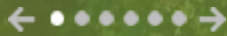


Corporate *responsibility*

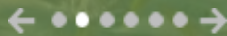
We have firmly
*embedded Corporate
Responsibility* in the
highest governance
bodies

CR governance structure



We are among the
thought leaders in
corporate responsibility
in banking

External commitments



We significantly
contribute to the *fight
against financial crime*

Money laundering prevention



We have established a leading position in *values-based investing*

Sustainable products & services



We apply robust *environmental and social risk* processes and practices

Environmental & social risk



We maintain our vigorous community partnerships and initiatives with major *societal impact*

Community investment



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

October 2013

[UBS successfully passes ISO 14001 surveillance audit](#)

17 Oct 2013, 15:00

UBS manages its Environmental Program through an Environmental Management System in accordance with ISO 14001. In 1999, UBS was, in fact, the first bank to obtain ISO 14001 certification for its worldwide environmental management system.

[Thun Group of Banks launches Discussion Paper on banking & human rights](#)

10 Oct 2013, 10:45

On 2 October, UBS co-launched the Thun Group of Banks' discussion paper on banking and human rights. The paper is the result of discussions among a group of banks interested in sharing their experiences and ideas regarding the implementation of the UN's Guiding Principles on Business and Human Rights.

September 2013

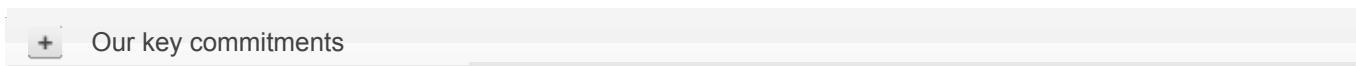
[UBS included in the Dow Jones Sustainability Indices 2013](#)

25 Sep 2013, 14:54

UBS has been included in the Dow Jones Sustainability Indices (DJSI) 2013 announced in early September.

[▸ Archive](#)

Corporate responsibility at a glance





Our *Code of Business Conduct & Ethics* contains clear commitments to key corporate responsibility issues.

We have a *Corporate Responsibility Committee* (CRC) which supports the Board of Directors in its efforts to ensure and advance UBS's reputation for responsible corporate conduct. The CRC is advised by a panel consisting of members of the Group Executive Board and othersenior managers.

We have a *Global Environmental & Social Risk Committee* at Group Executive Board (GEB) level which addresses transactional and policy matters relating to environmental and social (including human rights) risks and associated reputational risks.

We have a *Global Community Affairs Steering Committee* at GEB-level which sets the overall strategic direction and aims of our community affairs. Furthermore, the Committee is ultimately responsible for deciding on our response to worldwide disasters.

We have an *anti-corruption initiative* in place to strengthen our defenses against corruption involving the firm.

We adopted our first *environmental policy* in 1993 and our Statement on Human Rights in 2006.

We accomplished our *climate change strategy* set in 2006 (reducing our Group-wide CO2 emissions by 40% below 2004 levels by 2012). We have renewed our climate change strategy and are determined to prepare our clients for success in an increasingly carbon-constrained world.

We introduced a *Responsible Supply Chain Standard* in 2008. All our significant active suppliers were screened for existing environmental and human rights issues in 2012.



Our key external commitments

We were among the first companies to sign the *UN Global Compact* (in 2000). We are an active member of the Global Compact Swiss Local Network.

We were a founding member in 2000 of the *Wolfsberg Group*, an association of 11 global banks, which aims to develop financial services industry standards and related products for Know-Your-Customer, AML and Counter Terrorist Financing policies.

We convened the *Thun Group* of banks in 2011, an initiative to interpret the UN Guiding Principles on business and human rights with reference to a particular industry sector. The Group has drafted a discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks.

We were one of the first signatories in 1992 to the *United Nations Environment Program's Bank Declaration* (UNEP FI).

Our Global Asset Management is an Investment Manager signatory to the *UN Principles for Responsible Investment* (a global investor initiative, partnering with the UNEP FI and the UN Global Compact, designed to provide a framework for better integration of ESG into mainstream investment practice) since 2009.

We are a partner of the *Smith School of Enterprise and the Environment* at Oxford University since 2011.

We engaged with various initiatives and partners in 2012 to develop and, where appropriate, enhance our standards. We joined various organizations focused on topics of major relevance to society and to UBS, including the *Roundtable on Sustainable Palm Oil*, the *European Venture Philanthropy Association* and the *World Demographic & Ageing Forum*.



Our most important achievements

We have a *global and diverse workforce*. We have nearly 900 offices in 56 countries, and our employees are citizens of 145 countries.

We have successfully assured our *sustainability disclosure*. The *assurance* is based on the GRI (Global Reporting Initiative). Since 2008, we have continuously achieved GRI A+ level for our sustainability reporting.

We are ranked one of the top 10 companies (and the leading bank) worldwide in the 2012 *Carbon Disclosure Project*. We are a member of the *FTSE4Good Index* series since their inception.

We are included in the *Carbon Performance Leadership Index* and in the *Carbon Disclosure Leadership Index* and are thus among the few financial sector companies represented in both Carbon Disclosure Project indices.

We continue to strengthen the implementation of key policies and standards, including our Position on Controversial Activities. In doing so, we are able to draw from an *industry-leading environmental and social risk screening process*.

We have established a leading position in *values-based investing* and providing *environmental, social and governance research*.

We have developed a prototype *UBS Sustainability Health Check* which highlights any discrepancies between clients' sustainability preferences and the actual composition of their portfolio.

Our Investment Bank has rolled out globally the *ESG Analyzer*. It identifies top-positioned stocks for sustainability themes and identifies ESG issues in more than 30 sectors and across close to 500 stocks.

Our total invested assets in *Sustainable & Responsible Investments (SRI) / Values-Based Investing (VBI)* were CHF 253.73 billion, representing 11.38% of our total invested assets (as of 31 December 2012).

Our global *Renewable Energy and Cleantech Group (RE&CT)* provides capital raising and strategic advisory services to renewable energy and cleantech companies. In 2012, RE&CT raised approximately USD 5.7 billion from 12 transactions, further establishing RE&CT as one of the leading clean technology practices globally.

Our private clients in Switzerland benefit from the *UBS "eco" Mortgage* when building energy-efficient homes and a cash benefit when renovating their homes sustainably.

We are *incentivizing Swiss SMEs* to save energy by offering the "*Energy check-up for SMEs*" in partnership with the Swiss Energy Agency.

We launched *UBS Clean Energy Infrastructure Switzerland* at the end of 2012, offering institutional investors unprecedented access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energies and energy efficiency.

We have reviewed and amended our approach to *controversial weapons* in order to comply with the Swiss law that came into effect on 1 February 2013.

We were the first bank to obtain *ISO 14001 certification* for our worldwide environmental management system in banking business (in 1999). In 2012, UBS successfully passed its ISO 14001 surveillance audit.

We continue to successfully build on a long heritage of *managing our internal environmental impact*. In 2012, 42% of our energy consumption came from renewable energy and district heating. The share of office paper from Forest Stewardship Council or recycled sources increased to 56% in 2012.

We were named the leading brokerage firm for renewable energy research in the 10th annual *Thomson Reuters Eintel/UKSIF Socially Responsible Investing & Sustainability Survey*. Our head of global sustainability research in the Investment Bank was honored as the leading brokerage individual for thematic research.

We made *direct cash donations* totaling CHF 27.5 million to carefully selected nonprofit partner organizations and charities.

We launched a *major education initiative* in Switzerland, consisting of six sub-projects centering on the *UBS International Center of Economics in Society* at the University of Zurich. In 2012, spending on this initiative amounted to CHF 16.7 million.

We encourage the volunteering activities of our employees. We implemented an *Employee Recognition Award*, recognizing 150 UBS employees or teams of employees for their outstanding community involvement. In 2012, *12,563 employees spent 110,065 hours volunteering*.

We maintain 21 *employee networks* across UBS with more than 14,000 members.

Our employees can access a broad range of *professional development training*. In 2012, our employees participated in a total of 599,763 development activities, averaging 9.6 training experiences per employee (FTE), which equates to an average investment of 2.1 training days.

We received various accolades for our corporate responsibility activities. In the UK, UBS was given the 25th Anniversary *Lord Mayor of London's Dragon Award* in recognition of the achievements of our community affairs program in London. We were ranked third in *Lundquist's CSR Online Awards Switzerland 2012*, maintaining our top three ranking.

Our *UBS Optimus Foundation* published in 2012 the most comprehensive research study ever conducted in Switzerland into the extent of sexual assault on children and adolescents.

Key corporate responsibility developments in 2012

+ Enabling our client to invest responsibly

In 2012, we continued to support our clients in understanding key societal opportunities and challenges and acted as a trusted financial advisor on sustainability issues. We did so by expanding our comprehensive range of sustainability products and services, including impact investing, sustainable real estate funds, socially responsible investment products, advisory on sustainability challenges.

We have established a leading position in values-based investing and providing environmental, social and governance (ESG) research. In 2012, we demonstrated this, for example, through the global roll-out of our Investment Bank's ESG Analyzer and through the honors we received in the annual Thomson Reuters Extel/UKSIF Socially Responsible Investing & Sustainability survey. Our firm's efforts also received external recognition in the S&P Carbon Disclosure Project report.

+ Managing environmental and social risk

We apply a robust framework to manage environmental and social risk in our businesses. In 2012, we continued to strengthen the implementation of key policies and standards, including our Position on Controversial Activities, supported by a sustained roll-out of training and awareness-raising activities for client-facing staff. In doing so, we were able to draw from an industry-leading environmental and social risk screening process, which we established through a successful collaboration between our risk and compliance functions in 2011.

+ Combating financial crime

Our compliance function is a significant contributor to ensuring that our corporate responsibility commitments are met and plays a key role in protecting our firm from reputational, business or financial damage. At the same time, it makes a valuable and significant contribution to the fight against financial crime, in particular by deploying our global sanctions, anti-money laundering and anti-bribery programs to deny rogue states, suspected criminals and terrorists access to the financial system via UBS or its products and services. A comprehensive legal and compliance risk assessment in 2011 did not identify any significant incidents of non-compliance with our anti-corruption policy and other regulations related to anti-corruption. Nonetheless, in 2012 an anti-corruption initiative was put in place to strengthen our defenses against corruption involving the firm.

+ Outreach and collaboration

Our environmental and social risk management and our global sanctions anti-money laundering and anti-bribery programs are important examples of the need for effective outreach and internal collaboration between our business divisions and external collaboration with our stakeholder community. In 2012, we once again demonstrated our commitment to engaging with various initiatives and partners to develop and, where appropriate, enhance our standards. We joined the Roundtable on Sustainable Palm Oil as part of its "Banks & Investors" membership category. We also joined other organizations focused on topics of major

relevance to society, including the European Venture Philanthropy Association and the World Demographic & Ageing Forum. We are among the thought leaders in corporate responsibility in banking and participate actively in key international corporate responsibility initiatives. These include the Wolfsberg Group (on anti-money laundering), the UN Principles for Responsible Investment (on responsible investing), the UN Global Compact; and the UN Environment Program (UNEP) Finance Initiative.



Climate change commitment

Our long-standing involvement in the UNEP Finance Initiative reflects our commitment to managing our environmental footprint. Our worldwide environmental management system covers in-house operations, risk management and products and services. In 2012, UBS successfully passed its ISO 14001 surveillance audit. We accomplished our Group-wide CO2 emission reduction target of 40% below 2004 levels, as originally decided by the GEB in February 2006. In addition, we renewed our climate change strategy and are determined to prepare our clients for success in an increasingly carbon-constrained world.

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.



Environment and human rights

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.

[▶ Read more](#)




Money laundering prevention

Our efforts to fight money laundering, corruption and the financing of terrorism are led by the Head of Global AML compliance, and supported by our global business teams.

[▶ Read more](#)

Reporting and assurance

UBS strives to report openly and transparently about the firm's corporate responsibility strategy and activities. UBS's reporting efforts are assessed externally.

[E&Y Assurance Statement](#) 

[GRI Content Index](#)

[ISO 14001 Certificate](#)

[CDP submission](#)

[UN Global Compact COP](#) 

[Reports](#)

[Read more](#)



Chairman's statement 2012



Axel A. Weber

2012 was undoubtedly a milestone year for UBS. Together with our clients and others around the globe we celebrated the firm's 150th anniversary. We continued to execute our strategy successfully and, in October, we announced the acceleration of our strategy to create the UBS of the future for benefit all our stakeholders. This involves further sharpening our focus in the Investment Bank, reducing costs significantly and driving further Group-wide efficiencies more rapidly. We are already ahead in key areas of our strategy, notably in building our capital ratios and reducing our risk-weighted assets. Our actions are detailed in our 2012 Annual Report. We remain fully committed- as emphasized in our Code of Business Conduct & Ethics - to placing our client's best interests at the heart of everything we do, and to deliver sustainable performance for the benefit of our shareholders.

I understand if such a strong and positive message rings hollow to some of our firm's stakeholders in light of the setbacks we experienced during 2012. I refer in particular to our announcement in December that UBS had agreed to pay approximately CHF 1.4 billion in fines and disgorgement to US, UK and Swiss authorities to resolve LIBOR-related investigations. However, I would like to emphasize that these are legacy issues that we are dealing with. We have taken appropriate action and we will not let the actions of a few in the past define our future.

There is no doubt in my mind that as part of our ambitious plans to transform the firm for future success we must also undertake a "cleaning of the stables". Indeed, to many of our stakeholders this must appear a truly Herculean task. No one pretends it will be plain sailing, but we believe we have the right strategy, the right people and appropriate checks and balances in place to ensure we perform sustainably and responsibly in future.

The Board and I will continue to display zero tolerance towards inappropriate and unethical behavior. At the same time, we fully understand that strict compliance with all relevant policies and regulations, while vital to the proper functioning of UBS, does not in itself create the positive culture we strive to have at our firm. More needs to be done to accomplish this goal, and both the Board of Directors and the Group Executive Board are working hard towards achieving it. Our credibility with clients, investors and employees is critical and therefore we must continue to strengthen the firm's operations, culture and awareness of risk.

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Observations on Corporate Responsibility

In a recent thought-piece, renowned Harvard Professor and corporate strategy expert Michael E. Porter reminded us of an important truth: "The perception that business is bad for society is ironic because business is the only institution where wealth is actually created. Society cannot prosper without healthy businesses." Unfortunately, when thinking of banks like ours many members of the public hold the opposing view. Since the financial crisis of 2008, banks are too often seen to be destroyers and not creators of wealth. Some perceive banks in fact as neither "healthy" nor "good" for society. It is my goal to reverse this perception of our bank at least.

I see true corporate responsibility as a key component of this. Corporate responsibility starts with individual responsibility, with the expectation that each and every one of us at UBS behaves responsibly. At the corporate level, our firm's commitment to corporate responsibility demands careful management of our relationships with our stakeholders. It demands careful consideration of societal issues, directly and indirectly linked to business. We have embedded responsibility for this important task at the highest level of the firm. At the Board of Directors level, the Corporate Responsibility Committee monitors and continues to provide direction on our corporate responsibility commitments and activities. As a member of the Committee, I actively contribute to its discussions and decisions.

UBS does in fact deliver successfully across a broad range of corporate responsibility commitments and activities. Regrettably, many of these important and laudable efforts do not receive the recognition they deserve. I want to remedy this and that is why I have highlighted below some noteworthy examples of what we have achieved over the past year.

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UBS's continued commitment to corporate responsibility

In 2012, we continued to support our clients in understanding key societal opportunities and challenges and acted as a trusted financial advisor on sustainability issues. We did so by expanding our comprehensive range of sustainability products and services, including impact investing, sustainable real estate funds, socially responsible investment products, advisory on sustainability challenges, and offerings to our retail clients. We have established a leading position in values-based investing and providing environmental, social and governance (ESG) research.

We apply robust environmental and social risk processes and practices. I am particularly proud of our industry-leading environmental and social risk screening process, which we established through a successful collaboration between our risk and compliance functions in 2011. Our compliance function is, in fact, a significant contributor to ensuring that our corporate responsibility commitments are met and plays a key role in protecting our firm from reputational, business or financial damage.

Our environmental and social risk management and our global sanctions, anti-money laundering and anti-bribery programs are important examples of the need for effective outreach and internal collaboration between our business divisions and external collaboration with our stakeholder community. In 2012, we once again demonstrated our commitment to engaging with various initiatives and partners to develop and, where appropriate, enhance our standards.

As regards our contribution to protecting the environment, UBS works hard to reduce its environmental footprint. In particular, we recognize that financial institutions are expected to play a key role in the transition to a low-carbon economy. In 2012, we accomplished our ambitious Group-wide CO2 emission reduction target of 40% below 2004 levels. Our achievements have been widely recognized by external experts, in particular by the most significant climate change-focused investors' initiative, the Carbon Disclosure Project (CDP). In 2012, the CDP ranked UBS as an industry leader in the banking sector and among the top 10 companies worldwide for its measures to combat climate change.

Another major milestone in 2012 was without any doubt our firm's 150th anniversary celebrations. Among the many activities conducted during the year, I am particularly pleased about the contributions made by and through our well-established and vigorous community investment program. We implemented an Employee Recognition Award, recognizing 150 UBS employees or teams of employees globally for their outstanding community involvement. Above all, we launched a major education initiative in Switzerland which, we firmly believe, will benefit the entire Swiss population. Consisting of six sub-projects, the UBS Education Initiative centers on the UBS International Center of Economics in Society at the University of Zurich. Other sub-projects go beyond academia, benefiting, among other groups, school children, young entrepreneurs and start-up companies, and entrepreneurs who are planning their succession. We are also creating 150 extra apprenticeships over the next five years and 150 extra internships over the next three years at our firm.

