategy for a specific client portfolio. Furthermore, a number of tools and platforms have been established, which allow for matching a client's investment strategy with appropriate investment proposals as well as to support client advisors in the review step.

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### Product Suitability

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#### **Product Suitability<sup>2</sup>**

Advisory platforms and tools segment products along the lines of their risk characteristics and thereby help clients and client advisors properly assess the impact of investment products and services on a client's portfolio. Additional processes provide for checks, that product documentation made available to both client advisors and clients contains adequate and easy-to understand information on product characteristics, balanced presentation of opportunities and risks, target audiences as well as scenarios for which a product could be used. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

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## Divisional Approach to Suitability

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Primary ownership of suitability risk and the responsibility for addressing suitability risk is owned by the business. Divisional policies in WM and R&C, WMA, IB, and Global AM (EMEA) make this clear. UBS has accordingly pursued a divisional approach to ensure compliance with rapidly changing regulatory regimes, as well as to address particular suitability obligations and remediation of identified gaps relating to the divisions.

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## Monitoring & Controls

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Monitoring and controls for suitability follow a three tiered approach: the first level controls are conducted by origination under its Origination Control Framework, which is largely a set of controls designed to prevent/detect operational risks that arise in Origination and to ensure that residual risk corresponds to risk appetite. The second level controls are performed by Compliance as a Global Key Control, which is part of the overall Compliance Control Framework. These controls focus on both a "check the checker" approach, plus thematic, deep dive reviews. The third level controls sit with Group Internal Audit, as part of its annual Audit plan.

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## After-Sales Communications

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The UBS Client Experience also includes after-sales communication. These communications are, again, supported by a number of tools and platforms, including ready-to-use reporting and presentation material.

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<sup>1</sup> Client Suitability means the consistency between the assets in the client's portfolio and the risk profile of the client, and the appropriateness of the advice including risk information and disclosure.

<sup>2</sup> Product Suitability means the opportunities and risks of individual products or services, which determines the categories of investors for which they are suitable.

# Sustainable products & services



By integrating environmental and social considerations into our advisory, research, investment, finance and ownership processes across all of our businesses, we provide financial products and services which help our clients benefit from environmentally and socially related business opportunities. In the area of climate change, our activities focus on our client-centric businesses of risk management, investment, financing and research.

▶ Refer to "Our climate change commitment" for more information on related business initiatives

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## Investment advisory

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**We offer investment advisory for wealth management and institutional clients for them to consider values and sustainability issues in their investments.**

We offer investment advisory services for wealth management and institutional clients, helping them to consider the potential social and environmental impacts, as well as the potential financial returns, of their investments. Our philanthropy and sustainable investing teams have continued to develop the holistic service offered within our wealth management businesses. These teams provide thought leadership, advice, products and solutions to existing and prospective private clients who wish to make investments in accordance with their own personal values. These services also extend to aiding philanthropic or investment decisions intended to drive positive change.

Our services also include sustainable portfolio management, such as mandate solutions and separately managed accounts for private clients and institutions with a strong focus on sustainability across all asset classes. In the US, we also offer managed accounts with environmental, social and governance criteria (sourced from third-party data provider MSCI) embedded into private clients' fundamental investment process, enabling them to identify and exclude securities based on issue-oriented screens.

For institutional clients, Global Asset Management offers customized portfolios in the form of segregated mandates and institutional accounts that allow clients to define and exclude certain controversial stocks or sectors due to their perceived social or environmental impact.

► [Values-based investing in UBS Wealth Management](#)

Invest sustainably with UBS Wealth Management Switzerland

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## Research

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**We produce award-winning research on the impact of environmental, social and governance issues on various sectors and companies.**

Our specialized teams have regularly published research on topics that will shape our future, including climate change, energy efficiency, resource scarcity and demographics. Our experience and sector knowledge help us to determine what is material by raising questions about the effect environmental, social and governance issues are having on the competitive landscape for the global sectors we cover, as well as about how companies are affected in relative terms.

**Increasing client demand for integrating sustainability issues into fundamental investment analysis is reflected in our publications and client conferences:**

- In 2013, one of the flagship publications of UBS Wealth Management, "UBS Research Focus," was produced in collaboration with research teams in Global Asset Management and the Investment Bank. Entitled "Sustainable investing," it discussed how sustainability considerations are increasingly incorporated into investment decisions.
- Our UBS Q-Series® reports focus on thought-provoking discussions on pivotal investment questions, and on making clear investment conclusions, leading to a firm-wide drive for more thoughtful, proprietary and valuable research. Examples of Q-Series® reports published in 2013 include "Human Capital - Corporate culture: Relevant to investors?" and "Global Energy Markets: How much oil in the US transport sector can be displaced by cheap US Natural Gas?". Other publications focused on nutrition ("Nutrition: Access and traceability") and on sustainable innovation ("Integration - global sustainability and cultural change").
- Our newly established publication, "ESG Keys", address the what, how and why of ESG issues and sustainability investment styles. Reports in 2013 addressed corporate governance, human capital, and energy and climate change.
- The UBS European Conference hosted a number of panels on sustainability issues, featuring experts and UBS research analysts, such as "The great sustainability debate", "Human capital - driving returns", and "Energy: prospects and challenges for fracking".
- We also offer our bundled expertise for example in summits for family offices and young successors where clients can meet our experts from all businesses across the firm, including research, advisory and investment.
- Our outreach and dialogue programs included a three-year partnership with the Smith School of Enterprise and the Environment at the University of Oxford, with which UBS hosted a series of events between 2011 and 2013, open to both UBS clients and employees, and featuring thought leaders from around the globe.

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## Investment products

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**Global Asset Management is committed to environmental, social and governance integration and has been a signatory to**

**the United Nations-supported Principles for Responsible Investment (PRI) since 2009.** These provide a voluntary framework according to which all investors can take into account environmental, social and governance issues in their decision-making and ownership practices and align their objectives with the broader objectives of society.

Global Asset Management offers a range of sustainable investment funds that integrate material sustainability factors with a rigorous fundamental investment process. We apply the concept of shared value, according to which companies that pursue sustainability practices (for example, conserving resources, maintaining a high-quality workforce and a strong supply chain) not only create value for the shareholder but also for a wider range of stakeholders. Our investment themes include energy efficiency, environment, social and healthcare, and demographics. We also manage four Exchange Traded Funds which track MSCI's Socially Responsible Indices and are listed on the Deutsche Börse (Xetra), the SIX Swiss Exchange and the London and Milan Stock Exchanges.

Through our open architecture, we also offer our wealth management clients the opportunity to invest in socially responsible investment bonds, equity and microfinance products from leading third-party providers. As of 31 December 2013, invested assets held in socially responsible investments (SRI) totaled CHF 576 billion, representing 24% of our total invested assets. Throughout 2013, invested assets in all of our SRI classes increased. In particular assets that are subject to UBS's policy pertaining to controversial weapons increased substantially, largely due to the global expansion of the policy.

► [Integrating environmental, social and governance factors in UBS Global Asset Management](#)

Responsible property investment

Socially responsible investments invested assets

**Socially responsible investments invested assets<sup>1</sup>**

CHF billion, except where indicated	GRI <sup>2</sup>	31.12.13	For the year ended		% change from 31.12.12
			31.12.12	31.12.11	
<b>UBS total invested assets</b>		2,390	2,230	2,167	7
<b>UBS SRI products and mandates</b>					
positive criteria	FS11	2.18	1.60	1.84	37
positive criteria / RPI <sup>3</sup>	FS11	39.00	32.15	28.19	21
exclusion criteria <sup>4</sup>	FS11	56.09	35.68	27.46	57
policy based restrictions <sup>5</sup>	FS11	475.14	181.64	180.85	162
<b>Third-party<sup>6</sup></b>	FS11	3.70	2.66	2.58	39
<b>Total SRI invested assets</b>	FS11	576.12	253.73	240.92	127
Proportion of total invested assets (%) <sup>7</sup>		24.11%	11.38%	11.12%	

**1** All figures are based on the level of knowledge as of January 2014. **2** FS stands for the Performance Indicators defined in the Global Reporting Initiative Financial Services Sector Supplement. **3** UBS Global Asset Management Responsible Property Investment strategy. **4** Includes customized screening services (single or multiple exclusion criteria). **5** Assets subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions (includes all invested assets held in Global Asset Management actively managed discretionary segregated mandates and all actively managed funds (retail and institutional) held by Global Asset Management, Wealth Management and Retail & Corporate). In 2013, the scope of this policy became global. **6** SRI products from thirdparty providers apply either positive and exclusion criteria or a combination thereof. **7** Total SRI / UBS's invested assets.

**Socially Responsible Investments** are products that consider environmental, social or ethical criteria alongside financial returns. SRI can take various forms, including positive screening, exclusion or engagement.

**Positive criteria** apply to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society. This includes best-in-class or thematic investments.

**Exclusion criteria** whereby one or several sectors are excluded based on environmental, social or ethical criteria, for example, companies involved in weapons, tobacco, gambling, or companies with high negative environmental impacts. This also includes faith-based investing consistent with principles and values of a particular religion.

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## Corporate and private clients financing and advisory

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UBS globally provides capital raising and strategic advisory services to companies offering products that provide a positive contribution to climate change mitigation and adaptation, including those in the solar, wind, hydro, energy efficiency, waste and biofuels, and transport sectors. In 2013, the Investment Bank supported 190 clients that provide a positive contribution to climate change mitigation and adaptation, either in equity and debt capital market transactions (total deal value CHF 28.5 billion) or as financial advisor (total deal value CHF 49 billion). For example, we supported transactions that included a USD 50 million equity capital raising for Cool Planet, a US-based renewable energy company which has developed a patented process to convert non-food biomass into gasoline, a USD 300 million three-year bond offering for the China Longyuan Power Group, the largest wind power generation company in Asia, and a CHF 400 million dual-tranche bond for Sika AG, a Swiss specialty chemicals company providing products to the construction and transportation industries that enhance durability and promote the efficient use of energy, water and other resources. In addition, we helped our clients manage their exposure to the emissions markets, while in Switzerland, we helped SMEs to save energy and support retail clients when undertaking energy-efficient renovations.

### **Calculating and reporting on climate change-related financing & advisory activities**

In our Annual Report we report that in 2013 the Investment Bank supported 190 clients that provide a positive contribution to climate change mitigation and adaptation, either in equity or debt capital market transactions (total deal value CHF 28.5 billion) or as financial advisor (total deal value CHF 49.4 billion).

The methodology behind these numbers consists first in identifying clients who, through the products and services they offer, work to mitigate the effects of global climate change and help to adapt to changing climate impacts. Using internal expertise from UBS's Global Asset Management Sustainable Equities team and external third party sources, we identified 190 such clients to which we provided capital market or financial advisory services in 2013. The activities of these clients span all industry sectors, including renewable energy generation and clean tech but also energy efficiency, waste management, transport, infrastructure renewal and development or water management. They reach from small-cap and pure play startups to large international and diversified companies.

We then aggregated total CHF deal value of all global capital market deals in which UBS acted as lead manager or bookrunner for these companies and aggregate total CHF value of deals where UBS acted as either buy-side or sell-side financial adviser. Note that the data represents all our transactions with these clients and not only to transactions that can be classified as directly climate-related.

Read more in case studies below.

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## Voting rights

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**We believe that voting rights have economic value and should be treated accordingly.** Where Global Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. In 2013, we voted on more than 69,000 separate resolutions at 7,075

company meetings. Our approach to corporate governance is an active one and is integral to our investment process. We are an active member of a number of collaborative shareholder bodies.

Since 2010, Global Asset Management in Switzerland has been offering UBS Voice, a free service enabling holders of Swiss institutional funds to express voting preferences ahead of shareholder meetings of major Swiss corporations. This provides additional additional shareholder input into the voting decisions of the funds' management company. More than 40% of invested assets for which UBS Voice is offered participate in this service.

▶ [More on UBS Voice](#)

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## Case studies

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### **Values-Based Investing: Institutions increasingly put their money where their mouth is**

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UBS offers a state of the art values-based portfolio screening and investment approach to support not only our private but increasingly our institutional clients in their efforts to align their values with their investment approach. To serve our institutional clients, Wealth Management cooperates closely with Global Asset Management.

Social and environmental changes will have a major impact on the way we live and do business in the future. For forward looking investors these aspects are also playing an increasingly important role in long-term business success and as a consequence also in our investment approach.

The investment behaviour of socially or publicly exposed institutions such as churches, charities or foundations has come under media scrutiny as the public demands higher level standards. Well known non-profit organizations have been alleged of pursuing an investment approach which focused entirely on profit. It is no longer accepted that, for example, a non-profit engaged in children's welfare is invested in companies accused of child labour. Environmental non-profit organizations increasingly ensure that none of their investments are involved with industries or companies that have a negative impact on the environment.

The UBS Values-Based Investing team is a solution provider with the mission to support our clients in establishing their sustainability goals and to help them to reflect them in their portfolio.

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Values-Based Investing: Providing solutions to clients interested in more than financial returns

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UBS is increasingly facing questions from clients around how to align investments with personal values. Public awareness regarding the importance of environmental protection and labour conditions in developing countries is growing and clients increasingly wish to avoid conflicts between their values and their investments.

UBS has responded to this growing trend by offering its ultra high net worth clients the Values-Based Investing (VBI) portfolio screening service. In a first step the client and client advisor discuss personal values and related financial and non-financial objectives. Once a sustainability profile has been established UBS draws upon its in-house developed database that rates financial instruments according to a number of different sustainability dimensions. These ratings use inputs from various external, specialized rating sources to ensure an objective assessment of each financial instrument covered. Where the sustainability assessment identifies a misalignment between the client's sustainability profile and portfolio holdings, the client advisor together with the values-based investment specialist propose alternatives that are in line with UBS's portfolio guidelines. Clients have the option to set portfolio management instructions that ensure ongoing alignment with their sustainability values.

We are considering technical options to offer a sustainability portfolio screening for all Wealth Management clients, prospectively starting in 2015 for clients domiciled in Switzerland.

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### Wealth Management Americas: The UBS Donor-Advised Fund

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**The UBS Donor-Advised Fund (DAF) is a charitable giving vehicle that allows individuals or families to make an irrevocable contribution of personal assets to a public charity and, subsequently, to recommend grant distributions to charitable organizations.**

UBS Financial Services Inc. in partnership with the National Philanthropic Trust (NPT) has created a Donor Advised Fund program.

Clients make an irrevocable contribution to National Philanthropic Trust (NPT), a public charity. The client may contribute cash, publicly traded stocks and bonds, restricted stocks, mutual funds and other assets to their account.

The DAF has no set up costs and it can be established immediately. Donors may name the fund after themselves, a family or company, in memory of someone or after a specific cause. They can also designate successors or charitable beneficiaries so that their charitable gifts last beyond their own lifetime. With each grant they make the client can chose what kind of recognition they would like to receive, or whether they would prefer to remain anonymous.

Assets contributed to the DAF are not immediately gifted and can be invested according to the wishes of the client. To that end, UBS offers a wide range of investment solutions. This includes the option for the client to place a sustainable or values-based emphasis on their investment through the discretionary Managed Portfolio. This portfolio includes a wide array of funds and Exchange Traded Funds managed by sustainable investment boutiques. They are organized into a globally asset-allocated sustainable portfolio according to a client's risk tolerance and return objectives.

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### Wealth Management Americas: 2013 Young Successors Program - Wealth Management for the next generation

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**UBS Private Wealth Management's second annual Young Successors Program was held in New York City in June 2013. It**



## **brought together members of more than 20 families.**

The event acted as an educational forum and platform for young adults to test and develop their wealth management knowledge with professional guidance. Senior professionals from different areas of UBS engaged the audience in topics such as estate planning, financial planning, philanthropy, sustainable investing, and asset allocation.

Attendees learned how best to explore family legacy issues, examine and articulate their own values, develop their philanthropic identity and align their values with investments. These sessions were aimed at helping attendees to focus and transform their personal values into opportunities and create building blocks for the future.

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## Equity analysis within CIO Research: thematic investment methodology

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Equity analysis within our Chief Investing Officer (CIO) Research departments adopts a thematic investment methodology which also considers the sustainability angle of investments.

In addition to weaving sustainability considerations throughout a portfolio, investors may also wish to build exposure to specific investment themes that aim to address a range of environmental, social and governance concerns. By directing assets to identifiable themes, investors can pursue potential growth opportunities, express their values in their financial portfolio and make an impact on the world around them.

While there are many trends that could conceivably fall under a sustainable investing umbrella, we focus on some of the more readily investible and compelling long-term themes, such as food availability and access to nutrition, renewable energy, energy efficiency and water management.

Besides regular updates about these investment themes, we published in collaboration with our Investment Bank and Asset Management colleagues a flagship publication about Sustainability in July 2013 (UBS Research Focus: Sustainable investing). Our goal with this edition of UBS Research Focus was to evaluate the evolution of sustainable investing, anticipate future developments and demonstrate why we believe a well-considered sustainability approach will add value to your portfolio.

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## UBS investment research: Human capital

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In a 2011 article in the Journal of Financial Economics, Alex Edmans showed that Fortune's 100 best companies to work for in the US outperformed their benchmark since the list started in 1984 ('Does the stock market fully value intangibles? Employee satisfaction and equity prices'). We in the Global Sustainability Research team believe that human capital is an important issue from an investment perspective, yet we still consider human capital to be a relatively under-analysed topic. This prompted us to explore in a Q-Series report, why should and how could investors grapple with human capital as a driver of business (Jeaneau, H., Hudson, J. and Zlotnicka, E., 'Human capital - Corporate culture: relevant to investors?', August 2013)?

Partly because of relatively low levels of corporate disclosure on human capital, we leveraged third party data to create an employee satisfaction indicator for over 200 companies in 20 sectors, and harnessed UBS sector analysts' expertise to put this data into an investment context. Our work indicates that employee satisfaction matters most for customer-focused and innovation-driven industries. In the retail sector especially, we found an important correlation between employee and customer satisfaction which may be an underestimated factor of performance. In fact, there is sometimes a temptation for retailers to be over-zealous in cutting down labour costs, which enhances profits in the short-run but can lead longer term to vicious circle of declining sales and profits.

We also found that although employee satisfaction matters, corporate culture matters even more. In particular, an important risk for successful, employee focused companies with high levels of employee satisfaction is indeed to stop challenging the status quo and slowly become complacent rather than staying innovative. On the other hand, idiosyncratic corporate cultures are not always well captured by employee satisfaction metrics. We view in particular highly meritocratic work environments as highly conducive of value

creation, but this type of culture is likely to be less consensual.

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## Global Real Estate: Strong results in Global Real Estate Sustainability Benchmark

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UBS Global Asset Management's Global Real Estate (GRE) business is a member of the Global Real Estate Sustainability Benchmark (GRESB), a leading benchmark measuring the sustainable performance of real estate portfolios on a global scale. It is the only sustainability benchmark that captures more than 50 data points to reflect the sustainability performance of an investor's real estate portfolio. GRESB's mission is to enhance and protect shareholder value by evaluating and improving sustainability best practices in the global real estate sector. GRESB has grown from an initiative pioneered by three institutional investors with the assistance of Maastricht University into the leading benchmark measuring the sustainable performance of real estate portfolios on a global scale.

GRE has achieved strong results in the 2013 GRESB, with the majority of the responding funds ranking in the first quartile of their respective peer groups. Three funds ranked first in their peer groups and another three funds ranked second.

These strong results in multiple regions are indicative of GRE's strong commitment to sustainability. Thomas Wels, Head of Global Real Estate, commented: "Sustainability is no longer seen as a niche area but rather as a key component of successful real estate management, and this year's results reflect that. While the financial objectives of our clients remain the primary focus of our investments, we must also consider long-term social and environmental aspects".

The survey was completed by 543 real estate portfolios in 46 countries worldwide, representing a total property value of USD 1.6 trillion (GAV).

Overall, GRE's funds improved on their 2012 performance versus peers and the number of funds achieving "Green Star" status increased from zero in 2012 to six in 2013, while two funds were also awarded "Sector Leader" status.

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## Global Real Estate Switzerland: Sustainability in practice

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The topic of sustainability is ever-present in today's commercial environment but can have more than one meaning. We base our definition of sustainability on the Brundtland report of 1987, which defines sustainability as follows: "Sustainable development is a development that meets the needs of the present without compromising the ability of future generations to meet their own needs and choose their life style."

Energy consumption of buildings makes up a major proportion of Switzerland's overall energy consumption. Therefore responsible ownership and operation of real estate property can have a significant positive impact on the environment. Existing real estate properties often have huge potential for sustainability. As such, with a full refurbishment including insulating the building shell in properties built before 1980, for instance, energy consumption can, as a rule, be reduced by 30-60%.

The sustainability strategy of the Swiss real estate market, as part of UBS Global Asset Management's Global Real Estate business, is embedded in the global strategy. As such, the entire lifecycle of a real estate investment is covered by the strategy. It is characterized by 10 sustainability targets, in addition to the three dimensions of ecology, economy and society, each with its own quantifiable sub-targets.

On the basis of a representative sub-portfolio, overall energy consumption, CO<sub>2</sub> emissions and the share of renewable energies was calculated. For the circa 900 real estate properties held by Global Real Estate in Switzerland, this results in total annual energy consumption of about 690 GWh and annual CO<sub>2</sub> emissions of some 143,400 tons, corresponding an energy consumption of 143 kWh/m<sup>2</sup> and CO<sub>2</sub> emissions of 30 kg/m<sup>2</sup> per year.

Compared with total Swiss-wide real estate, our properties emit about 19% less CO<sub>2</sub> per m<sup>2</sup> and consume about one quarter less energy. The share in renewable energy stands at about 11%.

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## Financing companies contributing to climate change mitigation and adaptation (China Longyuan)

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### **China Longyuan Power Group Corporation Limited, PR China**

In August 2013 UBS acted as Joint Bookrunner on a USD 300 million 3-year bond offering for China Longyuan Power Group Corporation Limited a pioneer in clean energy in the People's Republic of China. China Longyuan is the largest wind power generation company in terms of consolidated installed capacity in Asia, and the second largest in the world. The company designs, develops, manages and operates wind farms, selling the electricity generated to local grid companies and has made a concerted effort over the past decade to switch from coal to renewable power generation. Currently, 82% of the company's total installed capacity comes from renewable power, which is three times the industry average. Within the last year, the company's wind power capacity increased by 31% and within the next five years, it plans to add another 5,400 MW of renewable energy capacity. The proceeds from the bond offering were used to strengthen the working capital of China Longyuan.

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## Financing companies contributing to climate change mitigation and adaptation (Cool Planet, United States)

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In June 2013, UBS acted as Lead Bookrunner on Cool Planet's \$50mm equity private placement. Cool Planet is a Denver based company, with operations in California. Their technology is addressing three of the world's largest markets: food, fuel, and water. They have developed a patented process that economically converts non-food biomass into sustainable, high-octane fuel, which can be used in any vehicle on the road today. Cool Planet's process, known as the carbon negative fuel cycle, processes biomass through a mechanical fractionating system that uses pressure and heat to create a series of useful volatile components that then go through proprietary catalytic systems to make high octane fuel. In addition to the fuel, the process creates a solid, inert carbon, known as biochar. Biochar has many potential uses; currently Cool Planet is selling their first commercial biochar product labeled CoolTerra™ which enhances soil quality through improved water and fertilizer retention and thereby increasing crop production. The Cool Planet process has the capability of being carbon negative, removing atmospheric carbon to reverse the effects of fossil fuel consumption resulting in greater than 100% carbon footprint reduction for every gallon used. A portion of the proceeds from the equity placement are being used to fund construction of its first commercial production facility in Alexandria, Louisiana.

