



# Environmental Report 2000.

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## **Validation by SGS International Certification Services AG**

“We have verified the correctness of the statements in the 2000 Environmental Report of UBS AG and, where necessary, have requested that proof be presented. We hereby confirm that the report has been prepared with the necessary care, that its contents are correct with regard to environmental performance, that it describes the essential aspects of the environmental management system at UBS AG and that it reflects the actual practices and procedures at UBS AG.”

Elvira Bieri and Erhard Hug  
Zurich, 8 February 2001

For further information please visit:  
[www.ubs.com/environment](http://www.ubs.com/environment)  
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## Introduction to the Environmental Report

UBS strives to be among the leaders in all its businesses. The Bank will only succeed if it anticipates long-term opportunities and risks. UBS is convinced that it is not only financial market trends and political developments that will shape its business, but to an increasing extent environmental conditions and social expectations as well. This report describes how environmental aspects affect UBS's shareholder value in the Group's different areas of activity.

UBS believes that it should be prepared to assume responsibility for its actions, not only because it has to set an example to others but also because it cannot expect to be successful over the long term unless it acts in a responsible manner itself. Furthermore, talented professionals will not want to work for UBS unless they identify fully with its corporate culture – and it is only by employing top people that UBS can offer world-class services.

UBS takes its responsibility towards its clients, shareholders and employees seriously. Its commitment to the environment is underpinned with a professional environmental management system. For UBS it is self-evident that the group should take as much care of natural resources as it does with the assets its clients entrust to it. A precondition for this is a forward-looking assessment of the environmental and social impact of the Group's actions.

This is why UBS aims to observe international environmental standards in all that it does – not only with respect to its own conduct but also in

terms of the transactions it finances. UBS views its ISO 14001 certification awarded to its environmental management system as the first important step towards comprehensive independent assessment of the corporate responsibility which it embodies in its corporate culture.

The success of UBS in environmental management is increasingly of interest to investors. UBS's environmental reporting therefore concentrates on the influence of environmental management on the Group's enterprise value.

Moreover, during 2001, UBS will create a Corporate Responsibility Committee composed of Board, GEB and GMB members which will be responsible for the Group's corresponding strategy, for supervision of the Group's adherence to relevant international standards, and for developing appropriate reporting in this area.

PaineWebber will be gradually integrated into the environmental management system of UBS. This applies both to setting in in-house environmental objectives and to the integration of environmental and social aspects into PaineWebber's core business activities.

## UBS – committed to sustainability

ISO 14001 certification of UBS's environmental management system is a first and important step towards achieving comprehensive independent assessment of the Group's Corporate Responsibility.

### UBS environmental policy

The UBS Group Executive Board issued the following statement on 15 July 1998:

“Environmental protection is one of the most pressing issues facing our world today. Consequently environmental issues are a challenge for all companies in all sectors. UBS regards sustainable development as a fundamental aspect of sound business management. (...)”

“With this environmental policy UBS is committed to continuing the integration of environmental aspects into business activities. (...)”

“We seek to build shareholder value by taking advantage of environmental market opportunities. At the same time, we will incorporate due consideration of environmental risks into our risk management processes, especially in lending and investment banking.”

“We will actively seek ways of reducing the environmental impact to air, soil and water from our in-house operations. The main focus is the reduction of greenhouse gas emissions.”

“We seek to ensure the efficient implementation of our environmental policy via an environmental management system which includes sound objectives, programs and monitoring. (...)”

The full text of UBS's environmental policy is published at: [www.ubs.com/environment](http://www.ubs.com/environment).

### UN Global Compact and the UNEP Bank Declaration – a global commitment

UBS has undertaken to comply with the UN Global Compact principles proposed at the 1999 World Economic Forum in Davos. These principles set out the framework in which a company can help ensure sustainable development worldwide. In addition to protecting the environment, the nine principles deal with aspects such as respecting human rights and workplace rights.

UBS does not just acknowledge these principles in theory, but takes concrete action to turn them into reality. UBS has a long tradition of involvement in environmental management. In 1992, for example, UBS was one of the first signatories of the UNEP Bank Declaration and is helping to shape further developments through its role on the Steering Committee for financial institutions.

Internally, compliance with social standards is a day-to-day reality within human resources. UBS is aware, however, that in the financial services industry the main focus of corporate social responsibility must be on client relationships. Financing transactions and managing assets for clients whose activities are seen as socially irresponsible can lead to financial and regulatory risks for the Group, and damage its reputation. UBS seeks to avoid these risks through the application of the highest standards of probity, and through its involvement in initiatives such as the “Wolfsberg Anti-Money Laundering Principles”.