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

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Retrospective and outlook

I look back on a turbulent but fascinating first year as Chairman of UBS. Much has been achieved, but more remains to be done. I am confident that we will overcome the effects of the challenges we faced in 2012 and once again enjoy the full confidence and trust of all our stakeholders.

We have recently undertaken an analysis of the issues deemed to be relevant to our stakeholders. The results of this analysis are reflected in a [materiality matrix](#) which distils the views of the many and varied stakeholders our firm interacts with. The contents of the matrix reflect focal points of our strategy both explicitly and implicitly, including financial performance and stability, corporate culture and conduct, quality of products and services.

The matrix also reflects broader societal concerns which we are addressing through our corporate responsibility commitments and activities. Here, I see our new climate change strategy as a good example of what we are doing as it combines our internal responsibilities (further reducing our own CO2 footprint) with a clear client focus. We recognize that financial institutions are increasingly expected to play a key role in the transition to a low-carbon economy. As a trusted financial advisor, we are determined to help support prepare our clients in preparing for success in an increasingly carbon-constrained economy.

Together with my colleagues on the Board of Directors we are responsible for formulating our firm's values and standards and ensuring we meet our obligations to our stakeholders. As a superb record in the area of corporate responsibility is part and parcel of this vital endeavor.

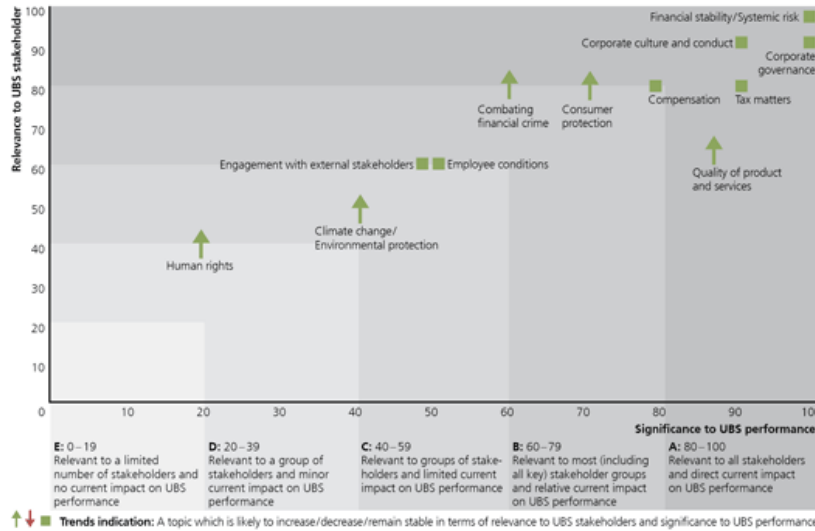
[↩ Back to top](#)

Materiality Matrix

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

The topics included in the Materiality Matrix have been incorporated due to their relevance to our stakeholders and to our perception of their impact upon UBS's long-term and sustainable performance.¹ While the Matrix constitutes a 2012 view of stakeholder topics, it also indicates how these topics are likely to develop in future (trend). We will update this Matrix on a regular basis.

The contents of the Matrix are drawn from assorted formal and informal monitoring tools we employ, from our dialogue with stakeholders and from relevant studies and reports. The Matrix has also benefited from the input provided by a UBS-internal, cross-business division and cross-regional group of corporate responsibility experts. These experts maintain a regular exchange with stakeholders of UBS and also analyze their expectations and concerns.



¹ To achieve sustainable performance we have to be efficient and effective and to behave with integrity, accountability and consistency.

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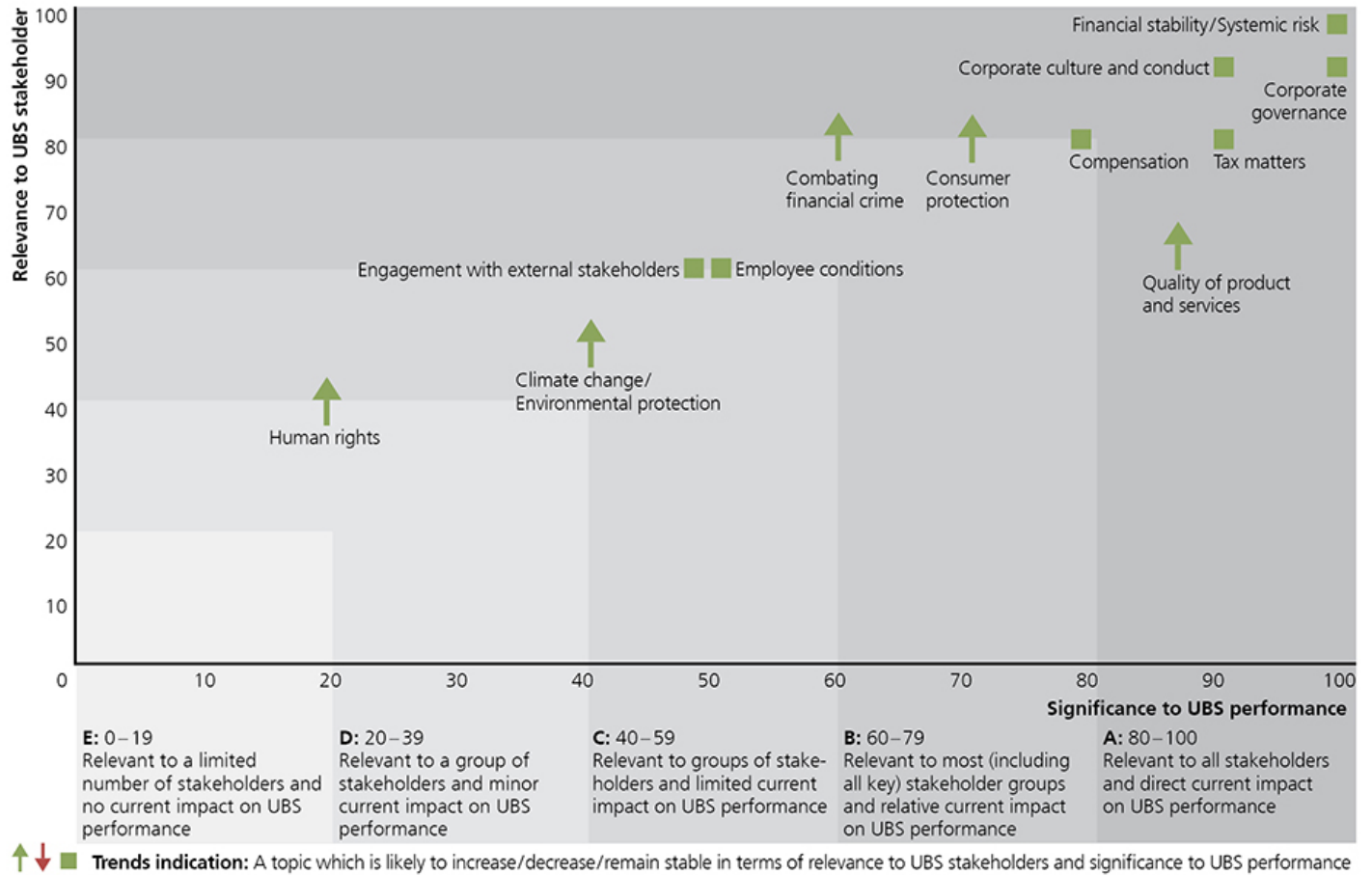
Materiality matrix topics - as reflected in the Code of Business Conduct and Ethics of UBS and the Organization Regulations of UBS

Climate change / Environmental protection	<p>UBS is committed to acting in an environmentally responsible manner in all its business dealings and to promoting sustainable development.</p> <p>UBS considers environmental risks in its businesses.</p> <p>UBS is dedicated to improving its environmental performance and resource efficiency continuously.</p>
Combating financial crime	<p>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.</p>
Compensation	<p>UBS's compensation system is designed to reward long-term performance and sustainable success instead of short-term gains.</p>
Consumer protection	<p>UBS is committed to treating its clients fairly and with integrity.</p> <p>UBS seeks to create value for its shareholders and clients through the excellence of its services and products, applying the highest standard of professionalism and integrity.</p> <p>UBS adheres to the highest standards of information security. It is committed to upholding client confidentiality and protecting client information.</p>

Corporate culture and conduct	<p>The Code of Business Conduct and Ethics of UBS sets out the principles and standards that should characterize all the firm's business activities and all its dealings with its stakeholders, including clients, colleagues, shareholders, regulators and business partners. These principles and standards form the basis for all UBS policies, guidelines and procedures relating to the appropriate and responsible corporate behavior expected of employees.</p> <p>We demonstrate an unrivaled client focus at every level of our business, building relationships that create long-term value, focusing on investment returns and anticipating and managing conflicts of interest. We strive for excellence in everything we do, from the products and services we develop to the way we collaborate across the firm to deliver the best of what UBS has to offer. And we aim to deliver sustainable performance by working continuously to strengthen our reputation as a rock-solid firm and provide consistent returns to our shareholders.</p> <p>All UBS employees and Board members are expected to comply with the laws, rules and regulations of the countries in which we operate as well as our own internal policies, guidelines and procedures.</p>
Corporate governance	<p>The corporate governance principles of UBS are designed to lead the firm towards sustainable growth and protect the interests of its shareholders, as well as to create value for shareholders and stakeholders.</p> <p>Our shareholders, employees, clients and other interest groups hold high expectations of how we should conduct our business. Good governance policies and processes are in their interest as well as that of the UBS Group.</p>
Employee conditions	<p>UBS values the efforts of its employees and is committed to creating a work environment designed to recruit, develop and maintain the most talented employees and to help them to reach their full potential.</p> <p>UBS provides equal employment and advancement opportunities for all individuals regardless of race / ethnicity, gender, national origin, age, disability, sexual orientation or religion. UBS is committed to developing and sustaining a diverse workplace.</p> <p>UBS is committed to protecting the health and safety of employees in the workplace.</p> <p>UBS employees are encouraged to participate in a variety of charitable activities benefitting local communities.</p>
Engagement with external stakeholders	<p>The principles and standards set out in the Code of Business Conduct and Ethics of UBS should characterize all our business activities and all our dealings with our stakeholders, including clients, colleagues, shareholders, regulators and business partners.</p> <p>UBS is committed to providing public information that is timely, accurate and comprehensible.</p> <p>UBS regularly engages with its stakeholders on a wide range of topics, yielding important information on their expectations and concerns. This provides a critical contribution to our understanding and management of issues relevant to UBS.</p> <p>UBS is dedicated to exerting a positive influence on the social and environmental well-being of the local communities in which it operates.</p>
Financial stability / Systemic risk	<p>UBS aims to deliver sustainable performance by working continuously to strengthen our reputation as a rock-solid firm and provide consistent returns to our shareholders.</p> <p>UBS is committed to managing its relationships with UBS's regulators transparently and cooperatively.</p>
Human rights	<p>UBS aims to promote the responsible use of its products and services by taking human rights standards into account when vetting prospective clients and executing transactions.</p> <p>We consider the business practices of significant suppliers in light of human rights standards and integrate relevant aspects into our contractual relationships with them.</p>
Quality of products & services	<p>UBS is committed to building and sustaining relationships with clients built on trust, and to providing solutions and services of the highest quality.</p> <p>UBS seeks to create value for its shareholders and clients through the excellence of its services and products, applying the highest standard of professionalism and integrity.</p> <p>UBS pursues opportunities in the financial markets for environmentally friendly products and services.</p>
Tax matters	<p>UBS complies with all applicable laws, rules and regulations regarding tax records and tax reporting and does not provide assistance to clients in acts aimed at breaching their fiscal obligations.</p> <p>UBS's tax reporting complies with the spirit as well as the letter of any applicable laws, rules and regulations or treaties and is committed to accuracy in tax-related records.</p>

UBS does not provide assistance to clients or colleagues in acts aimed at deceiving tax authorities nor do we support transactions where the tax efficacy relies on assumptions that are inconsistent with the commercial facts or on nondisclosure of material facts.

Materiality Matrix



Our stakeholders



The chart above lists a comprehensive range of stakeholder groups. Further below this page you find an overview of our dialogue and engagement approaches (and important examples) for each group. UBS strives to continuously improve and foster its relationships with our stakeholders, in order to better understand and address pertinent expectations and concerns.

UBS & its stakeholders

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

Our relationships with stakeholders are multi-faceted and include major single interactions with large groups (e.g. the 2012 employee survey), regular communications throughout the year with representatives from a particular group (e.g. media), as well as dialogue meetings with single individuals (e.g. client enquiries).

In 2012, we engaged with experts and stakeholders on a range of topics. These included discussions with clients on values-based investing, including those taking place at the 2012 UBS Philanthropy Forum. At the annual UBS Q-Series® conference global thought leaders were joined by nearly 200 clients and investors. The conference featured forty speakers from some of the world's leading academic and business institutions, who identified inflection points - ranging from current environmental, social and governance issues to the impact of changing dynamics - and discussed how these can affect a company's business objectives and ultimate profitability.

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

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

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 ensures that we understand their expectations.

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

Sustainability topics are considered in client interactions across UBS globally. Key examples include the Investment Bank hosting of both the UBS European Conference "Sustainability Track," which featured sessions on food provision and on corporate governance, and the UBS Q-series® conference, which this year focused on "[Inflection Points Towards Sustainability](#)".

In partnership with Oxford University's Smith School of Enterprise and the Environment, UBS organized an evening [seminar series](#) for clients in the UK. The series profiled leading thinkers from around the globe looking at some of the major issues and challenges facing the world's economies and people. Topics included the challenge of feeding 9-10 billion people sustainably and equitably, enterprise and environment, and the energy challenge.

Wealth Management maintains a continuous dialogue with clients on sustainability topics, notably through its [Values-Based Investment](#) (VBI) initiative. In 2012, VBI again organized a flagship client event of WM, the [UBS Philanthropy Forum](#). VBI also organized other client events on a broad range of important topics.

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

Last, but certainly not least, among these examples, "King's Comment", a quarterly client bulletin by Sir David King, Senior Scientific Advisor to UBS, addresses major issues from the world of science with a specific emphasis on global climate change and the challenges it poses to sustainable economic growth.

Find out more about topics of relevance to clients: www.ubs.com

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.

We believe that our financial disclosures rank amongst the best in the industry and that we are a recognized leader in disclosures in several areas, including capital. In October 2012 we made a key announcement to investors. We announced a significant acceleration in the implementation of our strategy to transform the firm and create the UBS of the future. UBS will achieve this transformation by further sharpening its focus in the Investment Bank. UBS will also reduce costs significantly while driving further efficiencies across the Group more rapidly. As a result of these actions UBS will be less capital and balance-sheet intensive, highly cash flow generative, more focused on serving its clients and capable of maximizing value for its employees and shareholders. UBS aims to deliver progressive capital returns to its shareholders until it achieves its future capital plans.

During 2012 we also used individual meetings and discussions with ESG-focused shareholder groups to consider topics such as climate change and human rights (including also at the [UBS 2012 Annual General Meeting](#)). This direct exchange with our shareholders enables us to improve our services and better meet stakeholder expectations.

Find out more about topics of relevance to shareholders: www.ubs.com/investors

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 2012, employees attended more than 165 town halls and small group meetings, directly or via UBS TV, and thus had the opportunity to discuss relevant issues directly with UBS's senior management. An important example constituted "Ask the CEO" events, at which a large number of employees was able to discuss a broad range of topical issues such as the firm's strategy.

In June and July 2012, we conducted a Group-wide survey to get employees' views on where we stand in relation to living up to our principles, achieving our strategy and providing a work environment where employees can succeed. These elements are prerequisites to achieving our vision to be the choice of clients

worldwide. We openly communicated the findings to our employees and will use these year-one results as a benchmark for continuous improvement. The results will also serve the Group Executive Board as the basis for measuring progress in the coming years.

UBS provides its employees a diversity of communication channels (internet, intranet, UBS Connection (internal social network), mail and virtual pinboards). These channels are used to inform, for example, about new strategies and policies, to raise awareness, or simply to share know-how, research and matters of broad interest. As an example of specific relevance to societal topics, the comprehensive communications during our firm's environmental month (including a dedicated microsite) create awareness about what UBS does in the environmental sphere, e.g. the firm's actions as regards climate change.

Several employee networks within UBS encourage and help employees to expand their internal links, develop creative solutions, support and inform each other. The Women's Business Network (WBN), for instance, is a group of UBS employees committed to the personal and professional development of women at UBS, with currently more than 1'000 members. The WBN focuses on providing networking opportunities, mentoring support and leadership development for female employees at UBS.

The sustainability at ubs network organizes evening and lunch events which usually feature panel discussions on selected sustainability-related topics, involving senior management and external speakers.

The UBS Business University exists to enhance the skills and capabilities that employees need to implement our business strategies and deliver superior client service. The training is leader-led. Senior managers as well as external and internal subject matter experts sponsor and deliver programs, and provide instruction designed both to promote leadership capabilities and to improve professional skills.

Find out more about topics of relevance to employees or potential employees: www.ubs.com/employees

Governments and regulators

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

In 2012, discussions regarding the future regulatory framework for financial institutions continued to figure prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments and regulators. For many banks, including UBS, the year was overshadowed by the LIBOR case. UBS was recognized by the authorities for the quality of its investigation and its cooperation in this matter.

With regard to corporate responsibility issues we actively participated in discussions with government bodies. A key example has been the multi-stakeholder dialog initiated by Swiss government ministries (notably the Foreign and Economics Ministries) on the topic of business and human rights, in which we participated both as a member of the UN Global Compact Network Switzerland and as a representative of the Thun Group of banks (see Peers).

