

Corporate responsibility

UBS is firmly committed to corporate responsibility and actively strives to understand, assess, weigh and address the concerns and expectations of the firm's stakeholders. This process supports UBS in its efforts to safeguard and advance the firm's reputation for responsible corporate conduct. In very direct ways, responsible corporate conduct helps create sustainable value for the company.



News

- **Zurich / Basel, June 21, 2011, 10:49 AM : Corporate responsibility website 2011 update completed**
- **January 28, 2011, 04:25 PM : "UBS position on relationships with clients and suppliers associated with controversial activities"**
- **Zurich / Basel, January 21, 2011, 04:07 PM : UBS partners with the Smith School at the University of Oxford**
- **More**

Short URL of this website: www.ubs.com/responsibility

Governance & strategy

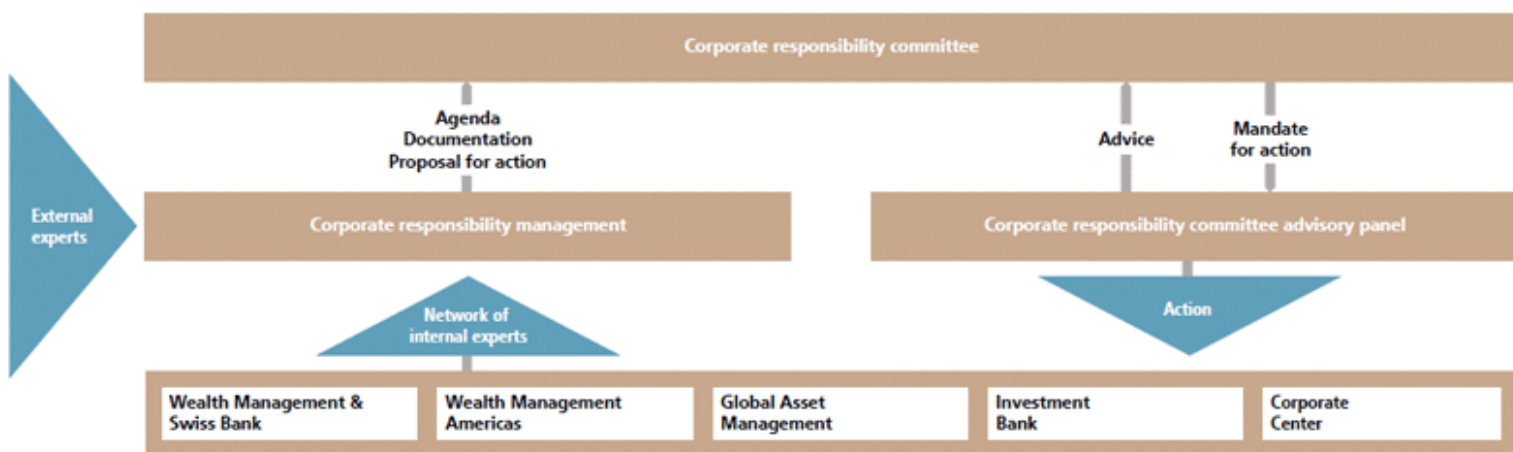
As a leading global financial services firm, it is important that we value and listen to the concerns and expectations of our stakeholders. Clients, investors, employees and government regulators all have a vested interest in UBS. In a broader sense, the communities in which UBS has a presence are stakeholders, too. We have a responsibility to understand and address the concerns and expectations of these groups. This process is designed to safeguard and advance our reputation for responsible corporate conduct, which in turn helps create sustainable value for the firm.

UBS takes the term “corporate responsibility” to mean the process of understanding, assessing, weighing and addressing the concerns and expectations of these groups. This process supports UBS in its efforts to safeguard and advance the firm’s reputation for responsible corporate conduct. In very direct ways, responsible corporate conduct helps create sustainable value for the company.

Commitment	Governance	Strategy & performance
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Governance structure

Our corporate responsibility governance process



Corporate responsibility at UBS

Corporate responsibility

Code of Business Conduct and Ethics

Legal and regulatory responsibilities

- > Compliance with laws, rules and regulations
- > Combating financial crime
- > Tax compliance

Ethical responsibilities

- > Ethical standards
- > Our values
- > Fairness and integrity in client relations

Workplace responsibilities

- > Responsible employment practices
- > Diversity and equal opportunity
- > Health and safety

Societal responsibilities

- > Environment
- > Human rights
- > Responsible supply chain
- > Community investment

Communications, training and awareness raising

Chairman's Statement



Kaspar Villiger, Chairman of UBS, Member of the UBS Corporate Responsibility Committee

The Board of Directors is responsible for setting the Group's values and standards to ensure that our obligations to shareholders and other stakeholders are met. We want to create sustainable value, a central goal reflected in our strategy, processes and initiatives.

In 2010, we took major steps in delivering on our key principles, including our values of truth, clarity, and performance; our strategic principles of reputation, integration, and execution; and our financial objectives. Actively pursuing our societal commitments and responsibilities contributed to this most significant endeavor, and was directly related to the expectations and concerns raised by our stakeholders.

Our continued commitment to corporate responsibility

In 2010, the UN Global Compact, a global corporate responsibility initiative launched by then UN General Secretary Kofi Annan, celebrated its tenth anniversary. From the 39 original signatory companies, support for the initiative has grown to over 6,000 businesses, making Global Compact by far the largest corporate responsibility initiative worldwide. The initiative supports the commitment and adherence to ten principles covering the areas of human rights, labor standards, the environment and anti-corruption.

The Compact continues to be an important reference point for our corporate responsibility efforts. As one of the original signatories of the Global Compact, we demonstrated our conviction in the increasing importance of corporate responsibility. Key examples include our leading role in the issuance of the first global anti-money laundering principles in 2000; the launch of our internal Diversity initiative in 2002; the implementation of our climate change strategy in 2006; the introduction of our statement on Human Rights in 2006; and our responsible supply chain standard in 2008.

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Our corporate responsibility themes

Our efforts continued to progress in 2010. A key milestone was the revision of our Code of Business Conduct & Ethics (Code) in January. The revision was directed by the UBS Corporate Responsibility Committee (CRC), a Board of Directors (BoD) committee. The Code's introduction was followed by a range of related actions across the firm, including Code certification and web-based training processes mandatory for all employees, and Code-related training and awareness raising programs conducted by the UBS Business University and in the business divisions.

The CRC both monitored and provided direction to successfully implement the Code and other activities directly derived from or related to societal commitments contained within the Code. Noteworthy examples for such activities include the establishment of our Values-Based Investing & Philanthropy unit within our wealth management businesses; the formation of the Renewable Energy and Cleantech and Environmental Markets Groups in the Investment Bank; the development of our position statement (and associated processes) on certain controversial activities we do not wish to be associated with (introduced in January 2011); and the reduction of our CO₂ emissions towards our target of 40% below 2004 levels by 2012. The Values-Based Investing & Philanthropy Services unit is dedicated to provide thought leadership, advice, products and solutions to assist our clients and prospects in delivering positive change through their philanthropy and investments. The Renewable Energy and Cleantech Group provides capital raising and strategic advisory services to renewable energy and cleantech companies around the world, and the Environmental Markets Group to works with cleantech, utility, and industrial clients on the application of environmental policies when making financial decisions.

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Outlook

Implementation of these initiatives continues in 2011 with other corporate responsibility initiatives already in the pipeline, including a review of our comprehensive health and safety activities and efforts. This review relates directly to our long-standing commitment to safeguarding the health and safety of UBS employees, which we have also enshrined in the Code. This commitment is evident through the benefits and services available to our employees, as well as the rules and practices we apply to prevent or address potential or actual risks and threats, including also to our clients. Our review will ensure that relevant issues continue to be effectively managed and that improvements are made where it is deemed necessary. In this way, we make certain that the commitment in our Code is continually enforced.

As the Chairman of UBS, I am proud of the important advances our firm has made in these areas of direct relevance and value to our stakeholders. At the same time, I am very conscious of the fact that we must not rest upon our achievements, but continue to consider and assess any societal issues of potential relevance to the firm. The CRC and its advisory panel will continue to carefully monitor and review the expectations and concerns of our stakeholders, always taking account of the fact that they are diverse and may even occasionally be contradictory. If we deem an expectation or concern of relevance to our firm, we will, as in the past, direct corresponding recommendations to senior management.

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Our stakeholders


UBS & its stakeholders

Dialogue with external parties is an important contributor to our understanding and approach to corporate responsibility. In 2010, communications with experts and stakeholders covered a series of topics ranging from broad (e.g. implementation of the Code, health and safety) to specific (e.g. human rights, the US cross-border matter).

In all dealings with stakeholders, we are guided by the principles and standards set out in the Code of Business Conduct and Ethics (the Code). 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, as outlined in the charter of the Corporate Responsibility Committee (CRC).

Input on our corporate responsibility strategy and activities is also regularly sought from employees, including via an internal, cross-divisional network of experts. The latter plays a particularly important role in providing the CRC with critical input on stakeholder expectations and concerns. These contributions add value to the information gathered through other established monitoring channels and tools.

Our stakeholders

- **Clients:** Clients are at the centre 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 (including via our [Quality Feedback management system](#) ) ensures that we understand their expectations. Collecting this feedback enables the firm to act and continuously improve products and client service standards in order to provide the best client experience.
- **Shareholders/Investors:** 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. In 2010, important topics that were communicated included the fast developing and more restrictive regulatory landscape for large financial institutions in the areas of capital, liquidity, compensation and corporate structure; in Switzerland the proposed legislation to address the 'too big to fail' issue; the resolution of the US cross-border matter; the achievement of our fixed cost target of less than CHF 20 billion; a net profit of CHF 7.5 billion compared with a loss of CHF 2.7 billion in 2009; and net new money stabilization indicating returning client confidence.
- **Employees:** The skills and dedication of our employees are fundamental to delivering superior services to our clients. We promote an open and honest dialogue between our employees and senior management. We communicate directly with our employees and ask them for their feedback through personal meetings, emails, town halls and the Quality Feedback system. In 2010, each employee had the opportunity to attend, directly or via UBS TV, at least one town hall with senior management, listening to and discussing a broad range of topical issues such as the firm's strategy. In Switzerland, the ERC also organized Open Space Forums to discuss, for instance, IT issues.
- **Governments / 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 2010, discussions regarding the future regulatory framework for financial institutions figured prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments and regulators.
- **Communities:** We actively ensure that the communities where we operate are healthy and prosperous. To contribute to the health of these communities, we are engaged in various ways, most notably through our dedicated Community Affairs teams around the world. These teams work closely with senior managers to build partnerships with organizations in the communities where we operate, focusing on education and community regeneration.

- **Suppliers:** As a major procurer of materials and services, we maintain many relations with suppliers worldwide, and strive to adhere to high ethical standards when interacting with our vendors. In 2008, we introduced a Responsible Supply Chain Guideline which provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption. Since its introduction, approximately 665 suppliers have been screened according to the guideline's social and environmental criteria, and responsible supply chain requirements were included in contracts awarded to relevant suppliers.
- **International Organizations and initiatives:** We are a member or participate in several organizations and initiatives that promote the advancement of corporate responsibility and sustainability, including 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 (Global Asset Management only). 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 2010, we participated in the triennial UN Global Compact Leaders Summit and hosted the annual UNEP FI / VFU sustainability roundtable.
- **Non-governmental organizations:** With regard to societal issues, non-governmental organizations (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. We interact with NGOs and appreciate their input and insight, as it helps the firm consider its approach to, and understanding of, environmental and social issues and concerns. In 2010, we communicated with NGOs on topics as diverse as human rights, palm oil, mountaintop removal coal mining and cluster munitions.
- **Peers:** We actively engage in regular discussions on corporate responsibility and related issues with specialists in peer banks, and more widely through trade bodies and associations such as the Swiss Banking Association. Their experiences and assessments of corporate responsibility issues help to compare and improve our strategy, approach and tools (e.g. in the area of environmental and social risk management).
- **Media:** We conduct an active and consistent dialogue with media in all of our major locations worldwide. Our media teams provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management also regularly gives account to journalists, predominantly through interviews.
- **Rating and research agencies:** We actively engage in dialogue with analysts in rating and research agencies. With regard to our sustainability performance, the evaluation of specialized agencies helps to evaluate our current strategy and activities, and provides a useful means for benchmarking. In 2010, we provided detailed information on our sustainable performance to a range of agencies either in response to questionnaires (e.g. for the DJSI) or via meetings or calls (with environmental, social and governance (ESG) analysts). Our corporate responsibility website regularly serves as a key source of information for these agencies.

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Quality Feedback system

In Wealth Management & Swiss Bank, 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 2010, key topics and developments included some targeted products and services: the UBS e-Banking payment services (in particular the newly introduced "Confirmation by beneficiary" functionality, a security measure in online-banking), the customer service center support lines and the Maestro Card. Moreover a substantial amount of client feedback related to the UBS brand campaign and its reflection in the media.

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. In 2010, employees provided feedback on topics such as the services provided by Support and Service Centers and the firm's IT business applications.

External commitments

UBS has endorsed and signed several charters.

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.

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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.

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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](#)

UN Principles for Responsible Investment (UNPRI)



UBS Global Asset Management is an Investment Manager signatory to the UN Principles for Responsible Investment (UNPRI). 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](#)

Further commitments

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

[More](#)

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

Labor standards and human rights

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.

In line with the firm's endorsement of the UN Global Compact and its underlying principles, UBS adopted a statement supporting basic human rights in 2006. The "UBS Statement on Human Rights" outlines important human rights issues and sets out the firm's position on the topic. In 2008, UBS reaffirmed its commitment to human rights by supporting the UN Global Compact's Chief Executive Officer statement, which marked the 60th anniversary of the UN's Universal Declaration of Human Rights. The implementation of its human rights statement is supported by a responsible supply chain guideline, by UBS's position on relationships with clients and suppliers associated with controversial activities (including human rights), and by industry sector guidelines supporting the consistent identification and assessment of environmental and social risks (including human rights) in the firm's banking activities.

- **UBS statement on human rights**
- **Our employees**
- **Diversity**

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Environment

UBS acknowledges that climate change represents one of the most significant environmental challenges. In 2009, UBS supported the Global Compact's "Seal the Deal!" campaign, which calls for a fair, balanced and effective post-Kyoto climate agreement. In his testimonial for "Seal the Deal!", UBS's Chairman of the BoD confirmed a cornerstone of the firm's climate change strategy in that UBS seeks to help clients address risks and take advantage of opportunities presented by climate change and the transition to a low carbon economy. With this in mind, UBS continued to expand its offering of climate change-related products and services and to publish dedicated research reports in 2010. In addition, UBS seeks to lead by example by acting to reduce its own environmental impact. In 2006 the Group Executive Board (GEB) set a target to reduce the firm's carbon emissions by 40% through 2012 from 2004 levels. In 2010, UBS continued to make progress towards achieving this target.

→ **Addressing climate change**

→ **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 its policies and procedures correspond with those risks and that relationships that are classified as higher risk are dealt with appropriately. The firm adheres to strict know-your-customer regulations, which do not, however, seek to undermine customers' legitimate right to privacy. Ongoing due diligence and monitoring is undertaken to assist in the identification of suspicious activities, including the utilization of advanced technology to assist in the identification of transaction patterns or unusual dealings which, if discovered, are promptly escalated to management or control functions.

→ **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

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.

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 190 financial institutions. By signing the Declaration, UBS made a commitment to integrating 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](#)

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 recognised as the international anti-money laundering / counter-terrorist financing standards. At the end of 2010, the FATF announced that it is reviewing its 40+9 Recommendations. The Wolfsberg Group gave comments and feedback to the FATF within the consultation process, which extended into early 2011.

UBS has substantially contributed to various guidance papers including topics such as corruption, correspondent banking, mutual funds and investment and commercial banking. During 2007, UBS played an active role in the work undertaken by the Wolfsberg Group and the Clearing House Association to develop and issue a statement endorsing measures to enhance the transparency of international wire transfers to promote the effectiveness of global AML and anti-terrorist financing programs. In 2008, a notable achievement was made by the Wolfsberg Group where UBS actively contributed to the FATF's development of its Guidance Paper on Weapons of Mass Destruction Proliferation Finance, as well as completing its own trade finance principles paper which was published in 2009.

Wolfsberg Group's work is ongoing in the area of pre-paid cards the credit card paper was issued in 2009, the implementation of a new SWIFT (Society for Worldwide Interbank Financial Telecommunication) message format to protect against the abuse of cover payments went live in 2009 and a review of the Group's 2003 paper on monitoring, screening and searching was also completed in 2009.

In August 2009, members of the World Bank PEP team (under the Stolen Asset Recovery "StAR" initiative) visited UBS to gain input on the report that was issued in November 2009 entitled, 'Stolen Asset Recovery, Politically Exposed Persons, A Policy Paper on Strengthening Preventive Measures'. Preparatory work for this input was initiated by the World Bank at the Wolfsberg Forum in May 2009. The Forum brings together representatives from the Wolfsberg members plus 50 of the world's biggest banks and their regulators from around the world, supranational bodies, and NGOs. The Wolfsberg Group also held their annual closed meeting with the regulators prior to the Forum covering a range of AML / sanctions / corruption related topics.

The Group continues to update existing publications it has produced over the last eleven years, and a second part to the Trade Finance Principles will be published in 2011.



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

Further commitments

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

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

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

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

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

→ www.vfu.de

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. Originally founded in St. Gallen, Switzerland, in 1987, oikos has grown to more than 37 local chapters in 21 countries worldwide. oikos strengthens action competence for sustainable development among tomorrow's decision makers by increasing awareness for sustainability opportunities and challenges focusing on management and economics students with an objective to foster their ability not only in analyzing long-term economic, environmental and social trends, but also implement sustainability driven innovation; and to create 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

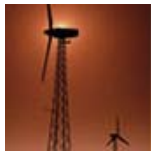
ÖBU

The Swiss Association for Environmentally Conscious Management (öbu) and its 350 member firms aim to promote ecological awareness and action in corporate management.

Öbu's work focuses around environmental management, ecobalancing, environmental marketing, environmental legal compliance, eco-efficient investments, and energy/carbon dioxide taxes.

→ www.oebu.ch

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.

→ www.energiemodell-zuerich.ch

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 dissipate information and perspectives on SRI.

→ www.asria.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

Corporate Responsibility Committee

The Corporate Responsibility Committee (CRC) supports the BoD in fulfilling its duty to safeguard and advance the Group's reputation for responsible corporate conduct. It reviews and assesses stakeholder concerns and expectations for responsible corporate conduct and their possible consequences for UBS, and recommends appropriate actions to the BoD. The CRC comprises at least three independent BoD members. The CRC is chaired by Wolfgang Mayrhuber with Kaspar Villiger, Ann F. Godbehere and Joseph Yam as additional members. The CRC is advised and supported by a number of senior business representatives.

Members



Wolfgang Mayrhuber (Chair)

Wolfgang Mayrhuber was elected to the BoD at the 2010 AGM. He chairs the Corporate Responsibility Committee and is a member of the Human Resources and Compensation Committee.

→ [CV](#)



Kaspar Villiger

Kaspar Villiger was elected to the Board of Directors (BoD) at the 2009 Annual General Meeting (AGM) and was thereafter appointed Chairman of the BoD. He chairs the Governance and Nominating Committee and is a member of the Corporate Responsibility Committee.

→ [CV](#)



Ann F. Godbehere

Ann F. Godbehere was elected to the BoD at the 2009 AGM. She chairs the Human Resources and Compensation Committee and is a member of the Audit Committee and the Corporate Responsibility Committee.

→ [CV](#)



Joseph Yam

Joseph Yam was elected to the BoD at the 2011 AGM. He is a member of the Corporate Responsibility Committee and the Risk Committee.