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## Financing companies contributing to climate change mitigation and adaptation (Sika AG, Switzerland)

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In October 2013, UBS acted as Joint Bookrunner on a CHF 400 million dual-tranche bond for Sika AG. The transaction marked the first bond issue by Sika since their last appearance in the CHF bond market over a year prior, on which UBS acted as Sole Bookrunner. Swiss based Sika is a globally active speciality chemical company who's product line offers attractive opportunities for a reduction in energy use in a number of industries including construction and transportation. Sika supplies products that enhance durability and promote the efficient use of energy, water and materials such as highly reflective polymeric roof membranes that boost the efficiency of solar installations and lower the cooling demand in buildings, roof membranes that entail 30% lower CO<sub>2</sub> emissions than other less durable roofing sheets or special corrosion protection systems for offshore wind farms that lead to longer service lives under rough conditions. The company also offers various structural adhesives and sealants for the automotive industry, supporting the development of lighter vehicles and reduced CO<sub>2</sub> emissions in the transportation sector. The net proceeds of the bond transaction will be used to support the growth strategy of Sika and to service the company's long-term, general financing.

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## UBS engagement at Swiss Energy and Climate Summit

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UBS has made a two-year commitment as a Prime Partner to the Swiss Energy and Climate Summit (ECS) which exists to facilitate dialog about energy transition in Switzerland between the worlds of business, politics and science. By signing the Kyoto protocol, Switzerland has made an international commitment to achieving a 20% reduction in its domestic greenhouse gas emissions by 2020 compared with their level in 1990. By its presence at the annual summit, UBS is positioning itself as a financial partner for energy transition.

▶ <http://www.swissecs.ch/de/>

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# Case study

## Sustainable Renovation Financing in Switzerland

### Rewards for the sustainable renovation of residential properties

In Switzerland, more than 80% of the energy used by an average household goes towards heating and hot water. These figures suggest that ecological construction and proper insulation are financially beneficial for homeowners in the medium- to longer-term, not only with regards to energy savings but also increased home resale value.

In mid-2010, the Swiss government started to refund companies with the first instalment of CO2 fuel incentive tax, which has been levied since 2008. We will pass on this rebate totalling almost CHF 4 million to existing and future mortgage clients wishing to sustainably renovate their residential property. With this cash bonus, we believe it is important to reward energy-efficient renovation, and support the goals of the Swiss nationwide building program.

The cash bonus is awarded on the basis of a cantonal energy certificate for buildings (*Gebäudeenergieausweis*, GEAK) which details a description of the renovation potential. Depending on how many efficiency categories can be improved by the renovation, the premium is between CHF 2,500 and CHF 8,500 per client.

[http://www.ubs.com/1/e/ubs\\_ch/private/mortgage/promotion.html](http://www.ubs.com/1/e/ubs_ch/private/mortgage/promotion.html)

### The GEAK® energy label for buildings

GEAK® is the cantonal building energy performance certificate. It rates the overall energy efficiency of buildings based on different performance categories. GEAK® focuses on two aspects: the building shell and total consumption. In terms of the building shell, the wall, roof and floor insulation are assessed in addition to window quality. Under total consumption, heating, hot water and electricity use are also evaluated. The GEAK® system enables buildings to be assessed and compared based on energy costs and occupant comfort. Obtaining a GEAK® certificate for a single-family house costs between CHF 400 and CHF 600.

# Case study

## Portfolio screening service for sustainable investing

**Aligning a portfolio along personal views and values on sustainability and ethics takes more than just selecting the right products.**

We have developed and implemented a new portfolio screening service designed for clients who wish to prevent sustainability related long-term risks by increased transparency on their current asset allocation or aim to design and implement a fully sustainable portfolio.

**Values-Based Portfolio Screening Services uses aggregated data from renowned sustainability providers and a specialised broker research database of over 3000 companies and bond issuers.**

The methodology and process can be applied on any portfolio, but is of particular interest for clients who either have personal motivations for a sustainable approach towards asset management, or institutional clients who need to take sustainability into consideration.

A specialised team systematically analyzes the portfolio of stocks, bonds, and pooled vehicles along the following criteria:

**Sustainability opportunities:** identifies companies who have the best strategies in place to deal with environmental and social challenges in their industry

**Sustainability risks:** identifies firms that have fallen behind with regard to management of environmental, social and governance issues or companies involved in strong controversies

**Exclusion criteria:** check of portfolio against exclusion criteria, e.g. tobacco or weapons

The screening is summarized in a report outlining the overall assessment of all categories and provides recommendations for alignment or further improvement.

Values-based portfolio screening has been developed and tested for UBS Wealth Management clients throughout 2010 and has been more broadly implemented in 2011.



## Case study: Voting the shares in UBS portfolios

Corporate governance is a key focus in our Equities investment area. We aim to be supportive, long-term shareholders on behalf of our clients and we engage extensively with management of the companies we invest in on issues of corporate governance.

Since 2009, we have been an Investment Manager signatory to the UN Principles for Responsible Investment (PRI), a global investor initiative which is designed to provide a framework for better integration of environmental, social and governance (ESG) issues into mainstream investment practice. The key principle for equities is Principle 2, "We will be active owners and incorporate ESG issues into our ownership policies and practices."

A key aspect of our corporate governance program is voting the shares we hold in our portfolios (including collective investment vehicles). We vote globally as long as there is no conflict with the efficient management of client portfolios. In 2011, we voted at more than 4,600 company meetings globally on over 48,000 separate resolutions. In the interests of transparency to our clients and stakeholders, we publish voting records on our external website for our UK, Canadian and US mutual funds. We have a dedicated Corporate Governance Director, who is a former portfolio manager, and a team of four based in London implementing our voting program and working very closely with our investment teams.

The team apply our global governance principles with two fundamental objectives:

- Seeking to act in the best financial interests of our clients to enhance the long-term value of their investments.
- As an investment advisor, we have a strong commercial interest that companies in which we invest on behalf of our clients are successful. We promote best practice in the boardroom.



## Case study: Wealth Management thematic research

Equity analysis within Wealth Management Research (WMR) adopts a thematic investment methodology which also considers the sustainability angle of investments. Respective research reports can be found collectively under the WMR equity investment area 'Sustainability'. Besides this, other investment areas include 'Prudence', 'Geography', 'Industry', 'Persistence', and 'Approach'. These different investment areas provide investors with another perspective on how to create a diversified portfolio.

In our Sustainability theme, we discuss investment ideas dealing with major sustainability challenges such as climate change, demography and resource scarcity (e.g. water). We discuss risks and opportunities that drive business models based on economic, environmental and social criteria. We cover investment ideas such as electric cars (more efficient cars and better battery technology), energy efficiency (e.g., smart grids, LED, the future of energy), but also ideas which address resource scarcity, such as water "thirst for investments." The architecture of our team is open, which means that we can leverage the expertise of different sector analysts to get the best knowledge in the respective area.





## Case study: UBS Q-Series®: Sustainable Innovation Conference

The UBS Q-Series® Sustainable Innovation Conference (held at the Bloomberg Conference Center in New York on 19 October, 2011) brought together critical stakeholders of the capital market. This unique event combined Global Sector Research expertise with extensive corporate access, macro insights into political economics – and most importantly, an understanding of sustainable innovation as a source of risk and opportunity for all UBS investment constituencies.

The conference included an exceptional roster of speakers, including keynote speakers Professor Michael E. Porter and Larry Silverstein, as well as a forum for discussion with expert panellists from the science and business communities. Companies from across the materials, infrastructure, housing, consumer and technology sectors, including Pepsico, NBC Universal, Deutsche Bank, General Mills, SAP and C3 also attended.

Key messages conveyed by the conference included change in corporate strategy and capitalism, economics, and investment analysis. Professor Porter described how the old model of corporate strategy and indeed the old model of capitalism is dead. The new way forward is “shared value”. In the new model, businesses prosper because they take societal needs into account in driving the business forward. The conference panel on defining sustainable innovation concluded that the old economic model, which had previously ignored so-called externalities, working on the basis of infinite resources and infinite sinks, is also out of date in the current environment. Another panel on portfolio manager break-in discussed the idea that the old, narrowly-framed, next-quarter’s-earnings-driven approach to investment decision-making in the context of equity markets is dead. Major societal trends are simply an input to fundamental analysis, providing a holistic view of the company.



## Case study: UBS Annual SRI Conference: Sustainable Supply Chains

On 5th October we held the annual UBS SRI and Sustainability conference. Each year we explore an SRI-related theme that we believe will have implications for corporate growth and profitability over the following year. This year's theme was sustainable supply chains.

The SRI conference this year looked at different aspects of the supply chain in the mining and minerals, clothing retail and beverage sectors. These sectors are exposed to social and environmental issues along the supply chain, which potentially impact reputation and costs for companies: mining of resources, conditions in clothing production, sustainability of agricultural and water inputs:

Environmental, Social and Governance (ESG) factors increasingly pervade the commodity end of supply chains. UBS commodity strategist Peter Hickson, De Beers and a consultancy specialized in conflict minerals examined the main ESG factors at play, including the ongoing politicization of resources, the increasing recognition of the role of local stakeholders for successful mining projects, and the possible contradictions between China's environmental and growth targets.

## Case study: Equity analysis within CIO Research: thematic investment methodology

Equity analysis within CIO Research adopts a thematic investment methodology which also considers the sustainability angle of investments. We discuss investment ideas dealing with major sustainability challenges such as climate change, demography, resource scarcity (e.g. water) and newly also social developments. We discuss risks and opportunities that drive business models based on economic, environmental and social criteria.

During 2012 we added new investment themes, including "Access for the 'Bottom Five'", a research series on social trends. There are seven billion people on the planet. The top billion enjoys a per capita income of about USD 40,000 per year. The bottom five billion makes do with USD 2,000 annually. There are many reasons for this huge gap. Among them is the unsatisfactory access of the bottom five billion to the technology that the top one billion takes for granted. Our stock selection "Access to the world" focuses on companies that bridge this gap, enabling the Bottom Five to participate and thus lead a longer, healthier life with more opportunities.

Furthermore we added "Obesity" and "Aging and anti-aging" covering trends in Healthcare.

The architecture of our team is open, which means that we can leverage the expertise of different sector analysts to get the best knowledge in the respective area.



## Case study: UBS Q-Series® conference: UBS hosts 'master class' in sustainability

Global thought leaders joined nearly 200 clients and investors on October 3 2012 in New York City for the annual UBS Q-Series® conference, which focused this year on "Inflection Points Towards Sustainability."

The conference featured 40 speakers from some of the world's leading academic and business institutions, who identified inflection points and discussed how these can impact a company's business objectives and ultimate profitability. Inflection points that were discussed ranged from current environmental, social and governance issues to the impact of changing dynamics - everything from natural resource scarcity and emerging technological trends to drastic changes in population demographics that are expected in the 21st century.

Two primary themes emerged from the conference as the panelists and keynote speakers, including Co-CEO and Co-Founder of Whole Foods Markets John Mackey and Harvard Business School Professor Michael E. Porter, examined the role inflection points play in business strategy. These themes included the trend towards conscious capitalism and the emergence of the concept of creating shared value in this complex economic environment.

**The UBS Q-Series®:** An initiative which aims to assist our investing clients by bringing together the intellectual capacity of our firm to anticipate and answer pivotal questions that need to be addressed in the context of the investment process.

**Inflection points:** Accelerating rates of system-wide change that alter the manner in which industry leaders think and act. These can be a test of resilience or a stimulus for innovation.



# Case study: UBS Investment Research: Global ESG Analyzer

In the Investment Bank we note that a significant number of our clients are increasingly moving towards "ESG Integration", defined as the integration of environmental social and governance (ESG) issues through the investment process. The UBS ESG Analyzer aims to provide thought leadership in this field. The third edition (also the first Global edition) appeared in 2012. In brief, the ESG Analyzer is a response to one of the most frequently asked questions in the field, namely: Which environmental, social and governance issues are material in the context of a typical investment portfolio? We believe ESG issues are no different from the many other issues considered in investment research and regarded as 'financial'. We take a sector-based competitive positioning analysis based on Porter's Five Forces. This is implemented by means of our proprietary ESG Analyzer Survey, which is sent to UBS's Investment Bank research analysts around the world. Important innovations in the 2012 Global ESG Analyzer include a synthesis of our sector analysts' responses, allowing us to identify the most prominent investment themes in the eyes of the broader UBS IB research team.

The sector pages list relevant issues, scoring a sample of companies for exposure to ESG related risk and opportunity. Analysts identify the most and least favourably positioned firms, facilitating our "Ten Stocks for Ten Themes" list.



## Case study: UBS acted as joint global coordinator, joint bookrunner and sole financial adviser to Orkla ASA on the NOK 2.0bn (USD 350mm) Initial Public Offering for Borregaard ASA

On October 17, 2012, UBS Investment Bank successfully priced a NOK 2.0 billion Initial Public Offering (IPO) for Borregaard ASA, a leading global specialty chemicals company, on the Oslo Stock Exchange. UBS acted as Joint Global Coordinator and Joint Bookrunner on this transaction.

The IPO achieved a virtual exit for Orkla, the leading branded consumer goods company in the Nordic Region with strong positions in solar and hydro power, from Borregaard and demonstrates UBS's continued leadership in the European Biofuels and Renewable Chemicals equity franchise.

Founded in 1889 and headquartered in Sarpsborg, Norway, Borregaard's main products are lignin-based performance chemicals that are sustainable and environmentally friendly substitutes to petrochemicals. The company also operates the world's most advanced biorefinery, producing second generation bioethanol from biomass, such as timber, straw and other agricultural and forest waste suitable for replacing petrol in both cars and heavy vehicles. Its products serve niche applications and provide environmental solutions in a wide range of global growth end-markets including in construction, transportation, agriculture, food and beverages and pharmaceuticals.

Borregaard's listing provides the company with an increased opportunity to market its advanced biorefinery business model with production of green chemicals and extensive research and development activities.



## Case study: UBS supports energy efficiency of Swiss SME

We have increased the energy efficiency of the buildings we occupy in Switzerland by 30% since 2000 and we also support energy efficiency measures of our clients by redistributing the refund from the Swiss CO2 levy back to our Swiss clients.

We established a partnership with the Swiss Energy Agency and from 2013 onward, we will incentivize Swiss SME to save energy by promoting their SME Model. Clients will profit from the "Energy Check-up for SME" at reduced costs and in addition, we will offer a cash premium to clients that commit to an energy reduction plan within this scheme. The SME Model is designed from small and medium sized enterprises in all sectors with annual energy costs up to one million Swiss Francs and with CO2 emissions of less than 1500 tonnes.

The premium is offered during 2013 or until the payback is used up.

# Research



UBS produces award-winning research into the impact of environmental, social and governance issues on sectors and companies. Our specialized teams have published research regularly into topics that will shape our future, including climate change, energy efficiency, resource scarcity and demographics. Our experience and sector knowledge helps us to determine what is material by raising questions about the effect environmental, social and governance issues are having on the competitive landscape for the global sectors we cover as well as about how companies are affected in relative terms. Increasing client demand for integrating sustainability issues into fundamental investment analysis, in a systematic manner, is reflected in our **publications and client conferences**:

- Our UBS Q-series® reports, which focus on thought-provoking discussions on pivotal investment questions, and on making clear investment conclusions, leading to a firm-wide drive for more thoughtful, proprietary and valuable research. Examples of Q-series® reports published in 2012 include "Global Pharmaceuticals - Will vaccines transform pharma growth?", "Global Marine Sector: Is green shipping just a storm in a teacup?" and "What is 'Integrated Reporting'? - How good disclosure connects to value".
- The Investment Bank's UBS Q-series® ESG Analyzer seeks to answer one of the most frequently asked questions in the field of sustainability, namely which environmental, social and governance issues are material in the context of a typical investment portfolio? The ESG Analyzer identifies top-positioned stocks for sustainability themes and identifies environmental, social and governance issues in more than 30 sectors and across close to 500 stocks. This comprehensive view is made possible by the input of more than 80 UBS sector analysts worldwide.
- The Investment Bank hosted the UBS Q-series® conference, which this year focused on "Inflection Points Towards Sustainability" and



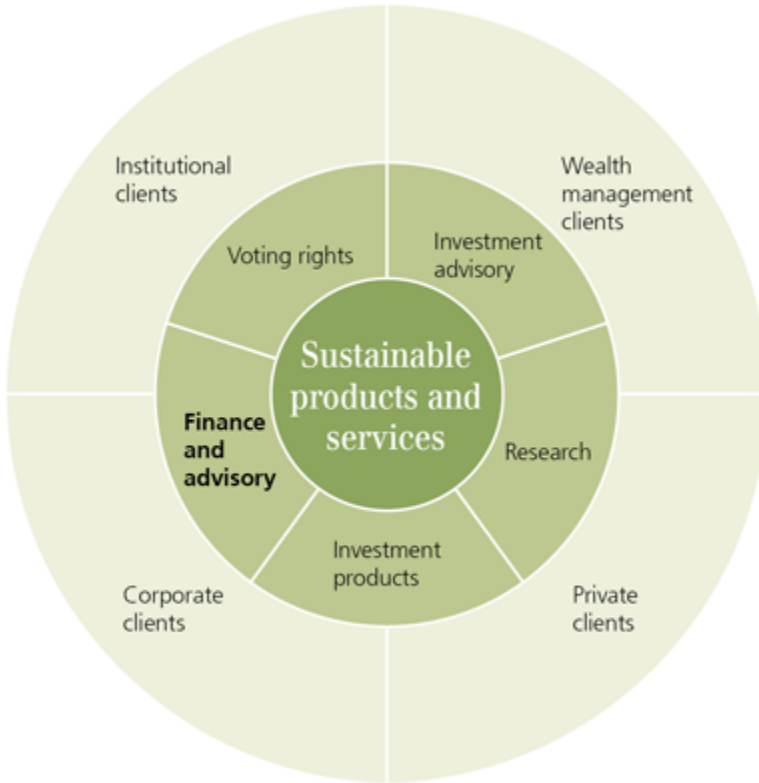
joined global thought leaders with nearly 200 clients and investors. The Investment Bank also hosted the UBS European Conference "Sustainability Track," which featured sessions on food provision and on corporate governance.

- In 2012, one of the flagship publications of UBS Wealth Management, UBS research focus ("Investing in the future with energy"), discussed how sustainable energy sources are increasing in importance and identified the key implications of this trend for private investors. Sustainable investment topics are also covered in the UBS CIO Monthly Letter, which is available in ten languages.
- We also offer our bundled expertise for example in summits for family offices and young successors where clients can meet our experts from all businesses across the firm, including research, advisory and investment.

Our **outreach and dialogue** programs include a partnership with the Smith School of Enterprise and the Environment at the University of Oxford, with which UBS hosts a series of events, which are open to both UBS clients and employees, and feature thought leaders from around the globe. Sir David King, who was the founding director of the Smith School, is a Senior Scientific Advisor to UBS and, in this capacity, advises UBS's clients on all scientific matters with specific emphasis on climate change and the challenges it poses to sustainable economic growth.

- ▶ [Case study: Equity analysis within CIO Research: thematic investment methodology](#)
- ▶ [Case study: Q-Series conference: UBS hosts 'master class' in sustainability](#)
- ▶ [Case study: UBS Investment Research: Global ESG Analyzer](#)

# Corporate and private clients finance and advisory



UBS provides **capital raising and strategic advisory services to renewable energy and clean technology** companies globally, including those in the solar, wind, energy efficiency, biofuels and renewable chemicals sectors. Our Renewable Energy & Clean Technology team (RE&CT) within the Investment Bank includes senior employees on four continents. In 2012, the team raised approximately USD 5.7 billion from 12 transactions, further establishing RE&CT as one of the leading clean technology practices globally. Transactions we supported include the USD 350 million initial public offering (IPO) of Borregaard SA - the first internationally book-run IPO in the Nordic region since May 2011 - and the USD 220 million convertible bond transaction for GT Solar, which was the largest such offering for a solar company in 2012. We also supported the USD 319 million H share IPO of Huadian Fuxin - the third largest IPO in Hong Kong in 2012 - and the USD 72 million IPO of Renewable Energy Group, which is the largest independent biodiesel producer in the United States and conducted the first IPO of 2012.

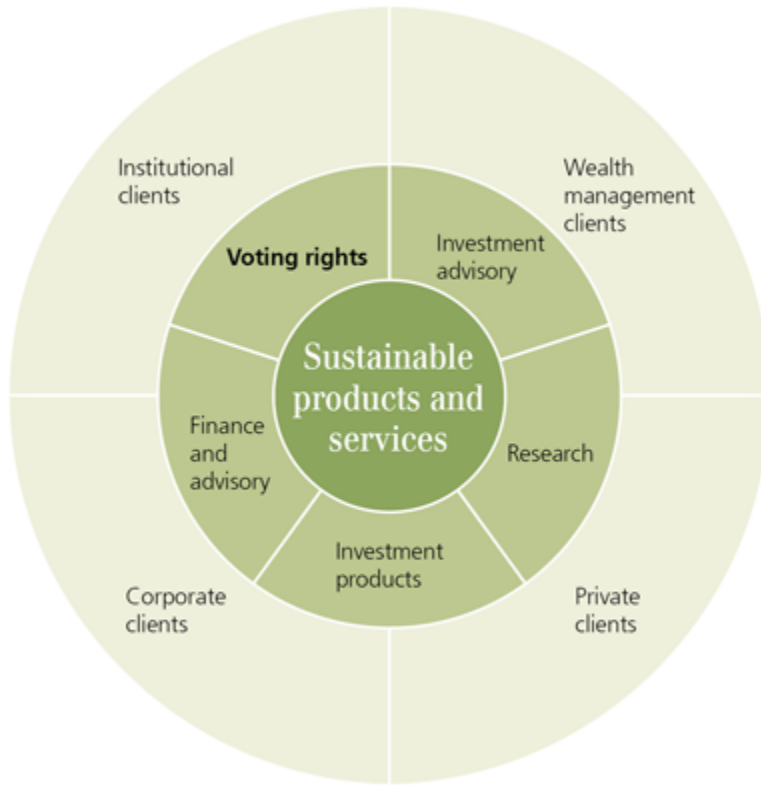
In **cap and trade emissions markets**, such as the EU Emissions Trading Scheme (EU ETS), companies have annual caps on the amount of emissions their facilities are allowed to produce. Companies that are able to reduce their emissions below their cap can sell their unused quota to other entities, thereby creating an emissions market. Through the use of financial instruments, we are able to help our clients manage their exposure to the emissions markets. UBS Exchange Traded Derivatives is an active member of the major emission exchanges in Europe and North America, and offers execution and full service clearing for contracts on EU ETS allowances, UN Certified Emissions Reductions, Regional Greenhouse Gas Initiative allowances, and permits for nitrogen oxide and sulfur dioxide.

In Switzerland, our home market, we reward energy-efficient renovations and support the goals of the Swiss nationwide building efficiency program. Our Swiss **private clients** benefit from the UBS "eco" Mortgage when building energy-efficient homes and a cash benefit (funded by proceeds from the Swiss CO2 levy refund) when renovating their homes sustainably.

From 2013 onward, we will incentivize **Swiss SME** to save energy by promoting the Swiss Energy Agency's SME Model. Clients will profit from the "Energy Check Up for SME" at reduced costs and in addition, we will offer a cash premium to clients who commit to an energy reduction plan within this scheme.