### The UBS environmental management system: the ISO 14001 certificate

In May 1999, UBS was the first bank to obtain ISO 14001 certification for its world-wide environmental management system in its banking business. ISO 14001 is an international standard for environmental management systems. UBS also received certification for its environmental management system for its corporate services in Switzerland. The certification was undertaken by an independent certification company, SGS International Certification Services AG.

### Leader in the Dow Jones Sustainability World Index (DJSGI)

The UBS share price is incorporated into the calculation of the Dow Jones Sustainability Group Index (DJSGI). The DJSGI comprises around 230 companies from various sectors that rank as leaders in their field in terms of social and environmental performance.

In October 2000, UBS was ranked first in the financial sector by DJSGI.

### Number one in the Oekom Environmental Rating

In a survey published in January 2000, the Munich-based rating agency, Oekom Research, examined the environmental performance of larger European banks. The study, which looked at environmental management systems, products and services, and the quality of environmental data, ranked UBS first amongst the 26 banks examined.



## The impact of UBS's environmental commitment on its value drivers

The value of a company is due in no small part to its reputation, based on client and shareholder trust. UBS believes that its reputation is enhanced by its internationally recognized competence in the area of environmental management and its willingness to take its responsibility towards society and the environment seriously.

This report shows how UBS's environmental commitment in the individual business areas affects its enterprise value and highlights in particular the effect of the "environmental factor" on different value drivers which play a key role in determining UBS's enterprise value.

### **Growth in revenues**

UBS's undisputed competence in the professional analysis of environmental and social factors constitutes an important element when competing for new mandates in the asset management business and is also a factor in retention of existing portfolios. UBS's know-how is increasingly valued by institutional investors, such as pension funds.

### **Reduced requirements for provisions**

Attention to the environmental risks involved in lending and investment banking, as well as the economic risks, can help reduce the need for later provisioning.

### **Cost of capital**

UBS's environmental management processes reduce the potential for losses caused by environmental hazards, improving the quality of its cash flows, and hence directly impacting the value of the enterprise.

### **Operating margin**

Investments in in-house ecology increase eco-efficiency. As well as improving environmental performance, by using fewer resources and lowering emissions, they can also reduce the company's costs. This boosts operating margins and has a positive impact on the stock market valuation.

# The environmental factor in asset management

UBS is one of the leading asset gathering and asset management companies in the world, with private banking and asset management businesses contributing 36% of its net pre-tax profit in 2000. Institutional clients in particular often now demand that asset management decisions take into account environmental and social aspects as well as economic ones.

There are a number of decisive factors involved in acquiring new client assets, including the financial performance of a company's products, the level of service it offers and its reputation. In addition, some clients now demand that asset management decisions take into account environmental and social aspects as well as economic ones. UBS's expertise in incorporating environmental and social aspects into its company research and portfolio management is becoming more and more important – particularly for institutional investors such as pension funds.

UBS's environmental investment research looks at how companies' strategies, processes and products impact both their financial success and the environment, and what contribution these elements make to each company and its employees. The stocks selected through this process are shares in companies which demonstrate long-term success and generate sustainable financial revenues. Specialist studies and stock indices show that there can be a positive link between environmental, social and economic performance.

Focusing on the concept of sustainability, UBS launched a new investment fund in 1997, the "UBS (Lux) Equity Fund – Eco Performance", and a linked investment foundation for Swiss pension funds. This fund invests worldwide in stocks of exemplary sector leaders and forward-looking small and medium-sized companies. The selection criteria include above av-

erage environmental and social performance as well as a sound financial basis. This investment strategy and the fund's broad diversification has resulted in an excellent financial performance for the fund and a positive contribution to the value of UBS's asset management business.

Environmental funds have another important function for UBS: they ensure that the know-how needed for the sustainability analysis is strengthened within UBS itself and that the product is continuously expanded and improved. The development and integration of an individual method of analyzing a company according to environmental and social aspects in asset management means that UBS can recognize environmental and social opportunities and risks early on in the development of investment strategy and subsequently exploit these, as well as meeting specific client needs.