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

Politicians and political parties

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

Support of the Swiss militia system

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

In Switzerland, political parties do not receive state funding while members of parliament in Switzerland are not professional politicians. It is for this important reason that UBS views the support of the militia system as a crucial component of its societal responsibility in its home market Switzerland. Recognizing the vital function of Switzerland's political parties, UBS provided CHF 1 million to political parties in 2012 as a contribution to their operational costs, providing they committed to competition and the market economy. Any financial contribution for a party is calculated on the basis of the number of parliamentary mandates it holds at federal and cantonal level. Swiss parties applying for a financial contribution must either form a parliamentary group in the federal parliament or be represented in at least one cantonal government. Any financial contribution is provided without additional conditions attached to it. UBS views its contribution to political parties in Switzerland as a long-term commitment (though subject to regular reviews).

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

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

UBS provides express support for the political commitments of its employees. Currently, more than 400 employees serve as political office holders at federal, cantonal and local level. If necessary employees are allowed to take a certain amount of working time to exercise their public function. UBS holds an annual "Political Forum" at which senior management and political office holders discuss topics of key relevance to the bank in Switzerland.

Peers

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

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

Established in 2011, a sustainability working group at the Swiss Banking Association has benefited from UBS input, notably on such topics as the environmental performance of Swiss banks and the financing of Switzerland's energy transformation.

In May 2011, directly prior to the United Nations' endorsement of the Guiding Principles for the Implementation of the "Protect, Respect and Remedy" Framework on business and human rights (the Guiding Principles), UBS convened a meeting in Thun, Switzerland, with a number of universal banks (subsequently referred to as the Thun Group) to consider the Guiding Principles. In 2012, a discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks was drafted and developed. Work is currently ongoing in order to finalize the document.

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

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.

Key engagements are undertaken through our dedicated Community Affairs teams around the world. In 2012, UBS and our affiliated foundations made direct cash donations totaling CHF 27.5 million to carefully selected non-profit partner organizations and charities, compared with CHF 31.1 million in 2011. Additionally, spending on the UBS Anniversary Education Initiative amounted to CHF 16.7 million. Contributions were also made to other causes, in particular disaster relief, including a commitment of more than USD 1.2 million in total financial contributions to long-term relief and rebuilding efforts in response to the devastation caused by Hurricane Sandy in the United States.

In terms both of the contributions to the advancement of communities and of the dialogue with community members, the volunteering activities of UBS employees play a major role in all business regions. In 2012, 12,563 employees spent 110,065 hours volunteering.

We regularly foster dialogue with stakeholders on community investment topics through participation and presentations at external forums, including in 2012 at the Bruxelles Conference Board Global Footprint Research Working Group, the BitC (Business in the Community) Community Engagement, and the GCVC / IAVE global conference. Participation in these and other forums (e.g. the City Network Group of about 35 financial, legal and professional services firms, set up by UBS in London) also serves the goal of sharing best practice in community work as well as corporate responsibility more broadly.

In the UK, we conducted ad hoc meetings with partners and community brokers to share best practice and encourage collaboration. In August 2012, for instance, several charity partners were brought together to receive an update on UBS's Community Affairs education programs and to explore how they can collaborate to benefit the Bridge Academy, a UBS supported school in London.

Significant dialogue with community organizations is also conducted by the [UBS Optimus Foundation](#) (part of the Values-Based Investment (VBI) unit in Wealth Management). In 2012, the Foundation published the Optimus Study, the most comprehensive research ever conducted in Switzerland into the extent of sexual assault on children and adolescents. The study's findings are helping the government and child protection agencies to improve in delivering child protection services for children and in turn, reduce the incidence of child sexual victimization.

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

Suppliers

In 2012, UBS spent more than CHF 6.9 billion purchasing products and services ranging from office maintenance services across IT infrastructure to

components such as stationery. As a major procurer of materials and services, we maintain many relations with suppliers worldwide.

We 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.

Responsible supply chain management principles serve to embed our ethics and values with our suppliers, contractors, service partners and project teams. In 2012, we refined our risk rating concept and initiated training with our procurement and sourcing specialists. All our significant active suppliers have been screened for existing environmental and human rights issues.

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

Rating and research agencies

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

In 2012, we provided detailed information on our sustainability performance to a range of agencies either in response to questionnaires or via meetings or calls (with environmental, social and governance analysts). Our corporate responsibility website regularly serves as a key source of information for these agencies.

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

Non-governmental organizations

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

NGOs have long established themselves as the most critical "watchdogs" of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2012, we communicated with NGOs on topics as diverse as deforestation, mining, controversial weapons, and climate change (in particular related to coal).

Together with other banks and the Federal German Foundation for the Environment (Deutsche Bundesstiftung Umwelt), we co-sponsor dialogue events between banks and NGOs. In 2012, we hosted such a [dialogue event](#) on the subject of mining with about 50 representatives from banks and NGOs.

We participated in a study conducted by KPMG for WWF Switzerland on the "[Sustainability performance of Swiss banks](#)". We also contributed our views to TSF&SFG White Paper "Path to the Sustainable Financial Centre Switzerland", including through an in-depth interview with UBS senior management.

International organizations and initiatives

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

These memberships and commitments include the United Nations Global Compact, the Global Reporting Initiative, the United Nations Environment Program Finance Initiative, the Carbon Disclosure Project and the UN Principles for Responsible Investment. Our representatives participate in external meetings, events and conferences and use these platforms to exchange ideas, promote joint actions among participants and gain valuable input for the development of our corporate responsibility approach and strategy.

In 2012, UBS representatives participated in major corporate responsibility or sustainability events such as the [Rio+20 conference](#) in June 2012, the [World Demographic & Ageing Forum](#) conference in August, and the [UN Forum on Business and Human Rights](#) in December.

We joined the Roundtable on Sustainable Palm Oil as part of its "Banks & Investors" membership category. We also joined other organizations focused on topics of major relevance to society, including the European Venture Philanthropy Association and the World Demographic & Ageing Forum.

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

Media

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

Our media teams have established direct and long-term relations with media representatives across all our business regions and provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management (BoD and GEB-level) also regularly gives account to journalists, predominantly through interviews. In addition to the interviews at our firm's major corporate events (i.e. quarterly and annual reporting and annual general meeting) senior management conducted more than fifty interviews in 2012.

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

Find out more about UBS's media relations: www.ubs.com/media

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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 2011, key topics and developments included some targeted products and services: the newly introduced additional charge for clients domiciled abroad, the UBS Maestro Card and the flexibility of UBS e-Banking payment services. Moreover a substantial amount of client feedback related to the UBS KeyClub partners and offers, communication and information provided to clients.

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 2011, employees provided feedback on topics such as the services provided by Support and Service Centers and the firm's IT business applications.

UBS hosts 'master class' in sustainability with their UBS Q-Series

Zürich | 17 Oct 2012, 00:00 | Corporate Responsibility

Global thought leaders joined nearly 200 clients and investors on October 3 at Bloomberg Headquarters in New York City for the annual UBS Q-Series® conference, which focused this year on "Inflection Points Towards Sustainability."

The conference featured 40 speakers from some of the world's leading academic and business institutions, who identified inflection points and discussed how these can impact a company's business objectives and ultimate profitability. Inflection points that were discussed ranged from current environmental, social and governance (ESG) issues to the impact of changing dynamics – everything from natural resource scarcity and emerging technological trends to drastic changes in population demographics that are expected in the 21st century.

Sustainability has emerged as arguably the largest growing consideration as companies look to achieve long-term viability and profitability. The conference aimed to set the stage for the robust discussions around this imperative and identify concrete examples of inflection points which must be addressed. According to the first group of panelists, we are currently at a major inflection point in history. The next 20 years could prove to be the most precarious time in human history, as complex global issues including climate change, natural and made-made disasters, changing political ideologies (e.g. Arab Spring which affected Northern Africa and the Middle East) and resource scarcity are coming to a head, producing a perfect storm which will mandate doing things differently and more sustainably.

In providing insight into the changing face of capitalism, John Mackey discussed how the world is changing and how human beings are changing with it. Because we are better educated, more connected and our collective ethics are evolving, Mackey predicts that the 21st century will be dominated by conscious capitalism - business that puts social responsibility at the core of why it exists. In addition to stakeholder integration, other elements of conscious capitalism are conscious leadership and conscious culture management.

In his keynote address, Professor Michael E. Porter agreed that a change in approach, one based on creating shared value, is needed for businesses to achieve long-term success.

The shared value approach is a natural extension of traditional investment analysis, and it considers a company's purpose-based strategic positioning, which weaves social needs into economic value. Because of inflection points defined by the stage setting panelists, Porter insists that this is wise investing because "social needs represent the largest market opportunities."

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.

[▶ More](#)

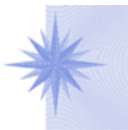
UNEP Finance Initiative



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

[▶ More](#)

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

Human rights and labor standards

In line with the firm's endorsement of the UN Global Compact and its underlying principles, UBS adopted a statement supporting 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. The implementation of UBS's human rights statement is supported by a responsible supply chain guideline, by the 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 (including human rights) risks in the firm's banking activities.

In May 2011, directly prior to the United Nations' endorsement of the Guiding Principles for the Implementation of the "Protect, Respect and Remedy" Framework on business and human rights (the Guiding Principles), UBS convened a meeting in Thun, Switzerland, with a number of universal banks (subsequently referred to as the Thun Group) to consider the Guiding Principles. In 2012, a discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks was drafted and developed. Work is currently ongoing in order to finalize the document.

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

- ▶ [UBS statement on human rights](#)
- ▶ [Our employees](#)
- ▶ [Diversity](#)
- ▶ [The Thun Group statement](#)

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Environment

UBS acknowledges that climate change represents one of the most significant environmental challenges. In 2012, UBS successfully passed its ISO 14001 surveillance audit. We accomplished our Group-wide CO2 emission reduction target of 40% below 2004 levels, as originally decided by the GEB in February 2006. In addition, we renewed our climate change strategy and are determined to prepare our clients for success in an increasingly carbon-constrained world.

- ▶ [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 moneylaundering,

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 Thun Group statement

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

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

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

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

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

Signed by:

Barclays

Credit Suisse

UBS

UniCredit

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

The Global Compact

The Ten Principles

Human Rights

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

Labour Standards

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

Environment

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

Anti-Corruption

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

UNEP Finance Initiative: UBS among first signatories in 1992

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

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



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

▶ [Content of UNEP bank declaration](#)

UNEP Bank Declaration

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

1. Commitment to sustainable development

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

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

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

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

2. Environmental management and financial institutions

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

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

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

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

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

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

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

3. Public awareness and communication

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

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

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

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

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

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

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

Wolfsberg Group

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



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

In February 2012, the FATF issued revised Recommendations, focusing on a stronger framework to act against criminals and address new threats to the international financial system. After a first assessment of the impact of the revised Recommendations, UBS compiled some proposed actions that have been discussed in order to take appropriate steps and allocate tasks as part of its work until the end of 2013.

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

UBS made a significant contribution to the Wolfsberg Anti Corruption Guidance paper, issued in 2011, which replaced the previous 2007 Wolfsberg statement against Corruption. This revision has brought the guidance up to date with legal and regulatory developments over the years, such as the US Foreign Corrupt Practices Act (FCPA) and the UK Bribery Act requirements.

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

Further commitments

ASrIA

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

▶ www.asria.org

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

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

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

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

European Venture Philanthropy Association

The European Venture Philanthropy Association (EVPA) is a membership association made up of organizations interested in or practicing venture philanthropy across Europe. Established in 2004, the association is a unique network of venture philanthropy organizations and others committed to promoting high-engagement grant making and impact investment in Europe. UBS has been a member since 2007 and has co-hosted multiple events together with EVPA. EVPA has expanded to Asia and opened in 2009 its Asian operations Asian Venture Philanthropy Association (AVPA), with whom UBS is equally working together with closely.

▶ www.evpa.eu.com

Global Impact Investing Network

The Global Impact Investing Network (GIIN) is the practitioners' umbrella organization. The GIIN is a nonprofit organization dedicated to increasing the scale and effectiveness of impact investing. Impact investments are investments made into companies, organizations, and funds with the intention to generate measurable social and environmental impact alongside a financial return. They can be made in both emerging and developed markets, and target a range of returns from below market to market rate, depending upon the circumstances. The GIIN addresses systemic barriers to effective impact investing by building critical infrastructure and developing activities, education, and research that attract more investment capital to poverty alleviation and environmental solutions. UBS is an Investor Council member since 2011.

▶ www.thegiin.org

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

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

oikos

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

▶ www.oikosinternational.org

Roundtable on Sustainable Palm Oil (RSPO)



The Roundtable on Sustainable Palm Oil (RSPO) was formed in 2004 with the objective of promoting the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders. RSPO has more than 1000 members from over 50 countries across the palm oil supply chain, including banks and investors. UBS is a member of the RSPO since September 2012.

▶ www.rspo.org

Smith School of Enterprise and the Environment at Oxford University

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

The Smith School is a world-class interactive, interdisciplinary research hub which forms part of the University of Oxford. Founded in 2008, the school draws together the best academic minds from around the world to advance partnership between public and private enterprise, finding the most effective solutions to issues such as energy supply, water shortage, food security and climate change. The Smith School is under the Directorship of Sir David King, UBS's Senior Scientific Advisor and formerly the UK Government's Chief Scientific Advisor.

UBS believes that this three-year commitment will contribute towards achieving our environmental commitments and enhance our focus on the client-related aspects of climate change as well as other global environmental challenges.

▶ www.smithschool.ox.ac.uk

Sustainable Finance Geneva

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

▶ www.sfgeneva.org

VfU

The Association for Environmental Management and Sustainability in Financial Institutions (VfU), founded in 1994, supports the development and application of

sector specific strategies and instruments in environmental management.

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

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

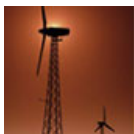
▶ www.vfu.de

WDA Forum / World Demographic & Ageing Forum

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

▶ www.wdaforum.org

Zurich Energy Model



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

▶ Voluntary Climate Protection (Certificate of the Swiss Private Sector Energy Agency) 

▶ www.energiemodell-zuerich.ch

Corporate responsibility governance structure

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

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

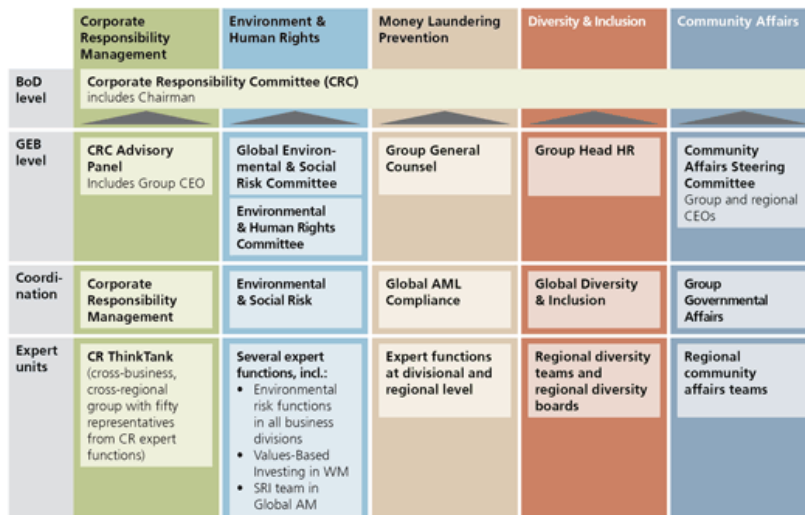
All BoD committees are focused on achieving our goal of creating sustainable value. Of the five BoD Committees, the Corporate Responsibility Committee shoulders the main undertaking for corporate responsibility. As set out in the committee's Charter, the Corporate Responsibility Committee actively reviews and assesses how we meet the existing and evolving corporate responsibility expectations of our stakeholders. It also monitors and reviews our corporate responsibility policies and regulations, as well as the implementation of our corporate responsibility activities and commitments.

[The CRC](#) is advised by a panel of ten members mainly from the GEB, including the Group CEO and all regional CEOs, as well as other senior managers. The members of the advisory panel participate in CRC meetings and are responsible for implementing its recommendations. The advisory panel benefits from direct connections to operational corporate responsibility activities such as anti-money laundering (through the membership of the Group General Counsel) and environmental & social risk management (through the membership of the Group Chief Risk Officer, who also holds the role of Group Environmental Representative).