- ▶ Case study: UBS acted as joint global coordinator, joint bookrunner and sole financial adviser to Orkla ASA on the NOK 2.0bn (USD 350mm) Initial Public Offering for Borregaard ASA
- ▶ Case study: UBS supports energy efficiency of Swiss SME

# Voting rights



We believe that **voting rights** have economic value and should be treated accordingly. Where Global Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. We are strongly supportive of the Stewardship Code published by the Financial Reporting Council of the United Kingdom in 2010. This aims to enhance engagement between institutional investors and companies. Good corporate governance should, in the long term, lead towards both, better corporate performance and improved shareholder value and stakeholder appreciation. In 2012, we voted on more than 59,000 separate resolutions at 5,945 company meetings. Our approach to corporate governance is an active one and is integral to our investment process. We are an active member of a number of collaborative shareholder bodies.

Since 2010, Global Asset Management in Switzerland has offered UBS Voice, a free service enabling holders of Swiss institutional funds to express voting preferences ahead of shareholders' meetings of major Swiss corporations. This allows additional shareholder input into the voting decisions of the funds' management company. More than 40% of invested assets for which UBS Voice is offered participate in this service.

# Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CDP	Carbon Disclosure Project
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons

PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

[↩ Back to top](#)



# Corporate responsibility

## Contact us

If you have any **suggestions or questions** about corporate responsibility at UBS or about the website [www.ubs.com/corporateresponsibility](http://www.ubs.com/corporateresponsibility) please get in contact with us.

You can either use the [contact form](#) or [e-mail](#) us.





## Environmental credit crunch and sustainable innovation





## Case study: Equity analysis within CIO Research: thematic investment methodology

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▶ [German version](#)



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## Our *employees*

We are a global firm that relies on the drive, ability, insight and expertise of our employees to meet clients' needs and build our businesses.



### **Working for UBS**

Our employees work across geographic and business boundaries to meet their

clients' needs. Likewise, we invest in our employees around the globe - managing our talent, supporting diversity and building a performance-oriented culture.

[▶ Read more](#)



### **Our commitment to employees**

We are dedicated to being an attractive and supportive

employer.

[▶ Read more](#)



## Employee development

At UBS, we foster a culture of continuous individual development. Our goal is to give our employees and leaders what they need to excel in their roles, progress in their careers, and ultimately create value for our shareholders.

▶ [Read more](#)



## Careers

We are always interested in talking to talented, career-minded individuals. Our unique mix of global businesses and a collaborative, respectful culture is a platform for our long-term success.

▶ [Read more](#)

## Working for UBS



**We rely on the experience, insight and commitment of more than 60,000 employees around the world to implement our business strategy and meet the needs of our clients.**

We want to be recognized for creating superior value for our clients, employees and shareholders. We know that our competitive strength depends on the quality of our people, and we want to be the best in all the businesses that we choose to be in. Therefore, hiring, engaging, training and retaining high-caliber employees are fundamental priorities.

Every day, we bring together the energy and the ideas of people in 890 offices in 56 countries, working across geographic and business boundaries to meet our clients' needs. Our commitment to our employees is reflected in the investment we make in managing and developing our talent, in building and sustaining a diverse and inclusive work environment, and in further strengthening our collaborative, performance-oriented culture.

### **Find out more**

- ▶ [About our employees](#)
- ▶ [Recruiting new talent](#)
- ▶ [Our performance culture](#)
- ▶ [Our diverse workforce and inclusive work environment](#)
- ▶ [Our identity and employees' views on our strategy and culture](#)



## Our commitment to employees



### **We are dedicated to being an attractive, responsible and supportive employer.**

We invest in our employees by offering a comprehensive suite of benefits in each of our local markets. These benefits include health, life and disability insurance, pension plans, paid and unpaid time off, and retirement plans. We also offer additional, innovative benefits to employees where practical. For example, flexible working arrangements are available to employees in many of our major markets. In Switzerland, employees can request "Time Flex" options such as teleworking, part-time or job-sharing, or begin partial retirement at age 58. The UK and US have policies that outline part-time, flexible, job-sharing and home-working opportunities that may be appropriate for employees whose roles are amenable to flexible working conditions.

Our culture, working atmosphere, benefits and employee assistance efforts all work together to help us attract and retain high-quality staff.

### **Find out more**

- ▶ [Employee assistance](#)
- ▶ [Employee representation](#)

## Education and development



**We strive for excellence in all we do, and this begins with our employees. We are committed to helping our employees develop their skills and careers while at the same time giving them the framework they need to meet our clients' evolving needs.**

At UBS, we take an integrated approach to managing our talent. This allows us to link our recruitment, diversity, learning, mobility, performance management, talent review, compensation and succession practices in the most meaningful way. Our efforts focus on giving our employees and leaders what they need to excel in their roles, progress in their careers, and ultimately create value for our shareholders.

Training is a key part of our talent management process. Our Group-wide learning and development course offerings encompass senior leadership development, business education and practical training measures for employees at all levels.

We actively develop our current and future leaders. We focus especially on strengthening their ability to lead people in line with our principles and to implement our strategy. We also place particular emphasis on training that enables our businesses to achieve their goals. For example, in Wealth Management Americas, select candidates for financial advisor roles are hired into a two-year, salaried training program that enables them to obtain relevant licensing, training and practical experience in a US branch office before joining a team as a full financial advisor.

Most of our business education is offered through specific learning pathways. Sequential courses in areas such as risk, compliance, sales, advisory and financial markets help ensure consistent training across similar job roles.

All employees can access development opportunities on the job and through eLearning and targeted training programs, as well as through customized training and coaching. Employees are also expected to consider career and skill development opportunities as part of the firm's performance management process.

Our eLearning portfolio consists of more than 5,100 courses on topics such as communication skills, management and leadership, financial markets and IT. In 2013, our global employee population participated in about 776,000 development activities, including approximately 512,000 mandatory training sessions focusing on compliance and regulatory topics. This equated to an average of 12.5

training experiences per employee or an average of 2.5 training days.

### **UBS Wealth Management Master**

Launched in late 2012 and targeted towards senior client advisors, the UBS Wealth Management Master is the highest internal certification available to top performing client-facing staff in Wealth Management. The two-year program combines structured training with on-the-job development, enabling senior professionals to acquire in-depth expertise in client book management, investment and relationship management. So far, 90 client advisors have entered the program.

# Careers



Learn *why* you should choose a career at UBS

[Watch video](#)

← · · · · · →



*Professionals*

Move your career forward with us

[Learn more](#)

← · · · · · →



*Graduates and Interns*

Launch your career with us

[Learn more](#)

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← · · · ● · · · →



*Apprentices / All-round  
Traineeship in  
Switzerland*

Learn and grow with us

[Learn more \(in German\)](#)

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← · · · ● · · · →



*MBA's and Advanced  
Studies:*

Put your skills to work  
with us

[Learn more](#)

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← · · · · · ● · · · →



## Welcome to UBS Careers

We strive for excellence in all we do, and this begins with our employees. It is fundamental to our success to hire highly talented individuals, help them develop, and effectively leverage their skills to meet our clients' evolving needs.

Therefore, we look for talents with integrity, drive, experience, and the ability to have a positive impact who will help us further transform into a company that creates superior value for its clients, employees and shareholders.

We are committed to investing in our people and to furthering our reputation as a leading employer.

UBS is proud to be an equal opportunities employer. We are committed to providing equal access to employment opportunities to all prospective employees within the recruitment process. UBS complies with and supports all national and local laws pertaining to non-discrimination and advancement opportunity, including those relating to making reasonable accommodations to the recruitment process for applicants who require them.

## Search & Apply

- ▶ Professionals
- ▶ Graduates
- ▶ MBAs
- ▶ Apprentices / All-round Trainees (DE)

## Connect with us on social media

- ▶ Careers social buzz
-  UBS Careers on Facebook
-  UBS Careers on LinkedIn
-  UBS Careers on Twitter
-  UBS Careers on Google+
-  UBS Careers on YouTube

## Community investment



### Community affairs

- ▶ Overview
- ▶ Community affairs around the globe
- ▶ Working in partnership
- ▶ Heritage & awards

### UBS foundations

- ▶ UBS Optimus Foundation
- ▶ UBS Culture Foundation (CH only)
- ▶ UBS Foundation for Social Issues and Education (CH only)



# Overview

**We aim to overcome disadvantage in our local communities by supporting education and entrepreneurship through a combination of targeted funding and the commitment and skills of our employees. Coordinated globally, our initiatives are implemented regionally and based on local need. This enables us to generate sustainable and measurable impact in our local communities while offering volunteering opportunities for our employees. Apart from direct cash donations and the commitment of our employees, our community investment program also includes employee matched-giving schemes and disaster relief efforts.**

## **Community affairs**

We continue to take our responsibility towards the communities we are part of very seriously. In 2013, UBS and our affiliated foundations made direct cash donations totaling CHF 28.3 million to carefully selected non-profit partner organizations and charities. These donations were primarily aimed at our Community Affairs key themes of education and entrepreneurship. Additionally, spending on the UBS Education Initiative amounted to CHF 14.0 million. Our contributions, combined with the volunteering activities of employees, have continued to provide substantial benefits to projects and people around the world, as demonstrated by the regional examples provided below.

Contributions were also made to other causes, in particular disaster relief, including a commitment of CHF 1.9 million in total financial contributions to both short-term relief and long-term rebuilding efforts in response to the devastation caused by Typhoon Haiyan in the Philippines. Community Affairs and the Optimus Foundation, UBS's independent grant-making foundation, joined forces to offer a unique and integrated approach including both clients and employees in its matched-giving programs. This combined (client and UBS) commitment raised the total financial contributions to the rebuilding efforts in the Philippines to more than CHF 3 million.

Across all business regions, our employees continue to play a very active role in our community investment efforts, in particular through their volunteering activities. In 2013, 10,648 employees spent 91,370 hours volunteering. Our employee engagement focuses increasingly on direct societal impact in the areas of education and entrepreneurship. We support their commitment by offering up to two working days a year for volunteering efforts. For the second year in a row, employees who have demonstrated outstanding engagement were rewarded with the UBS Global Employee Volunteer Awards.

Furthermore, we undertook a global pilot assessment of the impact of our Community Affairs activities. We measure impact of projects across all regions using the London Benchmarking Group model. Understanding where we make an impact provides vital data that helps us evaluate and focus our program. Therefore we plan to further expand measurements of our strategic programs across all regions in 2014.

In Switzerland, our community investment efforts are also advanced by the UBS Culture Foundation, the UBS Foundation for Social Issues and Education, and the A Helping Hand from UBS Employees association. In 2013, these organizations made valuable contributions to important social causes, including fostering the humanities and the creative arts, supporting communities in need, and helping disabled and disadvantaged people.

## **Client foundation**

**The UBS Optimus Foundation is an expert grant-making foundation established by UBS in 1999. The Foundation works to break down barriers that prevent children from reaching their potential by funding leading organizations to improve the health, education and protection of children.**

The UBS Optimus Foundation supports programs in places where children face adversity. Since its establishment, the Foundation has



received more than 25,000 donations totaling over CHF 195 million. By the end of 2013 the Foundation supported 107 projects in 48 countries. As UBS bears all administrative costs related to the UBS Optimus Foundation, 100% of every donation goes directly towards the projects funded.

In 2013, the Foundation opened offices in Hong Kong and London in order to extend the donation possibilities for clients. In a comprehensive research and analysis effort the Foundation refined its philanthropic strategy. This Strategic Plan for 2014 - 2019 was approved by the Foundation Board in November. In response to Typhoon Haiyan that hit the Philippines in November 2013 the UBS Optimus Foundation established an Emergency Rapid Response Fund and UBS committed to double donations from clients to the fund.

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## Case study on the Emergency Rapid Response Fund for the Philippines

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### **Doubling the impact of every donation with the Emergency Rapid Response Fund for the Philippines**

In response to the devastation caused by Typhoon Haiyan that hit the Philippines on November 8 2013, the UBS Optimus Foundation set up an Emergency Rapid Response Fund and UBS committed to match client donations to the fund.

In disasters like these, children are often the most vulnerable and most in need of special attention. According to UNICEF, 5 million children in the Philippines were affected. This is why the UBS Optimus Foundation took action, by establishing a fund and partnering with world-recognized organizations with long-standing experience in disaster relief, to ensure that children's health and security needs were met.

#### **A different approach**

The emergency work of the UBS Optimus Foundation is guided by three core principles. First, it aims to maximize transparency by directly channeling funds to carefully selected high-impact humanitarian relief efforts with clear program goals, activities and budgets. Second, relevant and robust monitoring and impact evaluation are built into supported rebuilding efforts from the start. Third, the Foundation is working with partners in the Philippines who are "on the ground" for the long term and engaging local expertise, thereby linking relief to rehabilitation and development.

#### **Immediate, tangible action**

With the funds immediately distributed to *Save the Children*, 3,000 children were reached in the difficult-to-access eastern part of Panay Island and their essential needs for water, shelter and hygiene were met for a minimum of two to three months. *Médecins Sans Frontières* then received additional funds that has partially financed the efforts of their nine mobile clinic teams who have treated more than 12,500 patients as well as a vaccination campaign that has protected more than 16,000 children. Moreover, MSF provided emergency nutrition biscuits for around 18,000 people, focusing on children under five and pregnant and breastfeeding women.

#### **Long-term approach**

The UBS Optimus Foundation will continue to fund rehabilitation efforts in the Philippines throughout 2014. In this second phase that links immediate relief to longer term rehabilitation, the UBS Optimus Foundation will look to build on the programs that provide integrated, essential services in health and education to children and will particularly focus on supporting international organizations with local expertise.

## Around the globe



*Click on the map to learn more about our regional community affairs engagements*

### Building stronger communities through education and entrepreneurship

**It is our aim that our business activities have a positive influence on the social and environmental well-being of our local communities.** As a global financial services firm, we know that successful investment requires insight and commitment – and we apply those very same qualities to our investment in local communities. Our approach is long-term, founded on building sustainable and successful partnerships with schools and non-profit organizations to ensure that our contribution has a lasting impact.



## Americas



Within UBS's global focus areas of education and entrepreneurship, Community Affairs & Corporate Responsibility, Americas is providing under-resourced, high-potential individuals with advice and access to help develop more enterprising communities.

In June 2014, UBS announced an important step forward in support of that goal. Through a \$10 million, five-year commitment, UBS will establish a new education platform for improving college success among under-resourced populations. **UBS NextGen Leaders** aims to empower students with the skills, knowledge and experience to succeed in college and beyond. It is a

continuation of UBS's longstanding philanthropic commitment to education and aligns with President Barack Obama's [My Brother's Keeper](#) initiative.

[Sponsors for Educational Opportunity](#), a nonprofit organization that has provided educational and career programs to young people from underserved and underrepresented communities since 1963, will serve as the lead partner for the initiative. SEO will work with UBS to actively recruit young men of color from urban high schools and provide them with a set of academic, social and emotional supports from 12th grade through college graduation based on the SEO Scholars model. You can learn more about the **UBS NextGen Leaders** initiative [here](#).

UBS also continues to strengthen our efforts in the area of entrepreneurship. Through our [Elevating Entrepreneurs](#) initiative, we provide small business owners with high-impact business mentoring, access to capital as well as education and networking opportunities to help them grow their companies and create jobs. In coordination with our partners in the UBS Bank USA Community Development Group and [VEDC](#), we have committed up to USD 35 million in capital to qualified small businesses in Chicago, Los Angeles, New York, New Jersey, Connecticut, Salt Lake City and Las Vegas. Since 2012, 47 small businesses have received loans ranging from USD 50,000 to USD 500,000 for a total of USD 9.1 million, accounting for the creation or retention of 1,237 jobs.



In 2013, we also announced new partnerships with [Venture for America](#), a nonprofit that recruits top college graduates to work for two years at emerging start-ups in cities with high potential for revitalization, and [American Corporate Partners](#), a nonprofit dedicated to assisting veterans in their transition from careers in service to careers in business.



# Program Overview

Community Affairs and Corporate Responsibility, Americas is responsible for the firm's regional corporate giving and philanthropy strategy. This includes overseeing UBS Americas' strategic grant making and our flagship programs UBS NextGen Leaders and [Elevating Entrepreneurs](#). It also includes our national partnerships with nonprofit organizations, and employee engagement programs such as Volunteer Action Grants and Community Leadership.




## Our mission

Our mission is to align who we are *outside* the office with who we are *in* the office. As one of the world's leading financial services firms, we spend countless hours each day enabling clients—institutional and retail—to create lives that are meaningful to them. Our objective is to do the same for our communities.

Together with our colleagues, we are committed to marshaling the firm's financial and human capital to provide advice and access to under-resourced, high-potential individuals in UBS's global focus areas of education and entrepreneurship.

## Working together to achieve our mission

At UBS, we believe that investing in our communities is both the right thing to do and the smart thing to do. So just as our business is aligned to serve the critical needs of our most important stakeholders, so too is our philanthropy. Our philanthropy and community investments are focused on meeting the growing needs of our communities, clients and employees across the Americas through three core areas:

- ▶ UBS Community Affairs & Corporate Responsibility, Americas 
- ▶ UBS Client Philanthropic Services 
- ▶ UBS Bank USA Community Development Group 

Learn more about these teams and how they work to affect real change in the community by reading the fact sheets above.

## Our impact on the community



### Employee Engagement

UBS is affecting real change in the communities where we live and work. In the Americas, approximately 2,500 employees spent more than 35,000 hours volunteering in 2013. Globally, UBS employees volunteered more than 91,370 hours in the community during that same time period.



### Financial contributions

In 2013, we donated \$15 million to nonprofit organizations. Globally, the firm contributed CHF 28.3 million to our nonprofit partners and charities.



### Business acumen

Through UBS's [Elevating Entrepreneurs program](#) as well as our partnerships with Venture for America and American Corporate Partners, UBS employees contributed approximately 2,000 pro bono hours of mentorship and business education.



### Job creation, new business and access to capital

Through our *Elevating Entrepreneurs* program, UBS Financial Advisors and their clients have provided intensive mentoring to small businesses and startups in New York, Chicago and Los Angeles. By lending \$9.1 million to 49 small businesses in the US, we are addressing one of the most significant challenges facing small business owners today – access to capital. These loans have resulted in 1,203 new or retained jobs.



## Our *social commitment* in EMEA



"Helping people reach their potential"



We support Education and Entrepreneurship because this is where we can make the biggest difference

[Find out more](#)





2,400 UBS EMEA employees volunteered in the community last year

[Find out more](#)



UBS has received many awards for its community program

[Find out more](#)



For over 25 years, UBS has worked to overcome disadvantage in our local communities by supporting education and entrepreneurship. In EMEA we do this by funding a small number of long-term community partners, and through the commitment and skills of our people who contributed over 20,000 hours to the community in 2013.

**Contact**

**Nick Wright**

Head of Community Affairs and Corporate  
Responsibility EMEA

[Send an email](#)

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## Program overview

We aim to overcome disadvantage by supporting education and entrepreneurship in our local communities, through funding and the commitment and skills of our people.

### **Why Education and Entrepreneurship?**

We focus on Education and Entrepreneurship because these are the issues where UBS can make the most impact.

Our aim is to increase the number of people in our local communities who have the right qualifications, employability and enterprise skills, confidence and aspirations to reach their potential.

Thousands of UBS employees each year share their workplace and enterprise skills with people in our local communities and many hundreds of young people from our local communities come in to UBS to learn about the careers available to them through workshops, work experience and internships.

### **There are two main components to our strategic program:**

#### **Funding**

UBS works to transform the lives of people in our local communities, through long-term community partnerships that strive to make sustainable impact. UBS supports non-profits, charitable organizations as well as social enterprises.

#### **Volunteering**

UBS employees are given two days paid leave to give their time and skills to charitable and community organizations (where possible through the strategic program of partners).

In addition, UBS supports our employees' personal donations to approved charitable organizations in their home locations. In 2012, UBS matched over £500,000 of employees donations to organizations ranging from the Bridge Academy in Hackney to the Rashid Paediatric Therapy Centre in UAE.

[Find out about some examples of our program across EMEA](#)

## EMEA highlights

Across EMEA, UBS works with a range of community partners, with the common aim of giving people the skills and confidence they need to achieve their potential.

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### UK - Bridge Academy

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In the UK, we partner the Bridge Academy - a school for 11-18 year olds in one of the most disadvantaged areas of London. The partnership started with a £1million donation from UBS, which was matched by a valued Wealth Management client.



UBS is 100% engaged in the life of the Bridge Academy. Since 2003, more than 3,600 employees have volunteered over 37,500 hours of their time and UBS employees, clients and suppliers have donated a further £1 million. The range of support is enormous. Six UBS Managing Directors are governors of the Academy; every senior student has a UBS mentor; hundreds of volunteers support workshops and placements that develop work-related learning skills; over 100 employees are involved in subject-specific activity from Maths mentors to Spanish language partners; and, each week, 50 employees go to the Bridge before work to help with essential literacy and numeracy.

57% of Bridge students are eligible for Free School Meals (FSMs). At sixteen the UK attainment gap between FSM students and those who are not was 26% in 2012; it was 5% at the Bridge - and overall results were above national average. This is an outstanding achievement.

"The partnership with UBS attracted me to the Bridge and is one of the reasons I want to attend 6th Form there. They invest time into the student. The money is great, but it's the UBS volunteers that have made the biggest impact on me. People from the Bridge will come back to work at UBS." Ife Grillo, Year 11 student

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### Israel - Ashoka Ventures

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Ashoka was founded in 1981 on the premise that the most effective way to promote positive social change is to invest in social entrepreneurs with innovative solutions that are sustainable and replicable, both nationally and globally. Ashoka is active in over 60 countries.



In Israel, UBS employees serve as mentors to teams of young social entrepreneurs in their pursuit of designing and executing a social venture. The main focus of the project is on supporting, developing skills and enhancing their success and impact

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### Russia - supporting disadvantaged young people

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The Community Affairs program in Russia focuses on disadvantaged young people, many of them in or about to leave the orphanage system, through its partnerships with United Way of Russia, Nadezhda Fund, Kitezh Children's Community and Downside Up. The program supports these young people on every level – both through funding and increasingly through the involvement of employee volunteers who act as mentors.



Building on a similar event that was held in 2012, 29 children from the Kitezh Children's Community and the Nadezhda Fund were hosted by the UBS Moscow office in November 2013. UBS employees arranged a very successful and innovative event, where young people leaving the care system spent a day at UBS's offices, meeting a whole range of employees who each explained their job role and their career path to date. The young people were able to find out what qualification<sup>S</sup> they might need to secure a job in each function, as well as get an insight into the day to day activities of each role. Many of these young people have no-one they can easily turn to for advice about career options, so initiatives such as this are vital to inform and inspire them.

The attendees then visited the Maly Drama Theatre to see a performance of "Queen of Spades", something they all enjoyed immensely. The following day the UBS team arranged educational visits to the Tretyakov Gallery and to "Experimentarium", an interactive natural science museum, as well as a Moscow city tour. These events provided the teenagers with a unique experience with significant educational, cultural and entertainment elements

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## Germany

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UBS in Germany supports a number of organisations, all with the aim of sharing their workplace and business skills to help students and social enterprises.

For example, a team from Germany recently won a volunteering award for their support for migrant students through the organisation Bildungsagentur. The team coached 120 middle-school-students undertaking activities such as investigating their strengths using the ProfilPassport (developed on behalf of the Federal Ministry for Education and Research), followed by job-orientation exercises, skills practice sessions and introductions to companies.