## Outlook

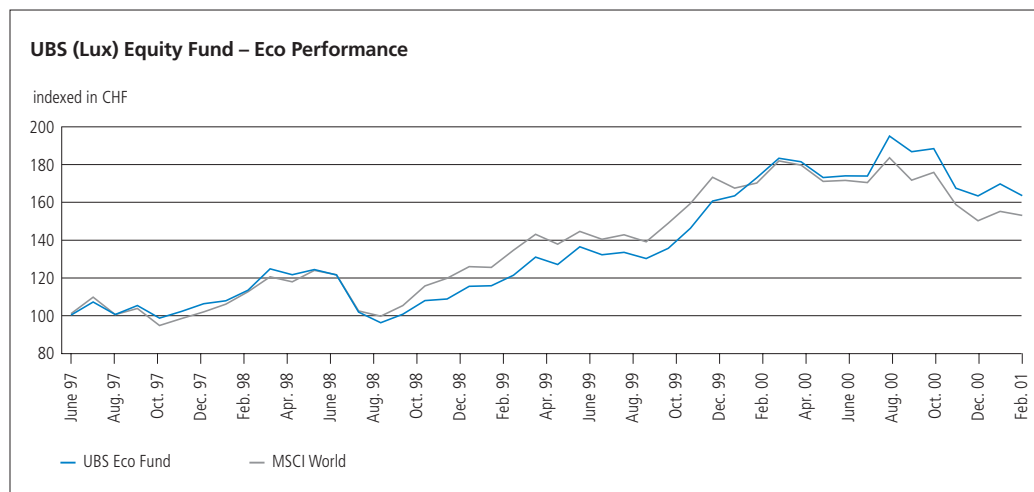
Asset management is working to incorporate environmental considerations into day-to-day business to a greater extent, whilst continuing to promote its environmental funds, and to ensure that their volume continually increases and the excellent performance sustains. Strong investors' interest is witnessed in Germany, France, Italy and the UK.

### Main business groups affected

- UBS Asset Management
- UBS Switzerland
- UBS Warburg

### Main value drivers affected

- Growth in revenues



### Doctor Eco – a UBS success story in Japan

Thanks to its internationally recognized know-how in eco-stock research, UBS scored a major success in the Japanese investment fund market.

“UBS Nihon Kabushiki Eco Fundo”, or “Eco Hakase” (Doctor Eco) for short, is the name of UBS’s environmental fund in Japan. In 2000, the fund outperformed its benchmark Topix, Japan’s most important equity index, with more than 8.7%. Eco Hakase was launched as a result of market research carried out by Sumitomo Bank, a big Japanese financial institution, which showed that there is considerable interest in eco funds in Japan. Since UBS, with its Eco-Research Team, is a recognized expert in this field in Japan as well, it was commissioned to develop an investment fund of this type.

Eco Hakase has been designed exclusively for the Japanese market and only contains securities in Japanese companies. These securities are selected by UBS’s financial analysts in Tokyo and its eco research specialists in Zurich. The environmental analysis of the Japanese companies is carried out in Japan itself by the Japan Research Institute. The securities incorporated into the fund are those TOPIX securities which come top of their sector in the eco-screening process.

Units in the fund are marketed primarily to private clients. Research carried out in Japan suggests that it is predominantly women who are interested in products of this type, accounting for over half of the investor base.

With Eco Hakase, UBS has successfully launched a new fund in the tough Asian market.

### Investing in a better climate

One of the biggest challenges facing the world today is the issue of our changing climate. In 1997, more than 150 countries signed the Kyoto Protocol, in which they undertook to bring down their greenhouse gas emissions to 5% less than 1990 levels by 2010.

As a business incentive for reducing greenhouse gas levels, the Kyoto Protocol proposes a system whereby emission certificates can be issued. A company which emits greenhouse gases has two options: it can either reduce its emission levels and then sell the certificates, which it no longer requires, or it can continue to emit the same level of gases. In the latter scenario, the company would have to buy addi-

tional certificates, since the emission levels permitted per certificate will be reduced progressively. This will give rise to a sort of emissions trade and turn the certificates themselves into a form of security.

Following a thorough analysis of the business and environmental mechanisms of the Kyoto Protocol, UBS has put in place a basic structure for examining the possible launch of a globally diversified portfolio of projects aimed at reducing greenhouse gases. Institutional investors will be able to profit from the income generated by trading in emissions certificates.

### Analysis of social aspects

The incorporation of specific environmental criteria into company analysis proved to be a good investment. In accordance with a comprehensive corporate responsibility programme, and in order to fulfil increasing requirements of clients, UBS continuously expands its know-how in the “social analysis”. Most Swiss firms in which the UBS environmental funds invest were subject to a analysis of social criteria in 2000 and this analysis will be extended to the whole of UBS’s environmental funds’ portfolio in 2001.