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

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

Corporate responsibility governance



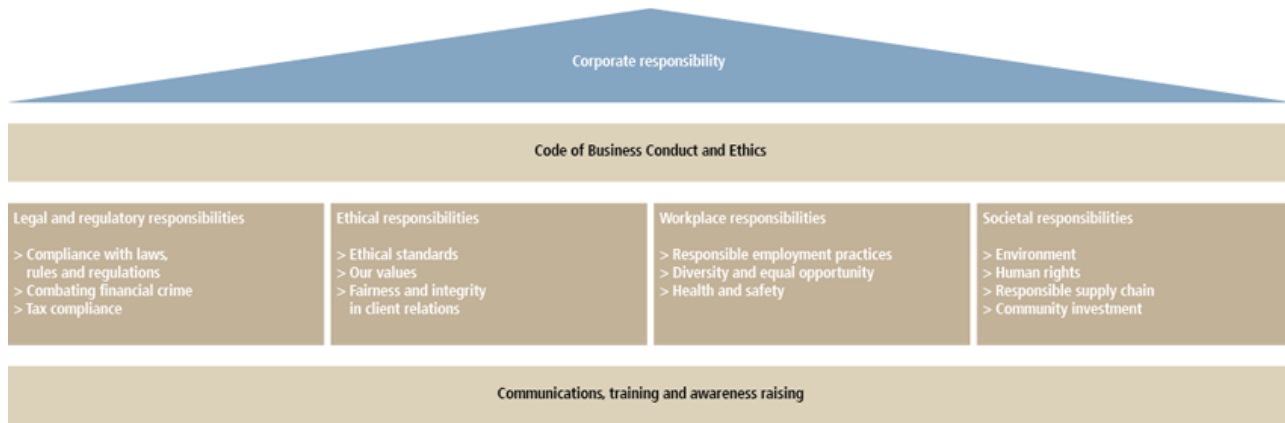
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Corporate responsibility governance

	Corporate Responsibility Management	Environment & Human Rights	Money Laundering Prevention	Diversity & Inclusion	Community Affairs
BoD level	Corporate Responsibility Committee (CRC) includes Chairman				
GEB level	CRC Advisory Panel Includes Group CEO	Global Environmental & Social Risk Committee Environmental & Human Rights Committee	Group General Counsel	Group Head HR	Community Affairs Steering Committee Group and regional CEOs
Coordination	Corporate Responsibility Management	Environmental & Social Risk	Global AML Compliance	Global Diversity & Inclusion	Group Governmental Affairs
Expert units	CR ThinkTank (cross-business, cross-regional group with fifty representatives from CR expert functions)	Several expert functions, incl.: <ul style="list-style-type: none"> • Environmental risk functions in all business divisions • Values-Based Investing in WM • SRI team in Global AM 	Expert functions at divisional and regional level	Regional diversity teams and regional diversity boards	Regional community affairs teams

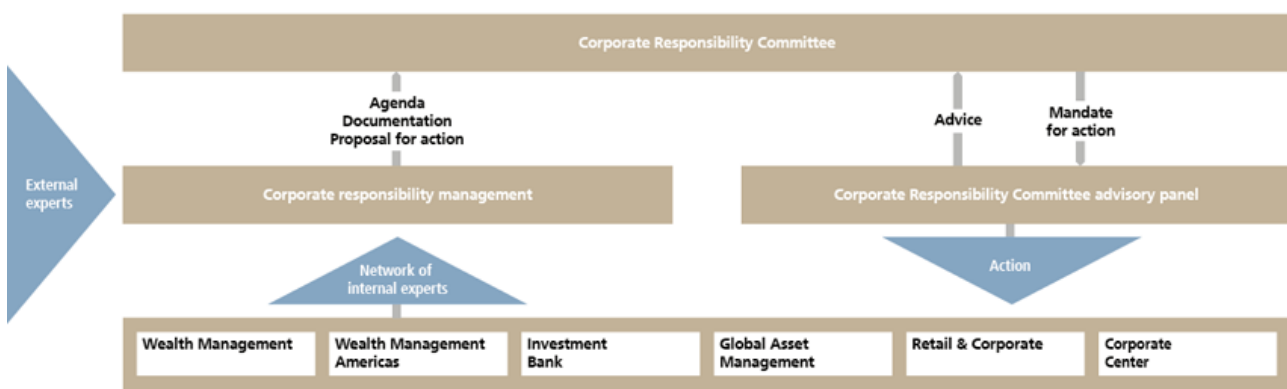
Corporate Responsibility at UBS

Corporate responsibility at UBS



Governance structure

Our corporate responsibility governance process



BoD and sustainability

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

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

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

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 Group Chief Risk Officer.

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

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

UBS Environmental & Human Rights Organization



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

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

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UBS Environmental & Human Rights Organization

Corporate Responsibility Committee (BoD)

Group Executive Board

Global Environmental & Social Risk Committee

Environmental & Human Rights Committee

Group Environmental Representative
 Divisional Environmental Representatives
 Chief Communications Officer
 Risk Control
 Compliance
 WM CIO (Values-Based Investing)

Environmental & Social Risk

WM	R&C	WM Americas	Investment Bank	Global AM	Corporate Center
Environmental Representative	Environmental Representative	Environmental Representative	Environmental Representative	Environmental Representative	Environmental Representative
Program Manager	Program Manager	Program Manager	Program Manager	Program Manager	Program Manager

Our climate change commitment

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

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

- **Risk management:** seeking to protect our clients', and our own, assets from climate change risks, within our sphere of influence. Recognizing that the transition to a low-carbon economy will take time and that fossil fuels will continue to dominate energy production for decades to come, we are determined to understand the risks that our clients', and our own, assets are exposed to in the context of uncertain policy and technology developments addressing climate change. This includes developing a metrics-based approach to measure our exposure to climate change risks in high-risk sectors such as real estate and energy.
- **Investments:** helping to mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation. Our clients will continue to look for investment opportunities and some will increasingly focus on investments facilitating climate change mitigation and adaptation.
- **Finance:** supporting this transition as corporate advisor, and/or with our lending capacity. We are helping corporate clients raise capital on domestic/international capital markets in order to meet the high investment levels required for the transition to a low-carbon economy. In Switzerland, we are also supporting private clients in renovating their private homes sustainably and innovative small and medium-sized enterprises (SMEs) in providing solutions for climate change mitigation and adaptation.
- **Research:** offering world-class research capacity to our clients on climate change issues. Building on our renowned expertise, we act as a thought leader and expert advisor to our clients on financial impacts of, and solutions for, climate change.
- **In-house operations:** reducing our own greenhouse gas emissions. We are positioning our in-house operations in support of a low-carbon economy by further investing in sustainable real estate and efficient IT infrastructure and limiting business travel-related CO₂ emissions.
- **Engagement & disclosure:** reporting and communicating transparently about the progress of our strategy. We are engaging with our stakeholders on climate change issues and continue to raise awareness among our employees. In addition, we are disclosing the progress we have made in executing our climate strategy through established standards, such as the Global Reporting Initiative and the Carbon Disclosure Project.

These efforts build on a history and strong track record of reducing our environmental footprint in a consistent and transparent manner. In the reporting year 2012, we reached our ambitious goal set in 2006 to reduce CO₂ emissions by 40% compared with 2004 baseline levels. A target on which we delivered successfully by adopting energy efficiency measures to reduce the energy consumption of the buildings we occupy, and of critical facilities such as the data centers we use, while increasing the proportion of renewable energy used. Emissions that cannot be reduced by other means (e.g. business air travel) are offset. Our achievements have been recognized by external experts, in particular by the most significant climate-change-focused investors' initiative, the Carbon Disclosure Project, which in 2012 ranked UBS as one of the top 10 companies worldwide for excellence in transparency and achievement in combating climate change.

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

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

► www.ubs.com/climate

Money laundering prevention

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

Global AML compliance supports the Group General Counsel and the Head of 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 issues.

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

[▶ More](#)



Diversity & inclusion



Our global diversity and inclusion team supports senior management and Human Resources (HR) business partners in developing diversity and inclusion-related strategies and plans for each business division. The implementation of these strategies and plans is monitored by the Group Executive Board. The global diversity team also coordinates efforts to integrate diversity and inclusion awareness and content into the HR process. Regional diversity and inclusion heads, along with senior business managers, consider and design diversity and inclusion and business-aligned plans that are linked to regional and divisional business and talent strategies.

They also provide regional support for divisional management in assessing the progress made on relevant diversity and inclusion objectives. Additionally, they support our numerous employee networks, including the development and coordination of diversity-related events which support regional diversity and inclusion initiatives.

[▶ More](#)

Community Affairs



The Global Community Affairs Steering Committee is chaired by the Group CEO and composed of several members of our senior management. This GEB level committee sets the overall strategic direction and aims of our community affairs. In addition, it is ultimately responsible for determining our response to worldwide disasters.

Community activities are governed by a central framework based on our Group Community Affairs Guidelines overseen by the Steering Committee. These guidelines are supplemented by additional regional guidelines which are embedded in UBS's regional structures. Each region has a dedicated Community Affairs team which coordinates charitable commitments by the firm and our employees. The Corporate Center ensures global coordination of these activities and also provides a central reporting structure to collect community investment data from across UBS as a whole. The Steering Committee reports to the Corporate Responsibility Committee regarding the most important decisions regarding strategy and funding.

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](#) 

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

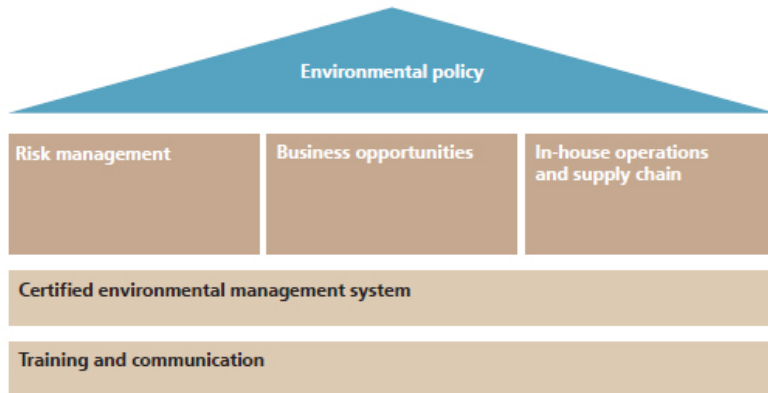
UBS adheres to the highest standards of information security. It meets legal and regulatory requirements related to information security, satisfying the obligations it has to clients, employees and shareholders.

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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.

Our environmental policy



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.

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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.

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Environmental Principles

Principle 1: Risk Management

- UBS applies an environmental risk framework¹ 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 funds², 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.

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

² Socially/Sustainable and Responsible Investments.

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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.

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

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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.

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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.

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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 (including human rights) risks 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 (including human rights) 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 or purchase goods or services from suppliers, where the use of proceeds or primary business activity of the client, supplier or acquisition target are associated with such controversial activities.
- UBS has adopted a responsible 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. The implementation of its human rights statement is supported by a responsible supply chain guideline, by the UBS position on controversial activities, and by industry sector guidelines supporting the consistent identification and assessment of environmental and social (including human rights) risks in the firm's banking activities.

In May 2011, directly prior to the United Nations' endorsement of the Guiding Principles for the Implementation of the "Protect, Respect and Remedy" Framework on business and human rights (the Guiding Principles), UBS convened a meeting in Thun, Switzerland, with a number of universal banks (subsequently referred to as the Thun Group) to consider the Guiding Principles. In 2012, a discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks was drafted and developed. Work is currently ongoing in order to finalize the document.

- ▶ [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](#)

Sustainability at UBS

▾ [UBS identity and strategy](#)

▾ [Workplace](#)

▾ [Societal responsibilities](#)

▾ [Outlook](#)

UBS identity and strategy

We draw on our 150-year heritage to serve private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. Our business strategy is centered on our pre-eminent global wealth management businesses and our universal bank in Switzerland. Together with a client-focused Investment Bank and a strong, well-diversified Global Asset Management business, we will expand our premier wealth management franchise and drive further growth across the Group. Headquartered in Zurich and Basel, Switzerland, we have offices in more than 50 countries, including all major financial centers, and employ approximately 63,000 people.

In 2012, the year of the firm's 150th anniversary, we accelerated the strategic transformation of the firm as we seek to create a business model that will result in more consistent and high quality returns. In October, we announced our intention to accelerate the implementation of our strategy. The bank remains centered on wealth management and our universal banking activities in Switzerland, complemented by our Global Asset Management business and our Investment Bank. However, we have increased our pace of execution in two key areas: we are more rapidly and substantially reducing risk, complexity and the balance sheet in relation to Investment Bank activities, and we are taking decisive action to drive CHF 3.4 billion of incremental cost efficiencies across the Group.

During 2012, we made substantial progress towards achieving our strategic objectives, including building our capital ratios and reducing risk-weighted assets. We exceeded the capital targets we set ourselves for the year and enhanced our position as one of the world's best capitalized banks. On a fully applied basis, our Basel III common equity tier 1 capital ratio 1 rose by over 3 percentage points to 9.8%, meaning we have almost reached our regulator's 2019 minimum 10% requirement. Our Basel III phase-in common equity tier 1 capital ratio 1 increased by 4.6 percentage points to finish the year at 15.3%.

As of the beginning of 2013, our Investment Bank has been fully adapted to Basel III, operating with risk-weighted assets of CHF 64 billion, below the CHF 70 billion target we set for the business for 2013. The business is now focused on its traditional strengths in advisory, research, equities, foreign exchange and precious metals and on delivering best-in-class expertise, solutions-led advisory, thought leadership and global execution capabilities to our clients even more efficiently and effectively. In order to create this new model, we are exiting business lines which are capital and balance sheet intensive and areas with high complexity and tail risks.

Overall, we report a net loss attributable to UBS shareholders of CHF 1,890 million for the fourth quarter, and a pre-tax loss of CHF 1,823 million. This reflects provisions for litigation, regulatory and similar matters, including the settlements we reached in relation to LIBOR. While we made significant progress in many areas throughout 2012, the bank's performance reflects the effects of the challenging operating environment during the year, the costs involved in reshaping the business and the actions we took to address the challenges we faced.

Three principles guide us. We demonstrate an unrivaled client focus at every level of our business, building relationships that create long-term value, focusing on investment returns and anticipating and managing conflicts of interest. We strive for excellence in everything we do, from the products and services we develop to the way we collaborate across the firm to deliver the best of what UBS has to offer. And we aim to deliver sustainable performance, working continuously to strengthen our reputation as a rock-solid firm and provide consistent returns to our shareholders.

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Workplace

2012 was another challenging year for the banking industry as the weak and volatile macroeconomic environment and geopolitical risks impacted client confidence and regulatory pressure continued. Our employees rose to meet these challenges and maintained their focus on and commitment to our clients, whose best interests we continue to place at the center of everything we do.

On October 30, 2012, we announced a significant acceleration in the implementation of our strategy to transform the firm. This involves further sharpening our focus in the Investment Bank, reducing costs significantly and implementing further efficiencies more rapidly. Specifically, we announced that we would concentrate on our core strengths in advisory, research, equities and foreign exchange and that we would exit uneconomical business lines, predominantly in fixed income. As a result, by 2015, we are likely to have a headcount of around 54,000. This decision, and the ongoing restructuring that preceded it, meant that we had to make difficult

decisions in 2012 that affected our workforce, including significant personnel reductions. We endeavored to act as a responsible employer during this process, making use of our internal labor market and career transition support services.

As of 31 December 2012, we employed 62,628 people, 2,192 fewer than a year earlier. In 2012, our employees worked in 56 countries, with approximately 36% of our staff employed in Switzerland, 35% in the Americas, 17% in the rest of Europe, the Middle East and Africa and 12% in Asia Pacific. Employee turnover, as a percentage of average overall headcount, was 12.9% in 2012. Employee-initiated turnover was 6.7%, down 1.1% from 2011. Internal mobility encourages cross-divisional collaboration and innovation, as well as individual career development. In 2012, we supported employee mobility across business divisions and regions. In 2012, 906 employees transferred between business divisions compared with 1,228 in 2011 and 366 moved to roles in a different region compared with 472 in 2011.

Our workforce is truly global. We have 891 offices in 56 countries, and our employees are citizens of 145 countries. In 2012, the average age of our employees was 39 years and the average length of employment with the firm was 8.9 years. In Switzerland, more than 51% of employees have worked at UBS for more than 10 years.

In 2012, we streamlined our performance management process and timetable considerably. This helped employees and managers focus on it appropriately during an extremely active part of their business cycle. Our overarching goal for performance management remains the same: to strengthen our performance culture and focus on our strategy so we can achieve long-term, sustainable profitability. Employees' performance reviews are based on their contribution and whether their individual performance appropriately reflects factors like leadership, collaboration and teamwork, client focus and professional behavior. Risk objectives were integrated for all employees in 2012 as part of a concerted effort to raise risk awareness and incorporate it into performance and reward decisions. In 2012, 99% of the employees eligible to participate in the firm's global performance assessment cycle received a performance review.

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Societal responsibilities

We are contributing to achieving our strategic goals by actively pursuing our societal commitments and responsibilities.

In 2012, we continued to support our clients in understanding key societal opportunities and challenges and acted as a trusted financial advisor on sustainability issues. We did so by expanding our comprehensive range of sustainability products and services, including impact investing, sustainable real estate funds, socially responsible investment products, advisory on sustainability challenges, and offerings to our retail clients.

We have established a leading position in values-based investing and providing environmental, social and governance (ESG) research. In 2012, we demonstrated this, for example, through the global roll-out of our Investment Bank's ESG Analyzer and through the honors we received in the annual Thomson Reuters Eintel/UKSIF Socially Responsible Investing & Sustainability survey. Our firm's efforts also received external recognition in the S&P Carbon Disclosure Project (CDP) report.

We apply robust environmental and social risk processes and practices. In 2012, we continued to strengthen the implementation of key policies and standards, including our Position on Controversial Activities, supported by a sustained roll-out of training and awareness-raising activities for client-facing staff. In doing so, we were able to draw from an industry-leading environmental and social risk screening process, which we established through a successful collaboration between our risk and compliance functions in 2011.

Our compliance function is a significant contributor to ensuring that our corporate responsibility commitments are met and plays a key role in protecting our firm from reputational, business or financial damage. At the same time, it makes a valuable and significant contribution to the fight against financial crime, in particular by deploying our global sanctions anti-money laundering and anti-bribery programs to deny rogue states, suspected criminals and terrorists access to the financial system via UBS or its products and services. A comprehensive legal and compliance risk assessment in 2011 did not identify any significant incidents of non-compliance with our anti-corruption policy and other regulations related to anti-corruption. Nonetheless, in 2012 an anti-corruption initiative was put in place to strengthen our defenses against corruption involving the firm.

Our environmental and social risk management and our global sanctions anti-money laundering and anti-bribery programs are important examples of the need for effective outreach and internal collaboration between our business divisions and external collaboration with our stakeholder community. In 2012, we once again demonstrated our commitment to engaging with various initiatives and partners to develop and, where appropriate, enhance our standards. We joined the Roundtable on Sustainable Palm Oil as part of its "Banks & Investors" membership category. We also joined other organizations focused on topics of major relevance to society, including the European Venture Philanthropy Association and the World Demographic & Ageing Forum.