As a result of this project, a representative of the Department for Education and Sports commended the commitment of the team and UBS.

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## Italy

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UBS has a long history of support for its local communities, with a Community Affairs committee made up of senior managers driving the activity.

In January 2012, UBS Italy established a new partnership with IIS Curie, Sraffa which is a commercial secondary school attended by students from 14 until 19 years of age. and launched a new project entitled "Adopting a school", targeted to a group of 45 students in the last two grades of the school cycle. It involved 13 mentors, out of which 8 were UBS WM employees., the objectives were to mentor the students to enable them to understand the talents they had and to decide which career would suit them. Two of the students won scholarships to the prestigious Bocconi University.



# Employee volunteering

In 2013 in EMEA, 2,400 UBS employees volunteered in the local community.

Here is what it means to them and their community partners in their own words:

## **Teach First**

UBS Volunteer Janet Wigglesworth has been coaching Teach First teachers over the past few years, providing individual support and guidance as they train and teach specifically in schools in low-income communities.

Teach First teacher Jessica first met Janet 4 years ago at a Teach First 'speed dating' event matching teachers and volunteer coaches. The two clicked and Janet began coaching Jessica. Janet is now supporting Jessica through a new leadership role.

Through the coaching sessions, Jessica has noticed an improvement. One of Jessica's long term goals is to be head teacher one day. The coaching sessions facilitate development of goals like Jessica's.

"When I received an email from Community Affairs regarding the Teach First initiative the concept immediately appealed to me...Over the past few years I have coached five teachers, all with different objectives and challenges...It made me realize how critical they are as role models to help inspire young people to reach their potential."

"I recently became head of the department and am focusing on what I want to achieve during the sessions. It's useful having someone who knows about management and getting people to buy into ideas."

## **Bridge Academy Work Experience**

Every summer, a group of 6th form students from the Bridge Academy apply for a work experience placement at UBS. Hosting Bridge Academy student, Pamo Eguruze for a work experience placement gave Andrew Wedderburn the opportunity to align his values within his work and a chance to create a culture of volunteering within his team.

When the 2012 Year 10 work experience ended, Pamo and Andrew kept in touch via email. Even though Andrew relocated to the States, he invited Pamo back for another work experience to be supervised by Joe, a graduate trainee on his London team.

Pamo is now a Year 12 student at the Bridge Academy and plans to go to university to study Accounting or Economics.

"I saw the programme as a way to give young people the opportunity to get their foot in the door, with a long term focus on having them educated on career choices out there."

"Work experience increased my understanding of what happens in the bank. I came back because I enjoyed it the first time and it has increased my knowledge and skills."



## External recognition

UBS's Community Affairs program has an outstanding reputation and has received numerous awards:

- 10 Dragon Awards including the Lord Mayor's 25th Anniversary Award 2012, for the company that has made more impact in the community in London than any other in the last 25 years;
- 3 Business in the Community (BITC) Awards for Excellence including Employee volunteering Award Winner 2013
- UBS in Poland received an award for the "Top Corporate Social Responsibility (CSR) Initiative of the Year 2013" at the Poland Outsourcing and Shared Services Awards
- UBS in Italy was awarded the Best Newcomer in the 2011 BITC European Employee Volunteering Awards
- UK Prime Minister's Big Society Award 2011

"UBS's partnership with the Bridge Academy has created invaluable opportunities for the Academy's pupils, their local community, and for UBS's staff. It has been and continues to be a leading example of what business-community partnerships can achieve, and I congratulate everyone involved."

The Rt Hon David Cameron MP, UK Prime Minister



## Our *social commitment* in Switzerland



"Social commitment has a long history at UBS."




Environment, education and societal issues

UBS employees make a commitment to the community

[Find out more](#)







Doing good together

Our partners for a strong Switzerland

[Find out more](#)

← ··· □ ··· →



Education as a cornerstone of a strong society

The UBS Education Initiative

[Find out more](#)

← ··· □ ··· →



A secure future for all

## UBS Foundation for Social Issues and Education

[Find out more](#)



A reliable partner for more than 50 years

## UBS Culture Foundation

[Find out more](#)





UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, donation program and grants support and empower people, projects and organizations in the areas of education and entrepreneurship as well as the environment, societal issues and culture. Our goal is to make an active contribution to shaping the future of Switzerland as a strong business location.

## Contact

**Curin Duschletta**

Head Community Affairs & Foundations

► [Send an email](#)

## News

[Archive](#)



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03 Nov 2014, 08:00 News article | Tags: [Media Releases](#), [Media Releases Global](#), [Media Releases Americas](#), [Media Releases APAC](#), [Media Releases EMEA](#), [Media Releases Switzerland](#), [UBS News](#), [Corporate Responsibility](#)



### [UBS publishes comprehensive document on its environmental and social risk framework](#)

23 Oct 2014, 08:00 News article | Tags: [Media Releases Global](#), [Corporate Responsibility](#)



### [UBS Investor Watch Explores America's "Giving Gene"; 91% of American Millionaires Engage in Charity Annually](#)

21 Oct 2014, 09:00 News article | Tags: [Media Releases Americas](#), [Corporate Responsibility](#), [WM Americas News](#)



### [UBS is Recognized as an "A List" Performer](#)

Oct 2014, 18:00 News article | Tags: [Media Releases Global](#), [Media Releases Americas](#), [Media Releases APAC](#), [Media Releases EMEA](#), [Media Releases Switzerland](#), [UBS News](#), [Corporate Responsibility](#)

## UBS employee commitment

UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, a donation program and grants support and empower people, projects and organizations in the areas of education and entrepreneurship as well as the environment, societal issues and culture. Our goal is to make an active contribution to shaping the future of Switzerland as a strong business location.

[UBS Employee Volunteering](#)   [UBS Employee Donations](#)   [A Helping Hand from UBS Employees](#)

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### UBS Employee Volunteering

As one of the biggest employers in Switzerland, UBS feels that it has a particular obligation to local communities. We encourage our employees to get involved actively and, together with the firm, fulfill their societal responsibilities. To this end, every year we offer all employees in Switzerland the opportunity to take part in over 100 charitable activities covering every part of the country. UBS provides two paid workdays per year for participation in these activities.

### Contact

**Curdin Duschletta**  
Head Community Affairs & Foundations

► [Send an email](#)

**The focus is on four areas and employee:**

### Environment

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## Bildungswerkstatt Bergwald

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Bildungswerkstatt Bergwald (BWBW) is a charitable foundation present throughout Switzerland for environmental education and the education of young people. Among other things, it runs forest project weeks for adolescents from the ninth grade that are aimed at strengthening their social and personal skills. At the end of 2010, the BWBW was recognized by the Swiss UNESCO Commission as a "United Nations Decade of Education for Sustainable Development Activity".



UBS supports the BWBW with the carrying out of various projects and works closely with the BWBW as part of the UBS Employee Volunteering program.

► [www.bergwald.ch](http://www.bergwald.ch)

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## Ernst Schmidheiny Foundation

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Since 1974, the Ernst Schmidheiny Foundation has hosted Business Weeks at Swiss high schools and has thereby furthered the understanding of a total of 90,000 students to date in the field of business. A corporate planning game developed specifically for the purpose and overseen by experienced business managers sees the students take on the role of an executive board member.



Since their inception, UBS has supported the Business Weeks financially. Many of the bank's managers also help out as course tutors, providing the young people with concrete support in their professional career.

Schule plus Wirtschaft

► [www.esst.ch](http://www.esst.ch)

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## Jurapark Aargau

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Jurapark Aargau is a park of national importance and stands out due to its beautiful landscapes, rich biodiversity and significant cultural assets. Among its most important natural treasures are sparse pine forest, bright slopes covered in orchids, rocky steppe and vineyards. Jurapark is dedicated to preserving and enhancing these valuable habitats and their diversity of species.



As part of its volunteer program UBS Employee Volunteering, UBS carries out employee assignments in Jurapark Aargau, thereby supporting the preservation of the park's unique landscape.

► [www.jurapark-aargau.ch](http://www.jurapark-aargau.ch)

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## Naturama Aargau

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The "Naturama Aargau" natural history museum showcases Aargau's habitat in the past, present and future, and aims to promote the canton's sustainable development. Besides the museum, environmental courses and the sustainability task force, conservation is also part of its work. Among other things, Naturama organizes voluntary work in the countryside.



UBS employees get involved for the benefit of the region's natural environment in a number of ways: on conservation projects, they help maintain species diversity in meadows, plant standard fruit trees with local farmers to provide a much-needed habitat for threatened species and tend hedges, ponds and mini-structures as interlinking landscape elements.

► [www.naturama.ch](http://www.naturama.ch)

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## Gantrisch Wildlife Park

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Gantrisch Wildlife Park is famous for its extensive moorland landscapes, alpine meadows, large areas of forest and the Sense-Schwarzwasser riverscape with its impressive canyons. The care and preservation of these valuable habitats and their biodiversity is one of the key aims of Gantrisch Wildlife Park.



UBS supports the preservation of the park's unique landscape through volunteer assignments by its employees.

► [www.gantrisch.ch](http://www.gantrisch.ch)

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## Züriwerk Foundation

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The Züriwerk Foundation is a non-profit organization recognized by the federal government and canton. On behalf of and in the interest of society, it backs the social and economic integration of adults with handicaps. Backed up by its wealth of experience, the Züriwerk Foundation provides professional assistance to the disadvantaged in finding work. Since 2007 it has also been involved in part-pay projects aimed at integrating benefit recipients.



UBS employees regularly perform social work for Züriwerk, working together with the handicapped in production locations.

► [www.zueriwerk.ch](http://www.zueriwerk.ch)

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## The Swiss Foundation for Landscape Conservation

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The Swiss Foundation for Landscape Conservation strives to preserve, care for and enhance landscape that is worthy of protection in Switzerland. It pursues this goal by protecting, promoting and restoring the natural and cultural values of the landscape. It is a charitable foundation and has no commercial purpose.



UBS is entering into a three-year partnership with the Swiss Foundation for Landscape Conservation from 2011 and is thus supporting the preservation, care and enhancement of landscape that is worthy of protection in Switzerland.

► [www.sl-fp.ch](http://www.sl-fp.ch)

## Young Enterprise Switzerland

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Young Enterprise Switzerland is a non-profit organization that develops practical business courses for schoolchildren and students aimed at networking schools with business.

As part of a partnership lasting several years, UBS supports the organization and every year enables 750 students at 25 high schools, commercial and vocational colleges in Switzerland to found startups, recognize business contexts and act enterprisingly. UBS also hosts the annual "Young Entrepreneurs in the Station" event in Zurich Central Station that gives young entrepreneurs valuable experience in presenting and selling their products and services to a wide audience.



Finally, UBS employees act as volunteer consultants, providing practical business training for students in the 8th to 10th grades. Their professional and life experience gives the young people concrete help for their professional careers.

► [www.young-enterprise.ch](http://www.young-enterprise.ch)

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## Experience report Reto Felber



"Because I am too clumsy to help build an SAC hut, I signed up for the Ernst Schmidheiny Foundation Business Weeks as part of UBS Employee Volunteering.

The foundation organized the training where I got to know two other aspiring teachers with whom I was able to conduct a Business Week shortly after.

Our 20 students agreed to produce virtual headphones and so the week was spent making various business decisions together. As specialist teachers we cleared up questions as they arose, went deeper into some topics and, as course leaders, were responsible for the smooth operation and evaluation of the simulation.

Unleashing creativity and ambition in the young people and then attending their final presentation was an inspiring and great experience!"

## Nicole Heim, CEO Young Enterprises Switzerland



"We have worked intensively with UBS since 2006 and the introduction of the 'Fit for Business' program in Switzerland. It sees the bank's employees providing young people in the 8th to 10th grades with practical knowledge in the areas of business, job applications and consumption. By way of interactive exercises, the students practice job interviews, create their own budgets to avoid the debt trap, and much more. The UBS volunteers are an important inspiration for the young people, often providing them with their first conscious contact with business and the careers that await them.

We see our partnership with UBS as highly enriching. The volunteers are always very motivated and committed to their work with us. Our dealings with UBS have always been characterized by mutual respect. As a non-profit organization, it is important for us to work with partners who understand the processes and problems involved in voluntary work and maintain a long-term commitment as a foundation."

## Monica Marti, Head Nature Events, Naturama Aargau



"The committed work of many UBS employees tangibly improves habitats for threatened flora and fauna in Aargau and directly supports the region's nature. For the UBS employees themselves, the hard, hands-on work they perform combined with expert information promotes a new understanding of nature. At the same time, these assignments sensitize the local population to the natural wonders on their doorstep and draw their attention to conservation issues.

For Naturama Aargau, the partnership with UBS Employee Volunteering is valuable on many fronts. We are continually impressed by the motivated and uncomplicated work performed by participants."



## Eva Veith, Volunteering Coordinator, Käferberg Care Home



"Our residents often have little connection with people outside the home. Through volunteering, active residents have the opportunity to chat with UBS employees and enjoy more of a social life. The handicapped and those suffering from dementia also appreciate the support and attention. For us, the additional personal support opens up new options, for example in organizing special events, excursions and the like.

The cooperation with UBS Community Affairs Switzerland has developed very positively. Since its inception in 2005, we have organized an average of two events every year and from setting a date to the day of the event, we are in regular contact with the bank.

At these events, we find that UBS employees are people with a positive attitude who get involved with curiosity and an open mind. As an institution specializing in long-term care, we see this type of cooperation as an interesting opportunity to positively affect social and political thought in countering uncertainties and prejudices related to old age."



## Videos

The videos show UBS employees performing voluntary work and talking about their experiences.

**UBS Employee Volunteering: "Schwent" project in the Gruyère Pays-d'Enhaut Nature Park.**



**The Ernst Schmidheiny Foundation's Business Weeks**



**Adventure weekend on the River Aare with Procap Sport and cleanup of the Gantrisch Panorama Trail**



## UBS employee commitment

UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, a donation program and grants support and empower people, projects and organizations in the areas of education and entrepreneurship as well as the environment, societal issues and culture. Our goal is to make an active contribution to shaping the future of Switzerland as a strong business location.

[UBS Employee Volunteering](#)   [UBS Employee Donations](#)   [A Helping Hand from UBS Employees](#)

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### UBS Employee Volunteering

As one of the biggest employers in Switzerland, UBS feels that it has a particular obligation to local communities. We encourage our employees to get involved actively and, together with the firm, fulfill their societal responsibilities. To this end, every year we offer all employees in Switzerland the opportunity to take part in over 100 charitable activities covering every part of the country. UBS provides two paid workdays per year for participation in these activities.

### Contact

**Curdin Duschletta**  
Head Community Affairs & Foundations

► [Send an email](#)

**The focus is on four areas and employee:**

### Environment

## Bildungswerkstatt Bergwald

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Bildungswerkstatt Bergwald (BWBW) is a charitable foundation present throughout Switzerland for environmental education and the education of young people. Among other things, it runs forest project weeks for adolescents from the ninth grade that are aimed at strengthening their social and personal skills. At the end of 2010, the BWBW was recognized by the Swiss UNESCO Commission as a "United Nations Decade of Education for Sustainable Development Activity".



UBS supports the BWBW with the carrying out of various projects and works closely with the BWBW as part of the UBS Employee Volunteering program.

► [www.bergwald.ch](http://www.bergwald.ch)

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## Ernst Schmidheiny Foundation

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Since 1974, the Ernst Schmidheiny Foundation has hosted Business Weeks at Swiss high schools and has thereby furthered the understanding of a total of 90,000 students to date in the field of business. A corporate planning game developed specifically for the purpose and overseen by experienced business managers sees the students take on the role of an executive board member.



Since their inception, UBS has supported the Business Weeks financially. Many of the bank's managers also help out as course tutors, providing the young people with concrete support in their professional career.

Schule plus Wirtschaft

► [www.esst.ch](http://www.esst.ch)

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## Jurapark Aargau

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Jurapark Aargau is a park of national importance and stands out due to its beautiful landscapes, rich biodiversity and significant cultural assets. Among its most important natural treasures are sparse pine forest, bright slopes covered in orchids, rocky steppe and vineyards. Jurapark is dedicated to preserving and enhancing these valuable habitats and their diversity of species.



As part of its volunteer program UBS Employee Volunteering, UBS carries out employee assignments in Jurapark Aargau, thereby supporting the preservation of the park's unique landscape.

► [www.jurapark-aargau.ch](http://www.jurapark-aargau.ch)

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## Naturama Aargau

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The "Naturama Aargau" natural history museum showcases Aargau's habitat in the past, present and future, and aims to promote the canton's sustainable development. Besides the museum, environmental courses and the sustainability task force, conservation is also part of its work. Among other things, Naturama organizes voluntary work in the countryside.





UBS employees get involved for the benefit of the region's natural environment in a number of ways: on conservation projects, they help maintain species diversity in meadows, plant standard fruit trees with local farmers to provide a much-needed habitat for threatened species and tend hedges, ponds and mini-structures as interlinking landscape elements.

▶ [www.naturama.ch](http://www.naturama.ch)

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## Gantrisch Wildlife Park

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Gantrisch Wildlife Park is famous for its extensive moorland landscapes, alpine meadows, large areas of forest and the Sense-Schwarzwasser riverscape with its impressive canyons. The care and preservation of these valuable habitats and their biodiversity is one of the key aims of Gantrisch Wildlife Park.



UBS supports the preservation of the park's unique landscape through volunteer assignments by its employees.

▶ [www.gantrisch.ch](http://www.gantrisch.ch)

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## Züriwerk Foundation

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The Züriwerk Foundation is a non-profit organization recognized by the federal government and canton. On behalf of and in the interest of society, it backs the social and economic integration of adults with handicaps. Backed up by its wealth of experience, the Züriwerk Foundation provides professional assistance to the disadvantaged in finding work. Since 2007 it has also been involved in part-pay projects aimed at integrating benefit recipients.



UBS employees regularly perform social work for Züriwerk, working together with the handicapped in production locations.

▶ [www.zueriwerk.ch](http://www.zueriwerk.ch)

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## The Swiss Foundation for Landscape Conservation

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The Swiss Foundation for Landscape Conservation strives to preserve, care for and enhance landscape that is worthy of protection in Switzerland. It pursues this goal by protecting, promoting and restoring the natural and cultural values of the landscape. It is a charitable foundation and has no commercial purpose.



UBS is entering into a three-year partnership with the Swiss Foundation for Landscape Conservation from 2011 and is thus supporting the preservation, care and enhancement of landscape that is worthy of protection in Switzerland.

▶ [www.sl-fp.ch](http://www.sl-fp.ch)

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## Young Enterprise Switzerland

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Young Enterprise Switzerland is a non-profit organization that develops practical business courses for schoolchildren and students aimed at networking schools with business.

As part of a partnership lasting several years, UBS supports the organization and every year enables 750 students at 25 high schools, commercial and vocational colleges in Switzerland to found startups, recognize business contexts and act enterprisingly. UBS also hosts the annual "Young Entrepreneurs in the Station" event in Zurich Central Station that gives young entrepreneurs valuable experience in presenting and selling their products and services to a wide audience.



Finally, UBS employees act as volunteer consultants, providing practical business training for students in the 8th to 10th grades. Their professional and life experience gives the young people concrete help for their professional careers.

► [www.young-enterprise.ch](http://www.young-enterprise.ch)

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## UBS employee commitment

UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, a donation program and grants support and empower people, projects and organizations in the areas of education and entrepreneurship as well as the environment, societal issues and culture. Our goal is to make an active contribution to shaping the future of Switzerland as a strong business location.

[UBS Employee Volunteering](#)   [UBS Employee Donations](#)   [A Helping Hand from UBS Employees](#)

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### UBS Employee Donations

UBS Employee Donations is a program that benefits ten Swiss charitable organizations per year. All employees who work in Switzerland can support these selected charitable organizations through donations. UBS matches donations of up to CHF 3,500 per person, per year.

When choosing projects, UBS attaches importance to contributing to a broad range of charitable activities at home and abroad. These range from supporting poor families in Switzerland and the support of educational projects in countries in the developing world. The careful vetting of organizations ensures that employees' donations are used effectively and efficiently.

UBS also works with the Swiss Red Cross and the UBS Optimus Foundation

### Contact

**Curdin Duschletta**

Head Community Affairs & Foundations

► [Send an email](#)





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[UBS Employee Volunteering](#)   [UBS Employee Donations](#)   [A Helping Hand from UBS Employees](#)

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### A Helping Hand from UBS Employees

"A Helping Hand from UBS Employees" is a politically neutral and non-denominational organization that was founded around 40 years ago under the initiative of UBS employees. The organization supports projects that improve the quality of life of many people in Switzerland who have physical, mental or multiple disabilities. UBS employees and retirees support the organization through membership contributions and monetary donations. The organization's board, made up of committed UBS employees, meets to determine the support of projects at regular intervals. The board members work as volunteers. UBS provides the required infrastructure, assumes the administrative costs and matches all donations as well as annual membership contributions. This means that the carefully selected projects benefit from donations and contributions in their entirety.

### Contact

**Curdin Duschletta**

Head Community Affairs & Foundations

► [Send an email](#)

## Our **partnerships** in Switzerland



### Sustainable outcomes through long-term partnerships

UBS supports organizations and projects that make a contribution to the welfare of society in Switzerland. The firm focuses on the areas of education and entrepreneurship. UBS aims to maintain long-term partnerships when providing support in order to ensure outcomes are sustainable. In this way, a close and cooperative partnership is built up between charitable organizations and UBS that can do long-lasting good.

#### Contact

**Curdin Duschletta**

Head Community Affairs & Foundations

► [Send an email](#)

#### UBS works with the following organizations, among others:

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##### **Bildungswerkstatt Bergwald**

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Bildungswerkstatt Bergwald (BWBW) is a charitable foundation present throughout Switzerland for environmental education and the education of young people. Among other things, it runs forest project weeks for adolescents from the ninth grade that are aimed at strengthening their social and personal skills. At the end of 2010, the BWBW was recognized by the Swiss UNESCO Commission as a "United Nations Decade of Education for Sustainable Development Activity".



BWBW as part of the UBS Employee Volunteering program.

► [www.bergwald.ch](http://www.bergwald.ch)

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Schule plus Wirtschaft

Since their inception, UBS has supported the Business Weeks financially. Many of the bank's managers also help out as course tutors, providing the young people with concrete support in their professional career.

► [www.esst.ch](http://www.esst.ch)

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## Infoklick.ch

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Infoklick.ch is an organization that supports children and adolescents in Switzerland, providing a direct point of call for those who want to get actively involved using their own ideas and personal resources. Many youth initiatives lack small items – and this is where Infoklick.ch provides support.



A partnership spanning many years has enabled UBS to help the association set up a regional center in the canton of Ticino. As a result, concrete help in all areas of life is now available to Italian-speaking children and adolescents in Switzerland. UBS also supports "JuniorexperTs", a group of committed young people who help other adolescents realize their ideas.

► [www.infoklick.ch](http://www.infoklick.ch)

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## Naturama Aargau

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► [www.naturama.ch](http://www.naturama.ch)

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## Philiias Foundation



Philiias promotes the topic of Corporate Social Responsibility (CSR) in Switzerland. It is the founder of a network that brings together companies throughout Switzerland that are keen to get involved in CSR in the long term. The aim of the networks' 30 members is to exchange ideas and endorse social responsibility amongst companies in Switzerland.