→ [CV](#)

Advisory Panel

- Oswald J. Grübel
- John Bradley
- Markus U. Diethelm
- John A. Fraser
- Lukas Gähwiler
- Steve Hottiger
- Philip J. Lofts
- Michael Willi
- Alexander Wilmot-Sitwell
- Chi-Won Yoon
- Sergio P. Ermotti

The Committee operates under the Corporate Responsibility Committee Charter as described in the Organization Regulations of UBS AG, Annex C (Charter for the Committees of the Board of Directors of UBS AG, pp. 38-39), sections 6.1 and 6.2

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→ **Organization regulations of UBS AG** 

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Professional history and education

Wolfgang Mayrhuber was elected to the BoD at the 2010 AGM. He chairs the Corporate Responsibility Committee and is a member of the Human Resources and Compensation Committee. He was Chairman of the Executive Board and CEO of Deutsche Lufthansa AG from 2003 to 2010. In 2002, he was elected Deputy Chairman of the Executive Board, and in 2001, he was appointed to the Executive Board with responsibility for the passenger airline business. From 1994 to the end of 2000, he was Chairman of the Executive Board of the newly founded Lufthansa Technik AG. After holding a variety of management positions in the maintenance, repair and overhaul division, he was appointed Executive Vice President and Chief Operating Officer Technical in 1992. In 1970, he joined Lufthansa as an engineer at the engine overhaul facility in Hamburg. Mr. Mayrhuber studied mechanical engineering at the Technical College in Steyr, Austria, and at the Bloor Collegiate Institute in Canada, until 1965. In 1990, he completed an Executive Management Training course at the Massachusetts Institute of Technology. Mr. Mayrhuber was born on 22 March 1947 and is an Austrian citizen.

Other activities and functions

Mandates on boards of important corporations, organizations and foundations or interest groups:

Mr. Mayrhuber is Chairman of the supervisory board and Chairperson of the Mediation Committee, the Nomination Committee and the Executive Committee of Infineon Technologies AG, as well as a member of the supervisory boards of Munich Re Group, BMW Group, Lufthansa Technik AG and Austrian Airlines AG. Furthermore, he serves on the board of SN Airholding SA / NV, Brussels, and HEICO Corporation, Hollywood, FL.



Professional history and education

Kaspar Villiger was elected to the Board of Directors (BoD) at the 2009 Annual General Meeting (AGM) and was thereafter appointed Chairman of the BoD. He chairs the Governance and Nominating Committee and is a member of the Corporate Responsibility Committee. Mr. Villiger was elected Federal Councilor in 1989, and served as the Minister of Defense and Head of the Federal Military Department until 1995. Subsequently, he served as Finance Minister and Head of the Federal Department of Finance until he stepped down at the end of 2003. In addition to Federal Councilor, he served as President of the Swiss Confederation, in 1995 and 2002. In 2004, he was elected to the boards of Nestlé, Swiss Re and the Neue Zürcher Zeitung, all of which he resigned from in 2009 when he took on the position of Chairman of UBS. As co-owner of the Villiger Group, Mr. Villiger managed the Swiss parent firm, Villiger Söhne AG, from 1966 until 1989. In addition, Mr. Villiger held several political positions, first in the parliament of the canton of Lucerne and, from 1982 until 1989, in the Swiss Parliament. He graduated from the Swiss Federal Institute of Technology (ETH) in Zurich with a degree in mechanical engineering in 1966. Mr. Villiger was born on 5 February 1941 and is a Swiss citizen.

Ann F. Godbehere



Professional history and education

Ann F. Godbehere was elected to the BoD at the 2009 AGM. She chairs the Human Resources and Compensation Committee and is a member of the Audit Committee and the Corporate Responsibility Committee. Ms. Godbehere was appointed CFO and Executive Director of Northern Rock in February 2008, serving in these roles during the initial phase of the business' public ownership – she left at the end of January 2009. Prior to this role, she served as CFO of Swiss Re Group from 2003 to 2007. Ms. Godbehere was CFO of the Property and Casualty division in Zurich for two years, before this she served as CFO of the Life & Health division in London for three years. From 1997 to 1998, Ms. Godbehere was CEO of Swiss Re Life & Health in Canada. In 1996 and 1997, she was CFO of Swiss Re Life & Health North America. She is a certified general accountant, and in 2003, was made a fellow of the Certified General Accountants Association of Canada. Ms. Godbehere was born on 14 April 1955 and is both a Canadian and British citizen.

Other activities and functions

Mandates on boards of important corporations, organizations and foundations or interest groups:

Ms. Godbehere is a board member and Chairperson of the Audit Committees of Prudential plc, Rio Tinto plc and Rio Tinto Limited in London. She is on the board of Atrium Underwriters Ltd. and Atrium Underwriting Group Ltd., London. She is also a member of the board and Chairperson of the Audit Committee of Ariel Holdings Ltd., Bermuda.

Joseph Yam



Professional history and education

Joseph Yam was elected to the BoD at the 2011 AGM. He is a member of the Corporate Responsibility Committee and the Risk Committee. He is Executive Vice President of the China Society for Finance and Banking and in that capacity serves as an advisor to the People's Bank of China since in 2009. He was instrumental in the establishment of the Hong Kong Monetary Authority and served as its Chief Executive from 1993 until his retirement in 2009. He began his career in Hong Kong as a statistician in 1971 and served the public for over 38 years. During his service he occupied several positions such as Director of the Office of the Exchange Fund in 1991, Deputy Secretary for Monetary Affairs in 1985 and Principal Assistant Secretary for Monetary Affairs in 1982. Mr. Yam graduated at the University of Hong Kong in 1970 with first class honors in economics and statistics. He holds a few honorary doctorate degrees and professorships from a number of universities in Hong Kong and overseas. He is a Distinguished Research Fellow of the Institute of Global Economics and Finance at the Chinese University of Hong Kong. He was born on 9 September 1948. He is of Chinese nationality and a Hong Kong citizen.

Other activities and functions

Mandates on boards of important corporations, organizations and foundations or interest groups:

Mr. Yam is Chairman of the board of Macroprudential Consultancy Limited and sits on the International Advisory Councils of a number of government and academic institutions. He is a board member and chairs the Risk Committee of China Construction Bank. He is on the board of Johnson Electric Holdings Limited.

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. 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.

Environmental and human rights governance

The Group Executive Board is responsible for UBS's environmental policy and nominates a Group Environmental Representative, who is UBS's senior level representative for environmental issues.

This function is currently held by Philip Lofts, the firm's CEO of UBS Group Americas. The business divisions also nominate Divisional Environmental Representatives, who are responsible for the implementation of the policy within their business division. These Group and Divisional Environmental Representatives, as well as other senior executives, form an Environmental & Human Rights Committee that is tasked with overseeing the adoption of UBS's environmental policy and providing direction to the business divisions in their adoption of the UBS Statement on Human Rights. The Committee defines Group priorities and objectives to be submitted to the Group Executive Board for approval, oversees execution by the business divisions and initiates action if required.

The Environmental & Human Rights Committee is supported by the Environmental & Social Risk unit, which acts as Secretary to the Committee. The Divisional Environmental Representatives are supported by Program Managers who oversee day-to-day execution and performance.



- ¹ Delegated to oversee development and adoption of independent control of environmental and human rights risks within the UBS Group
² Delegated to oversee operational implementation for risk management and business opportunities in the business division
³ Delegated to oversee operational implementation of in-house environmental management program and responsible supply chain management

* Delegated to oversee operational implementation for risk management and business opportunities in the business division

** Delegated to oversee development and implementation of principles and appropriate independent control frameworks for environmental and human rights risks within the UBS Group

*** Delegated to oversee global in-house environmental management

Regarding day-to-day execution, the business divisions are responsible for implementing the environmental policy's principles on risk management and business opportunities, while the Corporate Center is responsible for managing UBS's impact on the environment from its in-house operations and supply chain.

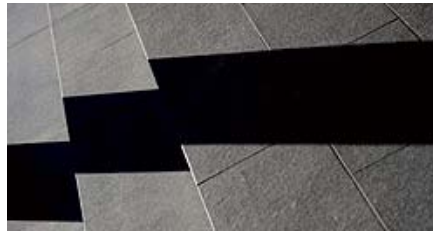
- **Environmental policies and guidelines**
- **Environmental & social risk management**
- **Products & Services**
- **Clean tech finance and advisory**
- **Carbon trading**
- **In-house environmental management**
- **Responsible supply chain management**

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Money laundering prevention

Our efforts to fight money laundering, corruption and the financing of terrorism are lead by the Head of Global AML compliance, and supported by a network of expert global business teams. 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 Group Compliance 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

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.

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Diversity



Our global diversity team supports senior management and human resources business partners in developing diversity-related strategies and goals for each business division. The implementation of these strategies and goals is monitored by the GEB. The global diversity team also coordinates regional efforts and integration into the human resources process. Regional diversity heads, along with

senior business managers, consider and design diversity 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 objectives. Additionally, regional diversity heads support our numerous employee networks, including the development and coordination of diversity-related events which support regional diversity initiatives.

→ [More](#)

Community affairs



Community affairs at UBS are founded on a global strategy defined by the GEB, and are based on a global community affairs guideline. Activities are governed by a central framework and regional guidelines and embedded in UBS's regional structures. Every region has a dedicated community affairs team which coordinates charitable commitments by our firm and our employees.. The Corporate Center

ensures global coordination of these activities and also provides a central reporting structure to collate 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. These guidelines define the way UBS does business and the firm regularly monitors compliance.

Code of business conduct and ethics

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](#) 

Values

The efforts of UBS are guided by the values of truth, clarity and performance:

- We behave with respect and integrity. We are accurate, realistic and accountable. We always act fairly and abide by the law.
- We make it easy to do business with UBS. We are concise, precise and to the point. We are reliable and consistent.
- We always give our best. We will perform to the highest professional standards. We will lead the market through superior service and execution.

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

Environmental policies and guidelines

UBS is committed to acting in an environmentally responsible manner in all its business dealings.

[More](#)

Human rights statement

UBS promotes and respects human rights standards within its sphere of influence.

[More](#)

Money laundering prevention

UBS takes its responsibility to preserve the integrity of the financial system, and its own operations, seriously. We are committed to assisting in the fight against money laundering, corruption and terrorist financing.

[More](#)

Conflicts of interest

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.

Whistleblowing protection

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 anonymised, free, internal or external mechanisms for submitting whistleblowing reports. All concerns raised are taken seriously and investigated fully and promptly.

→ [Whistleblowing protection](#) 

Community affairs

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 organisations made by UBS.

[More](#)

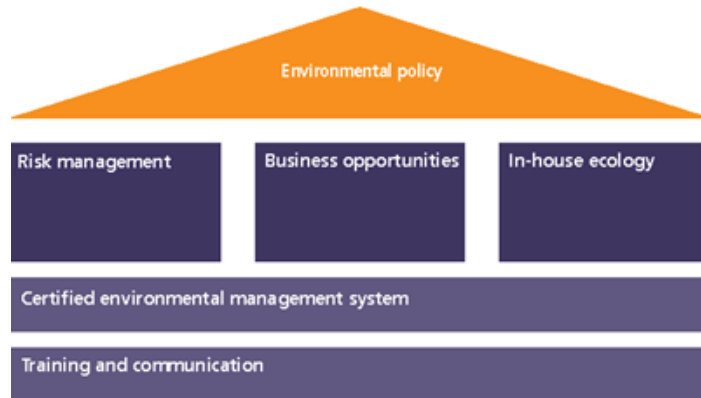
Information security

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 policies & guidelines

UBS's environmental policy, established in 1993 and endorsed by the Group Executive Board, was revised in 2009 and brought in line with the new Code of Business Conduct & Ethics of UBS.



Foundations

The protection of our environment is one of the most pressing issues facing our world today. Climate change for instance, will have wide-ranging effects on ecosystems, on societies and on economies worldwide. The increasing awareness of environmental 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 UN Principles for Responsible Investment (UNPRI).

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

Purpose and Scope

UBS is committed to acting in an environmentally responsible manner in all its business dealings. The policy defines principles and responsibilities for managing environmental issues, and aims to create long term value for the firm and its stakeholders. The policy dictates that:

- UBS identifies and manages its environmental risks
- UBS provides clients with a range of financial products and services that address environmental challenges
- UBS improves its environmental performance and resource efficiency continuously

The policy applies world-wide to all transactions, services and activities involving environmental issues entered into by or on behalf of UBS in the course of business. Both banking activities and in-house operations are subject to and must be conducted in compliance with this policy.

Environmental Principles

Principle 1: Risk Management

- UBS applies an environmental risk framework to all transactions, products, services and activities in order to identify and assess potential environmental issues and to manage any identified risks. 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 risks may be mitigated. UBS avoids transactions, products, services, activities or suppliers if there are material environmental risks that cannot be properly assessed or where, in the judgment of UBS, the counterparty/issuer is not addressing environmental issues in an appropriate and responsible manner.

Principle 2: Business Opportunities

- UBS provides its clients with financial products and services that help them manage their environmentally-related business opportunities and risks. UBS also helps investors benefit from environmental market opportunities by offering thematic and SRI funds, and by integrating environmental considerations, where relevant, in research and investment analysis.

Principle 3: In-house Environmental Management

- UBS sets quantitative targets to reduce group-wide CO2 emissions and the environmental impact of paper consumption and waste. Environmental programs include measures to improve resource efficiency, increase the proportion of environmental-friendly alternatives (such as renewable energy or recycled paper) and offset CO2 emissions that cannot be reduced by other means.
- UBS considers the environmental impact of its suppliers' business practices, products and services, and engages with them to promote environmentally-responsible practices.

Implementation

UBS implements the policy efficiently through a global environmental management system certified according to ISO 14001, the international environmental management standard. This certificate attests that UBS's environmental management system is an appropriate tool for complying with the relevant environmental regulations, for achieving self-defined environmental objectives, and for maintaining continual improvement of environmental performance. The management system is structured in a cycle consisting of planning, implementation, controlling and review including corrective actions³.

Environmental awareness and expertise play an important role in implementing our goals. UBS therefore invests in know-how and integrates environmental considerations into internal communications and training.

UBS regularly reports on progress made in implementing the environmental policy as part of UBS's annual reporting. The firm seeks to maintain open dialogue and active communications with stakeholders.

Implementation of this policy is a process of continual improvement.

¹ Detailed requirements, responsibilities and procedures are described in UBS's ISO 14001 manual

² Socially/Sustainable and Responsible Investments.

³ Detailed requirements, responsibilities and procedures are described in UBS's ISO 14001 manual

Responsibilities and Structure

The **Group Executive Board** is responsible for approving the environmental policy, for nominating a Group environmental representative and for approving the annual ISO 14001 environmental management review.

The **Group Chief Risk Officer** is responsible for the development and implementation of principles and appropriate independent control frameworks for environmental risks within the UBS Group. He is supported by the Environmental & Social Risk Unit.

The **business divisions** are responsible for implementing the environmental policy's principles.

- Principle 1 (Risk Management): the business divisions are responsible for the identification and assessment of risk and for determining whether the identified risks are acceptable. In the event that any such identified risks are also determined to create potential firm-wide reputational risk, they are escalated to the Group environmental representative for approval.
- Principle 2 (Business Opportunities): the business divisions take full ownership for the identification and development of environmental market opportunities.
- Principle 3 (In-house Environmental Management): Corporate Center is responsible for managing UBS's impact on the environment from its in-house operations and supply chain.

The **Environmental & Human Rights Committee** oversees the implementation of UBS's environmental policy and provides direction to the business divisions in their adoption of the UBS Statement on Human Rights; it defines Group priorities and objectives to be submitted to the Group Executive Board for approval; it oversees execution by the business divisions and initiates action if required; and it reviews external initiatives and potential commitments and advises the Group Executive Board on their adoption.

The **Group environmental representative** is UBS's senior level representative for environmental issues. He 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 in order to raise relevant environmental concerns. He is a member of the Environmental & Human Rights Committee.

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

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 policy.

Definitions/Glossary

Environmental risk

Environmental risk is broadly defined as the possibility that UBS is harmed reputationally or financially as the result of transactions, products, services or activities such as lending, capital raising, advisory services or investments that involve a party associated with environmentally sensitive activities, or that is exposed to environmental risks such as liabilities or changes in environmental regulations, or if UBS employees (or contractors working on behalf of UBS) fail to operate within relevant environmental regulations.

Socially/Sustainable and Responsible Investments and environmental products and services

UBS defines Socially/Sustainable and Responsible Investments (SRI) 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 securities. Environmental products and services include SRI as well as thematic funds and research, renewable energy financing and advisory services and emissions products.

In-house environmental management

By improving resources efficiency UBS seeks to reduce its direct environmental impact from in-house operations, with a primary focus on reducing greenhouse gas emissions. The major areas where UBS has a direct impact are, in order of relevance, energy consumption, business travel, paper consumption and waste.

Further guidelines & standards

UBS's environmental policy is further supplemented by groupwide guidelines and standards that address specific environmental issues across the firm:

- *Industry sector guidelines*: Some of UBS's clients operate in sectors that are considered to be particularly environmentally and socially sensitive. To support the consistent identification and assessment of environmental and social risks (including human rights) across the Group, UBS has developed internal industry sector guidelines. The sector guidelines currently cover chemicals, oil and gas, utilities, infrastructure, forestry products and biofuels and metals and mining. These guidelines are being adopted by each of the business divisions in transactional and client due diligence processes. These guidelines provide an overview of key environmental and social issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them.
- In 2010, we decided to further strengthen our environmental and social risk management (including human rights) by identifying controversial activities where we will not do business, or only do business under stringent pre-established guidelines. Therefore we will not knowingly provide financial services to corporate clients, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target – are associated with such controversial activities.
- *Responsible supply chain guideline* UBS has adopted a supply chain guideline that provides group-wide guidance for identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption.

→ **For more on industry sector guidelines**

→ **For more on UBS's position on relationships with clients and suppliers associated with controversial activities**

→ **For more on the responsible supply chain guideline**

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Labor standards & human rights

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.

In line with the firm's endorsement of the UN Global Compact and its underlying principles, UBS adopted a statement supporting basic human rights in 2006. The "UBS Statement on Human Rights" outlines important human rights issues and sets out the firm's position on the topic. In 2008, UBS reaffirmed its commitment to human rights by supporting the UN Global Compact's Chief Executive Officer statement, which marked the 60th anniversary of the UN's Universal Declaration of Human Rights. The implementation of its human rights statement is supported by a responsible supply chain guideline and by industry sector guidelines supporting the consistent identification and assessment of environmental and social risks (including human rights) in the firm's banking activities.

- **For more on labor standards and diversity programs**
- **For more on the responsible supply chain guideline**
- **For more on the industry sector guidelines**
- **For more on UBS's position on relationships with clients and suppliers associated with controversial activities**

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UBS Statement on Human Rights

The international human rights norms are a call upon governments to respect these rights of their citizens to the largest extent possible. Although international human rights are not directly enforceable upon the private sector, it is our view that private companies such as UBS can and should support governments in implementing human rights.

In this spirit, the UBS Statement on Human Rights sets out our approach to promote and respect human rights standards within our sphere of influence. This is in line with our endorsement of the UN Global Compact and its underlying principles. Our ability to promote and respect human rights standards depends on the nature of our relationship with the various stakeholders with which we engage: as an employer, we act in line with the principles underlying human rights; with suppliers, our level of influence is lower, but we can act to a certain extent through the contractual agreements we have with them; our level of influence is limited with our clients.

The human rights principles below describe our aspirations. We endeavor to embed the principles in our culture by integrating them into our business practices and internal communications.

Employees

We respect and support human rights standards through our human resources policies and practices.

Suppliers and Contractors

We consider the business practices of significant suppliers in light of human rights standards and integrate relevant aspects into our contractual relationships with them.

Clients

We aim to promote the responsible use of our products and services by taking human rights standards into account when vetting prospective clients and executing transactions.

We regularly report on our progress in implementing this Statement as part of UBS's annual reporting.

→ **Code of conduct**

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Sustainability at UBS



- UBS strategy and identity
- Workplace
- Societal responsibilities

UBS strategy and identity

Our strategic objectives, first announced in late 2009 and reiterated in 2010, are designed to improve our financial performance and reposition the firm in order to generate sustainable profitability and increased shareholder value. Our strategy is built on two primary pillars: re-focusing our business portfolio to fully capitalize on our strengths, and transforming the way we operate. We are delivering against our objectives, and we have achieved a significant improvement in operating performance across our entire business portfolio.

We are transforming the way we operate by utilizing the full potential of our strengths based on our three strategic guidelines of reputation, integration and execution. Our reputation is our most valuable asset. It is ultimately defined by the actions and decisions we take every day. In order to restore and safeguard our reputation, we have introduced more disciplined and effective governance processes. The resolution of the US-cross-border issue in November 2010 was one important step in this process. Also, we launched a new corporate identity program in 2010, including the world-wide brand campaign "We will not rest", and a corresponding sponsorship strategy to raise our brand awareness.

Integration is a key factor in serving our clients in a comprehensive manner, and driving efficiencies across our businesses, which are essential to our ability to achieve our financial targets. Integration is being achieved through a series of measures, including several dedicated client related initiatives around the globe, as well as upgraded client coverage models, new management processes, and enhanced structures and processes that allow us to achieve further cost and capital efficiencies.