We are among the thought leaders in corporate responsibility in banking and participate actively in key international corporate responsibility initiatives. These include the Wolfsberg Group (on anti-money laundering), the UN Principles for Responsible Investment (on responsible investing), the UN Global Compact, and the UN Environment Program (UNEP) Finance Initiative.

Our long-standing involvement in the UNEP Finance Initiative reflects our commitment to managing our environmental footprint. Our worldwide environmental management system covers in-house operations, risk management and products and services. In 2012, UBS successfully passed its ISO 14001 surveillance audit. We accomplished our Group-wide CO₂ emission reduction target of 40% below 2004 levels, as originally decided by the GEB in February 2006. We renewed our

climate change strategy and are determined to prepare our clients for success in an increasingly carbon-constrained economy.

Our well-established and vigorous community investment program formed an integral part of our firm's 150th anniversary celebrations. UBS Community Affairs teams around the world implemented an Employee Recognition Award, recognizing 150 UBS employees or teams of employees for their outstanding community involvement. In Switzerland, we launched a major education initiative. It consists of six sub-projects centering on the UBS International Center of Economics in Society at the University of Zurich. This initiative will benefit the entire Swiss population notably by providing support to projects aimed at apprentices, young entrepreneurs, start-up companies, and employees of all age groups.

Outlook

In 2012, we made progress in addressing past challenges. Following thorough internal and external investigations into the LIBOR matter, we reached settlements with a number of regulators totaling approximately CHF 1.4 billion. We have taken further action and strengthened our control processes and procedures to ensure our high standards are maintained.

We are confident that the actions we have taken will ensure the firm's long-term success and will deliver sustainable returns for our shareholders going forward.

Overall, the changes we are making UBS even more stable and capable of delivering improved performance. They allow us to place even greater emphasis on the needs of our clients and make us better able to reward our shareholders with attractive and sustainable returns. For the Group, we are targeting a return on equity of at least 15% by 2015. Capital returns are a cornerstone of our strategy and we are committed to a total payout ratio of over 50% once we achieve our capital targets.

Focusing on clients and offering them stability and dependability have constituted our defining strengths for decades. We need to make the most of these strengths by deepening the sense of confidence and security clients have in us and providing them with unrivaled service to achieve our goal of being the choice of clients worldwide. Every enduringly successful company has displayed the ability to continually improve and adjust to altered market conditions. UBS is no exception. By serving our clients even better, increasing collaboration across the firm and managing our risks judiciously, we will be able to deliver sustainable performance and prove ourselves equally attractive to clients, shareholders and employees.

▶ [Achievements 2012](#)

▶ [Objectives 2013](#)

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Training and raising awareness

We actively engage in internal and external education and awareness-raising on corporate responsibility topics and issues. Through induction, education and broader awareness-raising activities we ensure that our employees are in no doubt as to the importance of our societal commitments. General information is published on our intranet and on our corporate responsibility website. In 2012, training and awareness-raising activities for employees continued to embrace the Code of Business Conduct and Ethics, notably through induction events for all new employees. Nearly 4,500 employees attended Welcome Days and over 700 graduate trainees (GTPs) received a workshop on the Code during their introductory program. Employees were also made aware of the firm's corporate responsibility strategy and activities through other training and awareness-raising activities.

AML and Anti-Corruption

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

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

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

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

Environment

Some 4,514 employees received training on environmental issues, of which, 3,548 received a general education on our environmental policy and programs and 966 participated in specialist training targeted within their area of expertise and influence. Employee speaker sessions, exhibitions and lunchtime training sessions were delivered in all regions alongside specific technical training for the regional environmental teams.

► Environmental management indicators (including training numbers)

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External ratings and awards

Carbon Disclosure Project

Carbon Disclosure Project (CDP) is an independent not-for-profit organization, which by its own account today represents a group of 655 institutional investors, representing a total investment volume of 78 trillion US dollars (as of February 2013). The audit firm PricewaterhouseCoopers annually evaluates the 500 largest listed companies for CDP. The evaluation criteria include greenhouse gas emissions, data quality and transparency. Awareness of the risks and opportunities of climate change for the company itself are also examined.

UBS is among the top ten firms globally. Moreover, we are one of the few financial sector firms, which are (as in the previous year) included in both CDP indices (Carbon Disclosure Leadership Index and Carbon Performance Leadership Index). Being included in the Carbon Disclosure Leadership Index we figure among the companies which are setting the standards in reporting on the risks and opportunities arising for businesses in connection with climate change. The Carbon Performance Leadership Index features companies that have distinguished themselves through their efforts to reduce emissions and their strategies for combating climate change.

▶ www.cdproject.net

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://oekom.com)

Dow Jones Sustainability Indexes

The Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index. In 2011, UBS increased its total DJSI assessment score to 76 points. In 2012 our overall score remained unchanged. Since, however, the overall benchmark increased, we were removed from the DJSI World of which we had been a component since its inception. With a percentile ranking of 70 among banks globally UBS continues, however, to be well above the sector average.

▶ www.sustainability-index.com

2012 awards

We received several honors in the 10th annual Thomson Reuters Eitel/UKSIF Socially Responsible Investing & Sustainability Survey of over 500 investment professionals from 27 countries. We were named the leading brokerage firm for renewable energy research and our head of global sustainability research in the Investment Bank was honored as the leading brokerage individual for thematic research. UBS was ranked second in the leading brokerage firm for thematic research and leading brokerage individual for renewable energy research categories, as well as third in the leading brokerage firm for integrated research on climate change and leading brokerage firm for SRI & sustainability overall categories.

UBS was given the 25th Anniversary Lord Mayor of London's Dragon Award in recognition of the achievements of the firm's community affairs program in London over the past 25 years.

Furthermore, we were ranked third in Lundquist's CSR Online Awards Switzerland 2012, maintaining our top-three ranking for the fourth consecutive year. These awards consider how well corporate websites are used as a platform for corporate social responsibility communications and stakeholder engagement.

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Performance and Compensation

Overview

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.

Board of Directors

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.

Performance management

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.

Review of 2012 and outlook

(Letter from the Human Resources and Compensation Committee of the Board of Directors and the Compensation section of the 2012 Annual Report)

Following the advisory vote on UBS's Compensation Report at last year's Annual General Meeting (AGM), we consulted widely with our shareholders to better understand your views with regard to improving our compensation plans and disclosures. We incorporated the findings from these consultations into our review process and have implemented wideranging changes for 2012. I and the rest of the Board of Directors (BoD) are convinced that the revamped compensation framework will help us achieve our primary objective of delivering attractive and sustainable returns over the medium to longer-term to our shareholders.

Our compensation philosophy is to provide our employees with compensation that recognizes their individual contributions and that clearly links their pay not just to the delivery of business targets but also to demonstrating the right behaviors. It is also important to recognize that UBS is undergoing a fundamental transformation which takes time to achieve and it remains critical that we continue to attract, motivate and retain the right people in order to execute our strategy.

The 2012 changes to our compensation framework start with the elimination of all plans with upside leverage and a complete alignment of our model for all employees, by having just two deferred variable compensation plans - a deferred share plan and a new deferred contingent capital plan (DCCP).

These instruments incorporate:

- longer deferral periods (share plan with three to five years for full vesting and DCCP with five-year cliff vesting);
more challenging multi-year performance conditions and forfeiture triggers;
- enhanced "harmful acts" provisions; and
- no leverage.

Furthermore, in relation to Group Executive Board (GEB) members specifically, we have:

- increased the UBS share retention requirement by 67% for the Group

CEO, and 75% for other GEB members;

- introduced a cap on the GEB performance award pool of up to 2.5% of adjusted pre-tax profit - for 2012 the actual size of the award pool was well below the cap at 1.7% of the adjusted pre-tax profit; and
- introduced additional performance conditions such that 100% of GEB deferred compensation is subject to forfeiture if performance conditions are not met.

The far-reaching changes to our compensation framework and the alignment of our plans to our strategy strengthen the link between compensation and the firm's medium to longer-term performance. Put simply, we believe our new compensation structure will help to promote a stronger pay-for-performance culture and will discourage excessive risk-taking.

With regard to the actual awards for 2012, the HRCC and the BoD have tried to balance the many positive developments during the year, including:

- the firm's strong share price performance, which was up 28% over the year;
- significant progress in building our industry-leading capital ratios;
- the target for reducing risk-weighted assets being exceeded;
- substantial net new money inflows; and
- sufficient progress in executing the firm's strategy set out in 2011 to enable UBS to announce an acceleration of its implementation in October 2012, with the disappointing loss for the year, which was primarily driven by goodwill impairment charges, increased charges for litigation and regulatory matters, including the cost of the LIBOR settlement, as well as own credit losses.

Taking all these factors into consideration and recognizing the tremendous efforts of our people to make progress towards achieving the firm's targets, we have reduced the overall performance award pool to CHF 2.5 billion (a 7% decrease on 2011 and a 42% decrease on 2010). The performance award pools for individual business areas reflect their particular performance. In some business areas within the Investment Bank and the Corporate Center, pool funding has shrunk by as much as 20%, while other business areas have seen modest rises in the size of their pools.

In addition, we determined that the GEB would receive no part of their 2012 performance awards in cash. Therefore 100% of every GEB member's performance award for 2012 is deferred and subject to forfeiture if performance conditions are not achieved.

Taken together, we believe 2012's reduced performance award pool and the significant adjustments we have made to UBS's compensation plans demonstrate our commitment to strengthen employee focus on and accountability for longer-term performance. We recognize that certain features in our plans such as the longer deferrals are more demanding when compared with others in the industry. However, we are convinced that the framework is the right one for the firm and provides a balanced approach whereby we reward employees who execute the firm's strategy successfully and responsibly.

▶ [Compensation report 2012](#) 

▶ [Objectives & Achievements 2012](#)

▶ [Objectives/Focus Areas 2013](#)

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Reporting and assurance

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

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



UBS's reporting efforts are assessed externally. At the beginning of 2013, we had our 2012 sustainability disclosure externally assured against the GRI. The assurance was conducted by Ernst & Young which were satisfied that UBS's sustainability disclosure as referenced in the GRI index meets the requirements of level A+ of the GRI.

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

Sustainability Disclosure 2012

Global Reporting Initiative Content Index

Version: March 14, 2013

This content index refers to the 2006 Global Reporting Initiative (GRI) Guidelines 'G3.0' and the Financial Services Sector Supplements which form together a voluntary reporting framework that provides guidance on how organizations can disclose their sustainability performance.

UBS's reporting efforts are assessed externally. We had our 2012 sustainability disclosure externally assured against the GRI. The assurance was conducted by Ernst & Young which were satisfied that UBS's sustainability disclosure as referenced in the GRI index meets the requirements of level A+ of the GRI.

▶ [GRI Content Index](#)

▶ [E&Y Assurance statement](#)

1. Strategy & Analysis

No	Indicator	Reference
1.1	Senior management statement	<ul style="list-style-type: none"> ▪ Statement of the Chairman
1.2	Key impacts, risks and opportunities	<ul style="list-style-type: none"> ▪ Sustainability at UBS ▪ Objectives & Achievements 2012 ▪ Objectives 2013

2. Organizational Profile

No	Indicator	Reference
2.1	Name of organization	<ul style="list-style-type: none"> ▪ About us
2.2	Products and services	<ul style="list-style-type: none"> ▪ Our businesses (see 2.7 for details)
2.3	Operational structure	<ul style="list-style-type: none"> ▪ Group structure
2.4	Headquarter location	<ul style="list-style-type: none"> ▪ About us
2.5	Countries of operations	<ul style="list-style-type: none"> ▪ Locations
2.6	Nature of ownership and legal form	<ul style="list-style-type: none"> ▪ Articles of Association of UBS AG ▪ Significant shareholders - Annual Report 2012 - pages 223-224
2.7	Markets served	<ul style="list-style-type: none"> ▪ UBS in a few words ▪ Wealth Management - Annual Report 2012 - pages 35-37 ▪ Wealth Management Americas - Annual Report 2012 - pages 38-40 ▪ Investment Bank - Annual Report 2012 - pages 41-43 ▪ Global Asset Management - Annual Report 2012 - pages 44-47 ▪ Retail & Corporate - Annual Report 2012 - pages 48-49
2.8	Scale of the organization	<ul style="list-style-type: none"> ▪ UBS in a few figures ▪ UBS in a few words ▪ Our businesses ▪ Segment Reporting - Annual Report 2012: Note 2a Segment reporting (pages 352-355) & Note 2b Segment reporting by geographic location (page 356) ▪ Our employees - Annual Report 2012 - pages 263-265
2.9	Significant changes	<ul style="list-style-type: none"> ▪ Note 1b Changes in accounting policies, comparability and other adjustments - Annual Report 2012 - pages 347-350

		<ul style="list-style-type: none"> ▪ Note 36 Business Combinations - Annual Report 2012 - page 444 ▪ Note 37 Reorganizations and disposals - Annual Report 2012 - page 444
2.10	Awards received	<ul style="list-style-type: none"> ▪ CSR Online Awards ▪ Investment Bank Awards ▪ Fund Awards ▪ Community Investment Awards ▪ CR external ratings and awards ▪ Wealth Management Awards ▪ Best Private Bank Awards APAC ▪ Best Bank in Switzerland

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3. Report Parameters

No	Indicator	Reference
3.1	Reporting period	Annual reporting
3.2	Most recent previous report	Annual Report 2011
3.3	Reporting cycle	Annual reporting Quarterly Reporting
3.4	Contact persons for the report	Contacts - Annual Report 2012 - page 7 Analysts & Investors: Contact information Corporate Responsibility: Contact us
3.5	Process for defining report content	Information sources - Annual Report 2012 - page 510 Information policy - Annual Report 2012 - pages 247-248 Our stakeholders Reporting and assurance Materiality Matrix
3.6	Boundary of the report	<p>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."</p> Significant accounting and financial reporting structure changes - Annual Report 2012 - pages 70-71 Accounting Principles - Annual Report 2012 - page 316 Note 1 Summary of significant accounting policies - Annual Report 2012 - pages 331-351 Note 34 Significant subsidiaries and associates - Annual Report 2012 - pages 441-442
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 - Annual Report 2012 - pages 245-246 Management's report on internal control over financial reporting - Annual Report 2012 - pages 317-322 Ernst & Young independent assurance report

4. Governance, Commitments, and Engagement

No	Indicator	Reference
4.1	Governance structure	<ul style="list-style-type: none"> ▪ UBS organizational structure ▪ Board of Directors - Organizational principles & structure - Annual Report 2012 - pages 235-238 ▪ Corporate responsibility committee ▪ BoD and sustainability
4.2	Board structure	<ul style="list-style-type: none"> ▪ Board of Directors - Annual Report 2012 - pages 230-238 ▪ Independency criteria
4.3	Unitary board structure	<ul style="list-style-type: none"> ▪ not relevant
4.4	Shareholder resolutions / employee representation	<ul style="list-style-type: none"> ▪ Article of Association ▪ Shareholders' participation rights - Annual Report 2012 - pages 228-229 ▪ General meetings of the shareholders ▪ Employee representation <p>Note: "For issues raised by investors and employees see also 4.14"</p>
4.5	Executive compensation	<p>Compensation report 2012</p> <p>Performance and compensation</p>
4.6	Conflicts of interests	CR Guidelines & policies
4.7	Board members expertise	<p>Performance & compensation</p> <p>Organization Regulations - Annex C and D</p>
4.8	Codes of conduct	<p>Code of Business Conduct and Ethics</p> <p>CR Guidelines & policies</p>
4.9	Corporate Responsibility board level processes and structure	<p>BoD and sustainability</p> <p>Corporate Responsibility Committee</p> <p>Statement of the Chairman</p>
4.10	Evaluation of Board performance	<p>Organization Regulations - Board Self Assessment</p> <p>Performance and compensation</p>
4.11	Precautionary approach or principle	<p>Risk management and control - Annual Report 2012 - pages 132-135</p> <p>CR Guidelines & policies</p>
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	<p>see 4.14</p> <p>Materiality Matrix</p> <p>Compensation governance - Annual Report 2012 - pages 272-273</p> <p>Strategic acceleration</p> <p>Unauthorized trading incident</p> <p>LIBOR settlements</p> <p>Sustainability at UBS</p> <p>Note 23 Provisions and contingent liabilities - Annual Report 2012 - pages 375-384</p> <p>Our strategy - leading the way on Basel III - Annual Report 2012 - pages 28-31</p> <p>UBS amends its policies pertaining to controversial weapons</p> <p>Our climate change commitment</p>

5. Economic Performance Indicators

No	Indicator	Reference
	Management Approach	<ul style="list-style-type: none"> ▪ Our strategy - Annual Report 2012 - pages 24-31 ▪ Measurement of performance - Annual Report 2012 - pages 32-34 ▪ Key figures - Annual Report 2012 - page 6 ▪ Group Internal Audit - Annual Report 2012 - page 246 ▪ Organizational regulations - Annex C ▪ Media Releases: UBS on accelerated strategy ▪ Community Affairs Governance ▪ Objectives table 2013 ▪ Objectives & Achievements 2012
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 - Annual Report 2012 - page 323 Note 6 Personnel expenses - Annual Report 2012 - page 360 Note 7 General and administrative expenses - Annual Report 2012 - page 360 Note 24 Income taxes - Annual Report 2012 - pages 385-386 Community investment Community Affairs Governance Our stakeholders - Suppliers (total purchase amount)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Addressing Climate Change Our climate change commitment CDP Information Request
EC3	Coverage of the organization's defined benefit plan obligations.	Note 30 Pension and other post-employment benefit plans - Annual Report 2012 - pages 416-427
EC4	Significant financial assistance received from government.	<p>UBS did not receive any significant monetary support from governments in 2012</p> Swiss National Bank (SNB) Stabilisation Fund Link anpassen Note 28C Purchased call option: UBS' option to acquire the SNB StabFund's equity - Annual Report 2012 - page 409
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Overview of our compensation model - Annual Report 2012 - pages 277-281 Performance culture <p>Note: "Compensation is above local minimum rate."</p>
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	<p>This indicator has low relevance for a global financial services company.</p> Our stakeholders - Suppliers
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	CR Policies and guidelines - Employment of Staff Board of Directors - CVs Group Executive Board - CVs <p>Working for UBS - Diversity & Inclusion</p> Working for UBS - Our employees
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 - Annual Report 2012 - pages 48-49 Switzerland and UBS - strong Partners Our workforce - Annual Report 2012 - pages 263-266 Strategic acceleration