### Highlights

- The performance of the “UBS (Lux) Equity Fund – Eco Performance” was 1.7% in 2000, outperforming the MSCI World Index by 15.7%
- The size of the “UBS (Lux) Equity Fund – Eco Performance” and of the corresponding investment foundation for Swiss pension funds doubled in 2000 to 487 million Swiss Francs.
- The Japanese fund “UBS Nihon Kabushiki Eco Fundo” was successfully launched on the market at the end of October 1999. The size of fund assets at end 2000 was around JPY 7 billion – roughly equivalent to CHF 100 million.
- UBS is currently reviewing the launch of a product which will allow clients to invest worldwide in projects aimed at reducing greenhouse gas emissions.

## The environmental factor in investment banking

UBS Warburg is one of the world's premier investment banks. Crucial to its success is being able to assess opportunities and risks – including environmental risks – accurately.

While no two investment banking transactions are the same, they all have a common element that is crucial to their success, namely the Bank's ability to identify opportunities and risks early on, and to assess them correctly. Although financial risks dominate this assessment, environmental aspects can also be an important part of risk analysis.

First, environmental risks could become credit risks for the Bank – for example, if a client can no longer repay a loan as a result of environmental problems. Second, liability risks could be incurred. This would happen if the Bank were to become owner of a company or were to sit on the management board of a company which finds itself facing environmental liabilities. Lastly, environmental risks could damage the Group's reputation if it were to be involved in a controversial transaction.

Based on its Global Environmental Risk Policy, UBS Warburg has introduced processes that allow the responsible person to identify at an early stage if there is environmental risk in relation to a transaction. In an initial phase, environmental factors are screened by investment banking staff. If there are indications of increased risk, environment specialists are called in to investigate the issues as part of the due diligence process. International standards, such as the World Bank's guidelines are available to assist in these environmental assessments. The results are presented in such a way that they can be incorporated into the assessment process for the overall transaction.

If environmental risks are underestimated, the success of individual transactions can be compromised. These "bad deals" could force the Bank to make greater provisions and may erode outside confidence in UBS.

Over the long term, the rigorous analysis of environmental aspects in investment banking also influences the corporate strategies of the clients involved. UBS believes that this improves the environmental performance of these clients, thus reducing the impact on the environment.

### Outlook

As well as environmental risks, social aspects such as compliance with international labor standards can also have a significant influence on the success of a transaction. UBS has therefore decided to establish a framework for the management of social issues, also leading to the integration of social criteria based on international standards into UBS's risk management processes in lending and investment banking over the next years.

### Main business group affected

- UBS Warburg

### Main value drivers affected

- Cost of capital
- Incremental provisions



### The right checks – the right price

The potential buyer of a company which manufactures packaging at several plants in Europe commissioned UBS Warburg to handle the acquisition. The most significant environmental risks in the production processes consisted of the painting and varnishing of metal parts and of the disposal of chemicals and solvents.

Following its Global Environmental Risk Policy, UBS Warburg identified the relevant environmental risks early on. Two of the conditions for the transaction being carried out were that the in-depth analysis of the environmental risks produce an acceptable result and that the liability risks be adequately insured.

A consultant was then appointed to carry out the environmental assessment of the locations in question. The results of this audit were incorporated into the financial valuation of the transaction. In addition, further assessments were conducted on emission levels within the company.

By taking into account all these aspects and combining them with specific warranties provided by the vendor on the basis of the problem areas identified, the transaction was able to go ahead successfully – at the right price.

Careful analysis of environmental risks ensured that the buyer was able to acquire the production capacity at the right price. Not only did the Bank benefit by having satisfied the transaction partners, it also gained new know-how in assessing environmental risks.

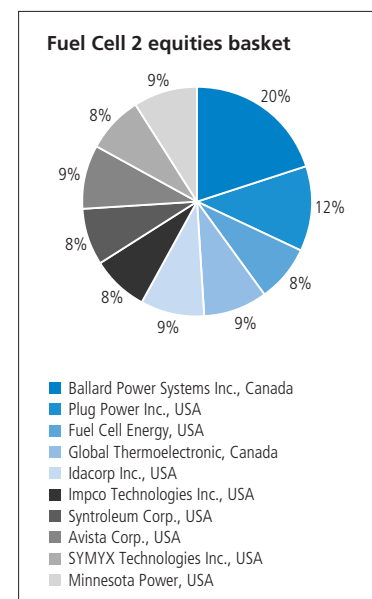
### Fuel Cell and Future Energy Certificates

For investors looking to invest in up-and-coming energy technology, UBS Warburg has created fuel cell baskets. These baskets are made up of shares in leading fuel cell companies worldwide. Their terms (maturity in 2004) have been set in such a way as to benefit from the first commercial implementation of fuel-cell-powered products.

In addition, UBS Warburg issued a future energy certificate in October 2000. This certificate enables interested investors to invest in future-oriented energy technologies. It includes wind, water and solar energy stocks, as well as fuel cell producers.