We are committed to attaining the highest standards of operational excellence and, ensuring consistent high-quality delivery to clients as well as within the firm. Furthermore, we are building a performance-oriented culture that will help us to attract, develop and retain top industry talent. As part of this effort, we have introduced new performance review tools and processes which will allow us to swiftly identify problem areas and proactively initiate corrective measures.

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Workplace

The excellence, inspiration and commitment of our employees are critical to implementing our business strategy and to meeting the needs of our clients. Our commitment to our employees is reflected in the investment we make in managing talent, and in the development of our performance-oriented culture and our leadership.

During 2010, all of our employees were responsible for helping to rebuild our businesses and were fully engaged in regaining client trust. We judiciously invested in recruiting, managing, training and retaining talented employees who have the skills, experience and drive to meet our clients' needs and grow our businesses. During the course of 2010, headcount remained at a similar level to 2009, with just over 64,600 personnel at year-end.

A workforce of individuals from widely different backgrounds, cultures and life experiences is essential in today's global business environment. This is in part because having a diverse employee base and inclusive work environment increases the performance and engagement of our employees. In 2010, our workforce was comprised of citizens from 147 countries; the average age of our employees was 38 years; and the average length of employment with the firm was 8.6 years.

In 2010, we focused on enhancing integration across the firm and investing in our workforce by making a number of changes and improvements to the way we managed our employees. For example, we instituted measures to further develop our performance-oriented culture and made a number of critical changes to our performance management process. There are two fundamentally new elements: an evaluation process that clearly differentiates an employee's performance relative to peers and allocates compensation accordingly, and significantly more transparent communication to employees about all of our performance management processes. Notably, an employee's overall compensation will now be more transparently linked with the value of their individual contributions. These changes are expected to drive even stronger performance at all levels, enable better delivery of our strategy and ultimately contribute to our long-term sustainable profitability. In 2010, 97% of eligible employees participated in this process.

We also launched the UBS Business University to provide more training opportunities and promote continuous development. A global and largely virtual corporate university, it integrates our learning activities under one umbrella. The Business University effectively aligns all training and education elements across the firm and promotes a culture of continuous development. Having one group-wide learning organization also leverages the expertise within our various former learning organizations, increases efficiency, eliminates duplication and significantly reduces training costs, while focusing on positively impacting business results.

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Societal responsibilities

We are contributing to achieving our strategic goals by actively pursuing our societal commitments and responsibilities. In 2010, we continued to address key societal issues by contributing to the fight against money laundering, corruption and terrorist financing (AML), executing our environmental management program, implementing our human rights statement and by undertaking community investment activities. Under the guidance of the UBS Corporate Responsibility Committee (CRC), a Board of Directors (BoD) committee, various initiatives were initiated, notably pertaining to the implementation of our Code of Business Conduct & Ethics (Code). The CRC, which directed revisions to the Code in 2009, monitored its subsequent introduction and implementation in 2010, including the mandatory employee certification and web-based training processes.

We are focused on earning the trust of our stakeholders, aiming for sustainable earnings and creating long-term shareholder value. By ensuring that our business is undertaken in a responsible manner, and that our products and services are suited to the needs and requirements of our clients, we aim to fulfill the heightened expectations of clients and stakeholders. Our ability to promote and respect relevant standards depends on the nature of our relationships with our various stakeholders.

In 2010, we continued to strengthen our efforts to both prevent and combat financial crime. We undertake ongoing due diligence and monitoring to assist in the identification of suspicious activities, including using advanced technology to assist in the identification of transaction patterns or unusual dealings which, if discovered, are promptly escalated to management or control functions. As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally in 2010.

We identify, manage and control environmental and social risks in our business transactions. However, not all products and services we provide have the same risk potential. Therefore, we take a risk-based approach to environmental and social risk management, and regularly analyze our portfolio of products and services to assess their potential environmental and social risk levels. In terms of approval processes, the business divisions are responsible for the identification and assessment of risk, and for determining whether the identified risks are acceptable. In the event that any such identified risks are also determined to create potential firm-wide reputational risk, they are escalated to the Group Chief Risk Officer for approval. In 2010, the business divisions referred 194 transactions to their environmental risk functions for a detailed environmental assessment.

Some of our clients operate in sectors characterized by consistent environmental and social challenges. To support the consistent identification and assessment of such risks, we developed internal industry sector guidelines in 2009. In 2010, we decided to further strengthen our environmental and social risk management (including human rights) by identifying controversial activities where we will not do business, or only do business under stringent pre-established guidelines. Therefore, we will not knowingly provide financial services to corporate clients, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target involves certain environmental and social risks such as illegal logging, child and forced labor and illegal use of fire for land clearance.

We seek to help investors benefit from related market opportunities, and by integrating environmental and social considerations, where relevant, in research and investment analysis. This offering currently stretches across our businesses in wealth management, investment banking, asset management, retail, and commercial banking. It includes SRI funds, research and advisory services provided to private and institutional clients, access to the world's capital markets for renewable energy firms and, in Switzerland, "eco" mortgages. Client interest in some aspects of SRI – for instance climate change, demographics and water – has grown, and so has research coverage. The SRI teams regularly collaborate with analysts in other teams to write about emerging SRI themes, and relevant research content is regularly published by a growing number of specialists within the mainstream research effort.

In 2010, we announced the formation of the Renewable Energy and Cleantech Group (RECG) and the Environmental Markets Group (EMG), both within the Investment Bank, to further enhance our efforts and build upon our successes in this important sector. RECG provides capital raising and strategic advisory services to renewable energy and cleantech companies globally. EMG will work with cleantech, utility, and industrial clients on the application of environmental policy analytics to financial decision making.

As part of a holistic service offering, our Wealth Management & Swiss Bank and Wealth Management Americas business divisions have established combined teams for philanthropy and values-based investing / SRI. These teams provide thought leadership, advice, products and solutions to assist our clients and prospects in delivering positive change through their philanthropy and investments.

With regard to our own operations, we have long taken a very keen and active interest in lowering our environmental footprint. Following the establishment of our first energy functional unit in the late 1970s, we were also the first Swiss bank to establish the position of an environmental officer in the 1980s. Years later, we persist in our efforts to continually improve the environmental efficiency of our operations. Our climate change strategy, launched in 2006, represents a key commitment to improving efficiency. Building on the reduction of our CO₂ emissions by 33.5% achieved in 2010 (from 2004 levels), we will, in 2011, continue to advance towards our goal of reducing the firm's CO₂ emissions by 40% below 2004 levels by 2012.

In the social sphere, together with our employees, we seek to enhance the well-being of the local communities in which we are active. We do this through our well-established community affairs program. In 2010, we donated CHF 27.6 million in direct cash donations to carefully selected non-profit partner organizations and charities in conjunction with our affiliated foundations. These donations were assigned, primarily, to our continuing Community Affairs key themes, "Empowerment through Education" and "Building Stronger Communities", with some contributions to other activities, in particular disaster relief. In response to the devastating earthquake in Haiti, UBS and its employees donated over CHF 3 million to a number of organizations providing disaster relief.

In implementing environmental and social standards and conventions into our business practices, we benefit from participating in various external initiatives. In November 2010, we hosted the annual UNEP FI / VfU Roundtable, which took place in Switzerland for the first time. At the event, key sustainability topics such as climate change and human rights as well as related topics, ranging from environmental, social and governance (ESG) ratings to sustainability education at universities, were considered and discussed among representatives from financial institutions and various stakeholders.

→ **Achievements 2010**

→ **Objectives 2011**

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Training and raising awareness

Through education offerings and broader awareness-raising activities we ensure that our employees are aware of the importance of our societal commitments. General information is published on our intranet and on the corporate responsibility website. In 2010, training and awareness-raising activities focused on the Code of Business Conduct & Ethics (notably a mandatory web-based training), and ensured that all employees received information on the firm's corporate responsibility strategy and activities.

Employees' awareness of our corporate responsibility processes, activities, commitments, and relevant topics is also advanced through other internal education offerings. Furthermore, awareness of corporate responsibility is also raised in induction programs via an intranet-based presentation.

AML and Anti-Corruption

- As the Code also covers anti-corruption from the perspective of risks relating to clients in the terms below, 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.
- Employees regularly undergo training in respect of AML-related issues and new trends, be it through on-line training, awareness campaigns or seminars.
- 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 10,000 employees participated in training on environmental issues, with over 8,600 receiving general education on our environmental policy and programs, and nearly 1,400 employees receiving specialist training targeted within their area of expertise and impact. Employee speaker sessions, exhibitions and lunchtime training sessions have taken place in all regions alongside specific technical training for the environmental team.

→ **Environmental management indicators (including training numbers)**

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Environmental management indicators

<i>Full-time equivalent, except where indicated</i>	GRI ¹	For the year ended			% change from
		31.12.10	31.12.09	31.12.08	31.12.09
Personnel financial businesses		64,617	65,233	77,783	(1)
Personnel in specialized environmental units/functions		35	26	27	34
Environmental awareness raising					
Employees trained	FS4	8,616	3,047	3,905	183
Specialized environmental training					
Employees trained	FS4	1,383	1,093	1,327	27
External environmental audits²					
Employees audited	FS9	36	52	163	(31)
Auditing time (days)	FS9	5	10	24	(50)
Internal environmental audits³					
Employees audited	FS9	261	312	165	(16)
Auditing time (days)	FS9	115	78	45	47

1 Global Reporting Initiative (see also 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 2009 and 2010. The more comprehensive Re-Certification Audit was done in 2008. 3 Audits / reviews carried out by specialized environmental units. The implementation of Environmental Risk Policies is also audited by Group Internal Audit.

External ratings and awards

Dow Jones Sustainability Indexes

Since 1999, the Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index which are considered to be leaders in terms of corporate responsibility. UBS has been an index component for the Dow Jones Sustainability Index (DJSI) World since its inception. In 2010, we increased our total DJSI assessment score to 75 points (compared to an industry average of 50), mainly due to substantially improved performance in the economic dimension and an increased performance in the environmental dimension.

→ www.sustainability-index.com

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

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.

→ [oekom](http://www.oekom.com)

Carbon Performance Leadership Index (CPLI)

The CPLI comprises 48 companies within the FTSE Global Equity Index Series (Global 500) that have demonstrated commitment to strategy, governance, stakeholder communications, and above all, emissions reduction in their disclosures to the Carbon Disclosure Project (CDP). The companies featured in the CPLI have the distinction of having the leading carbon performance scores among all Global 500 companies, indicating both high degrees of maturity in their climate change initiatives and achievement of their objectives. Our inclusion in the CPLI reflects the success of our climate change strategy, which was launched in 2006.

2010 awards

We earned top-three places in each of the key rankings for brokerage firms in the 2010 Thomson Reuters Extel and UKSIF Socially Responsible Investing & Sustainability Survey: "Socially Responsible Investment (SRI) Research", "Long-Term Thematic Research", "Corporate Governance Research", "Renewable Energy Research", and "Integrated Research on Climate Change".

Our UK operations were awarded the Carbon Trust Standard for "reducing CO₂ emissions year-on-year". In the US, our building at 1285 Avenue of the Americas in New York was awarded Leadership in Energy and Environmental Design for Existing Buildings CI Gold certification for their fit-out of the 12th floor. In Chicago, we improved their standard at 1 North Wacker to Silver certification.

We ranked fourth globally and second in Switzerland in the annual CSR Online Awards. The global survey examines the websites of 91 DJSI member companies, to see how they are used as platforms for communicating corporate social responsibility. According to the survey results, our adoption of web-based reporting, where our corporate responsibility website serves as our sustainability report, allows us to present vast and detailed corporate social responsibility information to stakeholders who wish to gain a comprehensive understanding of our corporate responsibility efforts.

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Performance and Compensation

We believe that the foundation of good performance management is an ongoing employee-manager dialogue, with demonstrable performance as the basis for meritocracy. Therefore, all employees participate in a year-round performance management process that assesses their individual achievements against specific objectives. This process supports staff development, links behavior to corporate values and helps ensure employees have the skills required to meet their clients' needs and implement their business division's strategic goals. The performance management process for the executive members of the Board of Directors (BoD), the Group Executive Board and senior managers is broadly the same as for other employees.

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). The GNC also ensures that each BoD Committee carries out and oversees a performance self-assessment.

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.

We are committed to rewarding employees for sustainable performance. In order to align employee incentives with the interests of our shareholders, significant deferrals of equity bonuses are a central feature of our compensation model. These awards have strict forfeiture rules that enable the firm to forfeit or reduce unvested awards when employees behave in a way that result in financial, reputational or other harm to the bank. They are also deferred for three to five years, with those awarded to senior management subject to the fulfillment of specific performance conditions. Our compensation model has been refined in conjunction with shareholder representatives and takes into account the guidance of FINMA and the major international bank regulators.

A workforce of individuals from different backgrounds, cultures and experiences is indispensable in today's global business environment, in part because it can help enhance understanding of regional markets and sensitivity to cultural norms and labor market issues. As part of its efforts to promote diversity, we have integrated this important value into our management processes such as recruiting and performance management.

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.

→ **Corporate governance and compensation** 

→ **Compensation report** 

→ **Compensation report e-paper**

→ **Objectives & Achievements 2010**

→ **Objectives/Focus Areas 2011**

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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 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 2011, we had our 2010 sustainability disclosure externally assured against the GRI. The assurance was again (as in the previous year) conducted by SGS which were satisfied that UBS's sustainability disclosure as referenced in the GRI index meets the requirements of level A+ of the GRI (Global Reporting Initiative).

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

Environmental management indicators

		For the year ended			% change from
<i>Full-time equivalent, except where indicated</i>	GRI ¹	31.12.10	31.12.09	31.12.08	31.12.09
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GRI Content Index

Dieser Content Index bezieht sich auf die Richtlinien der Global Reporting Initiative (GRI-Richtlinien "G3") sowie auf die Financial Services Sector Supplements, die zusammen einen Rahmen für die freiwillige Berichterstattung bilden. Dieser wiederum dient Unternehmen als Leitfaden für die Offenlegung ihrer Nachhaltigkeitsperformance.

Die Berichterstattung von UBS wird extern überprüft. Wir liessen auch unsere GRI-basierte Nachhaltigkeitsberichterstattung für das Jahr 2010 extern prüfen. Diese sogenannte Assurance wurde von der Société Générale de Surveillance (SGS) durchgeführt, die bestätigte, dass die UBS-Nachhaltigkeitsberichterstattung laut GRI-Index **die Anforderungen der Stufe "A+" der GRI erfüllt**.

→ [GRI Content Index](#) 

No	Indicator	Reference
1. Strategy and analysis		
1.1	Senior management statement	Statement of the Chairman
1.2	Key impacts, risks and opportunities	Sustainability at UBS Objectives & Achievements 2010 Objectives/Focus Areas 2011
2. Organizational Profile		
2.1	Name of organization	About us
2.2	Products and services	Our businesses (see 2.7 for details)
2.3	Operational structure	Group structure
2.4	Headquarter location	About us
2.5	Countries of operations	Locations
2.6	Nature of ownership and legal form	Articles of Association of UBS AG Significant shareholders
2.7	Markets served	UBS in a few words Wealth Management Retail & Corporate Wealth Management Americas Global Asset Management Investment Bank
2.8	Scale of the organization	UBS in a few figures UBS in a few words Our businesses Note 2a Segment Reporting Note 2b Segment reporting by geographic location
2.9	Significant changes	UBS reporting structure Note 37 Discontinued operations Note 38 Reorganizations and disposals
2.10	Awards received	CSR Online Awards Business in the Community (BITC) National Big Tick Awards Investment Bank Awards Fund Awards Commitment to Diversity (Employee & Diversity Awards) Community Investment Awards Best Private Bank Awards APAC
3. Report Parameters		
3.1	Reporting period	Annual reporting
3.2	Most recent previous report	Annual Report 2009
3.3	Reporting cycle	Annual Reporting Quarterly Reporting

3.4	Contact persons for the report	Contacts Analysts & Investors: Contact information Corporate Responsibility: Contact us
3.5	Process for defining report content	Information sources Information policy Our stakeholders Reporting and assurance
3.6	Boundary of the report	Accounting and reporting structure changes Accounting Principles Note 1 Summary of significant accounting policies Note 34 Significant subsidiaries and associates Note: "Except where clearly identified, all of UBS's sustainability information referenced in this GRI index is presented on a consolidated basis under IFRS requirements for financial reporting for the UBS AG Parent Bank."
3.7	Limitations on the scope of the report	None, see 3.6
3.8	Basis for reporting on entities that can significantly affect comparability from reporting period to period	see 3.6
3.9	Data measurement techniques and basis for calculations	see 3.6 For EN indicators see footnotes of the relevant tables
3.10	Effect of re-statements	None, see 3.6
3.11	Significant changes from previous reporting	None, see 3.6
3.12	GRI content index	GRI online index
3.13	Independent assurance	Auditors Management's report on internal control over financial reporting SGS Assurance Statement

4. Governance, Commitments, and Engagement

4.1	Governance structure	Corporate Governance UBS organizational structure UBS organizational structure - Organizational chart Board of Directors - Organizational structure Corporate responsibility committee
4.2	Board structure	Corporate Governance Board of Directors Independency criteria
4.3	Unitary board structures	not relevant
4.4	Shareholder resolutions / employee representation	Article of Association Shareholder participation rights General meetings of the shareholders Employee representation Note: "For issues raised by investors and employees see also 4.14"
4.5	Executive compensation	Compensation & shareholdings Performance and compensation
4.6	Conflicts of interests	CR Guidelines & policies
4.7	Board members expertise	Performance & compensation Organization Regulations – Annex C and D
4.8	Codes of conduct	Code of Business Conduct and Ethics CR Guidelines & policies
4.9	Corporate Responsibility board level processes and structure	Corporate responsibility governance Statement of the Chairman
4.10	Evaluation of Board performance	Organization Regulations - Board Self Assessment Performance and compensation
4.11	Precautionary approach or principle	Risk management and control CR Guidelines & policies
4.12	Subscriptions/Endorsement to external economic, environmental and social charters/principles/initiatives	External commitments
4.13	Memberships in industry associations	See 4.12
4.14	Stakeholder groups	Our stakeholders
4.15	Basis for identification and selection of stakeholders	see 4.14
4.16	Approaches to stakeholder engagement	see 4.14

4.17	Key topics and concerns of stakeholders	see 4.14 Compensation governance UBS Investor Day 2010 Transparency report Swiss bank client confidentiality UBS statement on mountaintop removal coal mining Anti-personnel mines and cluster munitions
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5. Economic Performance Indicators

	Management Approach	Strategy and structure Measurement and analysis of performance Financial performance Group Internal Audit Organizational regulations – Annex C UBS Investor Day 2010 Community Affairs Governance Objectives table 2011 Objectives & Achievements 2010
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Income Statement Note 6 Personnel expenses Note 7 General and administrative expenses Note 22 Income taxes Community investment Responsible supply chain management (total purchase amount)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Addressing Climate Change Emission Trading CDP Information Request
EC3	Coverage of the organization's defined benefit plan obligations.	Note 30 Pension and other post-employment benefit plans
EC4	Significant financial assistance received from government.	Swiss National Bank (SNB) Stabilisation Fund
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Overview of our compensation model – all employees Performance culture Note: "Compensation is above local minimum rate."
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Responsible supply chain management
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Board of Directors – CVs Group Executive Board – CVs UBS workforce
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Community investment – Overview Community affairs Governance Community affairs – Around the globe
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Retail & Corporate – Strategy and Clients Switzerland and UBS – strong Partners Working for UBS

6. Environmental Performance Indicators

	Management Approach	Environmental & Human Rights Governance UBS Environmental Policy UBS Environmental Policy Responsible supply chain management Objectives table 2011 Objectives & Achievements 2010 Training and awareness
EN1	Materials used by weight or volume.	Environmental Indicators - Paper Paper and Waste Paper case studies
EN2	Percentage of materials used that are recycled input materials.	Environmental Indicators – Recycled paper Paper and Waste Paper case studies
EN3	Direct energy consumption by primary energy source.	Environmental Indicators – Direct energy
EN4	Indirect energy consumption by primary source.	Environmental Indicators – Indirect energy
EN5	Energy saved due to conservation and efficiency improvements.	Energy efficiency case studies

EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not relevant for financial institutions, see FS8
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	see EN5
EN8	Total water withdrawal by source.	Environmental Indicators – Water
EN9	Water sources significantly affected by withdrawal of water	Not relevant
EN10	Percentage and total volume of water recycled and reused.	Not relevant
EN11-EN15	Biodiversity, Habitats	Not relevant
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environmental Indicators – Direct and indirect CO2 emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.	see EN16
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	see EN5
EN19	Emissions of ozone-depleting substances by weight.	Not relevant
EN20	NO, SO, and other significant air emissions by type and weight.	Not relevant
EN21	Total water discharge by quality and destination.	Not relevant
EN22	Total weight of waste by type and disposal method.	Environmental Indicators - Waste Paper and Waste Waste case studies
EN23	Total number and volume of significant spills.	Not relevant
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not relevant
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not relevant
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Paper and Waste Electronic documents
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not relevant
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	No significant environmental fines or penalties imposed against UBS in 2009 have been identified.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Environmental Indicators - Business Travel Business Travel and Offsetting
EN30	Total environmental protection expenditures and investments by type.	Not relevant

7. Labor Practices and Decent Work Performance Indicators

Management Approach	Governance - Human Resources and Compensation Committee Governance - Group Chief Operating Officer UBS workforce Performance and compensation CR Policies and guidelines Training and awareness Objectives table 2011 Objectives & Achievements 2010
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LA1	Total workforce by employment type, employment contract, and region.	UBS workforce
LA2	Total number and rate of employee turnover by age group, gender, and region.	UBS workforce
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Employee assistance
LA4	Percentage of employees covered by collective bargaining agreements.	Employee representation
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Notice periods are labor market specific. Employee representation
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Health & safety benefits and services are available to UBS employees and rules and practices are applied to prevent or address potential or actual health & safety risks and threats. Employees are consulted on health & safety issues, in some locations through employee representations systems such as the ERC in Switzerland.
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Employee Assistance
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Employee Assistance Objectives table 2011
LA9	Health and safety topics covered in formal agreements with trade unions.	No health and safety topics covered in formal agreements with trade unions
LA10	Average hours of training per year per employee by employee category.	Leadership development & learning Business University
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Education and talent development Business University Employee assistance
LA12	Percentage of employees receiving regular performance and career development reviews.	Performance culture
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	UBS workforce Diversity Board of Directors – CVs Group Executive Board – CVs Diverse workforce
LA14	Ratio of basic salary of men to women by employee category.	CR Policies and guidelines (Non-discrimination policy) Commitment to Diversity Total Reward Principles Performance culture

8. Human Rights Performance Indicators

	Management Approach	Governance - Environmental & Human Rights Committee CR Policies and guidelines UBS Statement on Human Rights Objectives table 2011 Objectives & Achievements 2010
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not relevant as UBS does not do direct project finance outside Switzerland. For related issues see FS1, FS2, FS11
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Responsible supply chain management
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	See FS4

HR4	Total number of incidents of discrimination and actions taken.	CR Policies and guidelines (Code of Business Conduct & Ethics and "Employment of staff") The annual compliance assessment for 2010 did not show any significant incidents of non-compliance with UBS's anti-discrimination policy.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Employee representation
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None identified
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures taken to contribute to the elimination of forced or compulsory labor.	None identified
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Security procedures are established and relevant employees are being trained regularly.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not relevant for UBS's operations. For related issues see HR2 and FS2

9. Society Performance Indicators

	Management Approach	Governance "Money Laundering Prevention" CR Policies and guidelines Combating Financial Crime Employee representation Corporate Responsibility Chapter Objectives 2011 Objectives & Achievements 2010
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	See EC8 and LA11
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Combating Financial Crime
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Training and raising awareness
SO4	Actions taken in response to incidents of corruption.	The annual compliance assessment for 2010 did not show any significant incidents of non-compliance with UBS's anti-corruption policy
SO5	Public policy positions and participation in public policy development and lobbying.	UBS expresses its positions on sustainability issues publicly but participates only to a limited extent in public policy discussions on sustainability issues (and not in lobbying activities).
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	UBS complies with legal requirements on disclosing political donations, as applicable in the relevant jurisdiction. In the US, political donations of employees are disclosed via the political action committee (PAC) system.
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	See SO8
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Material issues are disclosed under Note 21 of the Annual Report. Note 21 Provisions and contingent liabilities Note 20 Other liabilities (Provisions for contingent claims)

10. Product Responsibility Performance Indicators

	Management Approach	Regulation and supervision Code of Business conduct and Ethics UBS Values Risk management and control UBS's strategic priorities
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not relevant for financial services company
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not relevant for financial services company
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	See FS15 Terms and conditions for investment business Independence of Financial Research
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	See SO8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Our stakeholders - Clients
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications.	Code of Business Conduct and Ethics The UBS Brand Policy sets out the roles and responsibilities for the consistent management and development of our brand and that brand guidelines, processes and procedures must be adhered to
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	See SO8
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Note 21 Provisions and contingent liabilities
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	See SO8

11. Financial Services Sector Supplement Performance Indicators

	Management Approach	see FS1-5 Environmental and Human Rights Governance Objectives table 2011 Objectives & Achievements 2010 Table "Managing Environmental & Social Risks"
FS1	Policies with specific environmental and social components applied to business lines.	CR Policies and guidelines
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Environmental & social risk management
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Low relevance. The main application is for project finance, a business that UBS is not active in.
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Training and awareness

FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Environmental & social risk management Responsible Shareholders Responsible Supply Chain Management
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Wealth Management Retail & Corporate Wealth Management Americas Global Asset Management Investment Bank Market Risk Credit Risk Basel II Pillar 3
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	UBS Optimus Foundation UBS Philanthropy Services The UBS Visionaris Social Entrepreneurship Award
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Products & Services / Socially Responsible Investments (see FS11) Clean tech finance and advisory Renovation with Cash Bonus
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Reporting and assurance (including link to environmental management indicators) Group Internal Audit
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Products & Services – Engagement and voting rights Corporate Governance Responsible investing
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Socially Responsible Investments - Invested Assets
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Products & Services – Engagement and voting rights Corporate Governance Responsible investing
FS13	Access points in low-populated or economically disadvantaged areas by type.	UBS is a retail bank in Switzerland only and has a broad network of branches and ATMs in this country. Service Finder for individuals in Switzerland Locations of UBS ATMs
FS14	Initiatives to improve access to financial services for disadvantaged people.	Accessibility
FS15	Policies for the fair design and sale of financial products and services.	Suitability CR Policies and guidelines
FS16	Initiatives to enhance financial literacy by type of beneficiary.	UBS Financial Advisory Tools UBS Generation – Budget calculator UBS Campus – Budget calculator Mortgage calculator UBS Key Invest – Know How about Structured Products UBS Dictionary of Banking Wealth Management Research Tool and Checklists for SME Case study community investment Switzerland

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Submission to the Carbon Disclosure Project

UBS acknowledges that climate change represents one of the most significant environmental challenges of current times.

Submission to the Carbon Disclosure Project

UBS is a founding member of the Carbon Disclosure Project (CDP). The CDP issues annual climate change Information Requests on behalf of institutional investors to more than 3.700 corporations across the globe. By doing this the CDP wants to encourage organizations to measure, manage and reduce emissions and climate change impacts.

As one of the 3.700 corporations receiving the CDP Information Request, UBS also annually responds to the questionnaire.

→ **UBS - CDP 2010 Information Request** 



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 2010, SGS confirmed that a well-performing environmental management system, integrated in the organization and suitable for managing environmental risks and improving environmental performance on a continual basis, is in place.

- **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** 




























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Reports

Corporate responsibility reports

- [Download "Corporate responsibility" section in UBS annual report 2010](#) 
- [Download "Our Employees" section in UBS annual report 2010](#) 

Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
2009	PDF 		PDF 	PDF 
2008	PDF 		PDF 	PDF 
2007	PDF 	PDF 	PDF 	
2006	PDF 	PDF 	PDF 	
2005	PDF 	PDF 	PDF 	
2004	PDF 	PDF 		
2003	PDF 	PDF  PDF 		
2002	PDF 	PDF 		
2001	PDF 	PDF 		
2000		PDF 		
1999/2000		PDF 		
1998/1999		PDF 		

Objectives/Focus Areas & Achievements 2010

Governance & strategy

GRI Objectives/Focus Areas 2010		Achievements 2010
EN, LA, HR, SO, PR, FS	Implement process to ensure full application of new Code of Business Conduct and Ethics: <ul style="list-style-type: none"> • Communication to all employees • Certification of Code by all employees • Training of / awareness raising among all employees 	<ul style="list-style-type: none"> • Senior management intranet message to all employees upon introduction of Code • Code certification process for all employees • Code web-based training for all employees • Code training and awareness raising incorporated in various UBS Business University programs, notably induction • Dedicated Code intranet and internet websites
EN	Environmental management system: Pass ISO 14001 surveillance audit 2010	<ul style="list-style-type: none"> • Passed (external confirmation of a well-performing environmental management system)
EN, LA, HR, SO, PR, FS	Inform all employees on corporate responsibility and its sub-themes	<ul style="list-style-type: none"> • Corporate responsibility included in UBS identity presentation (distributed electronically to all employees) • Key corporate responsibility aspects included in Code of Business Conduct & Ethics • Corporate responsibility incorporated in induction program • Dedicated corporate responsibility presentations and workshops for various employee audiences • 9999 employees participated in training on environmental issues, with 8616 receiving general education on UBS's environmental policy and programs, and 1383 employees receiving specialist training targeted at their area of expertise and impact

Responsible banking

GRI Objectives/Focus Areas 2010		Achievements 2010
FS2	Identify and develop socially responsible investments (SRI) and other environmental market opportunities <ul style="list-style-type: none"> • Broaden application of UN PRI in relevant areas of Global AM • Expand WM & SB's offering in the areas of philanthropy and SRI 	<ul style="list-style-type: none"> • Introduction and full implementation of Global AM policy on cluster munitions and anti-personnel mines • Ranking, as per UNPRI assessment, of Global AM (excluding Alternative Investments) in second quartile of all 257 Investment Managers reporting on PRI implementation • Establishment, as part of a holistic service offering, of combined teams for philanthropy and values-based investing / SRI by our Wealth Management & Swiss Bank and Wealth Management Americas business divisions • Expansion of our SRI offering by providing investment management and screening services • Formation of the Renewable Energy and Cleantech Group (RECG) within the Investment Banking Division and the Environmental Markets Group (EMG) within Global Capital Markets
FS, HR, EN	Environmental & social risk management: <ul style="list-style-type: none"> • Implement use of industry sector guidelines in standard client due diligence and risk management processes for lending and capital markets transactions as well as infrastructure investments • Develop a position on relationships with clients and suppliers associated with controversial activities 	<ul style="list-style-type: none"> • Adoption of industry sector guidelines • Introduction of enhanced due diligence and approval process • Establishment and external publication of UBS position on mountain top removal for transactions pertaining to coal mining companies employing mountain top removal (MTR) in the US Appalachian mountains as an extraction method • Establishment and external publication of UBS position on relationships with clients and suppliers associated with controversial activities

PR5	Develop UBS quality feedback system into a competence center for client and employee feedback and establish a system for quantitative and qualitative evaluations of feedback	<ul style="list-style-type: none"> Establishment of the quality feedback system for client and employee feedback as a competence center for UBS Switzerland
SO2	<p>Preventing Money Laundering, Corruption and Terrorist Financing:</p> <ul style="list-style-type: none"> Group-wide application of best industry standards (set via Wolfsberg Group) in money laundering prevention, including anti-corruption and the suppression of the financing of terrorism GBT (Global Business Team Anti Bribery) to become a competence centre for anti-bribery issues Implementation of new enhanced due diligence standards for "Sensitive Intermediaries" (i.e. for persons who act on behalf of certain higher (corruption) risk industry sectors such as weapons, oil & gas, etc) Group-wide application of leading industry standards in sanctions compliance Zero-tolerance stance towards corruption and the prohibition of all forms of bribery by UBS and its employees, including so-called facilitation payments Work constructively with peers, regulators and public policy makers and other stakeholders, including NGOs, to address emerging money laundering type risks (mainly through the Wolfsberg Group, Wolfsberg Forum and Wolfsberg Outreach Programmes) and either issue principles, guidance and or FAQs as appropriate 	<ul style="list-style-type: none"> Engagement, together with other Wolfsberg banks, with the FATF in its outreach program and also contribution to the consultation on the revisions to the 40+9 Recommendations Continuation by GBT of its work on implementation of the details of the Anti Corruption program in all business divisions through training and awareness raising, issuing FAQs, and new standards and procedures to address specific risk areas. Benchmarking of our Group Policy Against Corruption against recent international / national developments (US, UK, OECD), minor amendments will be made to the policy in 2011 Continuation of implementation of "Sensitive Intermediaries" in WM&SB with implementation reviewed by Global AML Compliance in booking center Switzerland (also review of implementation on a risk-based approach using key word searches in WM locations) Global Sanctions program well into 'run the bank' mode (and well positioned with respect to new sanctions laws enacted in 2010). Conduct of independent internal review of the sanctions program focused on the Investment Bank concluding that the program was well established and generally effective Continuation of 'zero tolerance' stance regarding corruption and prohibition of all forms of bribery as UBS standard Intensive continuation of our stakeholder engagement with interactions through the Wolfsberg Group, Wolfsberg Forum and Wolfsberg Outreach Program: <ul style="list-style-type: none"> Detailed comments through the Wolfsberg Group on the proposed revisions to the FATF 40&9 Recommendations (these comprise the international standards on Anti Money Laundering and Counter Terrorist Financing) Extensive comments by Wolfsberg Group to the UK's Ministry of Justice as part of the consultation on its proposed guidance under the UK Bribery Act The Wolfsberg Group undertook survey work together with the Egmont Group (the international umbrella organization for Financial Intelligence Units), which was then used in workshops the aim of which was to develop AML typologies for financial institutions The Wolfsberg Group continues to work on new papers and to review its existing work to ensure that it remains at the forefront of developments and a pro-active contributor to the development of industry standards on AML /CTF and anti corruption.

CR in operations

GRI Objectives/Focus Areas 2010		Achievements 2010
EN	Further reduce our CO2 emissions in order to achieve our Climate Change strategy target (40% CO2 reduction by 2012; baseline 2004)	<ul style="list-style-type: none"> Further reduction of our 2010 CO2 emissions, with an overall global reduction reaching 33.5% below 2004 levels (on track for achieving the 2012 target)
EN	<ul style="list-style-type: none"> Establish new firm-wide energy, paper, waste & recycling and water reduction targets for 2010-2012 to replace 2006-2009 targets and start execution 	<ul style="list-style-type: none"> Approval of new targets for paper, waste and recycling (to 2012)

	<ul style="list-style-type: none"> • Reduce energy by -10% below 2009, by 2012 	<ul style="list-style-type: none"> • Decrease of total direct and indirect energy by some 10% <ul style="list-style-type: none"> - Slight increase by 4% of direct energy (GHG scope 1) due to heating demands resulting from colder winters - Decrease by some 12% of indirect energy (GHG scope 2) with the electricity reduction attributable to energy management controls
	<ul style="list-style-type: none"> • Stabilize waste per FTE at 2009 level, by 2012 	<ul style="list-style-type: none"> • Decreased 5% to 251 tons in 2010 from 265 tons in 2009 (ahead of target)
	<ul style="list-style-type: none"> • Achieve waste recycling ratio of 70% by 2012 	<ul style="list-style-type: none"> • Flat at 54%. The implementation of bin-less offices in many larger locations will contribute to achieving our 2012 target of 70%
	<ul style="list-style-type: none"> • Reduce waste to landfill by -10% below 2009 level, by 2012 	<ul style="list-style-type: none"> • Decreased 14% in 2010 exceeding the 10% target (ahead of target)
	<ul style="list-style-type: none"> • Stabilize paper consumption per FTE at 2009 level, by 2012 	<ul style="list-style-type: none"> • Decreased 8% from 130kg to 119kg (ahead of target)
	<ul style="list-style-type: none"> • Increase share of sustainable (FSC/recycled) paper to 50% by 2010 	<ul style="list-style-type: none"> • Increased by 43%
	<ul style="list-style-type: none"> • Reduce water consumption by 5% below 2009 level, by 2012 	<ul style="list-style-type: none"> • Decreased by 11% (ahead of target)
HR, EN	<p>Responsible Supply Chain Guideline: Establish a new process that specifically addresses suppliers with material deficiencies</p>	<ul style="list-style-type: none"> • Establishment of new process to identify "non-compliant (high and medium risk rating) significant suppliers that are subject to reviews. Measures to either achieve compliance or otherwise exit relationships will be taken where applicable. • Improved awareness of risk activities due to creation of 'sensitive commodity group' register and the development of a new approvals process (thus creating the structure to manage risks more effectively)

Note: all Full-time Equivalent (FTE) indexed targets are influenced by headcount.

Our employees

GRI Objectives/Focus Areas 2010		Achievements 2010
LA10	Establish UBS Business University	<ul style="list-style-type: none"> • Launched as a global and largely virtual corporate university that integrates our learning activities under one umbrella
LA12 4.5	Implement UBS Total Reward Principles through changes to compensation plans aligned with regulatory requirements (e.g., reward plan design, reward policy & regulatory requirements)	<ul style="list-style-type: none"> • Implementation of Total Reward Principles as the foundation of our compensation programs. Alignment of our compensation framework with regulatory and market developments and redesigned our approach to performance management
LA11 – LA12	Formalize and integrate succession planning processes (for business-critical roles)	<ul style="list-style-type: none"> • Formulization and integration of succession planning for the most critical roles across UBS (with an annual firm-wide talent review helping to identify and build the skills and competencies of employees who are recognized to have leadership potential)
LA	Improve data reporting on employees' days of absence due to illness (at the least for one business region), by ensuring that such data is recorded consistently	<ul style="list-style-type: none"> • Consistent accident and illness days reporting established for UBS Switzerland
LA	Collect data on all internal training undertaken by employees (and to externally report average hours of training per employee in 2011)	<ul style="list-style-type: none"> • Collation of all internal training data • Average hours of training per employee reported externally on Employees website
LA	Increase the proportion of women at every level in UBS EMEA	<ul style="list-style-type: none"> • Joint development by senior management and HR of divisional diversity goals relating to representation, retention and work environment/culture • Execution of an initiative in the UK, France and Germany focused on hiring and developing talented professional women (working with them to create individual development plans, assigning sponsors and providing educational opportunities)

Community investment

GRI Objectives/Focus Areas 2010	Achievements 2010
SO1 UBS Optimus Foundation: Support of at least 59 projects and 2 initiatives (17.3 Mio. CHF)	• UBS Optimus Foundation: At least 59 projects and 2 initiatives supported

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Objectives/Focus Areas 2011

Governance & strategy

GRI Objectives/Focus Areas 2011	
EC	Achieve CHF 15 billion Group pre-tax profit target in the medium-term
EC	Achieve required levels of capital through retained earnings
EN	Environmental Management System: Pass 2011 recertification audit in June

Responsible banking

GRI Objectives/Focus Areas 2011	
SO2	Engage with the Wolfsberg Group's work to finalize the papers on pre-paid cards, trade finance (part 2), and revisions to the Statement Against Corruption
SO, FS	Suitability: Ensure continued high-quality in our advisory process while reflecting the requirements of a quickly changing regulatory environment
PR5	Quality Feedback: <ul style="list-style-type: none"> • Establish quarterly management reporting for the Swiss market • Increase awareness of the client feedback system in the front units
FS	Environmental & social risk management: Position on relationships with clients and suppliers associated with controversial activities: Implement new standards for existing client relationships and in on-boarding and transaction due diligence processes.
FS	Identify and develop environmental and social business opportunities: <p>Global AM:</p> <ul style="list-style-type: none"> • Broader application of the UN PRI Principles throughout the division • Following the approval in 2010 of the Group Real Estate (GRE) Sustainability Policy, implement the Responsible Property Investment strategy regionally or locally for all GRE mandates <p>WM&SB</p> <ul style="list-style-type: none"> • Extend cash premium initiative (GEAK) until end of 2011 • Roll out & implement the Values Based Investing (VBI) Advisory Approach <p>WMA</p> Pilot a Managed Portfolio of ESG (environmental, social and governance) Investments that enables High Net Worth (HNW) and Institutional Clients to invest with their values

CR in operations

GRI Objectives/Focus Areas 2011	
EN	Further reduce our CO2 emissions in order to 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"> • Reduce energy by -10% below 2009, by 2012 • Stabilize waste per FTE at 2009 level, by 2012 • Reduce waste to landfill by -10% below 2009 level, by 2012 • Stabilize paper consumption per FTE at 2009 level, by 2012 • Increase share of sustainable (FSC/recycled) paper to 50% by 2012 • Reduce water consumption by 5% below 2009 level, by 2012
HR, EN	Responsible Supply Chain management: <ul style="list-style-type: none"> • Implement sourcing process that will establish consistent performance standards for all high impact products and services and embracing UBS's position on controversial activities.