▶ [www.philiias.org](http://www.philiias.org)

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## Swiss Red Cross



UBS supports the Swiss Red Cross by asking its employees to donate in the event of disasters. True to the motto "Double the impact of your donation", UBS matches its Swiss employees' donations franc for franc in the event of a disaster.

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## Swiss Studies Foundation

The Swiss Studies Foundation promotes hardworking students with broad interests at high schools and colleges whose personalities, creativity and intellectual abilities make them likely candidates to make a special mark in science, business, culture and politics. Those accepted into the scheme can draw on a wide range of education offers to complement their schooling, financial support, individual help and advice as well as many networking opportunities.



The foundation's goal is to support young people who are able and willing to take on responsibility in society. As a Silver Partner, UBS contributes to achieving this goal.

▶ [www.studienstiftung.ch](http://www.studienstiftung.ch)

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## Swiss Technical College Winterthur

The Swiss Technical College Winterthur (STFW) is one of the leading institutes offering vocational training and further education in technical professions in German-speaking Switzerland. More than 7,300 people take part in the courses and seminars each year. Course participants benefit from a unique and practical teaching method that draws on numerous practice models and learning objects.



UBS is financing new classrooms in the STFW's new annex to ensure that the wide-ranging courses can continue to be offered in an environment with sufficient space and perfectly designed infrastructure.

▶ [www.stfw.ch](http://www.stfw.ch)

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## The Swiss Foundation for Landscape Conservation

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Switzerland. It pursues this goal by protecting, promoting and restoring the natural and cultural values of the landscape. It is a charitable foundation and has no commercial purpose.



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▶ [www.zueriwerk.ch](http://www.zueriwerk.ch)

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Finally, UBS employees act as volunteer consultants, providing practical business training for students in the 8th to 10th grades. Their professional and life experience gives the young people concrete help for their professional careers.

▶ [www.young-enterprise.ch](http://www.young-enterprise.ch)

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# UBS Employee Donations

The UBS Employee Donations scheme lets employees donate money to selected charitable organizations. UBS matches donations of up to CHF 3,500 per person and year.

The broad selection of topics within the donation program is UBS's way of catering for the various interests of its employees. Thanks to the careful vetting of the organizations, they can rest assured that their donation will be used effectively and efficiently.



## A helping hand from UBS Employees

"[A helping hand from UBS Employees](#)" finances projects for mentally and/or physically handicapped people and the socially disadvantaged in Switzerland. It is a permanent element of the UBS Employee Donations program.

See [UBS partnerships](#) for further examples of the work performed as part of UBS Employee Donations.

# A helping hand from UBS Employees

"A Helping Hand from UBS Employees" is a politically neutral and non-denominational organization that was founded around 40 years ago upon the initiative of UBS employees. The organization supports projects which improve the quality of life for many people in Switzerland who have physical, Intellectual or multiple disabilities.



UBS employees and retirees participate in the organization with member contributions and monetary donations and in this way carry out their social and ethical responsibility in society. The organization's board, made up of committed UBS employees, meets to determine the support of projects at regular intervals. The board members work as volunteers. UBS makes the necessary infrastructure available and assumes the administrative costs. The donations and contributions go in full to the carefully selected projects. Furthermore, the efficient procedures ensure that the financial support goes directly and without unnecessary bureaucracy to the recipients.

## Type of support

"A helping hand from UBS Employees" makes a concentrated effort to support projects that improve the quality of life of people in Switzerland with physical, mental or multiple handicaps. Larger projects are supervised by the board up to their launch.

## Some practical examples

### **Foundation Swiss School for Guide Dogs for the Blind**

The East Switzerland Foundation School for Guide Dogs for the Blind (OBS) makes a major contribution to helping blind and visually-impaired people cope with everyday life by carefully training guide dogs for the blind. "A Helping Hand from UBS Employees" participated in the training costs of the future guide dog for the blind, "Sambo," and supported his entire training program.

### **Sailability.ch**

The organization Sailability.ch promotes sailing for people with special needs in Switzerland. The organization maintains several sailing dinghies on Lake Constance that can be used by people with a disability. "A Helping Hand from UBS Employees" supports this project and financed two personal lifters for Sailability.ch to make it easier for walking-impaired individuals to board a boat.



## Our social commitment in Asia Pacific



Our social commitment  
in APAC (Asia Pacific)

← · · →



Program overview

[Find out more](#)

← · · →





Our employee and community affairs programs in Asia Pacific focus on educational and entrepreneurship projects across the 13 locations where we operate in the region.

UBS has a strong tradition of volunteerism in Asia Pacific. In 2013, over 3,000 employees in the region volunteered almost 28,000 hours. Our employees in the region participate in activities such as matched-giving schemes, direct cash donations to selected organizations, employee volunteering, and disaster relief efforts. Beyond philanthropic contributions, we provide our partners with in-kind support such as skill-based volunteering, pro-bono assistance and donations of equipment and resources.

UBS has long term partnerships with 60 community groups across the region, with the aim of contributing to the well-being of these communities.

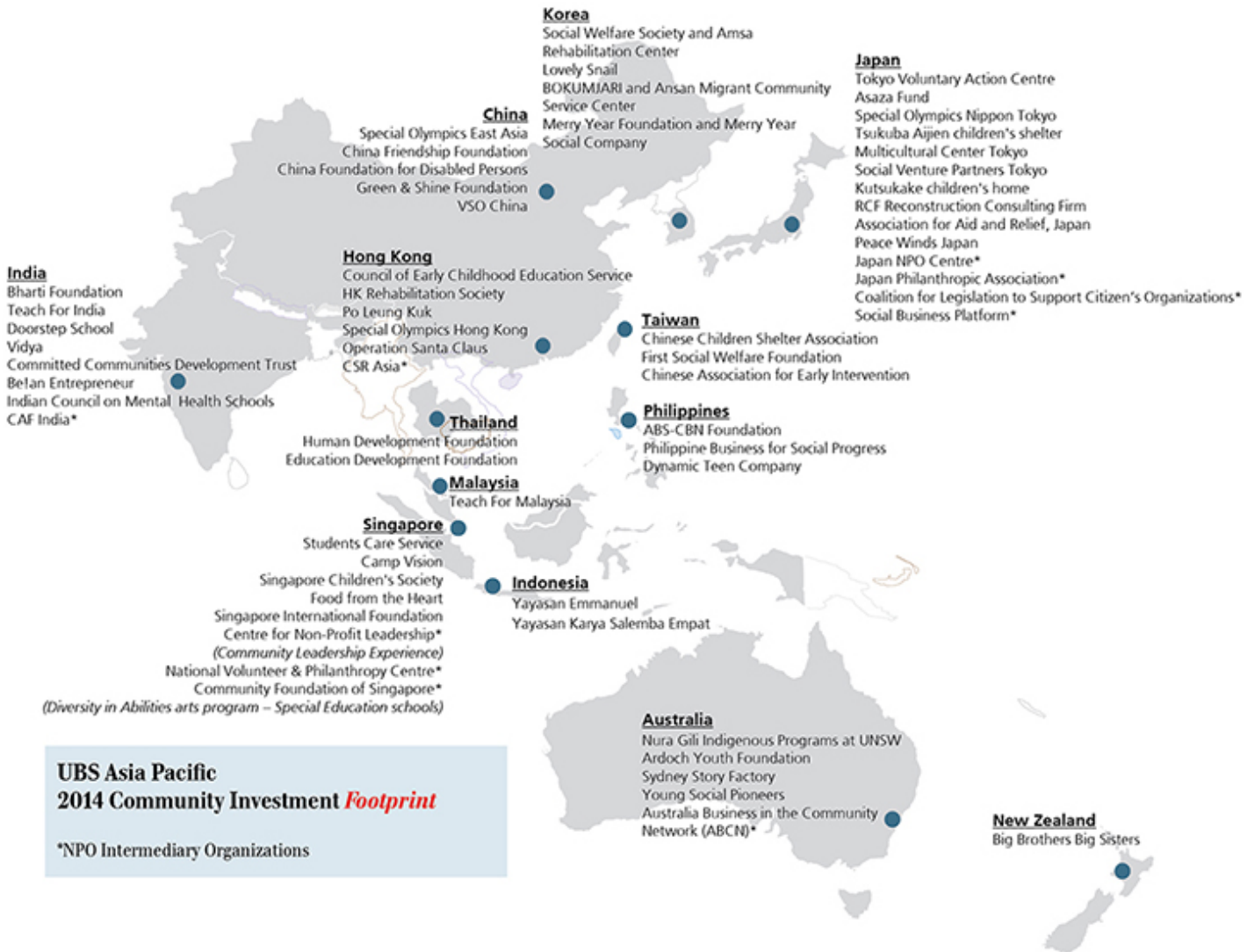
**Contact**

**Leona Tan**

Regional Community Affairs,  
Diversity & Inclusion Advisor,  
APAC

[Send an email](#)

# Program overview



UBS has 60 community partners across 13 countries where UBS does business in the Asia Pacific region.

## Employee engagement

UBS has a strong tradition of volunteerism in APAC. In 2013, 44% of APAC staff volunteered, which was double the global average. In total, our region volunteered almost 28,000 hours across various Community Affairs projects. Across the region, UBS employees continue to volunteer in a diverse variety of both skill-based and grassroots programs. Clients and family members are also often invited to join in.



### Key highlights:

- In 2014, the UBS Finance Academy program in Sydney marked its 12th anniversary, and over the years has provided more than 550 public school students with first-hand insight into the world of finance and exposure to UBS. Over the course of the program, students were provided with the opportunity to listen to, and interact with, key industry figures. Students also gained practical knowledge of financial markets through “day in the life” presentations, merger and acquisition case studies and a field trip to both UBS’s live trading floor and CNBC’s filming studio.
- In 2013, during the Regional Volunteer Experience, volunteers from across Asia Pacific travelled to Japan and joined local volunteers to work together on the Team Tohoku program in the remote north-eastern community of Kamaishi City, aimed at helping the community get back on its feet following the 2011 tsunami. In June 2014, UBS and its local NGO partner RCF signed a three-way declaration with Kamaishi underscoring their joint commitment to continue activities aimed at revitalizing the city.
- In its third year, Singapore’s Diversity in Abilities arts program, targeted at bringing visual and performing arts to children in special education, was awarded Singapore’s National Arts Council Patron of the Arts Award 2013. More than 140 children have been trained by renowned local and regional artists, culminating in stage productions and art exhibitions featuring Singapore’s Minister of Education.
- Po Leung Kuk (PLK), founded in 1878, has evolved into a diversified group offering a wide-range of social services for disenfranchised groups in the community. It currently runs over 260 units in Hong Kong, providing welfare, educational, recreational and cultural services to the community. UBS supports Po Leung Kuk through the Children’s Development Program (CDP) and Baby College (BC) where UBS employees provide extra-curricular kindergarten to secondary level English and Putonghua courses for children from low income families.



# Working in Partnership



- ▢ Part of our culture
- ▢ At UBS, we believe in many kinds of giving

## Part of our culture

### Long-term partnerships

Partnership is the foundation of UBS. Just as we take the time to engage closely with our clients in order to understand their particular needs, so we similarly build long-lasting relationships with our community partners. We work to transform the lives of people in our local communities, through long-term community partnerships that strive to make sustainable impact.

### Targeted investment

To achieve maximum impact, we focus our resources primarily to benefit non-profit organizations in the fields of education and entrepreneurship: We believe these are the issues where UBS can make the most impact.

### Active involvement

We do more than just give money. We encourage employees to volunteer their time and skills to contribute to the causes they care about. In 2013, 10,648 employees spent 91,370 hours volunteering.

### Local commitment

Our activities are driven by the needs of our local communities. To ensure we understand these needs, we have dedicated Community Affairs teams in each region: they develop relationships with local organizations and ensure that our contributions have a significant, lasting and measurable effect.

[▢ Back to top](#)

## At UBS, we believe in many kinds of giving

### UBS donations

In 2013, UBS and our affiliated foundations made direct cash donations totaling CHF 28.3 million to carefully selected non-profit partner organizations and charities. These donations were primarily aimed at our Community Affairs key themes of education and entrepreneurship. Additionally, spending on the [UBS Education Initiative](#) amounted to CHF 14.0 million. Our contributions, combined with the volunteering activities of employees, have continued to provide substantial benefits to projects and people around the world, as demonstrated by the regional examples provided below.

### Employee donations

If employees donate money to charity, UBS will match these donations with an equal amount, giving such contributions additional impetus.\*

### Volunteering

Our employees, through their volunteer efforts, make significant contributions to the communities in which they work. The firm supports their commitment to making a difference by offering volunteers two days' paid leave every year.\*

### **In-kind giving**

We also recycle donated items to benefit others. Amongst others, we give business clothes to employment charities, used office furniture to partner organizations, and books and musical instruments to primary schools.

*\*subject to regional guidelines*

[↩ Back to top](#)



## Recent Awards

### **Lord Mayor's Dragon Award for Community Partnership, 2010, UK**

Community organization, Hidden Art, received this award, recognizing their long-standing partnership with UBS.

### **Business in the Community's Awards for Excellence, 2010, UK**

Awarded three Big Ticks as follows:

- In the "Building Stronger Communities" category for our impact in Hackney, over the last 20 years;
- Our work with The Bridge Academy to build an outstanding education-business partnership; and
- Project Shoreditch a partnership with East London Business Alliance, UBS, Linklaters, British Land and Hammerson (formerly including Deutsche Bank) which aims to support the regeneration of Shoreditch through employee volunteering.

### **Employee Volunteer of the Year Awards, East London Business Alliance 2010**

For 12 consecutive years, our employees have received awards for their volunteer work in East London.

### **Arts & Business Sustained Partnership Award, 2009, UK**

Recognised for our long-standing partnership with The Circus Space in London.

### **Business in the Community Award for Excellence, 2009, UK**

Awarded an Example of Excellence in the "Power in Partnership" category for Project Shoreditch, a collaboration between East London Business Alliance (ELBA), Deutsche Bank, Linklaters, UBS and the Shoreditch Trust.

### **Caring Company Award 2008/09, Hong Kong**

For the fifth consecutive year, we have been recognized as a role model for corporate citizenship.

### **Business in the Community's Jubilee Award 2007**

Recognized our long-term and sustainable positive impact in Hackney, London over the last 20 years.

### **Business in the Community Award for Impact on London 2007**

Recognized for Project Shoreditch working collaboratively with other companies to support economic regeneration.

### **Caring Company Award 2006, Hong Kong**

For the third consecutive year, we have been recognized as a role model for corporate citizenship.

### **Erie Neighborhood House Corporate Partner Award, 2006**

For employee volunteerism and support for the youth technology program.

### **Circle of Humanitarians Award 2006, American Red Cross**

Recognized UBS's major gifts for the Southeast Asia tsunami disaster relief and Hurricane Katrina Relief in the U.S.



## Heritage & awards

**UBS has a long tradition of supporting worthy causes and working with non-profit and charitable organizations.** The beginnings of our well-established Community Affairs program go back to the 1950s. Over the years, the significance of our commitment and activities has been honored by many awards across the regions we are active in.



▸ Americas

▸ Asia Pacific

▸ EMEA

▸ Switzerland





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## Americas

### Initiatives & awards

**UBS has established many partnerships with community organizations, and government agencies.** Through these relationships, UBS has been working to support public education initiatives and youth career development programs, and to improve the quality-of-life for people in need.

### Community awards:

- Heart of Gold Award for leadership in corporate volunteerism, The Volunteer Center of Southwestern Fairfield County
- National Champion of Education & Technology Award, MOUSE (Making Opportunities for Upgrading Schools & Education)
- Outstanding Business Partner Award, Junior Achievement of Southwest Connecticut
- President's Award for nonprofit capacity building initiative, The WorkPlace
- Corporate Leadership Award, The Urban League of Southern Connecticut



## APAC

**From its earliest days in the 1930s in Australia, UBS has had a business presence that has grown significantly in the Asia Pacific region.** In more recent times, the firm, which now operates in 13 countries in the region, has established a targeted number of partnerships with community organizations. Our commitment to these groups goes beyond financial support to a high level of volunteer participation by UBS employees.

Countries	Awards
Singapore	Singapore's National Arts Council Patron of the Arts Award 2013
Japan	Qualified Employer who supports the Growth of the Future Generations (2007-2012) The Tokyo Labour Bureau
Singapore	(1) Singapore Children's Society - Platinum award (2) Singapore International Foundation - Appreciation (3) Centre for Non-Profit Leadership - Appreciation
Hong Kong	Caring Company Award 2003-2010 Presented by Hong Kong Council of Social Services

## EMEA

### Awards

- 10 Dragon Awards including the Lord Mayor's 25th Anniversary Award 2012, for the company that has made more impact in the community in London than any other in the last 25 years;
- 3 Business in the Community (BITC) Awards for Excellence including Employee volunteering Award Winner 2013
- UBS in Poland received an award for the "Top Corporate Social Responsibility (CSR) Initiative of the Year 2013" at the Poland Outsourcing and Shared Services Awards
- UBS in Italy was awarded the Best Newcomer in the 2011 BITC European Employee Volunteering Awards
- UK Prime Minister's Big Society Award 2011

### Case Study

UBS Volunteer Janet Wigglesworth, who is a Director in Group Technology in the UK, has been coaching Teach First teachers over the past few years, providing individual support and guidance to help them as they work in challenging schools.

"Over the past few years I have coached five Teach First teachers, all with different objectives and challenges...It made me realise how critical they are as role models to help inspire young people to reach their potential."

Teach First teacher Jessica first met Janet 4 years ago at a Teach First 'speed dating' event matching teachers and volunteer coaches. The two clicked and Janet began coaching Jessica. Janet is now supporting Jessica through a new leadership role.

"I recently became head of the department and am focusing on what I want to achieve during the sessions. It's useful having someone who knows about management and getting people to buy into ideas."

Through the coaching sessions, Jessica has noticed an improvement. One of Jessica's long term goals is to be head teacher one day. The coaching sessions facilitate development of goals like Jessica's.

"The beauty of coaching is that it makes you think about things that you haven't thought about before. It's about pulling it out of you, not telling you what to do. It's about her listening to me and questioning me. She might rephrase something and that gives me the clarity to see what I want to achieve and what I can do..."

She doesn't come from judgement, she comes to support and help."

The relationship was meant to last only one year, but the two have continued to work together.

"The real impact is having an external view on what you're doing...as long as she's willing to coach me, I'll be there!"



## Switzerland

**Besides its Community Affairs programs, UBS in Switzerland has been actively supporting worthy causes for more than 50 years through its independent foundations and an employee association.**

- Since 1971, the association **A Helping Hand from UBS Employees** assists disabled and disadvantaged people to lead active, independent lives. UBS encourages this employee involvement by matching the funds raised.
- The roots of the [UBS Cultural Foundation](#) date back to 1962. The foundation fosters creativity, appreciation of different forms of art, and contact between artists and society. The foundation financially supports fine arts, film, literature, music, preservation of historic buildings, archaeological projects and studies in history and philosophy in Switzerland.
- In similar fashion, the purpose of the UBS Foundation for Social Issues and Education, with its historical origins in 1972, is to support deprived communities in Switzerland in various forms. Non-profit, charitable organizations, projects and initiatives aiming at improving social welfare receive monetary assistance from these funds.

# The UBS Visionaris Social Entrepreneurship Award



**Visionaris, the UBS Social Entrepreneurship Award, was created in 2004 in order to bring recognition and added impetus to leading social entrepreneurs who are solving social problems in Mexico and Brazil-based social entrepreneurship who are solving social problems with innovative and groundbreaking ideas.**

Conducted annually in collaboration with Ashoka, an international NGO that nurtures leading social entrepreneurs around the world, a winner and three finalists are selected by an award committee consisting of 14 local philanthropists, and the award is granted in a special ceremony attended by more than 100 local philanthropists.

Through Visionaris, the selected social entrepreneurs acquire four types of capital, which combined can act as catalysts for their social-change activities:

- **Financial capital:** Since its inception, Visionaris has granted more than USD 740,000 in prize money, providing financial resources for the recipient organizations to grow or fund projects that are strategic to their futures.
- **Social capital:** The award ceremony, attended by 150 local philanthropists and community leaders, provides the Visionaris finalists with the opportunity to meet with potential donors and to network with peers with whom they can exchange social development experiences and best practices. Also, their initiatives are showcased in the local media.
- **Symbolic capital:** The Award recognizes the work undertaken by selected social entrepreneurs, and provides motivation to continue with their social change initiatives.
- **Intellectual capital:** Before the Award Committee meeting, the selected social entrepreneurs receive training on the following competences: basic presentation skills to ensure an effective presentation of their projects, project evaluation and monitoring, and fundraising.

After ten events in Mexico and five in Brazil, Visionaris has become an integral part of the philanthropic landscape in these countries. As philanthropists seek innovative approaches to solving social issues, Visionaris stands out as one of the pillars on which they look to build their giving. Commenting on his involvement with the Visionaris Award Committee, one philanthropist mentioned that "it was an honor to be part in such a jury. All the projects presented were excellent, and I would like to thank UBS and Ashoka for giving me the opportunity to get to learn about these social change initiatives".

## Recent winners

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### 2013: Flor Cassassuce

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The organization Flor founded, Grupo EOZ, conceives and develops high-quality technology based on community needs that is accessible to marginalized populations. The community, accompanied by a local rural technology extension agent, identifies their needs in terms of health, hygiene, and economic development. Then, basing itself on the study of these needs, if the appropriate technology cannot be found at a reasonable price, Grupo EOZ invents, designs, develops, and continuously improves a corresponding technology. The community technician is also in charge of training, follow-up, technical support, and maintenance for families. Given the low, near

symbolic costs of Grupo EOZ's technologies and their tailoring to the community's very own needs, these families have a stake in improving their own quality of life through appropriate technology. Grupo EOZ's first technology — the ZEOZ water purifier — has benefited more than 5,700 poor, rural families living in 10 Mexican states.

Additionally, the model's employing of local community members for technical support and promotion serves to create sustainable, high-quality local jobs. The inventions that Grupo EOZ engineers not only are solutions for improving the health situations in rural communities, but they also thus become tools that give local families ways to increase their income and overcome poverty.

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#### 2012: Mariana Baños

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By providing free, comprehensive care over the phone to women suffering from any degree of physical, sexual, economic, or psychological violence, Mariana's organization, Origen Foundation, is reducing the barriers to psychological services throughout Mexico. The core of the model is the toll-free phone line, Pro Ayuda a la Mujer (Help for Women), the first call center in Mexico that offers routine therapy at absolutely no cost to the callers. Unlike other phone-based services in Mexico that only provide one-off support to callers facing a specific domestic violence crisis or incident, Pro Ayuda a la Mujer connects women with psychologists, lawyers, and other specialists who provide professional follow-up to their callers long after the initial contact. Many of the women who call are not in emergency situations but are in need of psychological support nonetheless. In this way, Origen employs a detailed and comprehensive database to register every call and the counselor's notes on each session, which are made available to other potential service providers. For those callers requiring more specialized assistance, Mariana has built alliances with some 5,000 public and private healthcare and legal institutions to accommodate specific cases.

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#### 2011: Ernesto López Portillo

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After working for several years on public security issues in Mexico, Ernesto founded the Institute for Security and Democracy (Insyde), an organization dedicated to the democratic reform of Mexico's law enforcement agencies, in order to make them more transparent and accountable to society.