#### Highlights

- In investment banking, environmental risks are incorporated into the overall assessment of a transaction.



## The environmental factor in credit business

An important success factor for UBS is the quality of its Swiss loan portfolio. In the 2000 financial year, this portfolio accounted for approximately 14% of UBS's total assets. A prerequisite for a healthy loan portfolio is professional risk analysis that takes account of all types of risk, including environmental risks.

Alongside traditional rating factors such as key financial data, sector or management quality, a careful review of financially relevant environmental aspects is an important part of UBS's credit risk analysis. In assessing a loan application, the client advisor uses internal guidelines and up-to-date information to assess environmental risks, and includes environmental information in the data provided to the loan assessor.

The Bank can take several courses of action if a client's credit-worthiness is compromised by environmental risks. If the risks involved cannot be calculated or estimated, it can refuse the credit transaction; it can demand a higher risk premium or additional collateral; it can reduce the term of the loan or repayment period. Or it can offer advisory services or act as an agent to help resolve the problem.

Clients benefit from UBS's expertise in the field of environmental risk analysis. They gain additional insight into the risks and optimization potential and can implement specific measures aimed at improving environmental aspects.

The benefits of incorporating the "environmental factor" in lending business are threefold: UBS has a healthy loan portfolio, the client is aware of the environmental risks and opportunities for his company and the environment itself benefits from the resulting improvements.

### Outlook

Environmental performance indicators, collated by the Bank for the first time for 1999, are currently being refined and the results of this process will be integrated into the development of this instrument on a continual basis. In addition to improving actual environmental performance, this will allow banks to be compared directly.

### Early warning

During a credit review process for an industrial client, UBS brings up the matter of the company's environmental situation following newspaper reports suggesting certain environmental risks. A meeting is set up between UBS's financial and environmental specialists and the client. The client is represented at this meeting by the CFO, the environment officer and the plant man-

ager. A structured checklist is used to go step-by-step through the financial dimension of relevant environmental risks in various scenarios. This analysis shows that although the environmental management system appears to be run with professionalism, there are certain weak spots that have not been addressed. A summary report sets out the entire situation with the various financial consequences and details what action should be taken. The client's reaction to the report is extremely positive: "We regard the report and the external assessment as a valuable complement to our existing environmental management system, since they incorporate financial and strategic aspects in various scenarios."

### Main business group affected

- UBS Switzerland

### Main value drivers affected

- Cost of capital
- Incremental provisions

### Highlights

- The assessment of environmental risks is integrated fully into the loan review process and the set of tools used.
- Practically all employees in recovery departments in Zurich, Bern and Lausanne were trained on environmental risk management in 2000. Professional management of environmental risks is particularly relevant in these departments, as they look after distressed debt.

## The environmental factor in-house

The more efficiently and sparingly UBS uses its resources and hence reduces emission levels, the less it will have to pay in terms of costs. Energy management and in-house ecology enhance operating margins.

UBS impacts the environment primarily through its energy consumption, business travel, the running of its heating systems and its paper consumption. Professional know-how and an efficient environmental management system allow the Group to use resources better and bring down costs.

Costs can be optimized in three different ways: Firstly, the necessary level of environmental performance to comply with regulatory requirements must be achieved in as effective and cost-efficient a manner as possible; secondly, a certain level of performance can be achieved at lower cost simply by improving internal processes or implementing technical measures, such as adjusting the heating or air conditioning of a building. Lastly, UBS and the specialist companies it works with are continually working to reduce the Bank's impact on the environment using intelligent engineering at the same cost, for example in the building services.

### UBS in-house environmental performance evaluation 1999

Based on the amount of energy and materials used, UBS periodically produces an in-house environmental performance evaluation for all Swiss locations. The results are incorporated into the various objectives set and measures to be taken. The aim is to work both efficiently and effectively – in other words, to focus on areas which have a significant impact on the Bank's environmental performance. This evaluation was last carried out in 1999.

### Outlook

In Switzerland, UBS will continue to implement innovative measures for reducing environmental pollution levels, in accordance with its well-defined in-house environmental and energy policies, and ensure that staff are kept motivated and aware about environmental issues.