Note: all Full-time Equivalents (FTE) indexed targets are influenced by headcount.

Our employees

GRI Objectives/Focus Areas 2011	
LA6-8	Health & safety review: <ul style="list-style-type: none"> • Create a statement on our firm's H&S commitment • Create global accountability for H&S • Establish a global overview of all regional H&S programs and initiatives
LA10-11	Continue GEB-sponsored "Leading UBS forward" employee training program to raise awareness and understanding of our strategy and identity, our values and our strategic principles
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"
LA9	Increase relevance, quality and impact of Business University programs per business requirements

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History of corporate responsibility at UBS

1954	Beginnings of Community Affairs at Wealth Management US
1962	Establishment of Union Bank of Switzerland's 100 th 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

→ 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 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!

Address *

Mr

Mrs/Ms

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 legal note and have taken note and accept the given risks as well as the Terms of Use and the Privacy Statement relating to our website.

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Please fill in all fields marked with *.

Responsible banking



We have set our focus on earning the trust of our stakeholders, aiming for more sustainable earnings and creating long-term shareholder value. By ensuring that our banking activities are undertaken in a responsible manner, and that our products and services are suited to the needs and requirements of our clients, we aim to fulfill the heightened expectations of clients and stakeholders.

Managing risks

- **Combating financial crime (Page 73)**
- **Environmental & social risk management (Page 74)**

Products & services

- **Suitability (Page 78)**
- **Socially responsible investments (Page 79)**
- **Clean tech finance and advisory (Page 86)**
- **Carbon trading (Page 88)**

Combating financial crime

We believe it is of utmost importance to actively prevent potentially irresponsible or harmful actions that may be detrimental to the firm.

First and foremost, this means that our employees must uphold the law, adhere to relevant regulations, and behave in a responsible and principled manner. This is clearly laid out in our risk and compliance processes as well as in the Code of Business Conduct and Ethics, and is actively pursued through an in-depth process of communicating to and with employees about their responsibilities.

In 2010, we continued to strengthen our efforts to both prevent and combat financial crime. By taking responsibility to preserve the integrity of the financial system and our firm, we are committed to assisting in the fight against money laundering, corruption and terrorist financing. We employ a rigorous risk-based approach to ensure our policies and procedures correspond with those risks, and that relationships which are classified as higher risk are dealt with appropriately. We adhere to strict know-your-clients regulations, which do not, however, seek to undermine clients' legitimate right to privacy.



We undertake ongoing due diligence and monitoring to assist in the identification of suspicious activities, including using advanced technology to identify transaction patterns or unusual dealings which, if discovered, are promptly escalated to management or control functions. As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally in 2010.

In 2010, all business divisions were required to perform a legal and compliance risk assessment based on 2009 data. This comprehensive process, which included an assessment of corruption and AML risks, is also forward-looking with follow-up actions to highlight the priorities and objectives for each business division. The risk assessment did not show any significant incidents of non-compliance with our anti-corruption policy and other regulations related to anti-corruption.

As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, the internal Global AML policies were reviewed in 2009, and enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally in 2010. As part of our 2009 review of trade financing prohibitions regarding certain war materials, these were expanded from nuclear, biological and chemical weapons and antipersonnel land mines to include cluster bombs, depleted uranium for military purposes as well as components of all such weapons.

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 Customer, Anti-Money Laundering and Counter Terrorist Financing policies.



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

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Environmental & social risk management

- Wealth Management & Swiss Bank
- Wealth Management Americas
- Investment Bank
- Global Asset Management



Environmental and social risk is broadly defined as the potential reputational or financial damage as the result of transactions, products, services or investments that involve a party associated with environmentally or socially sensitive activities, or potential exposure to risks relating to environmental liabilities, human rights infringements, or changes in regulations.

We identify, manage and control these environmental and social risks in our business transactions. However, not all products and services we provide have the same risk potential. Therefore, we take a risk-based approach to environmental and social risk management, and regularly analyze our portfolio of products and services to assess their respective environmental and social risk potential. With our current business profile and operating environment, our potential for material risk is greater within the context of our lending, capital markets and mergers businesses, as well as our direct real estate and infrastructure investments. For these products and services, we have designed procedures and tools for the identification, assessment and management of environmental and social risks. These procedures and tools are integrated in the business divisions' standard risk management processes, such as due diligence on transactions or investments, and ensuring that material environmental and social risks are identified, assessed and escalated in a timely fashion. In terms of approval processes, the business divisions are responsible for the identification and assessment of risk, and for determining whether the identified risks are acceptable. In the event that any such identified risks are also determined to create potential firm-wide reputational risk, they are escalated to the Group Chief Risk Officer for approval. In 2010, the business divisions referred 194 transactions to their environmental risk functions for a detailed environmental assessment.

We believe that our commitment to our clients and to society requires us to search for solutions whenever possible. We seek to help clients to move towards more environmentally and socially responsible practices by engaging with them. This can benefit their business and decrease financial and reputational risk. However, where engagement is not possible or successful, we may decline the transaction altogether.

Some of our clients operate in sectors characterized by ongoing environmental and social challenges. To support the consistent identification and assessment of such risks, we developed internal industry sector guidelines in 2009. The guidelines currently cover six sectors: chemicals, forestry products and biofuels, infrastructure, metals and mining, oil and gas, and utilities. These guidelines have been adopted by each of our business divisions in transactional and client due diligence processes.

In 2010, we decided to further strengthen our environmental and social risk management (including human rights) by identifying controversial activities where we will not do business, or only do business under stringent pre-established guidelines. Therefore we will not knowingly provide financial services to corporate clients, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target involves the following risks:

Environmental Risks: 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 Forestry Stewardship Council (FSC)
- *Illegal Use of Fire:* uncontrolled and/or illegal use of fire for land clearance
- *Illegal Logging:* including purchase of illegal harvested timber (logs or roundwood)
- *Palm Oil Production:* unless a member in good standing of the Roundtable on Sustainable Palm Oil (RSPO) and actively seeking to enhance certification of its production
- *Wetlands:* on the RAMSAR List
- *World Heritage Sites:* as classified by UNESCO

Social Risks: All commercial activities that engage in, or threaten:

- *Child Labor:* according to ILO-conventions 138 (minimum age) and 182 (worst forms)
- *Forced Labor:* according to ILO-convention 29
- *Indigenous Peoples:* all rights in accordance with IFC Performance Standard 7
- *Diamond Mining and Trading:* rough diamonds unless Kimberley Process certified

We also require enhanced due diligence and approval processes in certain other areas, such as coal mining practices that use mountain top removal (MTR) in the US Appalachian Mountains as an extraction method. As part of this review, we assess to what extent companies rely on MTR mining for their revenue generation, and we need to be satisfied that the client is committed to reduce over time its exposure to this form of mining.

Finally, Global Asset Management decided not to invest in companies involved in the production of weapons banned under the 2010 Convention on Cluster Munitions and the 2008 Convention on Anti-Personnel Mines. The policy applies and has been implemented for its actively managed Switzerland and Luxemburg domiciled retail and institutional funds.

→ **UBS Position on controversial activities**

→ **MTR Statement**

→ **Global AM Cluster munitions statement**

Managing environmental & social risks

		For the year ended		
	GRI ¹	2010	2009	2008
Transactions referred for assessment²	FS2	194	93	112
by region				
Americas	FS2	51	20	18
Asia Pacific	FS2	86	32	39
Europe, Middle East and Africa	FS2	42	20	29
Switzerland	FS2	15	21	26
by business division³				
Investment Bank	FS2	147	69	80
Wealth Management & Swiss Bank	FS2	44	24	32
Wealth Management Americas	FS2	3	n/a	n/a

¹ Global Reporting Initiative (see also www.globalreporting.org). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement. ² Transactions referred to the Investment Bank Environmental Advisory Group and Wealth Management & Swiss Bank Environmental Competence Center.

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Wealth Management & Swiss Bank

The business division assesses environmental risks in a three-stage process. Client advisors, transaction specialists, and due diligence officers complete the first screening. They look at

environmental and social aspects which present financial risks or reputational risks to the client as well as the firm. Financial risks might be related to aspects such as compliance with environmental legislation, workplace safety, contaminated sites and natural hazards. Reputational risks might be related to aspects such as alleged severe environmental degradation or human right violations. The first screening is used to assess whether a transaction is in line with our standards, and whether a corporate client is involved in controversial business activities. In 2010, close to 86,000 lending transactions in Switzerland were subject to such screening. If the risks cannot be fully ruled out during the first screening, a risk officer initiates a second screening and decides whether the risks identified are transparent enough for a decision to be taken. Transactions entailing significant environmental risk undergo a detailed environmental assessment as a third step, a service provided by the business division's environmental risk competence center. In 2010, 41 detailed assessments took place.



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Wealth Management Americas

In Wealth Management Americas, the standardized environmental risk check is applicable to all credit requests over USD 5 million for operating companies or, if based on evidence, on client relationships which may harm our reputation. The business division assesses its environmental risks in a two-stage process. In the first stage, screenings are performed by Risk Officers. An international standard checklist relevant to financial institutions is used to identify reputational risks entailed by the involvement in sensitive sectors, activities and controversial projects. For transactions involving significant environmental risks, a second stage screening is conducted by the business division's external environmental risk competence center.

Investment Bank

In the Investment Bank, the environmental risk framework covers all banking activities including debt and equity underwriting, financial advisory services and lending. Investment Bank personnel identify potential environmental risks in the initial due diligence phase, and alert the Investment Bank's Environmental Advisory Group (EAG) in case of significant potential risks. Assessments by in-house counsel and / or external consultants are routinely sought for certain sectors and products. The EAG works with the relevant business and control functions (153 transactions in 2010) to assess the risks, determine any mitigating measures and direct further due diligence as required. In this way, the relevant senior business committee may fully consider the potential environmental risk in the course of its review of the transaction and / or client. The implementation of the environmental risk framework is supported by training and awareness raising activities.

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Global Asset Management

Global Asset Management has environmental due diligence processes in place for its real estate and infrastructure funds. In 2010, all properties acquired or developed by Global Real Estate for its direct investment vehicles were subject to a thorough environmental due diligence process, in

accordance with local regulations and internal best practice guidance. Similar processes are in operation in Infrastructure Asset Management.

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Suitability

Suitability Framework

Clients expect to be provided with products and services which are suitable for them. In certain countries this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisers. Certain jurisdictions even 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, WM&SB has established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation and periodic reviews 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.

Investment & Advisory Suitability¹

Within the frame of its UBS Client Experience (Understand - Propose – Agree & Implement – Review), WM&SB has 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 investment experience and knowledge, and of the client's risk appetite and capacity. 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 risk appetite and sophistication level with appropriate investment proposals.

Product Suitability²

Advisory platforms and tools segment products along the lines of their risk / reward profiles or risk score and thereby help clients and client advisors properly assess the risk characteristics of investment products and services. 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 economics, underlying assumptions and risks, including scenario analyses and maximum loss indications, as well as clear eligibility criteria, e.g. minimum risk capacity and appetite of investors and recommended minimum holding periods. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

After-Sales Communications

The UBS Client Experience also includes regular after-sales communication. These communications are, again, supported by a number of tools and platforms, including ready-to-use reporting and presentation material.

¹ Investment and Advisory Suitability refers to consistency between the client's portfolio and his defined risk profile, and the appropriateness of advice including risk information and disclosure.

² Product Suitability refers to the appropriateness of products including the provision of transparent and easily understandable descriptions of opportunities and risks of individual products, which in turn also includes an indication of risk profiles for which they are suitable.

Products & Services

Equally important to managing environmental and social issues is providing financial products and services, which help clients manage their environmentally and socially-related business opportunities and risks. We seek to help investors benefit from related market opportunities, and by integrating environmental and social considerations, where relevant, in research and investment analysis. This offering currently stretches across our businesses in wealth management, investment banking, asset management, retail, and commercial banking. It includes SRI funds, research and advisory services provided to private and institutional clients, access to the world's capital markets for renewable energy firms and, in Switzerland, "eco" mortgages.

→ Case study: Sustainable Renovation Financing in Switzerland

Taking ESG issues into account in investment processes is of increasing interest to clients and consultants across all of our investment areas. Since 2009, Global Asset Management has demonstrated commitment to ESG as a signatory to the UN Principles for Responsible Investment (UNPRI). The Principles provide a voluntary framework by which all investors can incorporate ESG issues into their decision-making and ownership practices to better align their objectives with those of society at large.

As part of a holistic service offering, our Wealth Management & Swiss Bank and Wealth Management Americas business divisions have established combined teams for philanthropy and values-based investing / SRI. The teams provide thought leadership, advice, products and solutions to assist our clients and prospects in delivering positive change through their philanthropy and investments.

Building on our existing SRI practice, we experienced increased client demand and have expanded our SRI offering by providing investment management and screening services. These services include sustainability-focused alternatives to conventional products, mission related investing for donor advised funds and private foundations, values-based portfolio management such as mandate solutions for private clients with strong focus on sustainability across all asset classes, portfolio review and proposals for the integration of sustainability into stock or bond selection.

Finally, our senior scientific advisor, Sir David King, continued to advise on all scientific matters with particular emphasis on global climate change and the challenges it poses to sustainable economic growth. Our clients benefit from Sir David's expertise, and can get further insight into a variety of timely scientific topics through a quarterly series of science-focused bulletins. In 2010, these bulletins included briefs on climate change and air travel.



- Investment products and advisory
- Engagement and Voting Rights
- Research
- Financing and advisory services
- Carbon trading

Investment products and advisory

In 2010, we continued to offer SRI funds and segregated mandates in response to sustained demand from a number of markets globally. The offering is diverse and includes products managed according to ESG criteria and theme-based approaches, which are focused on innovative companies providing solutions to the challenges of climate change, water scarcity and demographic change. We offer a range of products focusing on each individual theme and the flagship UBS (Lux) Equity Fund Global Innovators, which spans all three themes.

Additionally, we offer customized client portfolios in the form of segregated mandates / institutional accounts based on "negative" screening, which exclude certain controversial stocks or sectors based on their negative social or environmental impact, as perceived by the client. Our global platform and investment research capabilities enable us to offer such tailor-made solutions. In addition to fund management services, we provide stock-broking and account management services to alternative energy and SRI fund managers.

Finally, this offering includes SRI-managed accounts in the US, where ESG criteria are embedded into the fundamental investment process, or where clients have the ability to identify and exclude securities from ownership based on issue-oriented screens. This allows private clients to customize mandates to their particular social policy criteria. In addition, our open architecture approach also allows clients to invest in SRI bond, equity and microfinance products from leading third-party providers.

In past years, we experienced increasing client demand for SRI and expanded our SRI product offering. As per 31 December 2010, SRI invested assets were CHF 25.7 billion, representing 1.2% of our total invested assets.

Socially responsible investments invested assets¹

CHF billion, except where indicated	GRI ²	For the year ended			% change from
		31.12.10	31.12.09	31.12.08	31.12.09
UBS		2,152	2,233	2,174	(4)
UBS SRI products and mandates					
positive criteria	FS11	2.00	2.72	2.12	(36)
exclusion criteria	FS11	21.27	22.44	14.05	(6)
Third-party³	FS11	2.40	1.69	1.85	30
Total SRI invested assets	FS11	25.67⁴	26.85	18.03	(5)
Proportion of total invested assets (%) ⁵		1.19	1.20	0.83	

¹ The terms Socially Responsible Investing and Values-Based Investing are used interchangeably. All figures are based on the level of knowledge as of January 2011. ² Global Reporting Initiative (see also www.globalreporting.org). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement. ³ SRI products from third-party providers apply either positive or exclusion criteria or a combination thereof. ⁴ 2.4% of reported assets have newly been included in 2010 due to adjustments in the reporting boundaries. ⁵ Total SRI/UBS's invested assets.

- **UBS Wealth Management: Values-Based Investing Website**
- **Sustainable and responsible investments at UBS Global Asset Management**
- **UBS Wealth Management Switzerland – Invest Sustainably**
- **Case study: Responsible Property Investment – enhancing investment performance**
- **Case study: new portfolio screening service for sustainable investing**
- **Case study: UBS Infrastructure Fund acquires wind farm**

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Engagement and Voting Rights

The Global Asset Management SRI team in Switzerland engages in dialogue with companies represented in the SRI funds they manage. The analysts and portfolio managers provide positive and negative feedback on relevant ESG issues that may impact investment performance, as part of regular communication with corporate management teams. When controversial information on the company's environmental and social performance is received, the SRI analysts contact the company and provide management with a chance to demonstrate what measures have been taken to solve the issues. If the company can demonstrate how it is dealing with the problem, and what progress has already been achieved, an investment is possible. These engagement activities are, in addition to the positive screening processes, applied to the SRI funds.

We believe that voting rights have economic value and should be treated accordingly. Global Asset Management, wherever possible, seeks to influence the corporate responsibility and corporate governance practices of the companies it invests in. Where we have been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in a manner we believe will most favorably impact the value of their investments. Good corporate governance should, in the long term, lead towards both better corporate performance

and improved shareholder value. As such, we expect board members of companies in which we have invested to act in the service of their shareholders, view themselves as stewards of the company, exercise appropriate judgment and practice diligent oversight of the management of the company.

In 2010, Global AM Switzerland launched UBS Voice, a free service enabling holders of Swiss institutional funds to express voting preferences ahead of the shareholders' assembly of major Swiss corporations, to be used as additional input in the voting decision of the funds management company.

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Research

Our SRI research teams focus on a range of ESG issues, with a view to understanding what impact developing secular trends such as demographics, resource constraints, and other potential environmental and social constraints might have upon the sectors and companies covered by our analysts.

Our SRI research teams were established in each of our business divisions to serve their respective clients. In the Investment Bank, the equity research team launched major UBS publications on water in 2006, climate change in 2007, and corporate governance in 2008. In 2010, the team launched the ESG Analyser, a publication that helps clients take ESG issues into consideration at every stage of the investment process. In the asset management business, an internal SRI research team manages portfolios around themes such as climate change / energy efficiency, water and demographics. The SRI research team in our wealth management business conducts SRI research and provides advice to private clients on SRI investment solutions.

Client interest in some aspects of SRI – for instance climate change, demographics and water – has grown, and so has research coverage. The SRI teams regularly collaborate with analysts in other teams to write about emerging SRI themes, and relevant research content is regularly published by a growing number of specialists within the mainstream research effort.

→ **Case study: Governance Metrics International**

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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 installment of CO2 fuel incentive tax, which has been levied since 2008. We will pass on this rebate totaling 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. The offer applies until the CHF 4 million is disbursed, or until December 31, 2011 at the latest.

→ 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

new 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 is now being prepared for broader implementation.

Case study

UBS Infrastructure Fund acquires wind farm

Global Asset Management's International Infrastructure Fund acquires Collgar Wind Farm, Australia.

In March 2010, the UBS International Infrastructure Fund and Australia's Retail Employees Superannuation Trust (REST) announced the acquisition of Collgar Wind Farm Pty Ltd. Collgar is the developer of a 206 megawatt greenfield wind farm located in Merredin in Western Australia. At the completion of its construction (planned for April 2012), Collgar is expected to be one of Australia's largest wind farms providing clean, renewable electricity to the Western Australian power grid.

Collgar will comprise 111 units of V90-1.8/2.0 MW turbine generators. It is located approximately 25 kilometres south-east of the township of Merredin, an area with a strong and consistent wind regime, and very close to the existing electricity grid. Collgar will connect to the South West Interconnected System (SWIS) in Western Australia, and has secured a 15-year power purchase agreement for 100% of its output with Synergy, owned by the Western Australian Government and is the largest energy retailer in the state. Collgar has contracted with Vestas Wind Systems A/S, the world's largest wind turbine manufacturer, for turbine supply, construction and the ongoing operation and maintenance of the facility.

The UBS International Infrastructure Fund is managed by Global Asset Management. Collgar is the Fund's fourth investment and its first greenfield acquisition. Investors in the UBS International Infrastructure Fund are mainly pension funds and sovereign wealth funds from around the world, including Australia.