As Mexico struggles with the widespread violence stemming from drug trafficking and organized crime, the sense of public security is at an all-time low. Questionable police performance leaves Mexicans with little respect for law enforcement, and an absence of the rule of law has been detrimental to the development of a safe and democratic society. Through Insyde's work, Ernesto and his team are executing a citizen-based approach to police reform. He combines applied research and methodologies, derived from the best practices in police reform around the world, with comprehensive and objective evaluations of individual police institutions throughout the country. Insyde's relationship with police institutions is deliberately collaborative rather than antagonistic, seeking to help the police transform their own organizations rather than foisting change on them from the outside.

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UBS Philanthropy Services



# Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CDP	Carbon Disclosure Project
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons

PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

[↩ Back to top](#)



# Corporate Responsibility

## Contact us

If you have any **suggestions or questions** about corporate responsibility at UBS or about the website [www.ubs.com/corporateresponsibility](http://www.ubs.com/corporateresponsibility) please get in contact with us.

You can either use the [contact form](#) or [e-mail](#) us.





# Community affairs

## Contact us

**Non-profit organizations and other interested parties:** Please [e-mail](#) the UBS Community Affairs team.



# Have we awoken your interest? Get in contact!

## Personal Details

Title\*  Mrs/Ms  
 Mr

First name\*

Last name\*

Address\*

Postal code\*

City\*

Country\*

Phone\*

E-mail

Reason for contact\*  Private  
 Business  
 University

Message

**Legal note:** The data entered into this form is transmitted encrypted to UBS via the internet. Nevertheless, in order to maintain discretion, please do not include any confidential data such as account numbers. Via this form UBS does not accept any instructions for business transactions such as the opening of accounts, payment orders, trading orders, revocations of orders or authorizations, blocking of credit cards, changes of address, etc. Please contact the appropriate office or your client advisor for such transactions.

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Confirmation\*  I confirm that I have understood the aforementioned legal notices and have read, understood and accepted the statement of risks, the terms and conditions of use and the data protection statement relating to the website of UBS AG.

Please complete all fields marked with\*.

# "Preparing for success in an increasingly carbon-constrained world"

Three questions to Philip Lofts, Group Environmental Representative and Group Chief Risk Officer



## **UBS has had a climate change strategy since 2006. What's new today?**

Our 2006 climate change strategy was successful in substantially reducing our in-house greenhouse gas emissions and in offering niche financial products. Now, recognizing the full financial impact climate change and the related transition to a low carbon economy may have on clients, we decided to adjust our strategy and seek to embed it in all our client-facing businesses. This approach seeks to prepare our firm, and our clients, for an increasingly carbon-constrained world.

## **Why does UBS need a climate change strategy?**

Climate change is closely intertwined with issues such as access to drinking water and food, biodiversity and energy security. These issues present significant challenges to all sections of society. Clients, investors and regulators increasingly factor environmental and social performance into their decisions. Financial institutions are expected to play a key role in the transition to a low-carbon economy. We as a firm have to ask ourselves where we can make the best contribution.

## **So what is the contribution of UBS as a bank?**

First of all, we have a responsibility as a corporate citizen and this responsibility goes beyond energy and water consumption in our premises. As a financial institution, we can help to gear capital towards investments which mitigate climate change. Let's take UBS's energy initiative in Switzerland as an example. Its climate change-related offering spans all three segments of retail, corporate and institutional clients: our Swiss private clients benefit from the UBS "eco" mortgage and a cash benefit when building energy-efficient homes; we incentivize Swiss SME to save energy by promoting the Swiss Energy Agency's SME Model; and the UBS Clean Energy Infrastructure Switzerland offers institutional investors access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energy and energy efficiency. Through these initiatives, we use our business model and franchise in the Swiss market to add value for our clients while contributing to mitigate climate change.

## Environmental Month videos



Watch our senior management answering questions on sustainability at UBS from employees and the public.



**Jürg Zeltner**

CEO UBS Wealth Management

[▶ Play video](#)



**Christine Novakovic**

Head Corporate & Institutional Clients

[▶ Play video](#)



**Thomas Wels**

Head Global Real Estate, Global Asset Management

[▶ Play video](#)

## Videos from last year's environmental month at UBS

- [▶ Sustainable investing: Video with Alexander Friedman](#)
- [▶ Environmental credit crunch and sustainable innovation: Video with Paul Donovan and Julie Hudson](#)



# Jürg Zeltner

CEO UBS Wealth Management







# Thomas Wels

Head Global Real Estate, Global Asset Management





# Christine Novakovic

Head Corporate & Institutional Clients





## Sustainable business opportunities





## Environmental credit crunch and sustainable innovation



# Information center

## Our approach

### Reporting

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GRI Content Index

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[▶ Read more](#)

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GRI G4 materiality assessment

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## GRI G4 materiality assessment

For the GRI G4 materiality assessment the GRI indicators were mapped with the [materiality matrix](#) and rated material/immateral (decision factors were: significance to stakeholders and impact on sustainable performance). We have identified the following material aspects:

Economic Performance

Indirect Economic Impacts

Materials

Energy

Emissions

Effluents and Waste

Transport

Supplier Environmental Assessment

Employment

Labor/Management Relations

Occupational Health and Safety

Training and Education

Diversity and Equal Opportunities

Equal Remuneration for Women and Men

Supplier Assessment for Labor Practices

Labor Practice Grievance Mechanisms

Non-Discrimination

Supplier Human Rights Assessment

Anti-Corruption

Public Policy

Anti-competitive Behavior

Compliance

Supplier Assessment for Impacts on Society

Grievance Mechanisms for Impacts on Society

Product and Service Labeling

Marketing Communications

Customer Privacy

Product Portfolio

Audit

Active Ownership

All material aspects are relevant to all entities consolidated within UBS. Information describing any relevant impacts of the aspects outside UBS is provided as part of the description of the respective GRI indicator/aspects.





































## Reports

### Corporate Responsibility reports

▸ [Download "Corporate responsibility" section in UBS annual report 2013](#) 

▸ [Download "Our Employees" section in UBS annual report 2013](#) 

### Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
2012	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2011	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2010	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2009	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2008	<a href="#">PDF</a> 		<a href="#">PDF</a> 	<a href="#">PDF</a> 
2007	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2006	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2005	<a href="#">PDF</a> 	<a href="#">PDF</a> 	<a href="#">PDF</a> 	
2004	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2003	<a href="#">PDF</a> 	<a href="#">PDF</a>  <a href="#">PDF</a> 		
2002	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2001	<a href="#">PDF</a> 	<a href="#">PDF</a> 		
2000		<a href="#">PDF</a> 		
1999/2000		<a href="#">PDF</a> 		
1998/1999		<a href="#">PDF</a> 		

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### EY Assurance statement

▸ [Read more](#)

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### UN Global Compact COP

▸ [UN Global Compact Communication on Progress](#) 

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### Submission to the CDP climate change questionnaire

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UBS acknowledges that climate change represents one of the most significant environmental challenges of our time.



UBS is a founding member of the CDP (formerly known as Carbon Disclosure Project) that encourages organizations to measure, manage and reduce emissions and climate change impacts. The CDP issues annual climate change Information Requests on behalf of institutional investors to almost 6,000 corporations across the globe. UBS also annually responds to the questionnaire.

▶ [UBS - CDP Information Request 2014](#)

## ISO 14001 Certificates

### UBS is globally certified according to the international environmental management standard ISO 14001

In 1999, UBS was the first bank to obtain ISO 14001 certification for its worldwide environmental management system. The management system covers the entire scope of UBS's products, services and in-house operations which may give rise to an environmental impact. It is audited annually and re-certified every three years by Société Générale de Surveillance (SGS).

These comprehensive audits verify that appropriate policies and processes are in place to manage environmental issues, and that they are executed in day-to-day practice.

In September 2013, UBS successfully passed the ISO 14001 surveillance audit of its Environmental Management System.

- ▶ [2011 - 2014, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide](#)
- ▶ [2008 - 2011, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide](#)
- ▶ [2005 - 2008, ISO 14001 Certificate. Scope: Banking Business and Inhouse operations worldwide](#)
- ▶ [2002 - 2005, ISO 14001 Certificate. Scope: Corporate Services outside Switzerland](#)
- ▶ [2002 - 2005, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland](#)
- ▶ [1999 - 2002, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland](#)
- ▶ [Environmental management indicators \(including audit numbers\)](#)

### Environmental management indicators (including number of audit days)

	GRI <sup>1</sup>	For the year ended			%change from 31.12.12
		31.12.13	31.12.12	31.12.11	
<i>Full-time equivalent, except where indicated</i>					
<b>Personnel financial businesses</b>		<b>60'205</b>	62'628	64,820	(4)
Personnel in specialized environmental units/functions		<b>34</b>	31	31	14
<b>Environmental awareness raising</b>					

Employees trained	FS4	<b>7,136</b>	3,548	15,693	101
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>2,135</b>	966	3,677	121
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>58</b>	63	182	(8)
Auditing time (days)	FS9	<b>11</b>	11	22	5
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>160</b>	249	181	(36)
Auditing time (days)	FS9	<b>47</b>	51	28	(8)

<sup>1</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

<sup>2</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive Re-Certification Audit was done in 2011.

<sup>3</sup> Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

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## Objectives 2014

▶ [Read more](#)

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## Objectives and achievements 2013

▶ [Read more](#)

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## UBS commitments

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### UN Global Compact



In 2000, UBS became one of the first companies to sign the United Nations (UN) Global Compact. This global corporate responsibility initiative unites governments, business, labor organizations and civil society, fostering adherence to 10 principles covering the areas of human rights, labor standards, the environment and anti-corruption.

▶ [More](#)

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## UNEP Finance Initiative

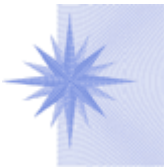


In 1992, we were one of the first signatories to the United Nations Environment Program's Bank Declaration.

▶ [More](#)

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## Wolfsberg Group - preventing money laundering



We remain strongly committed to promoting stringent anti-money laundering standards for the financial industry as a whole. As a prime example of this, UBS was one of the driving forces behind the launch of the Wolfsberg Group and its issuance of global anti-money laundering principles in 2000.

▶ [More](#)

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## Principles for Responsible Investment (PRI)



UBS Global Asset Management is an Investment Manager signatory to the Principles for Responsible Investment (PRI). This global investor initiative, in partnership with the UNEP Finance Initiative and the UN Global Compact, is designed to provide a framework for better integration of ESG issues into mainstream investment practice.

▶ [More](#)


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## Thun Group - banking & human rights

The Thun Group is an informal group of bank representatives, with the name derived from the location (the UBS conference center in the Swiss city of Thun) where the group meets to share experiences and ideas regarding the implementation of the UN's Guiding Principles on Business and Human Rights.

### Further commitments

UBS is a member of further organizations that promote corporate responsibility and is actively engaged in their activities.

- ▶ [Read the Thun Group of banks' discussion paper](#) 
  - ▶ [Read the Thun Group statement](#)
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## ASrIA

UBS is a member of the Association for Sustainable & Responsible Investment in Asia (ASrIA), a not for profit, membership association dedicated to promoting corporate responsibility and sustainable investment practice in the Asia Pacific region. ASrIA's goal is to build market capacity for SRI providing insightful, up to date and accessible information on the development of Socially Responsible Investments (SRI) in Asia and elsewhere around the world. It is also a platform for different sectors within the community to exchange

and disseminate information and perspectives on SRI.

▶ [www.asria.org](http://www.asria.org)

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## Business in the Community

UBS is a founding member of Business in the Community, a unique movement of companies across the UK committed to continually improving their positive impact on society.

▶ [www.bitc.org.uk](http://www.bitc.org.uk)

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## The Conference Board

The Conference Board creates and disseminates knowledge about management and the marketplace to help businesses strengthen their performance and better serve society. UBS participates in a number of Councils that are relevant for its corporate responsibility strategy, such as The Council of Diversity Executives.

▶ [www.tcb.org](http://www.tcb.org)

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## CSR Asia

UBS is a Strategic Partner of CSR Asia, the leading provider of information, training, research and consultancy services on sustainable business practices in Asia.

▶ [www.csr-asia.com](http://www.csr-asia.com)

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## Eurosif

UBS is founding member of the European Sustainable and Responsible Investment Forum (Eurosif). Eurosif was created in 2001 to serve as an umbrella association to cover socially responsible investment issues at the European level. Eurosif members are made up of the national Social Investment Forums (SIFs) and include SIFs from Belgium, France, Germany, Italy, the Netherlands and the UK.

▶ [www.eurosif.org](http://www.eurosif.org)

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## European Venture Philanthropy Association

The European Venture Philanthropy Association (EVPA) is a membership association made up of organizations interested in or practicing venture philanthropy across Europe. Established in 2004, the association is a unique network of venture philanthropy organizations and others committed to promoting high-engagement grant making and impact investment in Europe. UBS has been a member since 2007 and has co-hosted multiple events together with EPVA. EVPA has expanded to Asia and opened in 2009 its Asian operations Asian Venture Philanthropy Association (AVPA), with whom UBS is equally working together with closely.

▶ [www.evpa.eu.com](http://www.evpa.eu.com)

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## Global Apprenticeships Network (GAN)

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UBS is a member of the Global Apprenticeships Network (GAN). A business-driven alliance with the overarching goal of promoting apprenticeships and other forms of work-based learning programs as a means to avoid skills mismatch and youth unemployment, GAN seeks to build on local traditions, but with an eye to the future needs of business. It was created in 2013 following an initiative of the International Organisation of Employers and the Business and Industry Advisory Committee, and with the support of the International Labour Organization.

▶ [www.global-apprenticeships.org](http://www.global-apprenticeships.org)

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## Global Impact Investing Network

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The Global Impact Investing Network (GIIN) is the practitioners' umbrella organization. The GIIN is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. They can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN addresses systemic barriers to effective impact investing by building critical infrastructure and developing activities, education, and research that attract more investment capital to poverty alleviation and environmental solutions. UBS is an Investor Council member since 2011.

▶ [www.thegiin.org](http://www.thegiin.org)

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## Institute of Business Ethics

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The Institute of Business Ethics (IBE) was established in 1986 by business to encourage high standards of business behavior based on ethical values. Today it leads the dissemination of knowledge and good practice in business ethics globally.

IBE raises public awareness of the importance of doing business ethically, and collaborates with other UK and international organizations with interests and expertise in business ethics. The institute also helps organizations to strengthen their ethics culture by hosting events, running training courses, publishing relevant materials and providing an information web service.

UBS was one of the first subscribers to the Institute, and continues to support it to this day.

▶ [www.ibe.org.uk](http://www.ibe.org.uk)

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## oikos

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UBS is a donor of oikos foundation, a part of the international oikos student organisation for sustainable economics and management and a leading reference point for the promotion of sustainability change agents. oikos strengthens action competence for sustainable development among the decision makers of tomorrow by increasing awareness of sustainability opportunities and challenges. It focuses on management and economics students with the objective of fostering their ability not only to analyze long-term economic, environmental and social trends, but also to implement sustainability driven innovation. It creates institutional support for these learning processes through the integration of sustainability issues in research and teaching at the world's faculties for management and economics.

▶ [www.oikosinternational.org](http://www.oikosinternational.org)

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## Roundtable on Sustainable Palm Oil (RSPO)

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since September 2012.

▶ [www.rspo.org](http://www.rspo.org)

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The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders. RSPO has more than 1000 members from over 50 countries across the palm oil supply chain, including banks and investors. UBS is a member of the RSPO

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## Smith School of Enterprise and the Environment at Oxford University

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In January 2011, UBS joined the Partnership Board of the Smith School of Enterprise and the Environment at Oxford University.

The Smith School is a world-class interactive, interdisciplinary research hub which forms part of the University of Oxford. Founded in 2008, the school draws together the best academic minds from around the world to advance partnership between public and private enterprise, finding the most effective solutions to issues such as energy supply, water shortage, food security and climate change.

▶ [www.smithschool.ox.ac.uk](http://www.smithschool.ox.ac.uk)

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## Sustainable Finance Geneva

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Sustainable Finance Geneva (SFG) is an association of Geneva-based professionals and investors with a common interest in promoting sustainable finance and responsible investment. SFG believes that the inclusion of extra-financial criteria in decision-making processes is necessary to deal efficiently with current global challenges. They have come together to accelerate progress, share their knowledge and form an international movement for action in sustainable finance and responsible investment. SFG members are involved in a wide range of activities such as Socially Responsible Investing (SRI), Environment, Social & Governance (ESG) research, data and ratings, microfinance, philanthropy, corporate social responsibility and social entrepreneurship. UBS is a member since 2012.

▶ [www.sfgeneva.org](http://www.sfgeneva.org)

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## VfU

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The Association for Environmental Management and Sustainability in Financial Institutions (VfU), founded in 1994, supports the development and application of sector specific strategies and instruments in environmental management.

UBS was active in the formulation and subsequent reviews of the 1996 VfU environmental reporting guidelines for financial service providers. UBS's set of indicators for in-house environmental management is based on the latest version of the VfU Indicators Protocol.

UBS hosted the annual VfU / UNEP FI sustainability roundtable in 2010 and is a member of the organization's board.

▶ [www.vfu.de](http://www.vfu.de)

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## WDA Forum / World Demographic & Ageing Forum

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The World Demographic & Ageing Forum (WDA) is the leading international, inter-generational and interdisciplinary platform for a

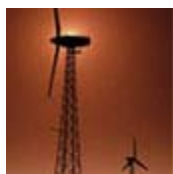
worldwide discussion and coordination of efforts and activities concerning demographic change & ageing. It addresses these topics with stakeholders from business, academia, politics, influential NGOs, and civil society and it disseminates findings and recommendations to the public policy dialogue and a wider general public. UBS became a member of the Forum in 2012.

▶ [www.wdaforum.org](http://www.wdaforum.org)

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## Zurich Energy Model

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The Zurich Energy Model is a capacity building project established in 1987 by twelve major energy consumers - among them UBS - in the city of Zurich. The objective of the firms involved in the Zurich Energy Model is a joint increase in energy efficiency, to optimize investments and corporate costs, and to communicate innovative solutions to the general public. In 2005, the group agreed with canton Zurich to set a target of increasing energy efficiency by 16.5% until 2012. In 2007, UBS was awarded the Zurich Energy Model trophy for its achievements and successes in the field of energy efficiency and energy management.

▶ Voluntary Climate Protection (Certificate of the Swiss Private Sector Energy Agency) 

▶ [www.energiemodell-zuerich.ch](http://www.energiemodell-zuerich.ch)

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## Ratings & awards

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### CDP

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The CDP (formerly known as Carbon Disclosure Project) is an independent not-for-profit organization, which by its own account today represents a group of 722 institutional investors, representing a total investment volume of 87 trillion US dollars (as of January 2014). The audit firm PricewaterhouseCoopers annually evaluates the 500 largest listed companies for CDP. The evaluation criteria include greenhouse gas emissions, data quality and transparency. Awareness of the risks and opportunities of climate change for the company itself are also examined. We were among the top 20 financial institutions in the CDP Global 500 Climate Change Report 2013 and were included in the Climate Disclosure Leadership Index (CDLI) DACH. CDLI DACH 2013 includes the 10% highest Disclosure Scores of scored companies in the DACH region (Germany, Austria, Switzerland).

▶ [www.cdproject.net](http://www.cdproject.net)

▶ CDP Climate Disclosure Leadership Index DACH Award 2013 

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### FTSE4Good Indexes

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UBS again met the FTSE4Good criteria designed to identify companies that are compliant with globally recognized corporate responsibility standards. As a continued index component for the FTSE4Good Index, we have been included since its inception in 2001. FTSE4Good measures the performance of global companies in the areas of environmental sustainability, stakeholder relations and support for human rights.

▶ [www.ftse4good.com](http://www.ftse4good.com)

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## oekom Corporate Rating

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**oekom research AG** is one of the world's leading sustainability rating agencies and has actively helped to shape the market for sustainable investments since 1993. oekom research has awarded UBS corporate responsibility prime status which, according to the oekom Corporate Rating, signifies companies which are among the leaders in their industry and which meet industry-specific minimum requirements.

▶ [oekom](#)

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## Dow Jones Sustainability Indexes

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The Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index. In 2013, UBS re-entered the DJSI from which we had been removed in 2012, as our score had been just below the raised benchmark. This followed continuous inclusion in the DJSI since their launch in 1999. At the time, the DJSI were the first global indices to track the financial performance of the leading sustainability-driven companies worldwide. The DJSI follow a best-in-class approach and include companies from across all industries that outperform their peers in numerous sustainability metrics.

▶ [www.sustainability-index.com](http://www.sustainability-index.com)

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## 2013 awards

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We received several honors in the 11th annual Thomson Reuters Eitel/UKSIF Socially Responsible Investing (SRI) & Sustainability Survey of over 500 investment professionals from 27 countries. The UBS Investment Bank ESG & Sustainability Team was ranked third overall for ESG and SRI, including second for Corporate Governance and for Renewable Energy, fourth for Climate Change and for Thematic Research, and fifth for SRI Research.

Six of Global Asset Management's real estate funds, with CHF 20 billion gross assets under management, obtained the top ranking ("green star"), and two of them were awarded "sector leader" status, by the 2013 Global Real Estate Sustainability Benchmark, thus recognizing our efforts in defining and implementing a sustainable and responsible property investment strategy (RPI). All six funds rank within the first and second quartiles of their respective peer set (among more than 540 real estate portfolios).

UBS in the UK was recognized with a Business in the Community 2013 Responsible Business Award for its volunteering program while UBS Singapore's Diversity in Abilities arts program, targeted at bringing visual and performing arts to children in special education, was awarded Singapore's National Arts Council Patron of the Arts Award 2013.

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## Policies and guidelines

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### Code of business conduct and ethics

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The "[Code of Business Conduct and Ethics of UBS](#)" sets out the principles and practices that UBS expects all of its employees and directors to follow unreservedly both in letter and in spirit. The principles and standards set out in the Code should characterize all of UBS's business activities and all its dealings with the firm's stakeholders including clients, colleagues, shareholders, regulators and business partners. It is the basis for all UBS policies, guidelines and statements relating to each of the firm's employees' personal commitment to appropriate and responsible corporate behavior.

▶ [Code of business conduct and ethics](#) 

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## Employment of staff

UBS provides equal employment and advancement opportunities for all individuals regardless of race/ethnicity, gender, national origin, age, disability, sexual orientation, or religion. This non-discrimination policy applies to the entire employment process, including recruiting, hiring, placement, promotion, transfers, compensation, training, and termination. In addition, UBS complies with and supports all national and local laws pertaining to non-discrimination and advancement opportunity.

▶ [www.ubs.com/employees](http://www.ubs.com/employees)

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## Environmental and human rights governance



▶ [Please click here to enlarge the display of the picture above](#)

▶ [Read more](#)

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## Environmental and human rights policy



UBS is committed to acting in a responsible manner in all its business dealings and to promote sustainable business activities. The environmental and human rights policy defines principles and responsibilities for managing environmental and human rights issues. It was established in 1993, endorsed by the Group Executive Board, and was last revised in 2013.

[▶ Read more](#)

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## Money laundering prevention

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UBS is committed to assisting in the fight against money laundering, corruption and terrorist financing. This is illustrated by the way we take responsibility in our own operations, aiming to help preserve the integrity of our the financial system.

[▶ More](#)

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## Conflicts of interest

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UBS is committed to identifying and managing or avoiding potential conflicts of interest in its business. This is enshrined in our Code of Business Conduct & Ethics. The firm has established guiding principles outlining its approach to properly identifying and managing conflicts of interest. In addition, various other policies address situations in which a conflict of interest might potentially arise, such as personal account dealing, or the providing and receiving of gifts. UBS's Investment Bank also has specific conflict of interest policies for its research activities.