6. Environmental Performance Indicators

No	Indicator	Reference
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	Management Approach	<ul style="list-style-type: none"> ▪ Environmental & Human Rights Governance ▪ UBS Environmental Policy ▪ Responsible supply chain management ▪ Objectives table 2013 ▪ Objectives & Achievements 2012 ▪ Training & raising awareness ▪ Our climate change commitment ▪ Environmental targets and performance in our operations - Annual Report 2012 - page 258
EN1	Materials used by weight or volume.	<ul style="list-style-type: none"> ▪ Environmental Indicators - Paper ▪ Paper and Waste ▪ Paper case studies
EN2	Percentage of materials used that are recycled input materials.	<ul style="list-style-type: none"> ▪ Environmental Indicators - Recycled paper ▪ Paper and Waste ▪ Paper case studies
EN3	Direct energy consumption by primary energy source.	Environmental Indicators - Direct energy paper
EN4	Indirect energy consumption by primary source.	Environmental Indicators - Indirect energy paper
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	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	UBS has no properties in protected areas
EN12-EN15	Biodiversity, Habitats	Not relevant
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environmental Indicators - Direct and indirect CO ₂ 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.	UBS does not transport or treat hazardous waste
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly	Not relevant

	affected by the reporting organization's discharges of water and runoff.	
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	<ul style="list-style-type: none"> Not relevant Electronic documents
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	<ul style="list-style-type: none"> Not relevant
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	<ul style="list-style-type: none"> No significant environmental fines or penalties imposed against UBS in 2012 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.	<ul style="list-style-type: none"> Environmental Indicators - Business Travel Business Travel and Offsetting
EN30	Total environmental protection expenditures and investments by type.	<ul style="list-style-type: none"> Not relevant

7. Labor Practices and Decent Work Performance Indicators

No	Indicator	Reference
	Management Approach	Governance - Human Resources and Compensation Committee Governance - Group COO - Annual Report 2012 - page 51 Our workforce - Annual Report 2012 - pages 263-266 Performance and compensation CR Policies and guidelines Health & Safety Statement Training & raising awareness Objectives 2013 Objectives & Achievements 2012
LA1	Total workforce by employment type, employment contract, and region.	Our workforce - Annual Report 2012 - pages 263-266
LA2	Total number and rate of employee turnover by age group, gender, and region.	<p>Tracking by gender and age group enables HR and divisional senior management to spot trends, focus on areas of growth or concern, and improve workforce planning. UBS keeps track of these elements, but they are not disclosed externally.</p> <p>Data of employee turnover disclosed is calculated as a percentage of average overall headcount (The global turnover according to the GRI calculation (based on year-end employee number) is 13.48 %; voluntary turnover was 7.06 %)</p> <p>Our workforce</p>
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Benefits and well-being - Annual Report 2012 - pages 268-269 Our commitment to employees
LA4	Percentage of employees covered by collective bargaining agreements.	Employee representation - Annual Report 2012 - page 269
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	<p>Notice periods are labor market specific.</p> <p>Employee representation - Annual Report 2012 - page 269</p>
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.	<p>We have a long-standing commitment to support the overall health and safety of all UBS employees, as expressed in the UBS Health & Safety Statement. 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.</p> <p>Health & Safety Statement</p> <p>Benefits and well-being - Annual Report 2012 - page 268-269</p>
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Benefits and well-being - Annual Report 2012 - page 268-269
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce	Employee assistance

	members, their families, or community members regarding serious diseases.	
LA9	Health and safety topics covered in formal agreements with trade unions.	<ul style="list-style-type: none"> No health and safety topics covered in formal agreements with trade unions
LA10	Average hours of training per year per employee by employee category.	<ul style="list-style-type: none"> UBS reports in training days instead of training hours. One training day equals 8 training hours. Education and talent development Business University
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	<ul style="list-style-type: none"> Education and talent development - Annual Report 2012 - page 266 Employee Development Benefits and well-being - Annual Report 2012 - page 268 - 269
LA12	Percentage of employees receiving regular performance and career development reviews.	<ul style="list-style-type: none"> Managing performance - Annual Report 2012 - page 265 - 266
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	<ul style="list-style-type: none"> Our workforce - Annual Report 2012 - page 263 - 266 About our employees Diversity Board of Directors - CVs Group Executive Board - CVs Commitment to diversity and inclusion
LA14	Ratio of basic salary of men to women by employee category.	<ul style="list-style-type: none"> CR Policies and guidelines (Non-discrimination policy) Commitment to diversity and inclusion Total Reward Principles - Annual Report 2012 - page 274 Performance culture Compensation (section in Our employees) - Annual Report 2012 - page 267

8. Human Rights Performance Indicators

No	Indicator	Reference
	Management Approach	<ul style="list-style-type: none"> Governance - Environmental & Human Rights Committee CR Policies and guidelines UBS Statement on Human Rights UBS Position on Controversial Activities Responsible Supply Chain Management Objectives table 2013 Objectives & Achievements 2012
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.	<ul style="list-style-type: none"> CR Policies and guidelines (Code of Business Conduct & Ethics and "Employment of staff") The annual compliance assessment for 2011 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.	Strengthening and sustaining our diverse workforce and inclusive work environment - Annual Report 2012 - pages 264-265
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	<ul style="list-style-type: none"> None identified An analysis made in 2009 identified no operations that are at risk of child labor.

HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	None identified An analysis made in 2009 identified no operations that are at risk of forced or compulsory labor.
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

No	Indicator	Reference
	Management Approach	<ul style="list-style-type: none"> ▪ Governance "Money Laundering Prevention" CR Policies and guidelines Combating Financial Crime Employee representation Corporate Responsibility section in UBS Annual Report 2012 Objectives 2013 Objectives & Achievements 2012
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.	In 2012, no significant incidents of non-compliance with UBS's anti-corruption policy were identified.
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.	Our stakeholders - politicians and political parties
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 non-compliance with laws and regulations.	Material issues are disclosed under Note 23 of the Annual Report. Note 23 Provisions and contingent liabilities - Annual Report 2012 - pages 375-384

10. Product Responsibility Performance Indicators

No	Indicator	Reference
	Management Approach	<ul style="list-style-type: none"> Regulation and supervision - Annual Report 2012 - pages 52-54 Code of Business conduct and Ethics Risk management and control - Annual Report 2012 - pages 132-135 Our strategy - Annual Report 2012 - pages 24-27 Objectives 2013 Objectives & Achievements 2012
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	Not relevant for financial services company

	and safety impacts of products and services during their life cycle, by type of outcomes.	
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Not relevant for financial services company 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.	<ul style="list-style-type: none"> See SO8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	<ul style="list-style-type: none"> Our stakeholders - Clients
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications.	<ul style="list-style-type: none"> 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 23 Provisions and contingent liabilities - Annual Report 2012 - pages 375-384
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

No	Indicator	Reference
	Management Approach	see FS1-5 Environmental and Human Rights Governance Objectives table 2013 Objectives & Achievements 2012 Table "Environmental and social risk assessments"
FS1	Policies with specific environmental and social components applied to business lines.	CR Policies and guidelines Code of Conduct
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 & raising awareness
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Environmental & social risk management Responsible investing Responsible Supply Chain Management Our climate change commitment
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Wealth Management - Annual Report 2012 - pages 35-37 Wealth Management Americas - Annual Report 2012 - pages 38-40 Investment Bank - Annual Report 2012 - pages 41-43 Global Asset Management - Annual Report 2012 - pages 44-47 Retail & Corporate - Annual Report 2012 - pages 48-49 Market Risk - Annual Report 2012 - pages 154-160 Credit Risk - Annual Report 2012 - pages 136-153 Basel 2.5 Pillar 3 - Annual Report 2012 - pages 186-219

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) Corporate and private clients finance and advisory
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 - Annual Report 2012 - page 246
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	<p>Our interactions with companies take a comprehensive ESG approach. Selective quantitative data provision on environmental and social issues only is therefore not practical.</p> Products & Services - Voting rights Responsible investing
FS11	Percentage of assets subject to positive and negative environmental or social screening.	Socially Responsible Investments - Invested Assets
FS12	Voting policy(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 - Voting rights Corporate Governance Responsible investing
FS13	Access points in low-populated or economically disadvantaged areas by type.	<p>UBS is a retail bank in Switzerland only and has a broad network of branches and ATMs in this country.</p> Service Finder for individuals in Switzerland (search tool for UBS branches, ATMs, etc.)
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 Community investment Switzerland - Partnerships (Ernst Schmidheiny Foundation and Young Enterprise Switzerland) Elevating Entrepreneurs: A UBS Small Business Advisory Program

Submission to the Carbon Disclosure Project

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



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

- ▶ [UBS - CDP Information Request 2013](#) 
- ▶ [ISO 14001 Certificate](#)
- ▶ [Environmental management indicators \(incl. number of audit days\)](#)







ISO 14001 Certificates

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

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

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

In September 2012, UBS successfully passed the ISO 14001 surveillance audit of its Environmental Management System (EMS). The audit consisted of more than 5 audit days involving 50 employees in six countries and including three site audits. The audit scope covers banking business and in-house operations worldwide.

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

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Environmental management indicators

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




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 2010 and 2012. The more comprehensive Re-Certification Audit was done in 2011.


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

Reports

Corporate Responsibility reports

- [Download "Corporate responsibility" section in UBS annual report 2012](#) 
- [Download "Our Employees" section in UBS annual report 2012](#) 
- [Download our Corporate Responsibility Website-PDF version \(as of August 2012\)](#) 

Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
2011	PDF 		PDF 	PDF 
2010	PDF 		PDF 	PDF 
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 2013

Governance & strategy

GRI	Objectives 2013
EC	<p>Key performance targets:</p> <ul style="list-style-type: none"> ▪ Reduce Basel III RWAs to CHF 200 billion by end 2017 (below CHF 250 billion by end 2013) ▪ Reduce funded balance sheet: approximately CHF 300 billion by end of 2015 ▪ Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014 <p>Cost / income ratio: 60-70% from 2015</p> <p>Return on equity: at least 15% from 2015¹</p>
EC	Exit lines of business of the Investment Bank that do not meet their cost of capital sustainably or in areas with high operational complexity. Businesses and positions exit to be transferred to, and reported in, the Corporate Center, from the first quarter of 2013
EC	Make structural changes that will lower operating costs substantially by 2015 (including, among others, lean front-to-back processes, a simplification of our product portfolio and production processes, more focused technology requirements, a reduced real estate footprint and the removal of excess layers of management). The efficiency program is expected to result in restructuring charges estimated to total CHF 3.3 billion over three years, but is expected to deliver incremental annual cost savings growing to CHF 3.4 billion by 2015
Various	Sharpen the definition of the UBS key principles of "client focus", "excellence" and "sustainable performance", advance their integration into our corporate decision-making and people management processes and in the shaping of the daily actions of our employees
FS, EC2	<p>Start execution of revised client centric climate change strategy focusing on the following elements:</p> <ul style="list-style-type: none"> Participating in an industry-wide initiative to develop accounting metrics for CO₂ emissions associated with lending and investments; Reducing the environmental impact of our Global Real Estate investment portfolios; Offering the "Energy check-up for SME" to Swiss SMEs in partnership with the Swiss Private Sector Energy Agency and renewing the cash bonus to support private clients in renovating their private homes sustainably; Launching UBS Clean Energy Infrastructure Switzerland for institutional clients to invest in renewable energy infrastructure; Continuing to support renewable energy and clean technology financing through our Investment Bank; Developing the UBS Sustainability Health Check, which will allow Wealth Management clients to identify discrepancies between their sustainability preferences (including climate change) and the composition of their portfolio
EN	Pass 2013 Environmental Management System surveillance audit
HR3, SO3, FS4	Develop new web-based Corporate Responsibility training module
HR, FS, 4.12-4.17	Contribute to the finalization of the Thun Group discussion document on banking and human rights
3.5	Analyze GRI 4 Guidelines (upon their release in 2013) for their potential relevance to UBS's sustainability disclosure
Various	Expand reach and size of the sustainability@ubs employees network

Responsibility in banking

GRI	Objectives 2013
FS	<p>Manage emerging environmental and social risk (ESR) proactively:</p> <ul style="list-style-type: none"> Test a human rights due diligence document (developed in cooperation with Thun Group)
FS	<p>Identify and develop environmental and social business opportunities:</p> <ul style="list-style-type: none"> Execute Sustainable / Values Based Investing (VBI) strategy Broaden application of UN PRI throughout Global AM Further integrate environmental, social and governance (ESG) criteria in research
PR5	<p>Quality Feedback:</p> <ul style="list-style-type: none"> Foster mutual collaboration with a greater number of product managers and specialist units to better focus on and respond to various client needs and expectations

	- Intensify client complaint education for client advisors by means of a revised e-lecture in order to raise awareness for client feedback issues and help reduce firm's risk and reputation exposure
SO, FS	Commence implementation process of Legal & Compliance agenda on suitability ("SUSTAIN 2014" - Suitability Strategy and Implementation) in 2013 according to action plan
SO2	<ul style="list-style-type: none"> ▪ Assess and strengthen the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force), particularly in regard to predicate offences, and FATCA (Foreign Account Tax Compliance Act) requirements ▪ Roll out an AML Program to drive and manage those developments and to ensure requirements are properly captured and adequate policy responses are provided
SO2	<p>Continue active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> ▪ Working with the FATF (Financial Action Task Force) on implementation of their proposed enhancements ▪ Host a meeting in India with local regulators on AML/KYC programme definition and implementation ▪ Active engagement on various working groups (i.e. Sanctions, Cross-Border, Insider Dealing, Market Abuse)

Responsibility in operations

GRI	Objectives 2013
EN	Start execution of revised client centric climate change strategy by further investing in sustainable real estate and IT infrastructure and limit business travel-related CO ₂ emissions. Reduction of own greenhouse gas emissions by 50% compared to 2004 by 2016 (another 15% below 2012), and overall energy consumption by 10% compared to 2012 by 2016.
EN	<p>Deliver against targets on energy, water, paper and waste (by 2016):</p> <ul style="list-style-type: none"> Reduce energy by 10% below 2012 level Reduce water consumption by 5% below 2012 level Reduce paper consumption per FTE by 5% below 2012 level Increase share of sustainable (FSC/recycled) paper to 60% Reduce waste per FTE by 5% below 2012 level Increase waste recycling ratio to 60%
HR, EN, SO	Roll out fully the revised Responsible Supply Chain Management concept

Our employees

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

Community investment

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

¹ Group RoE expected to average in the mid-single digits in 2013 and 2014

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Objectives and achievements 2012

Governance & strategy

GRI	Objectives 2012	Achievements 2012
EC	<p>Annual target financial performance ranges:</p> <ul style="list-style-type: none"> Basel 3 common equity tier 1 ratio: 13% (to be achieved by 2013 under "phased-in" Basel 3 rules) Annual return on equity: 12-17%¹ 	<p>Basel 3 common equity tier 1 ratio (phase-in) as of 31 Dec 2012: 15.3%</p> <p>Negative return on equity (-5.2%). New mid-term return on equity target (at least 15% from 2015) was communicated in the October 2012 strategic acceleration announcement². Group RoE expected to average in the mid-single digits in 2013 and 2014.</p>
EC	<p>More focused and less complex Investment Bank. Reduction of Basel 3 risk-weighted assets from CHF ~230 billion (as of end of Q3-11) to no more than CHF 150 billion in our core Investment Bank (target to be achieved by 2016).³</p>	<p>Original RWA targets exceeded: Basel III RWA in the Investment Bank reduced to ~CHF 131 billion as of 31 Dec 2012.</p> <p>Announcement of a significant acceleration in the implementation of our strategy to transform the firm (October 2012). Building on the progress it has made, UBS will achieve this transformation by further sharpening its focus in the Investment Bank. By concentrating on its traditional strengths in advisory, research, equities, FX and precious metals and by exiting business lines, predominantly those in fixed income that have been rendered uneconomical by changes in regulation and market developments, UBS will reduce costs significantly while driving further efficiencies across the Group more rapidly.⁴</p>
4.14-4.17, FS	<p>Host and facilitate dialogue meeting between banks and non-governmental organizations on the topic of mining</p>	<p>Hosting of dialogue meeting on the topic of mining (October 2012) with about 50 representatives from banks and NGOs</p>
Various	<p>Establish a sustainability awareness raising employees network (including speaker series) in Switzerland</p>	<p>Establishment of the sustainability@ubs network with evening and lunch events, usually featuring panel discussions on selected sustainability-related topics.</p>
EN	<p>Environmental Management System: Pass 2012 surveillance audit</p>	<p>ISO 14001 surveillance audit of Environmental Management System (EMS) successfully passed (September 2012). The audit consisted of more than 5 audit days involving 50 employees in six countries and including three site audits. The audit scope covers Banking Business and In-house Operations worldwide.</p>