Case study: Governance Metrics International

In November 2008, UBS Investment Bank purchased a minority stake in Governance Metrics International (GMI), a leading research advisory firm that specializes in assessing corporate governance across more than 4,200 companies globally.

Through the arrangement, UBS analysts have access to GMI's proprietary content and database, enabling them to factor governance ratings into their stock research. UBS also works with GMI to expand the firm's customer base, as well as work jointly on product development and research ideas. GMI's rating system incorporates hundreds of data points across six broad categories of analysis: board accountability, financial disclosure and internal controls, executive remuneration, shareholder rights, ownership base, takeover provisions, plus corporate behavior and social responsibility.

Following the acquisition of a minority stake in GMI, Julie Hudson, UBS Investment Bank's Global Head of Socially Responsible Investing and Sustainability Research published the research note, 'Corporate Governance in the Investment Process: Why and How?'. The research note analyses how the governance of a firm affects the expected returns to shareholders and offers a detailed framework using GMI's extensive data to incorporate corporate governance systematically throughout stock selection. The research note concludes that the quality of corporate governance can affect the volatility of the price of risk, at the level of market, sector, and company, and therefore, can affect the performance of investment portfolios. Corporate governance was the theme of UBS Investment Bank's annual SRI Conference in 2009.

Financing and advisory services

In 2010, we announced the formation of the Renewable Energy and Cleantech Group (RECG) within the Investment Banking Department and the Environmental Markets Group (EMG) within Global Capital Markets to further focus our efforts and build upon our successes in this important sector. RECG provides capital raising and strategic advisory services to renewable energy and cleantech companies around the world, including those in the solar, wind and biofuels sectors. EMG will work with cleantech, utility, and industrial clients on the application of environmental policy analytics to financial decision making. Since 2006, we have led over 35 financing transactions, raising more than USD 20 billion, and advised on over a dozen strategic transactions for renewable energy and cleantech companies. During 2010, we led the USD 644 million IPO of China Datang Renewable Power Company, China's second largest wind power generation company; advised Hanwha Chemical Corporation on their USD 370 million acquisition of a 49.9% stake in Solarfun, one of the world's leading manufacturers of solar modules; and led equity financings totaling USD 355 million for GT Solar, a major provider of manufacturing equipment to the solar sector.

→ **Case study: Largest IPO of an Asian wind-power generation company**

Case study: UBS Bookruns Largest IPO of an Asian wind-power generation company

In 2009, UBS Investment Bank held key roles in the US\$2,595m Initial Public Offering (IPO) of China Longyuan Power Group Corp. on the Hong Kong Stock Exchange. UBS acted as the Joint Bookrunner and Joint Lead Manager on this transaction. This was the first and largest IPO of an Asian wind-power generation company and the second largest ever IPO of an alternative energy company globally.

Wind generation is a key part of the portfolio of low carbon energy sources needed to reduce global emissions of greenhouse gases. Many countries are implementing controls on greenhouse gas emissions and mandating minimum levels of renewable energy generation. With over 3,300MW of installed wind capacity as at September 2009 and targeting 6,500MW by the end of 2010, Longyuan Power is the largest wind power company in Asia and the 5th largest in the world. The Company designs, develops, manages and operates wind power plants, and sells the electricity generated by its plants to its sole customers - the local grid companies.

The offering raised US\$2,595m representing 30% of the enlarged share capital with China Guodian retaining 66% ownership of the Company following the IPO. The offering was priced at the high end of the price range and comfortably over-subscribed. The success of the transaction was enhanced by UBS's top ranked utilities analyst and extensive investor education schedule, its specialist utilities sales team and access to wealth management accounts through UBS Wealth Management.

Carbon trading



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 who are able to reduce their emissions below their cap have the ability to sell their unused quota to other entities, thereby creating an emissions market. Through the use of financial instruments, we are able to help

clients manage their exposure to the emissions markets. UBS Exchange Traded Derivatives (ETD) 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 (EUA), UN Certified Emissions Reductions (CER), Regional Greenhouse Gas Initiative allowances, and permits for nitrogen oxide and sulfur dioxide.

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 please get in contact with us.

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



Corporate responsibility in operations



Corporate responsibility in operations

- **In-house environmental management (Page 92)**
- **Responsible supply chain management (Page 117)**
- **Accessibility (Page 121)**

In-house environmental management

We continue to build on a long heritage of managing our internal environmental impact, which, since the 1970s, has focused on increasing energy efficiency, reducing consumption of paper and other resources, actively managing waste volumes and encouraging our employees to replace air travel with more sustainable options. Now delivering the program through a network of global, regional and local environmental specialists, we manage an Environmental Management System (EMS) accredited to ISO 14001 and have Greenhouse Gas (GHG) emissions data externally verified to ISO 14064.

Environmental and CO2 footprints

We directly impact the environment in a number of ways: our businesses consume electricity and fossil fuels; employees travel for business purposes, use paper and generate waste in the course of their work; and offices require heating and cooling systems. Improving the use of these resources can reduce costs and enhance environmental performance; therefore, we have set firm-wide targets for CO2 emissions, energy, paper, waste and water, and we have a series of measures to efficiently manage our environmental impact.

→ Environmental indicators

Our CO2 footprint

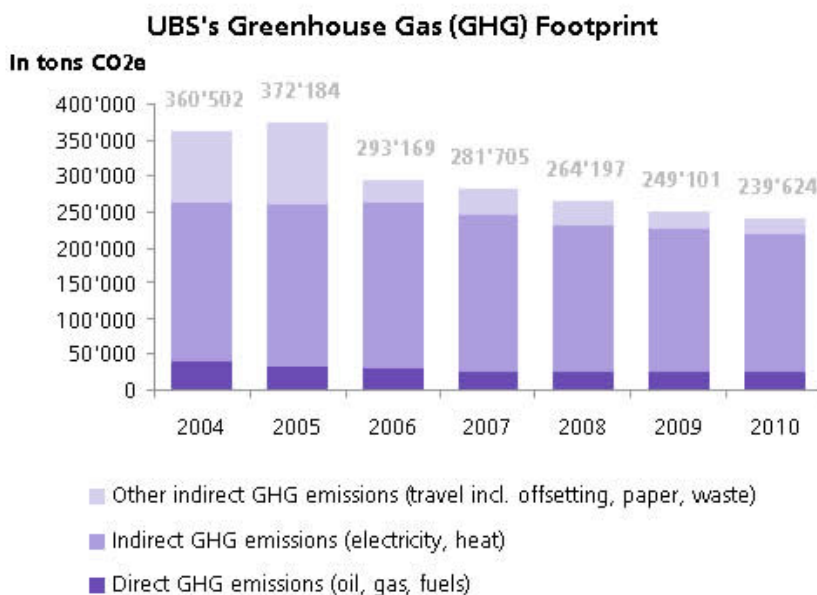
The Group Executive Board decided in February 2006 to set a firm-wide CO2 emission reduction target of 40% below 2004 levels by 2012.

We seek to achieve this target by implementing:

- [in-house energy efficiency measures](#) that reduce energy consumption in buildings it operates
- [increasing the proportion of renewable energy](#) to avoid emissions at source
- [offsetting](#) and neutralizing emissions that cannot be reduced by other means

In 2010 these measures allowed us to decrease our CO2 emissions by 33.5% compared with 2004, another step toward achieving our 40% reduction target by 2012. The share of renewable energy we purchased amounted to 43% in 2010.

The chart below shows that energy is the biggest contributor to our overall CO2 and environmental footprint.



Environmental indicators¹

			2010 ²		2009 ²	2008 ²
	GRI ³	Absolute normalized ⁴	Data quality ⁵	Trend ⁶	Absolute normalized ⁴	Absolute normalized ⁴
Total direct and intermediate energy consumption⁷		859 GWh	***	↓	957 GWh	1,016 GWh
Total direct energy consumption⁸	EN3	137 GWh	**	→	132 GWh	127 GWh
natural gas		82.6%	**	→	84.6%	83.3%
heating oil		15.0%	***	↑	10.9%	12.2%
fuels (petrol, diesel, gas)		2.3%	***	↓	4.5%	4.5%
renewable energy (solar power, etc.)		0.02%	***	↓	0.05%	0.03%
Total intermediate energy purchased⁹	EN4	722 GWh	***	↓	825 GWh	890 GWh
electricity from gas-fired power stations		16.3%	**	↑	10.6%	11.7%
electricity from oil-fired power stations		4.1%	***	↑	2.9%	3.7%
electricity from coal-fired power stations		17.1%	**	→	17.5%	18.4%
electricity from nuclear power stations		11.5%	**	↑	9.5%	11.1%
electricity from hydroelectric power stations		29.1%	***	→	28.0%	25.8%
electricity from other renewable resources		13.5%	***	↓	23.6%	23.1%
district heating		8.5%	***	↔	7.8%	6.2%
Share of renewable energy and district heating		43%	***	↓	51%	48%
Total business travel	EN29	595 m Pkm	***	↔	560 m Pkm	886 m Pkm
rail travel ¹⁰		1.9%	***	↓	3.7%	3.5%
road travel ¹⁰		0.5%	**	↓	1.0%	0.6%
air travel		97.6%	***	→	95.3%	96.0%
Number of flights (segments)		258,766	***	→	258,396	398,369
Total paper consumption	EN1	8,076 t	***	↓	10,349 t	14,403 t
post-consumer recycled	EN2	21.9%	***	↑	16.7%	16.2%
new fibers FSC ¹¹		20.9%	***	↑	17.1%	16.6%
new fibers ECF+TCF ¹¹		57.0%	***	↓	65.9%	66.8%
new fibers chlorine bleached		0.3%	**	↓	0.4%	0.4%
Total waste	EN22	17,053 t	***	↓	21,183 t	25,644 t
valuable materials separated and recycled		53.7%	***	→	54.4%	54.6%
incinerated		18.1%	***	↑	12.5%	14.3%
landfilled		28.2%	**	↔	33.1%	31.1%
Total water consumption	EN8	2.27 m³	**	↔	2.55 m³	2.42 m³
Greenhouse Gas (GHG) Emissions in CO₂e						
Direct GHG emissions (Scope 1) ¹²	EN16	27,153 t	**	→	25,723 t	26,490 t
Gross indirect GHG emissions (Gross Scope 2) ¹²	EN16	253,556 t	***	↓	298,338 t	313,582 t
Gross other indirect GHG emissions (Gross Scope 3) ¹³	EN17	89,957 t	***	→	87,867 t	129,364 t
Total Gross GHG Emissions		370,666 t	***	↓	411,928 t	469,436 t
GHG reductions from renewable energy ¹³		61,889 t	***	↓	99,248 t	109,238 t
CO ₂ e offsets (business air travel) ¹⁴		69,152 t	***	↔	63,579 t	96,000 t
Total Net GHG Emissions (GHG Footprint)¹⁵		239,624 t	***	→	249,101 t	264,197 t

Legend: GWh = gigawatt 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 2011. ² Reporting period: 2010 (1 July 2009–30 June 2010), 2009 (1 July 2008–30 June 2009), 2008 (1 July 2007–30 June 2008). ³ Global Reporting Initiative (see also 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 Refers to ISO 14064 and the "GHG (greenhouse gas) Protocol Initiative" (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. ¹³ GHG savings by consuming electricity from renewable sources. ¹⁴ Offsets from third-party GHG reduction projects measured in CO₂e equivalents (CO₂e). These offsets neutralize GHG emission from our business air travel. ¹⁵ GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and CO₂e offsets.

Energy efficiency



Energy efficiency measures are an important component of our program to achieving our firm-wide CO2 emission reduction target. Measures include investments in energy-efficient technology and encouraging good housekeeping measures.

We continue to encourage the use of our Energy Technical Standard for systems in our owner-occupied buildings to maximize the opportunity to deliver energy efficiency in our current facilities, as well as those that are being replaced or upgraded.

Where new offices are being provided by a third-party developer or institutional landlord and we have less control of the facilities, sustainability and environmental requirements are included as part of the agreement for lease.

In addition, in 2010 we introduced a specific target for the reduction of electricity consumption across the firm to strengthen our climate change objective. Establishing a global reduction target of 10% by 2012, we also implemented regional steering committees to help promote initiatives to foster reduction, develop ideas and review performance on a regular basis. These committees are made up of stakeholders from facilities, engineering, environmental management, procurement and building management, as well as representation from suppliers and service partners. Their goal is to co-ordinate all activities relating to energy procurement and consumption. Piloted in the UK, where the Energy Steering Committee managed electricity consumption reduction of 4.7% in 2010, these groups have now been established across all regions.

In 2010, energy consumption was down 11% (98 gigawatt hours) through a combination of building portfolio management, more dynamic building controls, data center efficiency and improved employee housekeeping. Our IT-driven initiatives contributed significantly to these energy savings, most notably through a server consolidation program, and the early phase of our Desktop Transformation Program, which is deploying the latest in hardware and software for personal computers.

Awards received in 2010

- **The Carbon Trust**
- **Green 500**

Case Studies

- **Case study: Total renovation of major building campus in Zurich**
- **Case study: Energy Consumption Reductions at Bluestone Datacenter**
- **Case study: Greening the Trading Floor**

The Carbon Trust

The Carbon Trust Standard was developed by the Carbon Trust in 2007/08, to encourage good practice in carbon measurement, management and reduction by businesses and public sector organisations.



It is designed to provide a robust, objective and consistent methodology for assessing corporate carbon performance. The Standard specifies requirements in three key areas:

- carbon footprint measurement
- carbon management
- carbon reduction performance

Assessment against the Standard is undertaken by independent third-party assessors. 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.

In being awarded the Carbon Trust Standard across all UK operations, we have achieved external recognition for the effort invested in energy efficiency and carbon management programs. In addition, we are able to use this award as an early action measure in the UK's Carbon Reduction Commitment – Energy Efficiency Scheme, a piece of mandatory legislation launched during 2010.

UBS in London wins award for reducing Carbon Footprint



We have been awarded a platinum award by the London Development Agency (LDA) Green500 scheme for our energy, waste reduction, recycling and awareness raising initiatives.

Green500 is an initiative that aims to reduce London's CO2 emissions by enlisting some of the capital's largest and most prestigious organizations, and mentoring them through their carbon reduction commitments. Members of the scheme are recognized through annual awards given by the Mayor of London, with a range of 'best in class' awards available to organizations that continually improve their carbon-cutting performance.

In order to be considered for this award, we were assessed using seven categories using weighted scoring to determine the level of action undertaken by the firm. These areas are: energy management, building services, equipment, water and waste, transport, carbon footprint action plan, and carbon savings.

Case study: Total renovation of major UBS building campus in Zurich



Between 2008 and 2010, the building complex Grünenhof in Zurich was completely renovated, including the southern, western and eastern parts of the building. All windows were replaced, the building infrastructure was upgraded and the insulation of the roof and walls was improved. An additional section, known as the Haus Delphin, was completely demolished and newly built according to low-energy standards (Minergie). It is expected that the project will reduce energy consumption by approximately 18%.

[More](#)

Case study: Energy Consumption Reductions at Bluestone Datacenter

At Bluestone Datacenter, a variable frequency device (VFD) was installed on the condenser water pump at the end of 2010. The annual projected savings exceed USD 300,000 and 1.6 million kWh. The chiller plant's month-over-month kWh consumption decreased more than 58,000 kWhs following the installation. The VFD will improve the reliability and extend the useful life of the chiller plant.

Greening the Trading Floor

At 9,570 m², the trading floor in Stamford, Connecticut holds the Guinness World Record* as the largest column-free securities trading floor in the world. Recently, it underwent a USD 1.1 million retrofit project to replace over 3,000 lights and fixtures with high output fluorescent lamps and LED technology. This project has been calculated to save 823,000 kWh per year, with an anticipated system design life of 13 years. This environmentally conscious initiative requires 70% less maintenance and reduces greenhouse gas emissions by 405 tonnes each year.

In addition, energy is also conserved as a result of the new control system which dims the lights when there is sufficient daylight. While it has not been possible to model this additional saving, it is expected to conserve energy by 10%.

The project was incentivised by CT Light & Power, a UBS service partner, who commented that the project 'will contribute to the stability of Connecticut's electric grid and improve air quality in the surrounding Northeast region'.

*Guinness Book of World Records 2010

Renewable energy



In addition to our energy efficiency programs, we are reducing our use of carbon-intensive energy by including a high proportion of renewable energy. The percentage of renewable energy and district heating purchases was 43% in 2010. In Switzerland, the percentage of electricity sourced from renewable sources, such as hydro power stations, increased to 100%. In the UK, we purchased 60 GWh electricity backed by 100% renewable sources, representing 43% of the total volume. In addition, we purchased renewable energy credits (RECs) in the US electricity markets, which account for 11% of our electricity consumption in the US in 2010.

→ **Case study: renewable energy certificates**

Case study: Renewable Energy Certificates (RECs)



Renewable Energy Certificates (RECs)

RECs are tradable environmental commodities in the US, which represent the property rights to the environmental and other non-power qualities of renewable electricity. In other words, a REC can be sold separately from the underlying physical electricity associated with the renewable energy source.

In 2010, we purchased 25,000 MWh of renewable energy certificates (RECs) from the Elk River wind farm in Kansas. Located on nearly 8,000 acres, the Elk River wind farm contains 100 wind turbines each with a 1.5 MW output. Elk River produces enough electricity to meet the annual needs of about 42,000 homes.

Business travel and offsetting CO2 emissions



Business travel is a significant contributor to our carbon footprint. Since 2006, we have offset 100% of our emissions from business related air travel. Offsetting emissions means that we indirectly neutralize our business air travel emissions by investing in third-party projects which reduce an equivalent amount of greenhouse gas emissions.

Having experienced a significant reduction (approximately 40%) in business-related travel in 2009 due to difficult market conditions and focus on reducing costs, it is encouraging to see that, despite an improving business landscape, employee air travel in 2010 has remained low and not returned to 2008 levels. We continue to actively promote audio and video conferencing, investing in the latest 'telepresence' technology to further improve quality and user experience. Recognizing the benefits of face-to-face meetings in a sector where building lasting client relationships is essential, we continue to encourage employees to blend travel and technology to optimize work-life balance and environmental impact. For travel within Europe, we see a continued shift towards high speed rail travel in preference to air. The marketing and events team have adopted environmental guidelines for client conferences, and now consider the impact of delegate travel, hotels, venue features and catering as part of their logistics and planning.

Once again in 2010, we have offset CO2 emissions resulting from business travel. Working with reputable intermediaries and a panel of internal specialists, we select projects which meet our carbon volume requirements while providing positive community benefits. Schemes selected include a gold standard wind power project in Turkey and a hydro power project in Brazil.

- **Case study: 2010 offsetting projects**
- **Case study: Video-Conferencing**

Case study: 2010 offsetting projects

India: Household Biogas Plant Project – VER Gold Standard

The purpose of the project is to set up micro biogas plants in order to produce biogas for household purposes. The plants have between 1 and 15 m³ meters of installed capacity. Each household will feed the digester with dung from its own cattle. The dung is then left without interference for anaerobic digestion to take place. After three to four days, biogas thus generated is supplied to the individual households for cooking purposes. The project will be developed and verified in accordance with the VER Gold Standard criteria.

Social and environmental benefits

The project recovers methane rich biogas from cattle dung, which is then used for cooking purposes. The biogas replaces non-renewable biomass such as fire wood and reduces uncontrolled deforestation in the region. In addition to the greenhouse gas emission reduction, the project also benefits the local communities in many different ways:

- It reduces toxic fumes in the kitchen due to inefficient combustion of wood, a prime cause of respiratory diseases among women in India.
- It improves sanitary conditions by providing a facility for boiling water for drinking purposes.
- It helps women save cooking time;

Turkey: Wind Power Project in the Region of Marmara – VER Gold Standard

The project supports the construction of 20 wind turbines with a total capacity of 60 MW in order to supply renewable energy to the grid. The project is located on a ridge with favorable wind conditions, about 350 m above sea level in the Marmara Region near the villages of Elbasan and Catalca. The additional revenues from VER sales made this project financially viable. Electricity in Turkey is primarily produced by natural gas and coal-fired thermal power plants, and to a lesser extent by hydro power plants. The project is a registered VER Gold Standard activity.

Social and environmental benefits

The project contributes to sustainable development in Turkey in the following ways:

Environmental benefits: The project activity leads to a reduction of GHG emissions and other air pollutants (sulphur dioxide, nitrogen oxides and particulates), as compared to the conventional energy generation from fossil fuels.