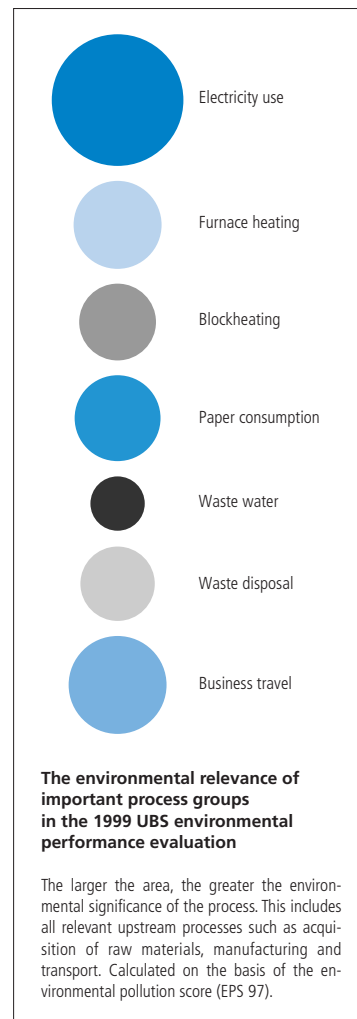
Outside Switzerland, the successful energy management and in-house ecology approach UBS has developed will be gradually introduced to its global locations over the next two years.

### Main business groups affected

- UBS Switzerland
- UBS Asset Management
- UBS Warburg

### Main value drivers affected

- Operating margin



**Bringing down costs – protecting the environment**

Deregulation of the Swiss energy market has provided risks and opportunities for UBS. Detailed analysis shows that it has brought UBS lower prices and improved services. However, there is a danger that these lower prices result in efficient energy consumption being perceived as less of a priority.

In January 2000, therefore, UBS switched its electricity supplies to a supplier who guaranteed lower energy prices, pricing models that are transparent and straightforward, and a heavily streamlined payments processes, but who also provided environmental benefits. This supplier makes energy usage data on the Bank’s 50 biggest buildings available online to Energy Management, thereby allowing any unacceptable situations to be swiftly rectified, and has guaranteed that the proportion of power supplied from renewable water energy sources will remain at the current level of 60% until 2003.

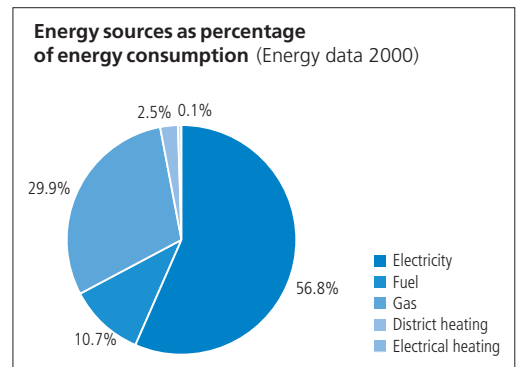
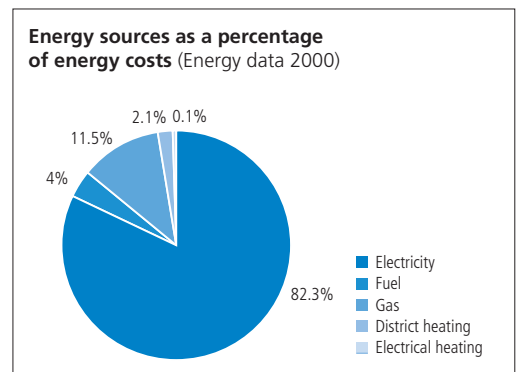
**Purchasing environmentally-friendly paper**

In the past years, UBS in Switzerland purchased annually around 9,000 tons of paper, representing a major part of the environmental impact from UBS’s Corporate Services. The quantity and type of paper used is therefore an objective within UBS’s environmental management program.

In order to continuously improve its environmental performance, UBS ordered a detailed study comparing the twelve types of paper used in the Bank. Based on this, UBS has set new objectives for paper use and paper consumption, helping to optimize its environmental impact.

**Highlights**

- Environmental aspects are incorporated as a core part of our procurement and design processes for services such as cleaning or waste disposal services and for products such as paper or office materials.



# UBS 2000: environmental performance in figures

## Banking

UBS has calculated comprehensive quantitative indicators since 1999, to help measure the performance of the environmental management system in banking. The indicators are a means

of monitoring and improving the environmental management system.

The selection of environmental performance indicators (EPIs) published here is based on the EPI-Finance 2000 standard (see also [www.epi-finance.com](http://www.epi-finance.com)). This standard was jointly developed by eleven finance and insurance companies.