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## Whistleblowing protection

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UBS is committed to conducting its business lawfully and ethically. The firm has a Whistleblowing Policy and established procedures for dealing with genuine concerns staff may have about suspected ethical breaches or misconduct within the firm. Both the Whistleblowing Policy and the Code of Business Conduct and Ethics encourage staff to report promptly any concerns. UBS does not allow retaliation for reports of misconduct by others made in good faith. All staff have easy access to anonymized, free, internal or external mechanisms for submitting whistleblowing reports. All concerns raised are taken seriously and investigated fully and promptly.

[▶ Whistleblowing protection](#) 

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## Community affairs

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A guideline is in place which sets out UBS's community affairs activities and intends to ensure a unified approach to community affairs globally. It outlines responsibilities, focus areas, the scope of the programs as well as minimal criteria applicable to all community affairs activities and any financial contributions to charities and non-profit organizations made by UBS.

[▶ More](#)

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## Information security

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UBS adheres to the highest standards of information security. It meets legal and regulatory requirements related to information security, satisfying the obligations it has to clients, employees and shareholders.

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## Other information



## History of corporate responsibility at UBS

1954	Beginnings of Community Affairs at Wealth Management US
1962	Establishment of Union Bank of Switzerland's 100 <sup>th</sup> anniversary foundation (since 1999: UBS Culture Foundation)
1971	Launch of "A Helping Hand from UBS Employees" (UBS Mitarbeiter helfen) in Switzerland
1972	Establishment of Swiss Bank Corporation's 100th anniversary foundation (since 1999: UBS Foundation for Social Issues and Education)
1978	Beginnings of Community Affairs in EMEA Establishment of first energy functional unit
1982	Co-founder member of <i>Business in the Community</i> in the UK
1988	First bank in Switzerland with the position of environmental officer
1989	First formal energy guidelines
1992	Among the first signatories of the UNEP bank declaration (UNEP FI) Start of an award-winning school partnership with Deptford Green School in the UK
1993	Introduction of first Environmental Policy
1994	Publication of first environmental report and introduction of environmental credit assessment procedure for Swiss corporate clients
1995	Introduction of employee volunteering at Wealth Management US and of matched-giving scheme for London employees
1996	Launch of first cohesive and branded Community Affairs programme, "Tomorrow's Adults"
1997	Launch of Socially Responsible Investment (SRI) Funds "Eco-Performance-Portfolio" Establishment of IB Community Affairs in Stamford (monetary and in-kind donations, and employee volunteering).
1998	<i>Merger of Union Bank of Switzerland and Swiss Bank Corporation to create UBS</i>
1999	Founding member of Wolfsberg Group First bank to obtain ISO 14001 certification for worldwide environmental management system in banking business and launch of Environmental Risk Policy in IB Establishment of UBS Optimus Foundation
2000	UBS among first 38 companies to sign UN Global Compact Wolfsberg Group Anti-Money Laundering (AML) Principles for Private Banking (revised 2002) UBS commences reporting on corporate responsibility in Annual Report
2001	Establishment of Corporate Responsibility Committee (CRC), a Board of Directors committee, and publication of first Corporate Responsibility section in Annual Report Establishment of a Global Diversity Steering Committee within the Investment Bank Founding member of European Social Investment Forum (Eurosif) Wolfsberg Group Commitment against Terrorism Employee volunteering time off policy introduced for London employees
2002	Wolfsberg Group Statement on Fight against Financing of Terrorism and AML Principles for Correspondent Banking Launch of group-wide Diversity initiative Founding signatory of Carbon Disclosure Project (CDP) Commencement of joint WM and IB Community Affairs programme in Chicago Expansion of in-house ecology programme to Corporate Services outside Switzerland

2003	Institution of NGO communications & analysis function First financial services firm to formally register interest as an Academy sponsor in the UK (leads to the opening of the The Bridge Academy, Hackney, in 2007)
2004	Establishment of SRI Equity Research in Investment Bank
2005	Establishment of coordination function for Community Affairs in Switzerland Setting up of UBS Tsunami Relief Fund UBS commences social reporting in Annual Report (section on employees)
2006	Introduction of Climate Change Strategy Adoption of UBS Statement on Human Rights Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach
2007	Establishment of SRI Research in Global WMBB Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments First company-wide volunteering at Wealth Management US
2008	Introduction of group-wide Responsible Supply Chain Guideline Wolfsberg Group Revised PEP FAQs
2009	UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI UBS Global Asset Management becomes a signatory to the UN Principles for Responsible Investment
2010	UBS's Sustainability Disclosure 2009 meets the requirements of level A+ of the GRI
2011	UBS's Sustainability Disclosure 2010 meets the requirements of level A+ of the GRI
2012	UBS's Sustainability Disclosure 2011 meets the requirements of level A+ of the GRI

► [www.ubs.com/history](http://www.ubs.com/history)

## Our operations

### In-house environmental management

#### Statistics

### Environmental targets and performance in our operations

Environmental targets and performance in our operations

	GRI2	2013	Target 2016	Baseline	% change from baseline	Progress / Achievement <sup>7</sup>	2012	2011
Total net greenhouse gas emissions (GHG footprint) in t carbon equivalents <sup>4</sup>	EN15-17	183,011	-50%	360501 <sup>5</sup>	-49.2	On track	215,279	220,593

## Environmental targets and performance in our operations

Energy consumption in GWh	EN3	737	-10%	761 <sup>6</sup>	-3.2	On track	761	827
Share of renewable energy	EN3	49%	increase	24% <sup>5</sup>	104.2	On track	42%	45%
GHG offsetting (business air travel) in t carbon equivalents	EN18	72,612	100%	0 <sup>5</sup>	100	On track	73,024	88,867
Paper consumption in kg per FTE <sup>8</sup>	EN1	121	-5%	122 <sup>6</sup>	-1.1	On track	122	122
Share of recycled and FSC paper	EN2	57.60%	60%	55.8% <sup>6</sup>	3.1	On track	55.80%	44.30%
Waste in kg per FTE <sup>8</sup>	EN23	213	-5%	230 <sup>6</sup>	-7.8	On track	230	242
Waste recycling ratio	EN23	55.60%	60%	54.2% <sup>6</sup>	2.5	Behind schedule	54.20%	54.20%
Water consumption in m <sup>3</sup>	EN8	1.77	-5%	1.95 <sup>6</sup>	-9.1	On track	1.95	2

Legend: CO<sub>2</sub>e = carbon equivalents; FTE = full-time employee; GWh = giga watt hour; kWh = kilo watt hour; km = kilometer; kg = kilogram; m<sup>3</sup> = million cubic meter; t = tonne

1 Detailed environmental indicators are available on the internet [www.ubs.com/environment](http://www.ubs.com/environment). Reporting period 2013 (1 July 2012 - 30 June 2013).

2 Related to Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). EN stands for the environmental performance indicators as defined in the GRI.

3 Gross GHG emissions include: direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam and other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

4 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG offsets.

5 Baseline year 2004

6 Baseline year 2012

7 FTEs are calculated on an average basis including contractors.

## Environmental indicators - long version

### Environmental indicators<sup>1</sup>

		2013 <sup>2</sup>			2012 <sup>2</sup>	2011 <sup>2</sup>
	GRI <sup>3</sup>	Absolute normalized <sup>4</sup>	Data quality <sup>5</sup>	Trend <sup>6</sup>	Absolute normalized <sup>4</sup>	Absolute normalized <sup>4</sup>
<b>Total direct and intermediate energy consumption<sup>7</sup></b>		737 GWh	***	Stable	<b>761 GWh</b>	<b>827 GWh</b>
<b>Total direct energy consumption<sup>8</sup></b>	EN3	119 GWh	**	Low increasing	<b>112 GWh</b>	<b>128 GWh</b>
natural gas		77.7%	**	Stable	84.8%	84.2%

**Environmental indicators<sup>1</sup>**

heating oil		16.3%	***	Increasing	12.3%	13.1%
fuels (petrol, diesel, gas)		5.9%	***	Increasing	2.9%	2.6%
renewable energy (solar power, etc.)		0.10%	***	Increasing	0.03%	0.03%
<b>Total intermediate energy purchased<sup>9</sup></b>	<b>EN3</b>	<b>618 GWh</b>	<b>***</b>	<b>Stable</b>	<b>649 GWh</b>	<b>699 GWh</b>
electricity from gas-fired power stations		15.1%	**	Decreasing	19.3%	18.1%
electricity from oil-fired power stations		2.4%	***	Stable	2.4%	2.3%
electricity from coal-fired power stations		14.1%	**	Low decreasing	17.2%	15.8%
electricity from nuclear power stations		10.2%	**	Low decreasing	12.3%	10.8%
electricity from hydroelectric power stations		30.5%	***	Stable	30.0%	29.5%
electricity from other renewable resources		17.4%	***	Increasing	11.0%	13.9%
district heating		10.3%	***	Increasing	7.7%	9.7%
<b>Share of renewable energy and district heating</b>		<b>49%</b>	<b>***</b>	<b>Increasing</b>	<b>42%</b>	<b>45%</b>
<b>Total business travel</b>	<b>EN30</b>	<b>658 m Pkm</b>	<b>***</b>	<b>Stable</b>	<b>649 m Pkm</b>	<b>762 m Pkm</b>
rail travel <sup>10</sup>		1.7%	***	Stable	1.7%	1.5%
road travel <sup>10</sup>		1.1%	**	Stable	1.1%	0.4%
air travel		97.2%	***	Stable	97.2%	98.1%
<b>Number of flights (segments)</b>			<b>***</b>	<b>Low decreasing</b>	<b>308,555</b>	<b>337,573</b>
		287,483				
<b>Total paper consumption</b>	<b>EN1</b>	<b>7,693 t</b>	<b>***</b>	<b>Stable</b>	<b>8,083 t</b>	<b>8,093 t</b>
post-consumer recycled	<b>EN2</b>	18.7%	***	Decreasing	21.1%	18.2%
new fibers FSC <sup>11</sup>		38.9%	***	Increasing	34.7%	26.1%
new fibers ECF + TCF <sup>11</sup>		42.3%	***	Stable	43.9%	55.6%
new fibers chlorine bleached		0.2%	**	Low decreasing	0.2%	0.1%
<b>Total waste</b>	<b>EN23</b>	<b>13,551 t</b>	<b>***</b>	<b>Decreasing</b>	<b>15,264 t</b>	<b>16,083 t</b>
valuable materials separated and recycled		55.6%	***	Stable	54.2%	54.2%

<b>Environmental indicators<sup>1</sup></b>						
incinerated		19.9%	***	Low increasing	18.5%	20.0%
landfilled		24.4%	**	Low decreasing	27.3%	25.8%
<b>Total water consumption<sup>12</sup></b>	EN8	1.77 m m3	**	Stable	<b>1.95 m m3</b>	<b>2.00 m m3</b>
<b>Greenhouse Gas (GHG) Emissions in CO2e</b>						
Direct GHG emissions (Scope 1) <sup>13</sup>	EN15	24,122 t	***	Stable	21,838 t	25,232 t
Gross indirect GHG emissions (Gross Scope 2) <sup>13</sup>	EN16	195,066 t	***	Low decreasing	207,630 t	227,978 t
Gross other indirect GHG emissions (Gross Scope 3) <sup>13</sup>	EN17	92,811 t	***	Stable	94,044 t	110,010 t
<b>Total Gross GHG Emissions</b>		311,998 t	***	Stable	<b>323,513 t</b>	<b>363,220 t</b>
GHG reductions from renewable energy <sup>14</sup>		-56,375 t	***	Increasing	-35,209 t	-53,759 t
CO2e offsets (business air travel) <sup>15</sup>		-72,612 t	***	Stable	-73,024 t	-88,867 t
<b>Total Net GHG Emissions (GHG Footprint)<sup>16</sup></b>		183,011 t	***	Decreasing	<b>215,279 t</b>	<b>220,593 t</b>

Legend: GWh = giga watt hour; Pkm = person kilometer; t = ton; m3 = cubic meter; m = million; CO2e = CO2 equivalents

1 All figures are based on the level of knowledge as of January 2014.

2 Reporting period: 2013 (1 July 2012 - 30 June 2013), 2012 (1 July 2011 - 30 June 2012), 2011 (1 July 2010 - 30 June 2011)

3 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). EN stands for the Environmental Performance Indicators as defined in the GRI.

4 Non-significant discrepancies from 100% are possible due to roundings.

5 Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5% - \*\*\*, up to 15% - \*\*, up to 30% - \*. Uncertainty is the likely difference between a reported value and a real value.

6 Trend: at a \*\*\* /\*\*/ \* data quality, the respective trend is stable if the variance equals 5/10/15%, low decreasing/increasing if it equals 10 /20/30% and decreasing/increasing if the variance is bigger than 10/20/30%.

7 Refers to energy consumed within the operational boundaries of UBS.

8 Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels).

9 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating).

10 Rail and road travel: Switzerland only.

11 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free.

12 Predominantly municipal water.

13 Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" ( [www.ghgprotocol.org](http://www.ghgprotocol.org)), the international standards for GHG reporting: scope 1 accounts for direct GHG emissions by UBS; gross scope 2 accounts for indirect GHG emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

14 GHG savings by consuming electricity from renewable sources.

15 Offsets from third-party GHG reduction projects measured in carbon equivalents (CO<sub>2</sub>e). These offsets neutralize GHG emission from our business air travel.

16 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and carbon equivalents offsets.

## Environmental indicators per full-time employee (FTE)

### Environmental indicators<sup>1</sup> per full-time employee

	Unit	2013	Trend	2012	2011
Direct and intermediate energy	kWh / FTE	11,555	-	11,485	12,459
Business travel	Pkm / FTE	10,318	--	9,805	11,489
Paper consumption	kg / FTE	121	=	122	122
Waste	kg / FTE	213	=	230	242
Water consumption	m <sup>3</sup> / FTE	27.8	=	29.5	30.1
CO <sub>2</sub> footprint	t / FTE	2.87	=	3.25	3.32

Legend: FTE<sup>2</sup> = full-time employee; kWh = kilo watt hour; Pkm = person kilometer; kg = kilogram; m<sup>3</sup> = cubic meter; t = ton

1. Reporting period 2013 (1 July 2012 - 30 June 2013). 2. FTE are calculated on an average basis including contractors.

## Environmental management indicators, including training

		For the year ended			%change from
<i>Full-time equivalent, except where indicated</i>	GRI <sup>1</sup>	31.12.13	31.12.12	31.12.11	31.12.12
<b>Personnel financial businesses</b>		<b>60'205</b>	62'628	64,820	(4)
Personnel in specialized environmental units/functions		<b>34</b>	31	31	11
<b>Environmental awareness raising</b>					
Employees trained	FS4	<b>7,136</b>	3,548	15,693	101
<b>Specialized environmental training</b>					
Employees trained	FS4	<b>2,135</b>	966	3,677	121
<b>External environmental audits<sup>2</sup></b>					
Employees audited	FS9	<b>58</b>	63	182	(8)
Auditing time (days)	FS9	<b>11</b>	11	22	5
<b>Internal environmental audits<sup>3</sup></b>					
Employees audited	FS9	<b>160</b>	249	181	(36)
Auditing time (days)	FS9	<b>47</b>	51	28	(8)

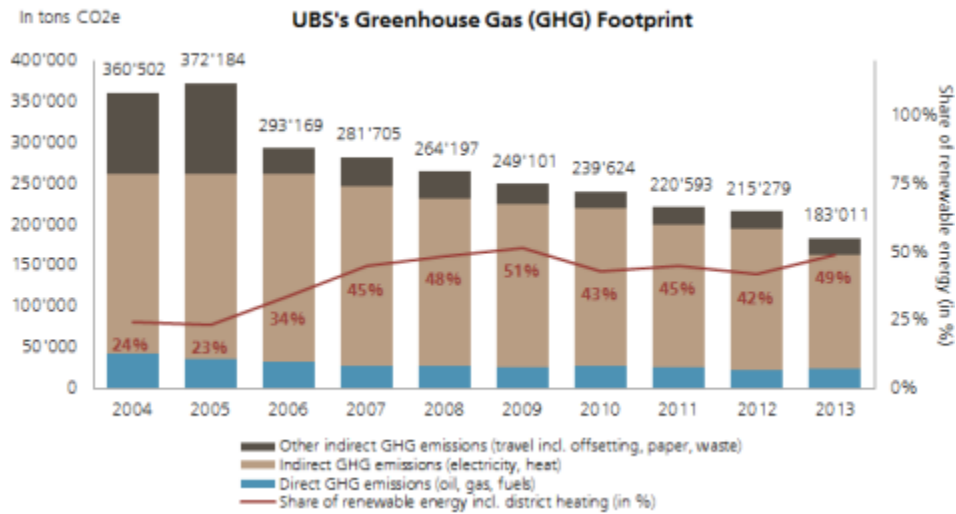
<sup>1</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement.

<sup>2</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive  
[www.ubs.com/corporateresponsibility](http://www.ubs.com/corporateresponsibility) December 2014 Page 330 of 347

Re-Certification Audit was done in 2011.

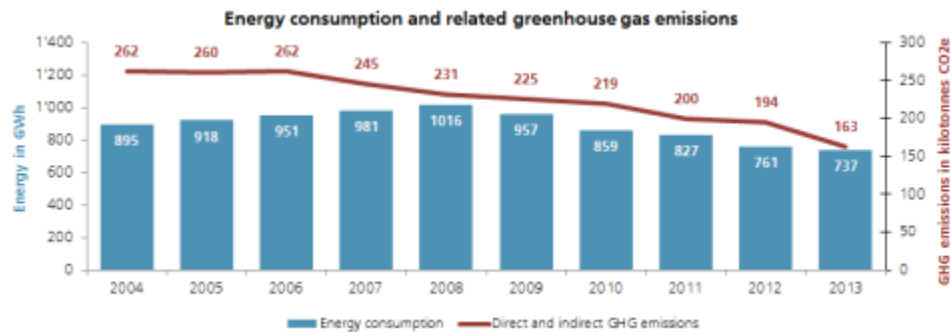
<sup>3</sup> Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

## Our greenhouse gas footprint



▶ Please click here to enlarge the display of the picture above

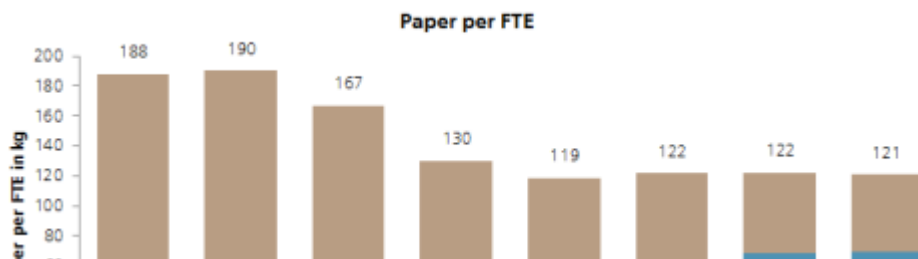
## Energy consumption time series

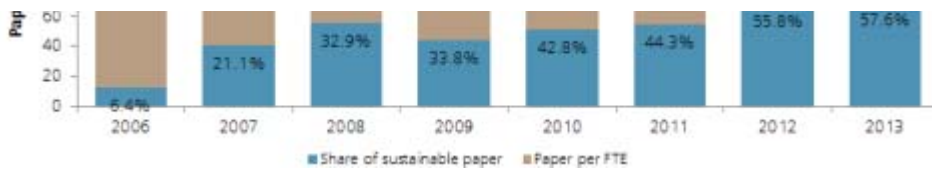


Footnote: GHG emission = Direct GHG emissions (scope 1) + Gross indirect GHG emissions (Gross scope 2) - GHG reductions from renewable energy

▶ Please click here to enlarge the display of the picture above

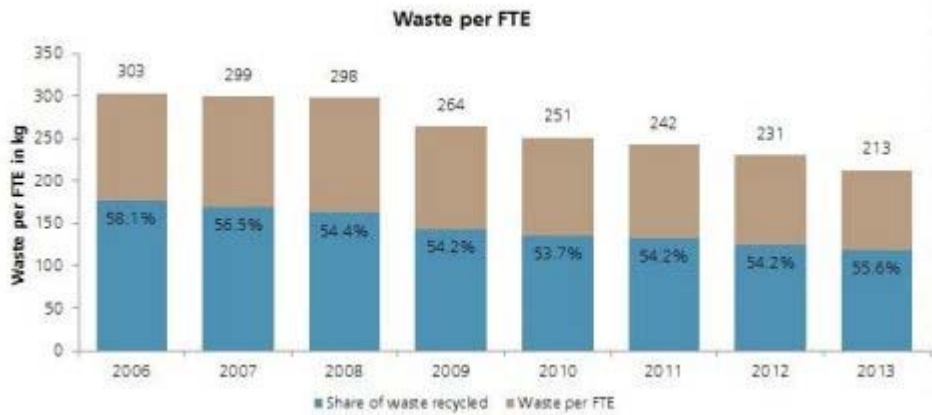
## Paper consumption time series





▶ [Please click here to enlarge the display of the picture above](#)

### Waste generation time series



▶ [Please click here to enlarge the display of the picture above](#)

### Environmental awards and recognition

#### Carbon Trust Standard



The Carbon Trust Standard was developed by the Carbon Trust in 2007/08 to encourage good practice in carbon footprint management and reduction by businesses and public sector organisations/organizations.

It is designed to provide a robust, objective and consistent methodology for assessing corporate carbon performance. Assessment against the Standard is undertaken by independent third-parties. Following a submission of evidence and an external audit, we were able to demonstrate a consistent and ongoing reduction in carbon emissions during the previous three years. We have implemented policies and procedures as well as organizational groups that aim to continue this trend.

UBS first achieved certification to the Carbon Trust Standard across all UK operations in 2010, achieved recertification 2012, with accreditation to the end of 2013.

### Voluntary climate protection: certificate of the Swiss Private Sector Energy Agency [PDF]

▶ [Environmental awards and recognition](#)



## CDP



The CDP (formerly known as Carbon Disclosure Project) is an independent not-for-profit organization, which by its own account today represents a group of 722 institutional investors, representing a total investment volume of 87 trillion US dollars (as of January 2014). The audit firm PricewaterhouseCoopers annually evaluates the 500 largest listed companies for CDP. The evaluation criteria include greenhouse gas emissions, data quality and transparency. Awareness of the risks and

opportunities of climate change for the company itself are also examined. We were among the top 20 financial institutions in the CDP Global 500 Climate Change Report 2013 and were included in the Climate Disclosure Leadership Index (CDLI) DACH. CDLI DACH 2013 includes the 10% highest Disclosure Scores of scored companies in the DACH region (Germany, Austria, Switzerland).

► [www.cdproject.net](http://www.cdproject.net)

► [CDP Climate Disclosure Leadership Index DACH Award 2013](#) 

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## UBS top energy saver in Switzerland

UBS is one of the top energy savers among Switzerland's 50 largest companies, according to the World Wide Fund for Nature (WWF).

The WWF has surveyed the largest Swiss companies (by turnover and number of employees) on their energy consumption, mix and efficiency. UBS is among the top eight firms in terms of energy efficiency.