Responsibility in banking

GRI	Objectives 2012	Achievements 2012
FS	<p>Complete and test, jointly with peer banks ("Thun Group"), a practical guidance tool interpreting the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights with specific reference to their application to the banking sector</p>	<p>Discussion document setting out the challenges and best practice examples of operationalizing the Guiding Principles in universal banks drafted and developed. Work is ongoing in order to finalize the document.</p> <p>Two follow-up objectives in objectives 2013 table</p>
FS	<p>Identify and develop environmental and social business opportunities:</p> <ul style="list-style-type: none"> Implement values-based investment advisory approach in all business divisions as appropriate Broaden application of UN PRI throughout Global AM Further integration of environmental, social and governance (ESG) criteria in research 	<p>Development of the UBS Sustainability Health Check. The Sustainability Health Check will enable Wealth Management Client Advisors to understand clients' sustainability related investment preferences and to highlight discrepancies between their sustainability preferences and their current investments. Implementation planned for 2013/14.</p> <p>Continued application of UN PRI. Further expanded engagement and proxy voting in 2012. Voted on more than 59,000 separate resolutions at 5,945 company meetings.</p> <p>Further established leading position in values-based investing and providing environmental, social and governance (ESG) research. In 2012 global roll-out of our Investment Bank's ESG Analyzer. The ESG Analyzer identifies top-positioned stocks for sustainability themes and identifies environmental, social and governance issues in more than 30 sectors and across close to 500 stocks. This comprehensive view is made possible by the input of more than 80 UBS sector analysts worldwide.</p>

SO, FS	<p>Suitability:</p> <ul style="list-style-type: none"> ▸ Ensure continued high-quality in our advisory process while reflecting the requirements of a quickly changing regulatory environment ▸ Develop SUSTAIN (Suitability Strategy and Implementation) strategy for 2014, defining the strategic agenda, objectives, risks and execution roadmap in relations to product and client suitability for WM&SB 	<p>Changes in the regulatory environment were reflected in the advisory process with more to come in 2013</p> <p>Legal & Compliance agenda on suitability ("SUSTAIN 2014") developed. Implementation process to commence in 2013 according to action plan.</p>
PR5	<p>Quality Feedback:</p> <ul style="list-style-type: none"> ▪ Establish effective mutual exchange platforms with Product Managers (and other specialist units) in order to foster impact on improving services and products ▪ Ensure that client and employee feedback is systematically given attention to in product lifecycles and any relevant steps implemented accordingly 	<p>Recurrent meetings with some dedicated specialist units have been carried out to measure impact of employee & client feedback on product lifecycles</p> <p>Implementation of targeted communication measures have resulted in tangible enhancements of collaboration processes and mutual understanding with product managers and internal stakeholders</p> <p>Target projects have been initiated to implement particular client requests / products where deemed necessary and feasible</p>
SO2	<p>Continue to reform the UBS Group Policy framework to ensure its continued adherence to emerging regulation, including FATF (Financial Action Task Force) predicate and FATCA (Foreign Account Tax Compliance Act) requirements</p>	<p>Publication of annual updates of relevant AML policies, including Anti-Bribery and Sanctions policies and supplementary documents</p>
SO2	<p>Continued active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> working with the FATF on implementation of their proposed enhancements working with Egmont (Egmont Group of Financial Intelligence Units) on Anti Corruption matters revised Wolfsberg Private Banking Principles Wolfsberg Sanctions Compliance Program Elements 2012 	<p>UBS hosted the annual Wolfsberg Forum already in 2011 and again in 2012</p> <p>Active engagement in the Wolfsberg Group to provide a written response to the latest FATF recommendations</p> <p>Publication of principles, guidance and FAQs including (i) the Wolfsberg Guidance on Prepaid and Stored Value Cards, (ii) the Wolfsberg Anti-Corruption Guidance and Appendix, (iii) The Wolfsberg Trade Finance Principles, and (iv) the Wolfsberg AML Principles on Private Banking together with the related FAQs with regard to Beneficial Ownership as well as Intermediaries/Authorised Signers</p>

Responsibility in operations

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

Our Employees

GRI	Objectives 2012	Achievements 2012
LA6-8	Health & safety review :	Mandate and H&S committee in existence, governance via regional Employer

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

Community investment

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

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

² See http://www.ubs.com/global/en/about_ubs/media/global/releases/new_s_display_media_global.html/en/2012/10/30/20121030b.html

³ Core Investment Bank as defined at the Investor Day November 2011.

⁴ See http://www.ubs.com/global/en/about_ubs/media/global/releases/news_display_media_global.html/en/2012/10/30/20121030b.html

History of corporate responsibility at UBS

1954	Beginnings of Community Affairs at Wealth Management US
1962	Establishment of Union Bank of Switzerland's 100 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 Business in the Community 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	Merger of Union Bank of Switzerland and Swiss Bank Corporation to create UBS
1999	Founding member of Wolfsberg Group First bank to obtain ISO 14001 certification for worldwide environmental management system in banking business and launch of Environmental Risk Policy in IB Establishment of UBS Optimus Foundation
2000	UBS among first 38 companies to sign UN Global Compact Wolfsberg Group Anti-Money Laundering (AML) Principles for Private Banking (revised 2002) UBS commences reporting on corporate responsibility in Annual Report
2001	Establishment of Corporate Responsibility Committee (CRC), a Board of Directors committee, and publication of first Corporate Responsibility section in Annual Report Establishment of a Global Diversity Steering Committee within the Investment Bank Founding member of European Social Investment Forum (Eurosif) Wolfsberg Group Commitment against Terrorism Employee volunteering time off policy introduced for London employees
2002	Wolfsberg Group Statement on Fight against Financing of Terrorism and AML Principles for Correspondent Banking Launch of group-wide Diversity initiative Founding signatory of Carbon Disclosure Project (CDP) Commencement of joint WM and IB Community Affairs programme in Chicago Expansion of in-house ecology programme to Corporate Services outside Switzerland
2003	Institution of NGO communications & analysis function First financial services firm to formally register interest as an Academy sponsor in the UK (leads to the opening of the The Bridge Academy, Hackney, in 2007)
2004	Establishment of SRI Equity Research in Investment Bank
2005	Establishment of coordination function for Community Affairs in Switzerland Setting up of UBS Tsunami Relief Fund UBS commences social reporting in Annual Report (section on employees)
2006	Introduction of Climate Change Strategy

	Adoption of UBS Statement on Human Rights Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach
2007	Establishment of SRI Research in Global WMBB Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments First company-wide volunteering at Wealth Management US
2008	Introduction of group-wide Responsible Supply Chain Guideline Wolfsberg Group Revised PEP FAQs
2009	UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI UBS Global Asset Management becomes a signatory to the UN Principles for Responsible Investment
2010	UBS's Sustainability Disclosure 2009 meets the requirements of level A+ of the GRI
2011	UBS's Sustainability Disclosure 2010 meets the requirements of level A+ of the GRI
2012	UBS's Sustainability Disclosure 2011 meets the requirements of level A+ of the GRI

► www.ubs.com/history

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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

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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.



Responsibility in banking



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.

[▶ Read more](#)



Sustainable products & services

By integrating environmental and social considerations into our advisory, research, investment, finance and ownership processes across all our businesses, we provide financial products and services which help our clients benefit from environmentally and socially related business opportunities.

[▶ Read more](#)



Environmental & social 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.

[▶ Read more](#)

Case studies

- ▶ [Equity analysis within CIO Research: thematic investment methodology](#)
- ▶ [Q-Series conference: UBS hosts 'master class' in sustainability](#)
- ▶ [UBS Investment Research: Global ESG Analyzer](#)

- ▶ Case study: UBS acted as joint global coordinator, joint bookrunner and sole financial adviser to Orkla ASA on the NOK 2.0bn (USD 350mm) Initial Public Offering for Borregaard ASA
- ▶ Energy Check-Up for Swiss SME

Case study: Equity analysis within CIO Research: thematic investment methodology

Equity analysis within CIO Research adopts a thematic investment methodology which also considers the sustainability angle of investments. We discuss investment ideas dealing with major sustainability challenges such as climate change, demography, resource scarcity (e.g. water) and newly also social developments. We discuss risks and opportunities that drive business models based on economic, environmental and social criteria.

During 2012 we added new investment themes, including "Access for the 'Bottom Five'", a research series on social trends. There are seven billion people on the planet. The top billion enjoys a per capita income of about USD 40,000 per year. The bottom five billion makes do with USD 2,000 annually. There are many reasons for this huge gap. Among them is the unsatisfactory access of the bottom five billion to the technology that the top one billion takes for granted. Our stock selection "Access to the world" focuses on companies that bridge this gap, enabling the Bottom Five to participate and thus lead a longer, healthier life with more opportunities.

Furthermore we added "Obesity" and "Aging and anti-aging" covering trends in Healthcare.

The architecture of our team is open, which means that we can leverage the expertise of different sector analysts to get the best knowledge in the respective area.

Case study: UBS Investment Research: Global ESG Analyzer

In the Investment Bank we note that a significant number of our clients are increasingly moving towards "ESG Integration", defined as the integration of environmental social and governance (ESG) issues through the investment process. The UBS ESG Analyzer aims to provide thought leadership in this field. The third edition (also the first Global edition) appeared in 2012. In brief, the ESG Analyzer is a response to one of the most frequently asked questions in the field, namely: Which environmental, social and governance issues are material in the context of a typical investment portfolio? We believe ESG issues are no different from the many other issues considered in investment research and regarded as 'financial'. We take a sector-based competitive positioning analysis based on Porter's Five Forces. This is implemented by means of our proprietary ESG Analyzer Survey, which is sent to UBS's Investment Bank research analysts around the world. Important innovations in the 2012 Global ESG Analyzer include a synthesis of our sector analysts' responses, allowing us to identify the most prominent investment themes in the eyes of the broader UBS IB research team.

The sector pages list relevant issues, scoring a sample of companies for exposure to ESG related risk and opportunity. Analysts identify the most and least favourably positioned firms, facilitating our "Ten Stocks for Ten Themes" list.

Case study: UBS Q-Series® conference: UBS hosts 'masterclass' in sustainability

Global thought leaders joined nearly 200 clients and investors on October 3 2012 in New York City for the annual UBS Q-Series® conference, which focused this year on "Inflection Points Towards Sustainability."

The conference featured 40 speakers from some of the world's leading academic and business institutions, who identified inflection points and discussed how these can impact a company's business objectives and ultimate profitability. Inflection points that were discussed ranged from current environmental, social and governance issues to the impact of changing dynamics - everything from natural resource scarcity and emerging technological trends to drastic changes in population demographics that are expected in the 21st century.

Two primary themes emerged from the conference as the panelists and keynote speakers, including Co-CEO and Co-Founder of Whole Foods Markets John Mackey and Harvard Business School Professor Michael E. Porter, examined the role inflection points play in business strategy. These themes included the trend towards conscious capitalism and the emergence of the concept of creating shared value in this complex economic environment.

The UBS Q-Series®: An initiative which aims to assist our investing clients by bringing together the intellectual capacity of our firm to anticipate and answer pivotal questions that need to be addressed in the context of the investment process.

Inflection points: Accelerating rates of system-wide change that alter the manner in which industry leaders think and act. These can be a test of resilience or a stimulus for innovation.

[German version](#)

Case study: UBS acted as joint global coordinator, joint bookrunner and sole financial adviser to Orkla ASA on the NOK 2.0bn (USD 350mm) Initial Public Offering for Borregaard ASA

On October 17, 2012, UBS Investment Bank successfully priced a NOK 2.0 billion Initial Public Offering (IPO) for Borregaard ASA, a leading global specialty chemicals company, on the Oslo Stock Exchange. UBS acted as Joint Global Coordinator and Joint Bookrunner on this transaction.

The IPO achieved a virtual exit for Orkla, the leading branded consumer goods company in the Nordic Region with strong positions in solar and hydro power, from Borregaard and demonstrates UBS's continued leadership in the European Biofuels and Renewable Chemicals equity franchise.

Founded in 1889 and headquartered in Sarpsborg, Norway, Borregaard's main products are lignin-based performance chemicals that are sustainable and environmentally friendly substitutes to petrochemicals. The company also operates the world's most advanced biorefinery, producing second generation bioethanol from biomass, such as timber, straw and other agricultural and forest waste suitable for replacing petrol in both cars and heavy vehicles. Its products serve niche applications and provide environmental solutions in a wide range of global growth end-markets including in construction, transportation, agriculture, food and beverages and pharmaceuticals.

Borregaard's listing provides the company with an increased opportunity to market its advanced biorefinery business model with production of green chemicals and extensive research and development activities.

Case study: UBS supports energy efficiency of Swiss SME

We have increased the energy efficiency of the buildings we occupy in Switzerland by 30% since 2000 and we also support energy efficiency measures of our clients by redistributing the refund from the Swiss CO2 levy back to our Swiss clients.

We established a partnership with the Swiss Energy Agency and from 2013 onward, we will incentivize Swiss SME to save energy by promoting their SME Model. Clients will profit from the "Energy Check-up for SME" at reduced costs and in addition, we will offer a cash premium to clients that commit to an energy reduction plan within this scheme. The SME Model is designed for small and medium sized enterprises in all sectors with annual energy costs up to one million Swiss Francs and with CO2 emissions of less than 1500 tonnes.

The premium is offered during 2013 or until the payback is used up.

Combating financial crime

We continue to strengthen our efforts to prevent and combat financial crime. Our commitment to assisting in the fight against money laundering, corruption and terrorist financing is illustrated by the way we take responsibility in our own operations for preserving the integrity of the financial system. We employ a rigorous risk-based approach to ensure our policies and procedures are able to detect risks and that relationships which are classified as higher risk are dealt with appropriately. We adhere to strict know-your-client regulations without undermining clients' legitimate right to privacy. Ongoing due diligence and monitoring, including the use of advanced technology to help identify transaction patterns or unusual dealings, assists in the identification of suspicious activities. If suspicious activities are discovered, they are promptly escalated to management or control functions.

During 2012, Global AML (anti-money laundering) Compliance worked closely with the Environmental and Social Risk group to develop and introduce new and more effective ways to screen potential business partners, vendors and clients with regards to potential issues relating to environmental and social risk.

In 2011, all business divisions were required to perform a legal and compliance risk assessment. This comprehensive process, which included an assessment of corruption, sanction and anti-money laundering risks, is also forward-looking with follow-up actions to highlight the priorities and objectives for each business division. This risk assessment did not identify any significant incidents of non-compliance with our anti-corruption policy and other anti-corruption regulations. Nonetheless, in 2012 an anti-corruption initiative was put in place to strengthen our defences against corruption.



As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, our internal global anti-money laundering policies were reviewed in 2011 and enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally. We have also reviewed and amended our approach to controversial weapons in order to comply with the Swiss law that came into effect on 1 February 2013. This law implements the Oslo Convention ban on the use, stockpiling, production and transfer of cluster munitions and ban on the use, stockpiling, production and transfer of anti-personnel mines and on their destruction.

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

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



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

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Environmental & social risk management

▾ Environmental and social risk framework

▾ UBS's position on relationships with clients and suppliers associated with controversial activities

▾ Integrated environmental and social risk process



Environmental and social risk framework

UBS applies a risk framework to all transactions, products, services and activities in order to identify, assess and manage environmental and social risks. Environmental and social (including human rights) risks are broadly defined as the possibility of UBS suffering reputational or financial harm from transactions, products, services or activities such as lending, capital raising, advisory services or investments that involve a party associated with environmentally or socially sensitive activities. For products, services and activities identified as having significant environmental and social risk potential, procedures and tools for the timely identification, assessment, escalation and monitoring of such risks are applied and integrated into standard risk, compliance and operations processes.

- Client onboarding or conflict clearance: new corporate clients are assessed for environmental and social risks associated with their business activities.
- Transaction due diligence: before proceeding with a transaction, environmental and social risks are identified and analyzed as part of standard transaction due diligence processes.
- Product development: new financial products and services are reviewed before launch to assess their compatibility and consistency with UBS's environmental and human rights principles.
- Supply chain management: prior to any new or renewed contract being awarded, standardized checks are completed to assess supplier and commodity specific environmental, labor and human rights risks.
- In-house environmental management: our operational activities and employees, or contractors working on UBS premises, are assessed for compliance with relevant environmental regulations.

Business or control functions are responsible for identifying and assessing environmental and social (including human rights) risks as part of the client, supplier or transaction due diligence process. Where these functions determine the existence of potential material risk, they refer the client, supplier or transaction to a specialized environmental and social risk unit for enhanced due diligence. To support the consistent identification and assessment of such risks, we developed internal industry sector guidelines in 2009. These guidelines provide an overview of key environmental and human rights issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them. The guidelines currently cover six sectors: chemicals; forestry products and biofuels; infrastructure; metals and mining; oil and gas and utilities. If identified risks are determined to create significant potential reputational risk, they are escalated for approval to senior management, at divisional, regional, or group level, depending on the significance of the risk.

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UBS's position on relationships with clients and suppliers associated with controversial activities

In 2011, we strengthened our environmental and social (including human rights) risks framework by defining controversial activities that we will not engage in, or will only engage in under stringent pre-established guidelines.

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

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

- endangered species of wild flora and fauna listed in Appendix 1 of the Convention on International Trade in Endangered Species
- high-conservation-value forests as defined by the six categories of the Forest Stewardship Council
- uncontrolled and/or illegal use of fire for land clearance
- illegal logging, including the purchase of illegally harvested timber (logs or roundwood)
- palm oil production unless a member in good standing of the Roundtable on Sustainable Palm Oil and actively seeking to enhance certification of its production
- wetlands on the Ramsar List of Wetlands of International Importance

world heritage sites as classified by the United Nations Educational, Scientific and Cultural Organization (UNESCO)

All commercial activities that

- engage in child labor as defined by the International Labor Organization's Conventions 138 (minimum age) and 182 (worst forms);
 - engage in forced labor as defined by the International Labor Organization's Convention 29;
 - threaten indigenous peoples' rights as defined by the International Finance Corporation's Performance Standard 7
 - engage in diamond mining and trading of rough diamonds unless Kimberley Process-certified
- UBS position on controversial activities
 - UBS statement on mountaintop removal coal mining
 - UBS reinforces its commitment to responsible business standards

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Integrated environmental and social risk process

Clients, transactions or suppliers potentially in breach of UBS's position, or otherwise subject to significant environmental and human rights controversies, are identified as part of UBS's know-your-client compliance processes. This was made possible by integrating advanced data analytics on companies associated with such risks into the web-based compliance tool used by UBS staff before they enter a client or supplier relationship, or a transaction. The systematic nature of this tool vastly enhances our ability to identify potential reputational risk, and is evidenced by the increasing number of cases referred for assessment to our environmental and social risk units in 2012.