## Group

Employees	Unit	Value 1999	Value 2000
Employees UBS Group	Jobs (part-time jobs converted to 100%)	49,058	71,076 <sup>1</sup>
Employees dealing with environmental aspects in the business process	Jobs (part-time jobs converted to 100%)	n.a.	n.a.
Employees in specialized environmental units	Jobs (part-time jobs converted to 100%)	2.5	3 <sup>1</sup>
<b>External audits</b>			
External environmental audits	Audits carried out	69	9
Number of employees audited	Employees	82	14
Auditing time	h (number of audits × average auditing time)	68	15

## Asset management

Employees	Unit	Value 1999	Value 2000
Employees in UBS Asset Management and UBS Switzerland, Private Banking	Jobs (part-time jobs converted to 100%)	9,832	10,545 <sup>1</sup>
Employees dealing with environmental aspects in the business process	Jobs (part-time jobs converted to 100%)	n.a.	n.a.
Employees in specialized environmental units	Jobs (part-time jobs converted to 100%)	7	7 <sup>1,2</sup>
<b>Training</b>			
Training with environmental component	Employees trained	266	926
Training time	h (employees trained × average training period)	n.a.	475

## Internal audits

Environmental audits	Employees audited	11	0 <sup>3</sup>
Auditing time	h (number of audits × average auditing time)	n.a.	0 <sup>3</sup>

## Assets under management

UBS Group	Billion CHF	1,744	2,469
Assets under green and social management	Million CHF	627	901

## Investments in innovators

Unlisted companies with innovative products or services	Number of companies in which invested	1	1
Investment volume	Million CHF	1.5	2.25

## Performance of environmental products

Performance	%	Eco Perf. <sup>4</sup> : 47.7 Eco JPN <sup>5</sup> : 10	Eco Perf. <sup>4</sup> : 1.7 Eco JPN <sup>5</sup> : -18.6
Relative performance versus relevant index	%	Eco Perf. vs. MSCI: +1.7 Eco JPN vs. TOPIX: -0.1	Eco Perf. vs. MSCI: +15.7% Eco JPN vs. TOPIX: +8.7%

<sup>1</sup> All employment figures represent the state as of 31 December 2000. <sup>2</sup> Including external partners. <sup>3</sup> The audits for the business year 2000 will take place in the first quarter of 2001 and will therefore be first released in the Environmental Report 2001. <sup>4</sup> Eco Perf. = UBS (Lux) Equity Fund – Eco Performance. <sup>5</sup> Eco JPN = UBS (JPN) Equity Fund – Eco Japan.

### Investment banking

Employees	Unit	Value 1999	Value 2000
Employees in Investment Banking	Jobs (part-time jobs converted to 100%)	14,266	16,955 <sup>1,2</sup>
Employees dealing with environmental aspects in the business process	Jobs (part-time jobs converted to 100%)	n.a.	n.a.
Employees in specialized environmental units	Jobs (part-time jobs converted to 100%)	0.5	0 <sup>1</sup>
<b>Training</b>			
Training with environmental component	Employees trained	341	39
Training time	h (employees trained × average training period)	516	58.5
<b>Internal audits</b>			
Environmental audits	Employees audited	9	0 <sup>3</sup>
Auditing time	h (number of audits × average auditing time)	6.75	0 <sup>3</sup>

Key figures for investment banking products have not yet been established.

### Credit business<sup>4</sup>

Employees	Unit	Value 1999	Value 2000
Employees in UBS Switzerland, Private and Corporate Clients (PCC)	Jobs (part-time jobs converted to 100%)	24,098	21,100 <sup>1</sup>
Employees dealing with environmental aspects in the business process	Jobs (part-time jobs converted to 100%)	2,900	2,727 <sup>1</sup>
Employees in specialized environmental units	Jobs (part-time jobs converted to 100%)	2.5	1.7 <sup>1</sup>
<b>Training</b>			
Training with environmental component	Employees trained	939	693
Training time	h (employees trained × average training period)	700	506
Scope of training	% (proportion of trained employees/ employees in target group)	32	25
<b>Internal audits</b>			
Environmental audits	Employees audited	44	0 <sup>3</sup>
Auditing time	h (number of audits × average auditing time)	33	0 <sup>3</sup>
Scope of auditing	% (proportion of employees audited, according to activity)	1.5	0 <sup>3</sup>
<b>Credit check</b>			
Total loans of UBS Switzerland, Private and Corporate Clients (PCC)	Billion CHF	172	155
Total loans with environmental relevance to private and corporate clients <sup>5</sup>	Billion CHF	165	150
Proportion of environment-relevant loans with preliminary environmental assessment	%	54	47
Total loans to corporate clients	Billion CHF	89	73
Proportion of loans to corporate clients with preliminary environmental assessment	%	100	100
Number of loans with detailed environmental assessment	Loans	38	35

<sup>1</sup> All employment figures represent the state as of 31 December 2000. <sup>2</sup> UBS Warburg employees without PaineWebber employees (21,490 employees).