Socio-economic benefits: the close collaboration of the local population from the early planning stage onwards resulted in a high level of understanding and awareness for renewable energy projects in the region. The project creates local employment, about 100 positions during the construction phase and 30 new jobs for operation and maintenance. The local population benefits from the project in terms of new sources of income and educational trainings. The project also stimulates the growth of the Turkish wind energy industry and contributes to the diversification of the Turkish energy mix.

Brazil: Hydro Power Upgrading Project – Clean Development Mechanism



The project increases the energy generation of an existing hydro power plant. The plant is located on the river Rio Doce (South East Brazil) and was constructed between 1968 and 1972. It was initially designed with four water intakes at the dam reservoir, but only three turbines were installed. The project will use the existing hydro power scheme and the existing electric infrastructure to increase the amount of generated energy through the installation of a new Kaplan turbine with no additional environmental impacts (the level of the reservoir will not be changed). The project is a registered CDM activity.

Social and environmental benefits

The project reduces carbon dioxide emissions by supplying the grid with renewable energy. It also improves local supply in an area subject to high voltage fluctuation, thereby avoiding the import of electricity from other distant states. Moreover, it contributes to the local economic development and through environmental education programs sponsored by the project proponent.

China: Hydropower project in Fujian Province – Clean Development Mechanism

This project is a low-head pondage hydropower station in a river channel in Fujian Province, with the total installed capacity of 50MW, and the annual electricity supplied to the grid of 187,000 MWh. The surface area at full reservoir level is 7km². Upon completion of the Project, electricity generated by the Project will displace equal amount of the electricity generated by East China Power Grid which is dominated by fossil fuel power plants, and thus greenhouse gas (GHG) emission reductions could be achieved. The estimated annual GHG emission reductions will be 148,000 tCO₂e. The project is verified to the Voluntary Carbon Standard and since May 2008, it is a registered CDM project.

Social and environmental benefits

The construction of the Project is in compliance with China's energy industry priority areas, and it will facilitate sustainable development in the following aspects:

- Creating employment opportunities;
- Reducing GHG emission compared with the conventional fossil fuel power;
- Reducing emission of other pollutants compared with the conventional power generation methods

Video-Conferencing

In order to reduce business air travel, we have implemented extensive video conference facilities in all major buildings worldwide. These range from latest high-definition technology or standard boardroom videoconferences to desktop videos for individual interaction. A significant increase in usage was observed in 2010. Over 110 000 hours of boardroom video conferences were held in 2010, representing a 23% increase from 2009.

Events

UBS Conferences provide investors, company management and industry experts the ability to connect, while gathering insight on corporate strategies and industry trends.

Conferences and other events can affect the environment in a wide variety of ways: journeys are usually the most important impact on the environment, but the consumption of paper, water and electricity caused by events or the volume of waste produced, are all important issues for organizers seeking to put environmentally sound arrangements in place. To minimize these impacts UBS issued in 2009 a guideline for environmentally sound planning and has offset CO2 emissions from all UBS conferences, events and roadshows.

→ **Case study: Guideline for Environmentally Sound Planning within Event Marketing**

Case study: Guideline for Environmentally Sound Planning within Event Marketing

In 2009 UBS developed a systematic approach to take account of environmental considerations in all stages of event planning. The resulting event guideline applies for both in-house and external marketing events including conferences, events and corporate roadshows.

The aim is to help UBS reduce some of the negative environmental impact that events have on the environment and suggest ways in which these can be minimized or eliminated, while at the same time providing social and economic benefits. The guideline describes how environmental considerations should be factored in the evaluation and selection of vendors of products (e.g. branded gifts) and services (e.g. catering, transport, event venue and accommodation). The guideline also provides detailed recommendations on how environmental impacts of events can be managed, for example energy-saving measures, waste and water management, and the avoidance of excessive usage of communication and printed material.

The guideline is being gradually applied to events. For example, at Global Specialty Pharmaceuticals Conference, held in London in 2009 and attended by 360 participants, environmental clauses were incorporated into the venue contract covering energy and waste, printed materials was kept to a minimum and any essential documentation was printed on 100% recycled paper; new style of conference badge that can be re-used up to 500 times was used, menu featured locally sourced food and waste was recycled and kept to a minimum.

Paper and waste

We are making a conscious effort to continuously reduce our paper and water consumption and waste generation. Double sided printing and copying is now default in many of our offices and, combined with an ongoing shift towards the distribution of electronic documents, has resulted in a reduction of 37% in paper used per employee since 2006. The share of office paper from Forest Stewardship Council or recycled sources has increased to 43%, with a new target for this to exceed 50% by the end of 2012. The waste recycling ratio remained flat at 54%. The implementation of binless offices in many larger locations will contribute to achieving our ambitious 2012 target of 70%.

We have specific targets for reducing water consumption. In 2010, we endorsed a specific global target to reduce water consumption by 5% by the end of 2012 (compared with 2010 levels). We recognize the need to use water responsibly and the contribution that effective and proactive water management can make to overall carbon footprint and cost. Water is predominantly used in customer and employee washrooms, client dining and restaurant kitchens and vending areas, as well as being consumed in building heating and cooling systems. The reduction will be achieved through a combination of new technology, improvements in housekeeping and employee engagement.

Target 2010-2012	Achievement 2010
Waste per FTE: stabilized on 2009 level	Waste per FTE decreased to 251kg (5% below 2009 levels)
Waste recycling ratio: 70%	The waste recycling ratio remained flat at 54%. The implementation of binless offices in many larger locations will contribute to achieving the ambitious 2012 target of 70%.
Waste to landfill: - 10% below 2009 level	The waste to landfill decreased 17% exceeding the 10% target
Paper consumption per FTE: stabilized on 2009 level	The paper consumption per FTE decreased from 130kg to 119kg (8%), and is running ahead of target.
Share of sustainable (FSC/recycled) paper: 50%	The share of office paper from Forest Stewardship Council (FSC) or recycled sources has increased to 43%
Water use: - 5% below 2009 level	The water consumption decreased 11%, exceeding the 5% target goal

Environmental indicators per full-time employee

	Unit	2010	Trend	2009	2008
Direct and intermediate energy	kWh/FTE	12,633	↗	11,986	11,792
Business travel	Pkm/FTE	8,743	↑	7,016	10,281
Paper consumption	kg/FTE	119	↘	130	167
Waste	kg/FTE	251	↘	265	298
Water consumption	m ³ /FTE	33.3	↔	31.9	28.1
CO ₂ footprint	t/FTE	3.66	↑	3.12	3.07

Legend: FTE = full-time employee; kWh = kilowatt hour; Pkm = person kilometer; kg = kilogram; m³ = cubic meter; t = ton

- **Case study: Waste Recycling – Binless Office: UBS in Sydney provides additional recycling facilities**
- **Case study: Recycling Plastic Bottle Tops**
- **Case study: E-documents in Switzerland**
- **Case study: Standard double sided printing in Switzerland**

Case study: Waste Recycling – Binless Office: UBS in Sydney provides additional recycling facilities

Binless office UBS in Sydney provides additional recycling facilities



Following support from the regional management team, and active communication with the employees in Chifley Tower, Sydney, the individual desk bins were replaced with 'community bins' with separate bins for paper waste, general waste and plastic/metal containers.

Since being implemented, recycling rates have increased from 28% to over 70%, while general waste sent to landfill was reduced correspondingly from 72% to less than 30%.

Other benefits of the scheme include reduced cost of waste disposal, reduced cleaning costs and improvements in employee wellbeing.

In addition to the binless solution, organic bins for food waste and vending cup bins have also been introduced to further improve the volumes of recycled waste.

Delighted with the results of the Sydney pilot, the team in Australia have now extended the binless office principles to the Melbourne office.

Case study: Recycling Plastic Bottle caps

UBS in Japan recycles plastic to fund vaccine program



As materials for bottle caps are different from plastic bottles, they cannot be recycled together. By collecting caps separately and recycling them, they can be reused in concrete panels, ballpoint pens and chopsticks.

UBS teams in Japan have located recycling boxes in vending areas across the campus to collect bottle caps from employees and visitors.

The non-profit organisation 'Japan Committee Vaccines for the World's Children' collect the recycled caps once the boxes are full and, in turn, sell the caps in bulk to material recycling companies. The profits are then donated to Japan Committee Vaccines for the World's Children (JCV) to buy vaccines. Every 800 caps pay for one vaccination, which costs 20 yen (about USD0.20).

Case study: E-documents in Switzerland

In Switzerland, UBS has offered 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.

The product was launched in October 2007 and has so far resulted in 160,000 clients switching to the new process. More than 15 million pages have been diverted through the e-Banking solution in 2010, a 45% increase compared to 2009, and now representing 10% of UBS's total client mailing volume in Switzerland.

→ **E-documents for private clients in Switzerland**

Case study: Standard double sided printing in Switzerland

As part of our goal to reduce paper consumption, all multi-function printing and copying devices in Switzerland have been changed to default dual-sided and black and white as of June 2010. The measure resulted in savings of 12 million A4 pages, or CHF 150'000 in the first six month.

Engaging our employees

Employee engagement has long been recognized as one of the most challenging components within the UBS Environmental program. By providing incentives, education and awareness on environmental matters to its employees and suppliers, we hope to help people make the right choices and promote sustainable behavior both at work and in their domestic situations. In 2010 UBS provided training and awareness raising to some 10000 employees.

- **Did you know campaign**
- **Case study: Offsetting private CO2 emissions**
- **Case study: Bright Idea Competition**



Did you know...



Our actions matter. To learn more about UBS's environmental program and initiatives, type ['goto/environment'](#) into your web browser.

...that recycling just one ton of paper can save 17 trees, 380 gallons of oil, three cubic yards of landfill space and 4,000 kilowatts of electricity – more electricity than the average household uses in a year?

UBS has set a global target to recycle 70% of its waste by 2009. Please think before you throw, and use the recycling facilities wherever available.

Case study: Offsetting private CO2 emissions

In Switzerland and the UK UBS provides its employees with tools and incentives to calculate and offset their personal CO2 footprint.

In Switzerland, donations made by UBS employees to selected charities are matched by UBS to reinforce their engagement. In 2008 a Swiss carbon offsetting foundation was selected as one of the charities supported by the program. The foundation finances projects such as a WWF Nepal initiative to build biogas plants in Nepal. If they elect to make a donation to the foundation, UBS employees are directed to an online CO2 calculator that enables them to calculate CO2 emissions resulting from their travel, household or lifestyle.

Similarly in the UK, employees are offered the possibility to calculate online their private CO2 emissions and offset part or all of them by purchasing carbon credits from a reputable organization. Such purchases are eligible under the UBS UK benefits program (ValueFlex), which enables staff to invest in a range of products for which payment is taken directly from their flexible benefits fund or salary. This benefit is exempt from income tax and National Insurance.

Case study: Bright Idea Competition

UBS in London encourages employees to submit their environmental ideas



As part of UBS environmental month in April, the in-house environmental management team sponsored a competition to find the most innovative and environmentally friendly idea to implement across all London buildings: the **Bright Ideas Competition**. The program allowed employees to share ideas for new environmental initiatives which can be introduced under the firm's environmental program.

We recognize that employee contribution is crucial in achieving our objectives and targets, so the purpose of this initiative was to raise awareness in climate change and sustainability issues, and motivate employees to take action.

Over 400 bright ideas were submitted and considered by the environmental team who reviewed all of the suggestions, and presented a short list to a judging panel for selection of one winner and two runners-up.

The winner received a folding 'Brompton' bicycle as a prize, further reinforcing the importance of environmental issues within the firm.

Responsible supply chain management

Responsible procurement is a key aspect of UBS's approach to human rights and the environment, in line with our endorsement of the UN Global Compact principles, and in support of the UBS Group Environmental Policy and the UBS Statement on Human Rights.

In 2010, we spent over CHF 7.3 billion purchasing products and services ranging from office maintenance across IT infrastructure to components such as stationery. Responsible Supply Chain Management (RSCM) principles continue to embed UBS ethics and values with our suppliers, contractors, service partners and project teams.

UBS has developed responsible supply chain practices for many years in areas such as client gifts, paper and energy sourcing.

- **For more on the procurement of client gifts**
- **For more on paper**
- **For more on renewable energy**

Since 2008 a Group-wide guideline provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption. The Guideline is applied on new contracts and contract renewals with suppliers that are more likely to be exposed to such issues.

The UBS Responsible Supply Chain Standard

A central component of this Guideline is of the UBS Responsible Supply Chain Standard which defines our expectations of suppliers regarding legal compliance, the environment, avoidance of child and forced labor, non-discrimination, remuneration, hours of work, freedom of association, humane treatment, health and safety and anti-corruption issues.



- **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 Standard (Chinese)** 

In 2010, 265 suppliers were screened according to social and environmental criteria, 114 procurement and sourcing officers were trained, and responsible supply chain requirements were included in the arrangement with relevant suppliers who were awarded contracts. Also in 2010,

we integrated RSCM principles into our global supply chain policy and into the centralized Supply & Demand Management organization.

- **Case study: Green Wave Initiative in Switzerland**
- **Case study: Guideline for Environmentally Sound Planning within Event Marketing**

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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.

Case study: Green Wave Initiative in Switzerland

In cooperation with our main vendor of office material in Switzerland, Procurement Switzerland launched in 2008 an initiative to further raise awareness among UBS employees for the use of environmentally friendly products. For that purpose a new brochure was created highlighting products that involve fewer resources during lifecycle and that have a lower CO2 footprint. The brochure was sent to 7'000 employees in charge of internal distribution of office materials and was accompanied by a quiz where participants could win attractive prizes. Also, together with the vendor, which acts as an intermediary agent, Procurement Switzerland engaged with producers of office material to directly address environmental concerns.

Case study: Guideline for Environmentally Sound Planning within Event Marketing

In 2009 UBS developed a systematic approach to take account of environmental considerations in all stages of event planning. The resulting event guideline applies for both in-house and external marketing events including conferences, events and corporate roadshows.

The aim is to help UBS reduce some of the negative environmental impact that events have on the environment and suggest ways in which these can be minimized or eliminated, while at the same time providing social and economic benefits. The guideline describes how environmental considerations should be factored in the evaluation and selection of vendors of products (e.g. branded gifts) and services (e.g. catering, transport, event venue and accommodation). The guideline also provides detailed recommendations on how environmental impacts of events can be managed, for example energy-saving measures, waste and water management, and the avoidance of excessive usage of communication and printed material.

The guideline is being gradually applied to events. For example, at Global Specialty Pharmaceuticals Conference, held in London in 2009 and attended by 360 participants, environmental clauses were incorporated into the venue contract covering energy and waste, printed materials was kept to a minimum and any essential documentation was printed on 100% recycled paper; new style of conference badge that can be re-used up to 500 times was used, menu featured locally sourced food and waste was recycled and kept to a minimum.

Accessibility

Internet presence

UBS offers a specialized [accessibility](#) feature for clients, developed to provide visually impaired and motoric disabled clients visiting UBS's public website with reading ease.



Accessibility | Zoom version

The accessibility version can be accessed by clicking on the "Zoom Version" tab located at the top navigation bar on the UBS website, www.ubs.com.

Attributes of the function include:

- seamless page zooming with standard browser functionality
- strong contrasts and big font sizes
- for blind readers, a logical audible redesign of the page information structure, enabling screen readers to read out the most important information on the page first
- full support of both the "Service Finder" application and the search function
- enhanced tab navigation for those with motoric disabilities, enabling them to navigate UBS's website without a mouse

→ [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 offered a number of annual events that 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. Richard Thwaite, Chair of the disability Awareness Network and UBS Diversity Advisor on Disability, also earned recognition for his efforts, having been shortlisted for a Disability Standard Award in 2009. During 2010 the disAbility Awareness Network group continued to raise awareness of disability through comedy events, sporting activities and jointly with other networks using celebrity figures.

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

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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 please get in contact with us.

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



Our employees



Our employees

The excellence, inspiration and commitment of our employees is critical to meeting clients' needs and executing our business strategy. This is reflected in the investment we make in managing talent, and in the development of our performance culture and our leadership.

→ [Our employees](#)

Community investment



Community affairs

- **Overview (Page 127)**
- **Community affairs around the globe (Page 128)**
- **Working in partnership (Page 145)**
- **Heritage & awards (Page 146)**

UBS foundations

- **UBS Optimus Foundation**
- **UBS Culture Foundation**
- **UBS Foundation for Social Issues and Education**

Overview

In 2010, we continued the well-established tradition of supporting the advancement and empowerment of organizations and individuals within the communities we do business in. From an early focus on direct cash donations, we have progressed to a position where our community investment program encompasses employee volunteering, matched-giving schemes, in-kind donations, disaster relief efforts and/or partnerships with community groups, educational institutions and cultural organizations in all of our business regions.

Community affairs

Community affairs at UBS are founded on a global strategy defined by the Group Executive Board (GEB), and are based on a global community affairs guideline. Activities are governed by a central framework and regional guidelines, and are embedded in our regional structures. Every 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 collate community investment data from across the firm as a whole.

In 2010, direct cash donations by UBS and our affiliated foundations to carefully selected non-profit partner organizations and charities totaled CHF 27.6 million. These donations were primarily assigned to our continuing community affairs key themes, "Empowerment through Education" and "Building Stronger Communities", with some contributions to other activities, in particular disaster relief. In response to the devastating earthquake in Haiti, with the help of our employees, we donated over CHF 3 million to a number of organizations providing disaster relief. The funds have been used to rebuild schools and hospitals, as well as provide basic needs to many Haitians. These donations combined with other significant activities, notably the volunteering activities of employees, have continued to provide substantial benefit to projects and people around the world (as highlighted in the examples given on the next page).

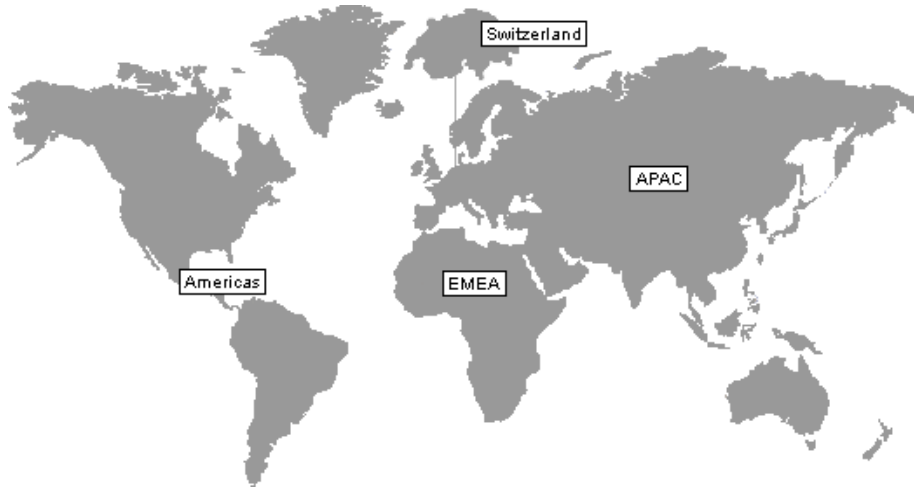
Across all business regions, our employees continue to play a very active role in our community investment efforts, in particular, through their volunteering activities. In 2010, over 11,300 employees spent nearly 81,000 hours volunteering. We support their commitment by offering up to two working days a year for volunteering efforts, and also match employee donations to selected charities.

In Switzerland, our community investment efforts are also advanced by the UBS Culture Foundation, the UBS Foundation for Social Issues and Education, and the association A Helping Hand from UBS Employees. In 2010, these organizations have again made valuable contributions to important societal causes, including fostering humanities and the creative arts, supporting communities in need, and helping disabled and disadvantaged people.

Client foundation

Charitable organizations and projects across the globe – usually in regions where we do not maintain a business presence – also benefit from the support of the UBS Optimus Foundation, a non-profit charitable organization which offers our clients a broad range of options for engaging in humanitarian activities. In 2010, the foundation's tenth anniversary year, Optimus can look back with justifiable pride on a success story of growth and continuous development. Now one of Switzerland's largest charitable foundations, it has contributed over CHF 80 million to more than 170 projects in over 60 countries. All projects are dedicated to improving the lives of children around the world. Employing a sophisticated funding strategy, it plays a key role in bringing about positive social change in the areas which it targets: 'Global Health' and 'Education and Protection'. As UBS bears all the administrative costs related to Optimus, clients can be sure that 100 percent of every donation they make goes directly to the projects themselves.