The top eight energy savers:

Company	Industry
Coop	Retail
Die Schweizerische Post	Transport/logistics
Migros	Retail
SBB AG	Transport/logistics
Swisscom AG	Telecommunications
Swiss Re	Insurance
UBS	Banking
Zürcher Kantonalbank	Banking

Source: WWF study "Unter Strom - Der Beitrag der grössten Schweizer Unternehmen zu einer nachhaltigen Stromzukunft"

This group has demonstrated a stable or decreasing use of energy and has set ambitious targets for reducing energy consumption. Furthermore, a higher than average part of the energy they consume is from renewable sources. UBS, together with the other firms in the group, is far ahead of the other firms surveyed, more than half of which either could or would not provide any information. The survey was conducted by oekom research, one of the world's leading sustainable-investment rating companies.

The results of the survey, which are summarized in the WWF energy study, acknowledge the intensive efforts UBS has made in the last few years on the environmental protection front. In 2012, UBS reached its goal of reducing its CO2 emissions by 40% from 2004 levels. At the same time, it has set further demanding global targets to be reached by 2016. UBS aims to reduce its energy consumption by 10%, its water consumption by 5%, and to increase the proportion of waste it recycles to 70%. Already today, 100% of the energy UBS

uses in Switzerland is derived from renewable sources. This has been the case since 2007.

According to the WWF, transparency and ambitious energy-saving targets and other appropriate measures are required for the smooth implementation of the energy revolution. This is already happening in Switzerland and Germany due to their planned exit from nuclear energy, and is being discussed in other countries. How a company handles its energy consumption shows how forward-thinking it is. Companies that use energy efficiently do not only protect the environment, they also gain cost advantages and can maintain their independence in the face of rising energy prices.

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### Platinum award London clean city

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UBS received a Platinum Award at the London Clean City Awards on 8 February 2013. The Clean City Awards scheme was launched in 1994 by the City of London Corporation. It is designed to foster partnerships between City businesses, both large and small, to achieve a clean environment through good waste management. The aim of the scheme is to encourage waste minimization, reuse and recycling, and an increased awareness of, and compliance with Duty of Care regulations.

This is a fantastic accomplishment as the City of London recognized UBS's many initiatives, achievements and passion that it demonstrates with regard to dealing with its waste.

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### Hong Kong award for environmental excellence

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UBS Hong Kong received the Bronze Award in the Financial, Legal and Business Consulting Service Sector at the 2012 Hong Kong Awards for Environmental Excellence Ceremony.

After extensive assessments at various stages over eight months, UBS Hong Kong was one of the five finalists from a total of 21 participating companies including JP Morgan and Credit Suisse. This achievement demonstrates UBS's outstanding contribution towards environmental preservation whilst encouraging employee participation and raising employee awareness.

## Our clients

### Environmental and social risk management

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#### Environmental and social risk assessments

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##### Environmental and social risk assessments

	GRI <sup>1</sup>	For the year ended			% change from
		31.12.13	31.12.12	31.12.11	31.12.12
Cases referred for assessment <sup>2</sup>	FS2	1,716	1,039	416	65
by region					
Americas	FS2	367	288	111	27
Asia Pacific	FS2	296	222	136	33

Europe, Middle East and Africa	FS2	373	225	119	66
Switzerland	FS2	680	304	50	124
by business division					
Wealth Management	FS2	298	157	59	90
Wealth Management Americas	FS2	46	5	5	820
Retail & Corporate	FS2	598	223	22	168
Global Asset Management	FS2	14	12	n/a	17
Investment Bank <sup>3</sup>	FS2	657	533	330	23
Corporate Center	FS2	103	109	n/a	(6)
by sector					
Metals and mining	FS2	418	217	n/a	93
Oil and gas	FS2	239	136	n/a	76
Agribusiness <sup>4</sup>	FS2	155	45	n/a	244
Utilities	FS2	95	38	n/a	150
Chemicals	FS2	67	29	n/a	131
Infrastructure <sup>5</sup>	FS2	51	15	n/a	240
Other	FS2	691	559	n/a	24
by outcome					
approved <sup>6</sup>	FS2	1,462	812	n/a	80
approved with qualifications <sup>7</sup>	FS2/FS3	196	171	n/a	15
rejected or not further pursued <sup>8</sup>	FS2	42	56	n/a	(25)
pending <sup>9</sup>	FS2	16	0	n/a	n/a

1 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement.

2 Transactions and onboarding requests referred to environmental and social risk (ESR) functions.

3 Relates to procurement / sourcing of products and services.

4 includes since 2013 e.g. forestry products, biofuels, food and beverage.

5 Include e.g. financial institutions, aerospace and defence, telecom, technology.

6 Client / transaction / supplier subject to an ESR assessment and considered in compliance with UBS's ESR framework.

7 Client / transaction / supplier subject to an ESR assessment and approved with qualifications. Qualifications may include ring-fencing of certain assets, conditions towards client / supplier or internal recommendations.

8 Client / transaction / supplier subject to an ESR assessment and rejected or not further pursued.

9 Decision pending.

► [Environmental and social risk management](#)

## Environmental & social risk escalation process



► Please click here to enlarge the display of the picture above

## Our offering

### Socially responsible invested assets

#### Socially responsible investments invested assets<sup>1</sup>

		31.12.13	For the year ended		% change from 31.12.12
			31.12.12	31.12.11	
<i>CHF billion, except where indicated</i>	GRI <sup>2</sup>	<b>31.12.13</b>	31.12.12	31.12.11	31.12.12
<b>UBS total invested assets</b>		2,390	2,230	2,167	7
<b>UBS SRI products and mandates</b>					
positive criteria	FS11	2.18	1.60	1.84	37
positive criteria / RPI <sup>3</sup>	FS11	39.00	32.15	28.19	21
exclusion criteria <sup>4</sup>	FS11	56.09	35.68	27.46	57
policy based restrictions <sup>5</sup>	FS11	475.14	181.64	180.85	162
<b>Third-party<sup>6</sup></b>	FS11	3.70	2.66	2.58	39
<b>Total SRI invested assets</b>	FS11	576.12	253.73	240.92	127
Proportion of total invested assets (%) <sup>7</sup>		24.11%	11.38%	11.12%	

<sup>1</sup> All figures are based on the level of knowledge as of January 2014. <sup>2</sup> FS stands for the Performance Indicators defined in the Global Reporting Initiative Financial Services Sector Supplement. <sup>3</sup> UBS Global Asset Management Responsible Property Investment strategy. <sup>4</sup> Includes customized screening services (single or multiple exclusion criteria). <sup>5</sup> Assets subject to restrictions under UBS policy on the prohibition of

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## Socially responsible investments invested assets<sup>1</sup>

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investments in companies related to anti-personnel mines and cluster munitions (includes all invested assets held in Global Asset Management actively managed discretionary segregated mandates and all actively managed funds (retail and institutional) held by Global Asset Management, Wealth Management and Retail & Corporate). In 2013, the scope of this policy became global. **6** SRI products from thirdparty providers apply either positive and exclusion criteria or a combination thereof. **7** Total SRI / UBS's invested assets.

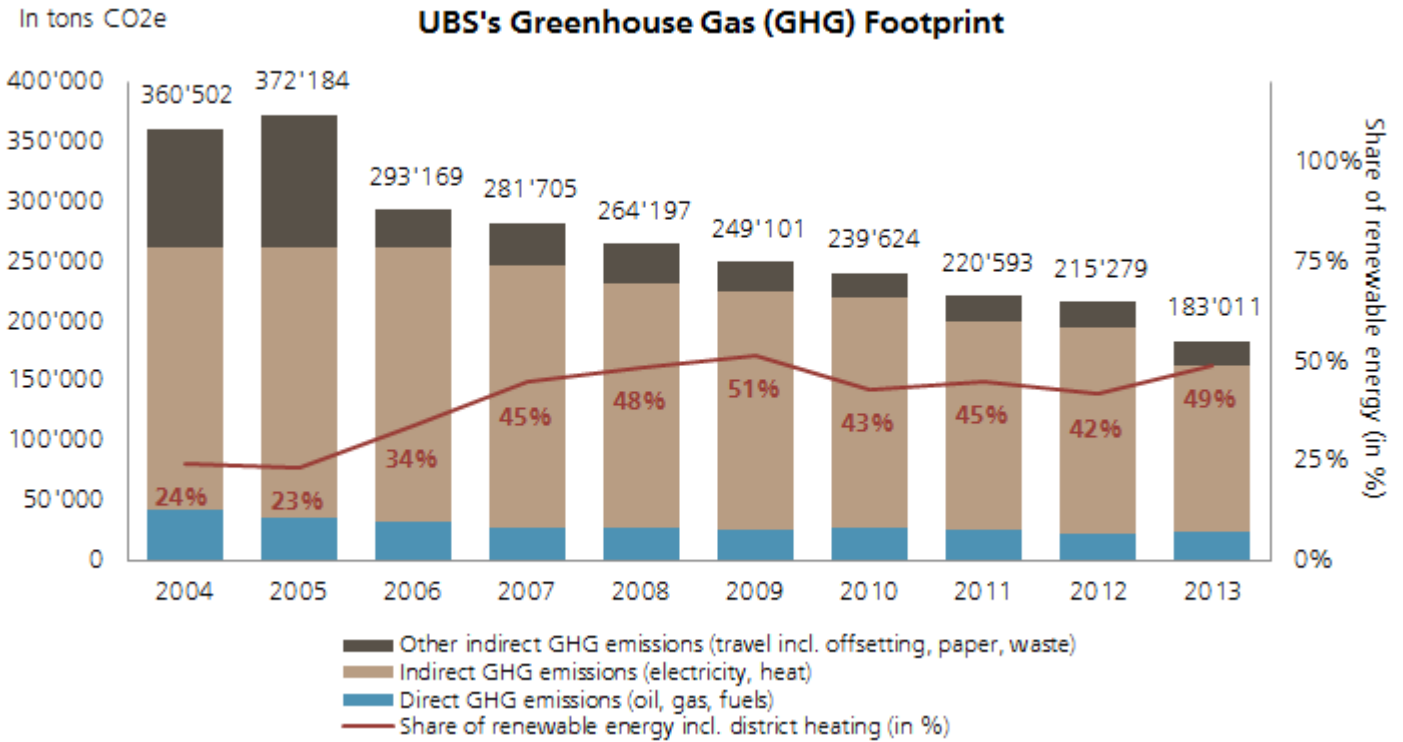
**Socially Responsible Investments** are products that consider environmental, social or ethical criteria alongside financial returns. SRI can take various forms, including positive screening, exclusion or engagement.

**Positive criteria** apply to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society. This includes best-in-class or thematic investments.

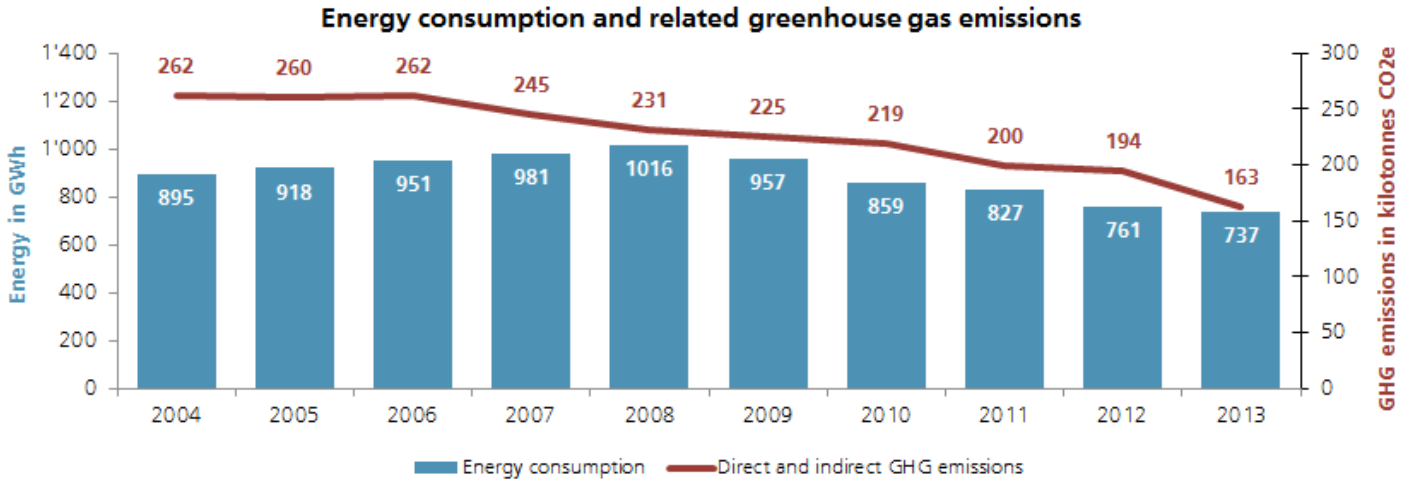
**Exclusion criteria** whereby one or several sectors are excluded based on environmental, social or ethical criteria, for example, companies involved in weapons, tobacco, gambling, or companies with high negative environmental impacts. This also includes faith - based investing consistent with principles and values of a particular religion.

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# Our greenhouse gas footprint

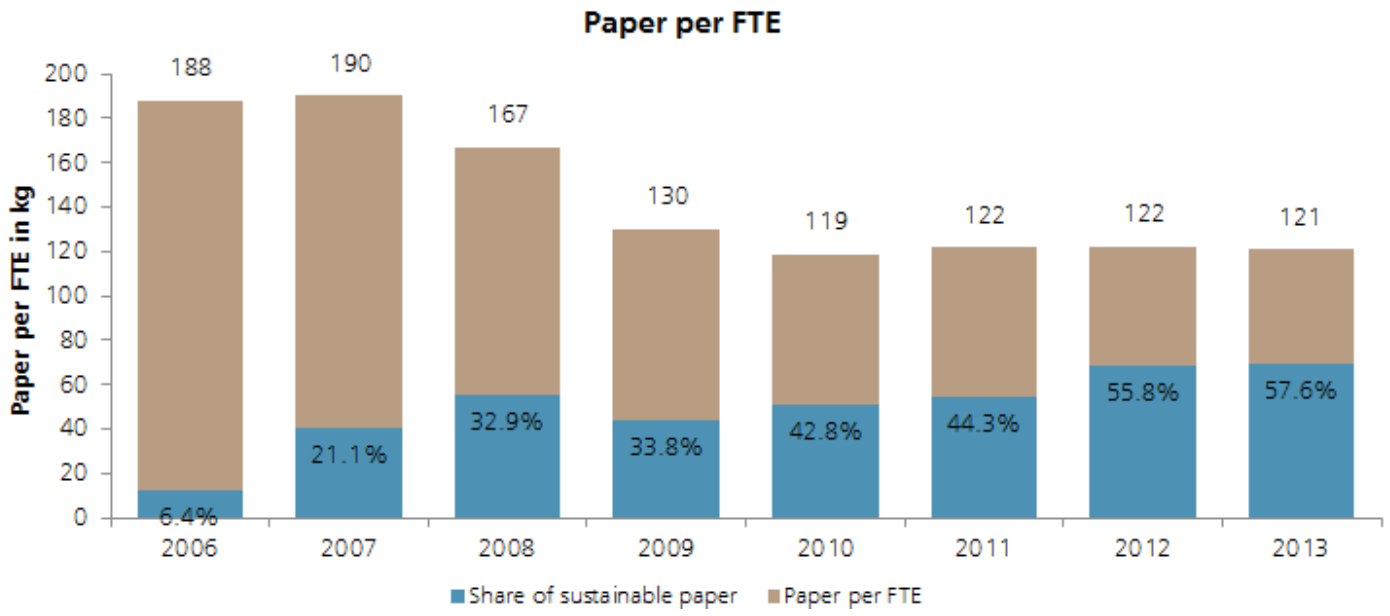


## Energy consumption time series



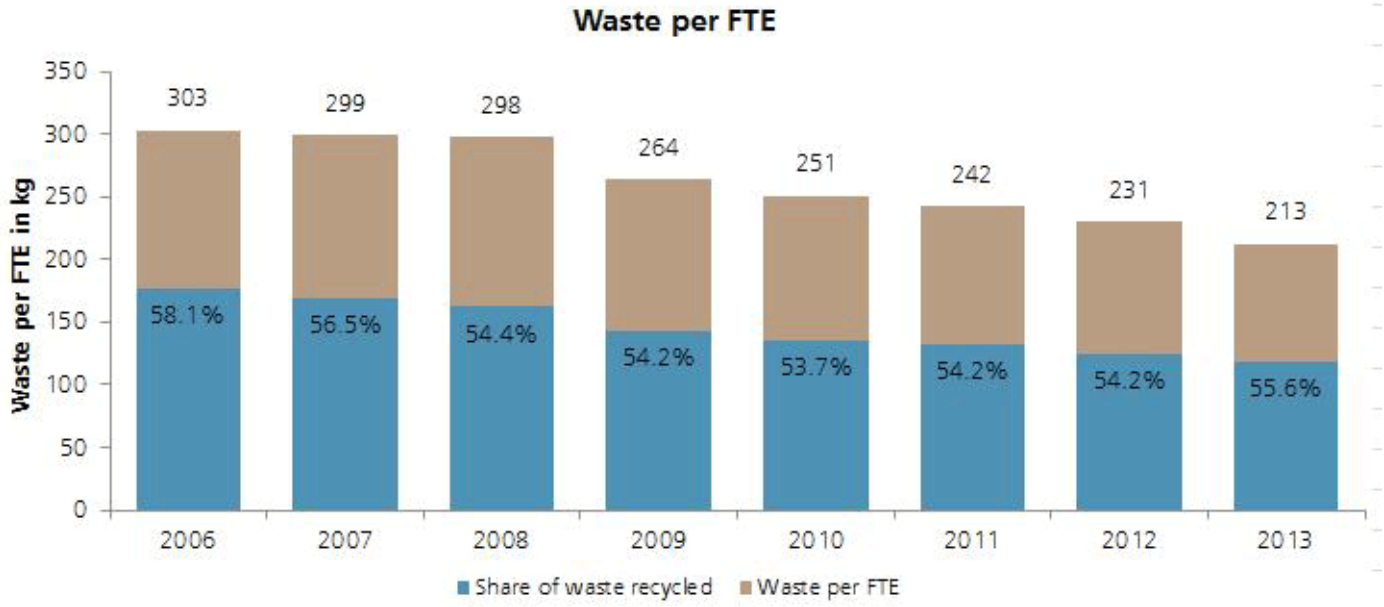
Footnote: GHG emission = Direct GHG emissions (scope 1) + Gross indirect GHG emissions (Gross scope 2) - GHG reductions from renewable energy

## Paper consumption time series





## Waste generation time series



## Environmental and social risk management

	GRI <sup>1</sup>	For the year ended		% change from	
		31.12.13	31.12.12	31.12.11	31.12.12
Cases referred for assessment <sup>2</sup>	FS2	1,716	1,039	416	65
by region					
Americas	FS2	367	288	111	27
Asia Pacific	FS2	296	222	136	33
Europe, Middle East and Africa	FS2	373	225	119	66
Switzerland	FS2	680	304	50	124
by business division					
Wealth Management	FS2	298	157	59	90
Wealth Management Americas	FS2	46	5	5	820
Retail & Corporate	FS2	598	223	22	168
Global Asset Management	FS2	14	12	n/a	17
Investment Bank <sup>3</sup>	FS2	657	533	330	23
Corporate Center	FS2	103	109	n/a	(6)
by sector					
Metals and mining	FS2	418	217	n/a	93
Oil and gas	FS2	239	136	n/a	76
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# News

[Archive](#)

## November 2014

[UBS and TrustAfrica launch pioneering report on philanthropy in Africa by Africans](#)

03 Nov 2014, 08:00

## October 2014

[UBS publishes comprehensive document on its environmental and social risk framework](#)

23 Oct 2014, 08:00

[UBS Investor Watch Explores America's "Giving Gene"; 91% of American Millionaires Engage in Charity Annually](#)

21 Oct 2014, 09:00

[UBS is Recognized as an "A List" Performer](#)

17 Oct 2014, 18:00

[UBS among World Leaders for Corporate Action on Climate Change](#)

[Impact Investing – a USD 1trn industry](#)

16 Oct 2014, 15:15

According to a recent report by G8's Social Impact Investment Taskforce, impact investing has the potential to unlock USD 1trn globally. Last month the G8 and WEF both published reports, highlighting recommendations to boost impact investing.

[New online survey: help us determine the direction of UBS!](#)

06 Oct 2014, 13:00

## September 2014

[UBS named to Working Mother magazine's "100 Best Companies 2014" list](#)

23 Sep 2014, 17:00

[UBS recognized as a leader in its industry group in the 2014 Dow Jones Sustainability Indices](#)

15 Sep 2014, 13:15

[UBS appoints Caroline Anstey as Global Head of UBS and Society](#)

08 Sep 2014, 09:00

UBS today announced the appointment of Caroline Anstey as Global Head of its newly created UBS and Society program. The program is focused on sustainable investing and philanthropy as well as entrepreneurship and education. Ms. Anstey will begin her new role immediately and will report directly to Juerg Zeltner, CEO UBS Wealth Management, and Chi-Won Yoon, CEO UBS Group APAC.

## August 2014

### [UBS drives corporate responsibility change – case study](#)

26 Aug 2014, 14:00

UBS is influencing banking best practice regarding human rights and anti-money laundering, writes the Institute of Business Ethics' Katherine Bradshaw.

## July 2014

### [Making our Mark on society in the UK](#)

16 Jul 2014, 10:15

UBS has been awarded CommunityMark accreditation, the UK national standard that recognizes leadership and excellence in community investment.

## June 2014

### [UBS Announces \\$10 Million Commitment to Support College Success through UBS NextGen Leaders](#)

30 Jun 2014, 09:00

NEW YORK, NY – UBS Americas today unveiled a \$10 million, five-year commitment to establish a new education platform for improving college success among under-resourced populations.

### [Helping stop forest loss-UBS signs 'Soft Commodities' Compact](#)

06 Jun 2014, 16:00

Many of our clients are committed to achieving zero net deforestation and, to support them, on May 19, UBS endorsed the Banking Environment Initiative's and Consumer Goods Forum's 'Soft Commodities' Compact.

## May 2014

### [UBS receives 2014 Corporate Social Responsibility award from the Foreign Policy Association](#)

28 May 2014, 10:15

On May 21, Sergio P. Ermotti, UBS Group Chief Executive Officer, was given the American Foreign Policy Association (FPA) 2014 Corporate Social Responsibility award in recognition of UBS's commitment to good corporate citizenship.

### [UBS's Corporate Responsibility activities again receive "Prime status" rating](#)

27 May 2014, 10:00

## April 2014

### [On a journey towards a brighter tomorrow: Watch the new Corporate Responsibility video](#)

25 Apr 2014, 14:34

### [UBS corporate responsibility reporting meets highest standards](#)

16 Apr 2014, 16:00

The Global Reporting Initiative's (GRI) Sustainability Disclosure Database shows that UBS is currently the only major bank globally and one of only a handful of large international companies across all economic sectors reporting in accordance with the GRI G4 guidelines' "comprehensive option", entailing a very high level of disclosure.

### [UBS publishes revised Environmental & Human Rights policy](#)

07 Apr 2014, 13:21

UBS's Environmental and Human Rights Policy Framework has been revised to reflect the recent commitments made by the firm and to formalize accountability for human rights issues.

## March 2014

Lights out: UBS to participate in Earth Hour on 29 March

25 Mar 2014, 10:03

## February 2014

UBS receives Bronze Class Sustainability Award 2014 from RobecoSAM

21 Feb 2014, 10:10



Corporate *Responsibility*

The right time