<sup>3</sup> The audits for the business year 2000 will take place in the first quarter of 2001 and will therefore be first released in the Environmental Report 2001. <sup>4</sup> The key figures in the table concern only Switzerland, they thus do not cover the whole credit business of UBS. <sup>5</sup> Total loans of UBS Switzerland, Private and Corporate Clients (PCC) without inter-bank loans.

### Corporate Services

In addition to environmental performance indicators in banking, UBS also calculates environmental indicators for its corporate services. In contrast to data for the banking activities, the data for corporate services covers only Swiss locations.

Following the acquisition of PaineWebber, the proportion of employees working in Switzer-

land comes to only approximately 42%, below the necessary level for its activities in Switzerland to represent a reasonable measure of UBS's environmental performance. However, UBS's goal is to extend the scope of the in-house indicators to include the entire Group over the next few years.

### Corporate Services

(Energy management and in-house ecology)

Employees	Unit	Value 1999	Value 2000
Employees in Switzerland (all Business Groups)	Jobs (part-time jobs converted to 100%)	32,747	30,095 <sup>1</sup>
Employees dealing with environmental aspects in Corporate Services	Jobs (part-time jobs converted to 100%)	n.a.	n.a.
Employees in specialized environmental units	Jobs (part-time jobs converted to 100%)	18.6	10.3 <sup>1</sup>
<b>Training</b>			
Training with environmental component	Number of trained employees	241	300
Training time	h (trained employees × average training period)	n.a.	1877
<b>Internal audits</b>			
Environmental audits	Number of audited sites	14	0 <sup>2</sup>
Auditing time	h (number of audits × average auditing time)	42	0 <sup>2</sup>

### In-house performance indicators according to VfU<sup>3</sup>

(Switzerland, all business groups, not including subsidiaries)

	Value 1999	Value 2000	Data quality 2000 <sup>4</sup>
<b>Employees</b> (according to VfU) <sup>5</sup>	35,700 Employees	34,180 Employees	good
Bank area	1,612,000 m <sup>2</sup>	1,569,000 m <sup>2</sup>	good
<b>Electricity consumption</b>	6,900 kWh/Employee	6,700 kWh/Employee	very good
Percentage computing centers	27 %	27 %	very good
Percentage solar energy	0.9 ‰	1.1 ‰	very good
<b>Heat consumption</b>	109 kWh/m <sup>2</sup>	92 kWh/m <sup>2</sup>	good
Percentage district heating	7 %	7 %	good
<b>Water consumption</b>	69 l/Employee/day	65 l/Employee/day	medium
<b>Paper consumption</b>	263 kg/Employee	n.a.	very good <sup>6</sup>
Recycled paper	8 %	n.a.	very good <sup>6</sup>
Chlorine-bleached paper	2 %	n.a.	very good <sup>6</sup>
Chlorine-free paper	90 %	n.a.	very good <sup>6</sup>
<b>Copier/printer paper</b>	12,900 A4 sheets/Employee	11,400 A4 sheets/Employee	very good
<b>Waste disposal</b>	272 kg/Employee	240 kg/Employee	good
Refuse	32 %	33 %	good
Paper	52 %	48 %	good
Cardboard	5 %	6 %	good
Recyclable materials (misc.)	10 %	12 %	good
Special/hazardous waste	1 %	2 %	good
<b>Business travel</b>	2,700 km/Employee	2,700 km/Employee	very good
Air km	72 %	76 %	very good
Rail km	19 %	15 %	good
Road km	9 %	9 %	medium
<b>CO<sub>2</sub> emissions<sup>7</sup></b>			
European power mix (UCPTE 92)	4.6 t/Employee	4.6 t/Employee	medium
Swiss power mix (PSI M4)	1.8 t/Employee	1.8 t/Employee	medium

<sup>1</sup> All employment figures represent the state as of 31 December 2000. <sup>2</sup> The audits for the business year 2000 will take place in the first quarter of 2001 and will therefore be first released in the Environmental Report 2001. <sup>3</sup> VfU stands for "Verein für Umweltmanagement in Banken, Sparkassen und Versicherungen e.V." (Association for Environmental Management in Banks, Savings Banks and Insurance Companies). The VfU has issued guidelines on environmental reporting by financial service providers. <sup>4</sup> Data quality: specifies the estimated reliability of the aggregated data 2000 and roughly corresponds to the following standard ranges: 5% – very good, 15% – good, 30% – medium. <sup>5</sup> Employees according to VfU: number of UBS employees including external employees working within the bank. <sup>6</sup> Data quality, 1999. <sup>7</sup> Calculated without upstream processes with the European standard power mix UCPTE 92 and with the more realistic Swiss power mix PSI M4.



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