Around the globe



Click on the map to learn more about our regional community affairs engagements

Building stronger communities through education and empowerment

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

In 2010, we launched two unique programs. UBS brought the Big Apple Circus to Stamford, Connecticut. The non-profit circus is committed to invigorating the communities it serves by sharing the joys of a classical circus, and providing a range of community and educational outreach programs to local hospitals and schools. UBS clients, employees and their friends and families, as well as local residents, enjoyed 25 performances over the summer. Leveraging our long-standing Art Basel Miami Beach (ABMB) sponsorship, we launched miART, an art education program created to support the local Miami community year-round. MiART engaged more than 150 middle school students in ABMB through interactive activities, and will bring art education to underserved youth artists through a year-long mentoring program. The creation of a fundraising website to benefit miART and art supply drives in local UBS branches provided employees with the opportunity to support this program.

Building Brighter Futures

One of our signature volunteer efforts is the annual Building Brighter Futures' Community Engagement Month in October in the US. More than 25 communities participated in 2010, with the goal of supporting community needs in the areas of education, the economy and the environment. Over 1,300 UBS employees participated in locally-driven volunteer activities. Additionally, we have longstanding volunteer partnerships with the Special Olympics and the Power Lunch reading program, which operates in four US cities. According to Maryellen Frank, an eleven-year veteran Power Lunch volunteer, "there are some days when it doesn't feel possible to break away from the office and change your focus, but when you walk into the room and your young reading partner's face lights up, it's all worthwhile. Spending that hour truly giving yourself has its own benefits. I usually return to the desk refreshed and ready for action."

EMEA (Europe, Middle East and Africa)

Throughout the region, we continue to support education and regeneration efforts, particularly in areas close to where we conduct our business. In Poland, over 75% of staff were engaged in support for low income and disadvantaged communities, and entered into an innovative arrangement with colleagues in Luxembourg to increase our contribution. In the UK, this year the firm was amongst a very small number of firms to receive three Business in the Community (BITC) National Big Tick Awards for our Community Affairs programme; our flagship EMEA partnership with the Bridge Academy – a local secondary school sponsored by UBS; and our employee volunteering regeneration partnership through Project Shoreditch (in Hackney, East London). In addition, a long standing community partnership dating back to 1992 was awarded the prestigious Dragon Award by the Lord Mayor of London. The partnership reflects UBS's overall commitment to corporate responsibility, encompassing financial contributions, employee expertise, capacity building and creating links to other community initiatives. It has led to a significant impact on the economy of a disadvantaged area of the UK, encouraging inward investment of £1.5 million.

Our social commitment in Switzerland

"Social commitment in the domestic market of Switzerland has a long history at UBS. In addition to donations through the bank or one of its grant foundations, we also encourage our employees to get involved in a wide range of charitable projects. We are pleased to be able to contribute to the social and ecological well-being of local communities in this way."

Lukas Gähwiler, CEO UBS Switzerland



News

- **Zurich / Basel, June 21, 2011, 12:37 PM : Multi-year partnership with the Swiss Foundation for Landscape Conservation**
- **May 19, 2011, 03:24 PM : Hans Purrmann exhibition at the Hermann Hesse Museum**
- **April 21, 2011, 10:14 AM : The 2011 national volunteering project: maintaining hiking trails in Switzerland**
- **More**

Our commitment at a glance



UBS Partnerships



UBS Employee Volunteering



UBS Employee Donations



UBS Donations



UBS Culture Foundation



UBS Foundation for Social Issues and Education

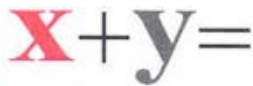
UBS Partnerships

Besides project-related grants, UBS in Switzerland is involved in partnerships with organizations active in the fields of education, social and humanitarian commitment, culture and science. Below is a selection of these many and varied partnerships.



Ernst Schmidheiny Foundation

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.



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

Swiss Solidarity

The Swiss Solidarity foundation raises funds for humanitarian projects in Switzerland. Its operational work is carried out by experienced Swiss charities according to precise agreements. It provides immediate and emergency aid in the event of disasters quickly and unbureaucratically. The lion's share of donations goes into rehabilitation and reconstruction work.



As part of National Fundraising Days, UBS supports Swiss Solidarity by asking its employees to contribute. 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.

→ www.swiss-solidarity.org

Infoklick.ch

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

Naturama Aargau

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

Swiss Red Cross

Project chili run by the Swiss Red Cross shows children and adolescents how they can deal with conflicts openly, creatively and constructively. It promotes social skills and makes an active contribution to social integration and the prevention of violence. UBS has supported this project on constructive conflict resolution during a partnership lasting several years. In 2009 alone, more than 7,000 children aged 5 to 18 participated in the project.



In addition, many employees join the Swiss Red Cross "2 x Christmas" campaign every year. Its basic idea is that people who live with an abundance of material goods share their happiness with the needy at home and abroad.

→ www.chili-srk.ch

→ www.2xweihnachten.ch

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

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

The Swiss Foundation for Landscape Conservation



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

Züriwerk Foundation

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 or as part of the "Züriwerk backt's" part-pay project.

→ www.zueriwerk.ch

Young Enterprise Switzerland

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

UBS Employee Volunteering

UBS employees regularly contribute personally and actively to public welfare in Switzerland. As part of UBS Employee Volunteering, they can get involved in a number of areas. For example:

- sporting activities with the handicapped
- working in nature reserves and upland forests
- mentoring programs with children and adolescents



UBS gives its employees two paid days off work per year to participate in these voluntary assignments.

Volunteering improves the lives of many disadvantaged people and increases protection for threatened flora and fauna. Employees, meanwhile, gain valuable insights into the lives of others and expand their personal horizons and social skills. At the same time, they further their contact with the local population. Many volunteers see this work as a personal enrichment.

See [UBS partnerships](#) for examples of the work performed as part of UBS Employee Volunteering.

Employee experience reports	Partner organization experience reports	Videos
<p>→ Experience report Reto Felber</p>	<p>→ Nicole Heim, CEO Young Enterprises Switzerland</p> <p>→ Monica Marti, Head Nature Events, Naturama Aargau</p> <p>→ Eva Veith, Volunteering Coordinator, Käferberg Care Home</p>	<p>→ The videos show UBS employees performing voluntary work and talking about their experiences</p>

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.

The Ernst Schmidheiny Foundation's Business Weeks



Adventure weekend on the River Aare with Procap Sport and cleanup of the Gantersch Panorama Trail



A helping hand from UBS Employees

"A helping hand from UBS Employees" is a politically neutral and nondenominational organization. Through donations and contributions by employees and pensioners, the organization finances a number of social projects every year, enabling people with disabilities and the socially disadvantaged in Switzerland to enjoy a more active and independent life. "A helping hand from UBS Employees" is part of the UBS Employee Donations program.



UBS Mitarbeiter helfen
Coup de pouce des collaborateurs UBS
Collaboratori UBS aiutano
A helping hand from UBS employees

The donations and contributions go in full to the carefully selected projects. Efficient processes ensure that donations go directly and without needless bureaucracy straight to recipients. The commitment of board members is based on voluntary work. UBS provides the infrastructure.

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

Procap Travel & Sport

Procap Travel & Sport regularly organizes a wide range of leisure activities, excursions and holidays for the handicapped. The goal is to integrate them in society and ensure they spend their leisure time meaningfully. The support of "A helping hand from UBS Employees" has so far provided two hiking wheelchairs and a paraboat.

Tanja Foundation, care home for the disabled

The Tanja Foundation care home in Bitsch (VS) is the first living and support scheme for adults with multiple handicaps in Upper Valais. UBS employees were involved in setting up the living quarters and financed a new therapeutic bath with massage equipment.

UBS Donations

Financial support for charitable and educational projects has a long history at UBS. As part of UBS Donations, the bank supports charitable projects of Swiss-based organizations.

In selecting projects, UBS Donations is guided by the following criteria:

- Empowerment: the project gives aid recipients the opportunity to have a positive influence on their own living conditions and thus to improve their quality of life;
- Directness: donations go straight to where they are needed;
- Sustainability: the project has a sustainable and long-term impact;
- Certificate: the organization has recognized certification (ZEWO, NPO Label, etc.).



The focus of UBS Donations is on long-term partnerships with selected organizations and sustainable projects. In this way, a close and cooperative partnership is built up between the charitable organizations and UBS that can be communicated in a credible way by both.

See [UBS partnerships](#) for examples of the work performed by UBS Donations.

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.

APAC (Asia Pacific)

Building upon our groundbreaking Community Leadership Experience, developed in partnership with Charities Aid Foundation India in 2008, UBS subsequently developed and launched a program for Singapore non-profit sector leaders in partnership with the Centre for Non-Profit Leadership in 2009. Now in its second year, the Experience program combines a two-day residential retreat workshop with one-to-one partnering between UBS senior executives and NGO executives. The opportunity for both sets of leaders to interact and share experiences, has proven to be highly successful resulting in a deeper understanding of the challenges faced by the community in Singapore. Additional workshops focusing on common human resource issues, such as talent recruitment and retention, have also been organized as part of the Experience program.

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 have worked continuously with many non-profit organizations for over 30 years and continued to expand our Community Affairs program with new partnerships.

Targeted investment

To achieve maximum impact, we focus our resources primarily to benefit non-profit organizations in the fields of education and empowerment, thereby building stronger communities. In doing so, we aim to assist our partner communities achieve sustainable growth and empowerment and promote learning.

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 2010, over 11,300 employees spent nearly 81,000 hours volunteering.

Local commitment

Our activities are driven by our employees and the needs of the 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.

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At UBS, we believe in many kinds of giving

UBS donations

In 2010, direct cash donations by UBS and our affiliated foundations to carefully selected non-profit partner organizations and charities totaled CHF 27.6 million. These donations were primarily assigned to our continuing community affairs key themes, "Empowerment through Education" and "Building Stronger Communities", with some contributions to other activities, in particular disaster relief.

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*

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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 goes 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.



Regions

- **Americas**
- **Asia Pacific**

- **EMEA**
- **Switzerland**

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.

Americas - Stamford

Initiatives & awards

UBS Investment Bank has established many partnerships with community organizations, and government agencies since relocating its headquarters in the Americas from New York City to Stamford in 1997. 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.

UBS has received several awards for its community affairs programs, including recognition by Governor M. Jodi Rell as the state's Outstanding Corporate Philanthropist of 2001. (The Governor was Lt. Governor when she presented this award from the Connecticut Association of Fundraising Professionals.)

Other community awards include:

- 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

Specific initiatives include the following:

- **Workforce Development** – UBS encouraged education and training for unemployed and underemployed individuals throughout the region with a \$1 million grant for training offered through The WorkPlace in Bridgeport; in addition, \$250,000 in funding since 1998 has established a computer lab for learning job skills at Fairfield County's anti-poverty agency, CTE.
- **Technology** – UBS has contributed \$525,000 to the Connecticut Information Technology Institute at the University of Connecticut campus in Stamford; grants totaling over \$400,000 to Norwalk Community College established the UBS Teaching and Technology Laboratory on that campus which in 2007 was recreated as the UBS Student Success Center.

To further advance the use of technology for learning, the firm has donated over 4,000 personal computers since 2000 to the state's public schools. This gift complements several hundred PCs given for labs at various nonprofit agencies and other schools, including the Stamford Adult Education program.

The state's school readiness initiative for four-year-olds was the recipient of an initial, lead grant of \$200,000 for the model program in Stamford, and an additional \$57,000 for the Mambo Combo multi-purpose room.

- **Education** – Preparing youth for advanced educational opportunities and career training has been the focus of UBS's charitable giving, with over \$200,000 in grants in 2007 to such programs as Achievement Matters at the Urban League of Southwestern Connecticut; and training by MOUSE for students to run technology help desks in schools; in addition, UBS has also supported after-school programs at the Yerwood Center, the YMCA and other agencies to help close the achievement gap in test scores of students.
- **Community** – Recognizing the need for critical social services, UBS provided over \$120,000 in 2007 to such organizations as the homeless shelter, the soup kitchen, the food bank and the hospital in Stamford. Local cultural organizations were also supported with over \$100,000 for various programs and productions. In support of the Stamford community, UBS has a five-year \$500,000 commitment as the title sponsor of city's parade spectacular, the second largest one day event in the state with more than 300,000 spectators.

- **Urban development** – In designing its 12-acre campus, UBS coordinated it with the larger vision of Stamford's Mill River Greenway Project and created the largest park in the downtown area in front of its headquarters. The centerpiece is a significant contribution to public art, one of the world's largest free-standing stained glass structures, standing 46-feet high. In 2002, UBS became the first corporate sponsor of the Mill River Collaborative, and has contributed over \$110,000 and hundreds of volunteer hours in support of building the Mill River Playground.
- **Transportation** – The pedestrian walkway from the Stamford Transportation Center to the Gateway Common is the result of the cooperative efforts of the federal government, the Connecticut Department of Transportation, the City of Stamford and a \$500,000 grant from UBS.
- **Volunteerism** – As the lead corporate sponsor in Fairfield County, UBS has over 100 employees committed to the Everybody Wins! lunch time reading program at two Stamford elementary schools. In addition, hundreds of the firm's employees are active volunteers for social service agencies in support of youth, education and other community programs. Many executives and others serve in leadership positions on boards of community organizations.

In summary, since establishing its Americas headquarters in Stamford in 1997, UBS Investment Bank has contributed over \$12 million to support these initiatives, to match the gifts of employees, and to fund many other worthwhile programs that enrich the quality of life for people throughout Connecticut.

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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 but also a high level of volunteer participation by UBS employees.

The Asia Pacific region has experienced some of the world's most devastating natural disasters. In response to the 2004 SE Asian tsunami, UBS established a special fund with contributions from the firm and its employees that made grants to a carefully selected group of relief and rebuilding organizations working at the local level in the affected countries. In May 2008, UBS and its employees responded generously to the twin disasters of the cyclone in Myanmar and earthquake in the Sichuan province of China.

Countries	Awards
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

History of Community Affairs at UBS (EMEA)

2011	UK Government Inspectors, Ofsted, rate The Bridge Academy's partnership-working as excellent, and significantly enhanced by UBS
2011	Replicating the award-winning Project Shoreditch, Project Central Hackney establishes in Dalston, Hackney Central and Homerton, working in partnership with East London Business Alliance, Société Générale and KPMG
2010	Launches UK champion network to increase employee volunteering. 24% of UK employees volunteer through UBS's Community Affairs program; 80% of staff in Poland volunteer
2010	UBS catalyses Business in the Community's 'Business Class' initiative to bring about sustainable improvements in education by encouraging strategic and sustainable partnerships between businesses and schools in challenging circumstances
2008	Roll-out of Community Affairs programme into other EMEA countries begins in Italy and France
2007	Flagship EMEA community project, the Bridge Academy, opens to 189 students
2006	UBS begins to measure its UK community contributions according to the methodology of the London Benchmarking Group
2006	Matched Giving program rolled out in EMEA
2005	Project Shoreditch launches with Deutsche Bank, law firm Linklaters, East London Business Alliance and Shoreditch Trust, the first partnership of its kind involving three companies collaborating with a community partner
2003	UBS formally registers interest as an Academy sponsor in the UK
2001	International Charity Committee formed comprising senior representatives from all key areas of the firm
2001	Two day employee volunteering time off policy introduced for all UK employees
1996	First cohesive and branded Community Affairs programme launched under the banner 'Tomorrow's Adults' (Replaced by "Investing in our Community" in 1998 following the merger of SBC Warburg and UBS)
1995	Matched Giving scheme introduced to UK employees
1994	Roots and Wings, the first adult to student mentoring programme in the UK, launched with Deptford Green School
1992	Partnership formed with Deptford Green School, London
1989	Founder member of East London Business Alliance
1987	Payroll Giving (Give As You Earn) introduced to UK employees
1985	Establishment of environmental charity Groundwork East London following UBS audit commission
1984	UBS co-founder of Hackney Business Ventures (HBV Enterprise), London
1982	UBS founder member of Business in the Community
1978	Partnership with VSO (Voluntary Services Overseas) established

Awards

2010	Three Business in the Community "Big Tick" awards presented for positive community and business impact. (Big Tick awards also received in 2006, 2007, 2008, 2009)
2010	Lord Mayor's Dragon Award for Community Partnership awarded to community organization, Hidden Art, recognizing their long-standing partnership with UBS.
2009	Business in the Community Award for Excellence (also 2002)
2009	Arts & Business Sustained Partnership award for partnership with The Circus Space, Hackney, London
2007	Business in the Community Jubilee Award for UBS's long-term impact in Hackney, London over a period of 20 years
2007	The Brokerage – Employer of the Year Award (also received 2003)

2006	Inspire, Hackney Education Business Partnership Award for outstanding corporate partnership
2006	UK Charity Award for UBS and Deptford Green School Partnership
2005	Liveable City Award
2004	UK Charity Award for Corporate Community Involvement
2004	Charities Aid Foundation Award for Outstanding Corporate Community Investment Programme
2004	Community Links Award for Investment In Youth
2003	The Economist Reader Survey voted UBS as the leader in Corporate Responsibility
2002	Arts, Business and Sustainability Award presented by Arts & Business
1998	East London Business Alliance Employee Volunteer of the Year Award presented to UBS employee. The award has been presented to a UBS employee each subsequent year to 2009.
1995	City of London Lord Mayor's Dragon Award for Excellence in Corporate Responsibility and Community activities (subsequently 1998, 2000, 2002, 2004, 2006 and 2008)

Switzerland

Besides its Community Affairs programs, UBS in Switzerland has been actively supporting worthy causes for nearly 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 Mexico-based social entrepreneurs 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 three 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 540,000 in prize money, providing financial resources for the recipient organizations to grow or fund projects that are strategic to its future.
- **Social capital:** The award ceremony, attended by 150 local philanthropists and civil society leaders, provides the Visionaris finalists with the opportunity to meet with potential donors and to encounter with peers with whom they can exchange social development experiences and best practices.
- **Symbolic capital:** The Award gives recognition to the work conducted by the selected social entrepreneurs, and provides motivation to continue with their social change initiatives.

After seven editions in Mexico and three each in Argentina and Brazil from 2005 to 2007, Visionaris has become an integral part of Latin America's philanthropic landscape. As philanthropists seek innovative approaches to solving social issues, Visionaris stands out as one of the pillars on which they look to build their practice. Commenting his participation in the Visionaris Award Committee, a 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

2010: Gilda Darlas

Gilda Henríquez Darlas has developed a universal primary-school education program to equip children with the tools to become self-aware moral actors. Gilda is convinced that all people have the potential to develop empathy, compassion and wisdom if only given the opportunity to do so, which is the most fundamental purpose of her Universal Education model.

Years of work in artificial intelligence and travel throughout the Far East and South Asia led Gilda to wonder how formal education facilitates human beings to develop the ability to empathize and make ethical decisions with wisdom. After extensive graduate study and personal encounters with monks and philosophers in Nepal, India, and Hong Kong, Gilda created an educational platform that aims to instill empathy, compassion, and reflective thinking in young children. Gilda's platform, known as Universal Education, builds children's social and emotional skills in the classroom and complements this by also working with teachers and parents. This innovative system enables children to make their own ethical decisions, rather than teach, transfer or inculcate a specific set of values.

2009: Patrick Struebi

Through his project, Patrick supports rural communities and small farmers, giving them access to international markets. In Mexico, thousands of small producers sell their harvests to intermediaries at very low prices, which in most the cases do not allow them to live a decent life. Patrick's organization opens new markets for small producers, pays a fair price, gives the farmers training in organic agriculture, and pays an additional premium for the products in order to finance social projects that benefit the whole community.

Patrick's goal is not only to provide the farmers with a higher income, but also to prepare them in their personal and professional development. In his view, if one succeeds in changing the approach towards agriculture of at least one producer, one will also change the attitude of the next generations, achieving this way sustainable development for the farmers, which is his main goal.

2008: Rodrigo Villar

Rodrigo uses a venture capital start-up model in order to contribute to positive environmental and social change in Mexico. However, instead of focusing on obtaining profits he works to promote the sustained growth of green businesses. In Mexico, the market for such enterprises is still small but expanding, and through his project Rodrigo hopes to improve consumer information about environmentally friendly products.

Rodrigo created the Center for Sustainable Business in order to help small businesses that meet international sustainable development standards succeed. The Center has become a hub that gives advice on the creation of new projects, offers consulting services, provides access to investment capital, and promotes sustainable companies.

→ UBS Philanthropy Services

Community affairs

Contact us

Non-profit organizations and other interested parties: Please [e-mail](#) the UBS Community Affairs team.



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