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Environmental & social risk escalation process

Environmental & social risk (ESR) escalation process



Please click here to enlarge the display of the picture above

Environmental & social risks assessments

Environmental and social risk assessments					
		For the year ended			% change from
	GRI ¹	31.12.12	31.12.11	31.12.10	31.12.11
Cases referred for assessment ²	FS2	1'039	416	194	150
by region					
Americas	FS2	288	111	48	159
Asia Pacific	FS2	222	136	84	63
Europe, Middle East and Africa	FS2	225	119	32	89

Switzerland	FS2	304	50	30	508
by business division					
Investment Bank	FS2	533	330	147	62
Wealth Management	FS2	157	n/a	n/a	n/a
Retail & Corporate	FS2	223	n/a	n/a	n/a
Wealth Management Americas	FS2	5	5	3	0
Global Asset Management	FS2	12	n/a	n/a	n/a
Corporate Center ³	FS2	109	n/a	n/a	n/a
by sector					
Metals and mining	FS2	217	n/a	n/a	n/a
Oil and gas	FS2	136	n/a	n/a	n/a
Forestry products and biofuels	FS2	45	n/a	n/a	n/a
Utilities	FS2	38	n/a	n/a	n/a
Chemicals	FS2	29	n/a	n/a	n/a
Infrastructure	FS2	15	n/a	n/a	n/a
Other ⁴	FS2	559	n/a	n/a	n/a
by outcome					
approved ⁵	FS2	810	n/a	n/a	n/a
approved with qualifications ⁶	FS2	169	n/a	n/a	n/a
rejected or not further pursued ⁷	FS2	48	n/a	n/a	n/a
pending ⁸	FS2	12	n/a	n/a	n/a
1					

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 and onboarding requests referred to environmental and social risk (ESR) functions.

3 Relates to procurement / sourcing of products and services.

4 Include e.g. financial institutions, aerospace and defence, food and beverage, telecom, technology.

5 Client / transaction / supplier subject to an ESR assessment and considered in compliance with UBS's ESR framework.

6 Client / transaction / supplier subject to an ESR assessment and approved with qualifications. Qualifications may include ring-fencing of certain assets, conditions towards client / supplier or internal recommendations.

7 Client / transaction / supplier subject to an ESR assessment and rejected or not further pursued.

8 Decision pending.

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News

"UBS position on relationships with clients and suppliers associated with controversial activities"

28 Jan 2011, 16:25 | Corporate Responsibility

UBS has established processes and commitments to make Responsible Banking a cornerstone of the culture and brand. We have developed and continue to develop policies and guidelines to identify, manage and control environmental and social risks in our business transactions. Specifically, in providing financing or advice to corporate clients, we assess environmental, social and human rights risk factors before proceeding with a transaction or extending a client relationship.

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. The guidelines currently cover six sectors: chemicals, forestry products & biofuels, infrastructure, metals & mining, oil & 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

The above criteria are in force with immediate effect. Environmental and social risk processes are being adjusted over time. In the implementation period UBS will proactively engage with potentially affected clients and suppliers.

These lists are not intended to be all-inclusive. UBS will continue to assess environmental and social risks in related areas, and will consider adding to the lists, or increasing the stringency of items already on the lists, as we deem necessary. Additionally, we already require enhanced due diligence and approval processes in certain other areas, such as coal mining practices that use mountain top removal (MTR) 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.

Internally, we will work with our client teams on managing existing client or supplier relationships – and, over time, further expand the sustainable employment of our purchasing and internal resources. In particular, the Investment Bank will seek to redeploy resources from non-sustainable client business to new opportunities in sustainable technologies, services, and infrastructure, and encourage clients to embrace sustainability standards such as FSC forest certification, the recommendations of the World Commission on Dams, or UN-Program on Reducing Emissions from Deforestation and Forest Degradation (REDD) for carbon storage, as they become more established. We believe this strategy will provide the greatest long term value for both our clients and our shareholders, while enhancing the UBS brand and minimizing risk.

UBS statement on mountaintop removal coal mining

09 Nov 2010, 08:00 | Corporate Responsibility

UBS fully acknowledges the importance of mining to the global economy. At the same time, it also recognizes the potential environmental, social and human rights impacts of this industry sector.

To support the consistent identification and assessment of these impacts across the firm, UBS developed an internal metals and mining industry sector guideline in 2009. The guideline provides 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. The results of these assessments are factored into the overall due diligence process and may result in UBS deciding to decline a mandate. UBS does not, however, exclude a transaction with a company simply because the latter is active in the mining sector.

Mountain top removal (MTR) mining

MTR mining is a legal method of surface coal mining practiced in the Appalachian mountains in the United States. However, regulations around MTR mining are becoming increasingly stringent, also reflecting public unease about this mining practice. An enhanced due diligence and approval process is triggered whenever UBS engages in a potential transaction with a coal mining company that uses MTR as an extraction method. In addition to the assessment of regulatory compliance, past and present environmental performance, as well as concerns of stakeholder groups, these transactions require senior management assessment and are escalated to a higher approval authority than is normally necessary. As part of this review, UBS assesses to what extent companies rely on MTR mining for their revenue generation, and UBS needs to be satisfied that the client is committed to reduce over time its exposure to this form of mining.

In its March 2011 annual report, UBS will also publish in more detail its general approach to environmentally and socially sensitive industries and practices.

UBS reinforces its commitment to responsible business standards

Zurich | 13 Dec 2012, 11:45 | Corporate Responsibility

UBS has joined the not-for-profit association Roundtable on Sustainable Palm Oil (RSPO), which was formed in 2004 with the objective to promoting the growth and use of sustainable palm oil products through credible global standards and engagement of stakeholders.

Our RSPO membership reinforces our commitment to responsible palm oil production. As part of the RSPO's 'Banks & Investors' membership category we actively promote RSPO in our business relationships in the palm oil sector, such as requiring that our clients are members in good standing of RSPO and actively seeking to enhance certification of their palm oil production. Additionally as a member we commit to annually report on progress made in promoting sustainable palm oil.

UBS is a member of key international and national organizations that promote corporate responsibility and is actively engaged in their activities. Participation in such important corporate responsibility initiatives as the Wolfsberg Group (on anti-money laundering), the Carbon Disclosure Project (on climate change), the UN Principles for Responsible Investment, the Thun Group of banks (on human rights) or the UN Global Compact demonstrates our commitment to developing and upholding responsible business standards.

Why is sustainable palm oil production important?

Palm oil is the most popular vegetable oil globally. It is relatively cheap, most versatile and high yielding. Palm oil is a common cooking ingredient in Africa, Southeast Asia and Brazil and is widely used by the commercial food industry. The largest producing countries by far are Indonesia and Malaysia, together accounting for over 85% of the global production.

Palm oil production is associated with various environmental and social risks, such as land rights disputes and deforestation of high conservation value forests. RSPO promotes sustainability in the sector and works towards its vision of transforming the market for sustainable palm oil to become the norm.

Environmental & social risk (ESR) escalation process



Suitability

Suitability Framework

Clients expect to be provided with products and services which are suitable for them. In nearly all countries this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisers. Most jurisdictions also require the systematic assessment and documentation of the suitability of products (including 3rd party products) and services, including compliance with applicable eligibility criteria and sales restrictions. These standards are reflected in local policies and procedures as well as the respective local control framework. The European Union's Markets in Financial Instruments Directive (MiFID) is one example of the reflection and implementation by UBS of specific standards required by a regulator in the applicable local control framework. Other locations apply similar standards as required by the relevant local regulators.

To meet both client expectations and regulatory requirements, Wealth Management (WM) and Retail & Corporate (R&C) have established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation of agreed solutions and by the proper documentation of the steps taken during this process. It is completed by requirements for monitoring and control activities which target - amongst others - at capturing tail-risks. The global WM and R&C Suitability Framework was fully revised in 2011 to reflect the changed legal and regulatory landscape.

Client Suitability¹

Within the frame of its UBS Client Experience (Understand - Propose - Agree & Implement - Review), WM and R&C have established a structured advisory process, which is supported by a number of forms and tools at the disposal of the client advisors: In a first step, these forms and tools support the initial identification of a client's investor profile, including - amongst others - investment objectives and risk ability. In a second step, they serve the identification of an appropriate investment strategy for a specific client portfolio. Furthermore, a number of tools and platforms have been established, which allow for matching a client's investment strategy with appropriate investment proposals as well as to support client advisors in the review step.

Product Suitability²

Advisory platforms and tools segment products along the lines of their risk characteristics and thereby help clients and client advisors properly assess the impact of investment products and services on a client's portfolio. Additional processes provide for checks, that product documentation made available to both client advisors and clients contains adequate and easy-to understand information on product characteristics, balanced presentation of opportunities and risks, target audiences as well as scenarios for which a product could be used. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

Divisional Approach to Suitability

Primary ownership of suitability risk and the responsibility for addressing suitability risk is owned by the business. Divisional policies in WM and R&C, WMA, IB, and Global AM (EMEA) make this clear. UBS has accordingly pursued a divisional approach to ensure compliance with rapidly changing regulatory regimes, as well as to address particular suitability obligations and remediation of identified gaps relating to the divisions.

Monitoring & Controls

Monitoring and controls for suitability follow a three tiered approach: the first level controls are conducted by origination under its Origination Control Framework, which is largely a set of controls designed to prevent/detect operational risks that arise in Origination and to ensure that residual risk corresponds to risk appetite. The second level controls are performed by Compliance as a Global Key Control, which is part of the overall Compliance Control Framework. These controls focus on both a "check the checker" approach, plus thematic, deep dive reviews. The third level controls sit with Group Internal Audit, as part of its annual Audit plan.

After-Sales Communications

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

¹ Client Suitability means the consistency between the assets in the client's portfolio and the risk profile of the client, and the appropriateness of the advice including risk information and disclosure.

² Product Suitability means the opportunities and risks of individual products or services, which determines the categories of investors for which they are suitable.

Investment advisory



By integrating environmental and social considerations into our advisory, research, investment, finance and ownership processes across all our businesses, we provide financial products and services which help our clients benefit from environmentally and socially related business opportunities

UBS offers investment advisory services for **wealth management clients** helping them to consider the potential **social and environmental impacts** of their investments as well as the potential financial returns when selecting an investment opportunity. Our philanthropy and sustainable investing teams have continued to develop the holistic service offered within our wealth management business. These teams provide thought leadership, advice, products and solutions to existing and prospective private clients who wish to make investments that are in accordance with their own personal values. These services also extend to aiding philanthropic or investment decisions intended to effect positive change. For example, UBS Portfolio Screening Services help Wealth Management clients align their portfolios to their sustainability values by assessing client portfolios using specific sustainability criteria. Based on increased interest among our clients, we screened CHF 1.2 billion of client assets in 2012. In 2012, we also developed a prototype UBS Sustainability Health Check which highlights any discrepancies between clients' sustainability preferences and the actual composition of their portfolio. We plan to develop this advisory service in 2013 with planned roll out to clients in 2014. Also in 2012, the Arbor Group within Wealth Management Americas established a new program by which UBS donates a portion of their standard management fee to the Conservation Agreement Fund for all interested investors. Our services also include

mission-related investing for donor-advised funds and private foundations

sustainable portfolio management, such as mandate solutions and separately managed accounts for private clients and institutions with a strong focus on sustainability across all asset classes

managed accounts with environmental, social and governance criteria (sourced from third-party data provider MSCI) embedded into private clients' fundamental investment process, enabling them to identify and exclude securities based on issue-oriented screens (offered in the US).

For institutional clients, Global Asset Management offers **customized portfolios** in the form of segregated mandates and institutional accounts that allow clients to define and exclude certain controversial stocks or sectors due to their perceived social or environmental impact.

- ▶ [Values-based investing in UBS Wealth Management](#)
- ▶ [Invest sustainably with UBS Wealth Management Switzerland](#)

Research



UBS produces award-winning research into the impact of environmental, social and governance issues on sectors and companies. Our specialized teams have published research regularly into topics that will shape our future, including climate change, energy efficiency, resource scarcity and demographics. Our experience and sector knowledge helps us to determine what is material by raising questions about the effect environmental, social and governance issues are having on the competitive landscape for the global sectors we cover as well as about how companies are affected in relative terms. Increasing client demand for integrating sustainability issues into fundamental investment analysis, in a systematic manner, is reflected in our publications and client conferences:

- Our UBS Q-series® reports, which focus on thought-provoking discussions on pivotal investment questions, and on making clear investment conclusions, leading to a firm-wide drive for more thoughtful, proprietary and valuable research. Examples of Q-series® reports published in 2012 include "Global Pharmaceuticals - Will vaccines transform pharma growth?", "Global Marine Sector: Is green shipping just a storm in a teacup?" and "What is 'Integrated Reporting'? - How good disclosure connects to value".
- The Investment Bank's UBS Q-series® ESG Analyzer seeks to answer one of the most frequently asked questions in the field of sustainability, namely which environmental, social and governance issues are material in the context of a typical investment portfolio? The ESG Analyzer identifies top-positioned stocks for sustainability themes and identifies environmental, social and governance issues in more than 30 sectors and across close to 500 stocks. This comprehensive view is made possible by the input of more than 80 UBS sector analysts worldwide.
- The Investment Bank hosted the UBS Q-series® conference, which this year focused on "Inflection Points Towards Sustainability" and joined global thought leaders with nearly 200 clients and investors. The Investment Bank also hosted the UBS European Conference "Sustainability Track," which featured sessions on food provision and on corporate governance.
- In 2012, one of the flagship publications of UBS Wealth Management, UBS research focus ("Investing in the future with energy"), discussed how sustainable energy sources are increasing in importance and identified the key implications of this trend for private investors. Sustainable investment topics are also covered in the UBS CIO Monthly Letter, which is available in ten languages.
- We also offer our bundled expertise for example in summits for family offices and young successors where clients can meet our experts from all businesses across the firm, including research, advisory and investment.

Our outreach and dialogue programs include a partnership with the Smith School of Enterprise and the Environment at the University of Oxford, with which UBS hosts a series of events, which are open to both UBS clients and employees, and feature thought leaders from around the globe. Sir David King, who was the founding director of the Smith School, is a Senior Scientific Advisor to UBS and, in this capacity, advises UBS's clients on all scientific matters with specific emphasis on climate change and the challenges it poses to sustainable economic growth.

► [Case study: Equity analysis within CIO Research: thematic investment methodology](#)

- Case study: Q-Series conference: UBS hosts 'master class' in sustainability
- Case study: UBS Investment Research: Global ESG Analyzer

		GRI	2	For the year ended			% change from
				31.12.12	31.12.11	31.12.10	
CHF billion, except where indicated		GRI	2	31.12.12	31.12.11	31.12.10	31.12.11
UBS				2'230	2'167	2'152	3
UBS SRI products and mandates							
positive criteria		FS11		1.60	1.84	2.00	(13)
positive criteria / RPI		FS11		32.15	28.19	na	14
exclusion criteria	3	FS11		35.68	27.46	21.27	30
policy based restrictions	4	FS11		181.64	180.85	na	0
Third-party	5	FS11		2.66	2.58	2.40	3
Total SRI invested assets		FS11		253.73	240.92	25.67	5
Proportion of total invested assets (%)	7			11.38%	11.12%	1.19%	
1							

1 All figures are based on the level of knowledge as of January 2013.

2 FS stands for the Performance Indicators defined in the Global Reporting Initiative Financial Services Sector Supplement.

3 Includes customized screening services (single or multiple exclusion criteria).

4 Assets subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions.

5 SRI products from third-party providers apply either positive and exclusion criteria or a combination thereof.

6 Invested assets subject to policy based restrictions in 2011 has been restated.

7 Total SRI / UBS's invested assets.

Socially Responsible Investments		are products that consider environmental, social or ethical criteria alongside financial returns. SRI can take various forms, including positive screening, exclusion or engagement.
Positive criteria:		apply to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society. This includes best-in-class or thematic investments.
Exclusion criteria:		one or several sectors are excluded based on environmental, social or ethical criteria, for example, companies involved in weapons, tobacco, gambling, or companies with high negative environmental impacts. This also includes faith - based investing consistent with principles and values of a particular religion.

News

UBS Clean Energy Infrastructure Switzerland launches with CHF 250 million.

Zurich | 18 Jan 2013, 09:00 | Corporate Responsibility

UBS Global Asset Management is launching a trendsetting investment solution. UBS Clean Energy Infrastructure Switzerland offers institutional investors unprecedented access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energies and energy efficiency.



Pension funds and insurance companies show a strong interest in UBS Clean Energy Infrastructure Switzerland. By the first closing date for subscriptions on 31 December 2012, capital commitments had reached some CHF 250 million. Among the 18 institutional investors who subscribed are private and public pension funds and insurance companies. The fund will be open for further closings in 2013.

The investment solution is unique in the Swiss market. It builds bridges between institutional investors looking for solid returns and energy providers, grid operators and other market participants in the Swiss energy sector. These market participants are faced with high investment costs for upgrading and expansion and are therefore interested in equity or equity-like funds for their development.

UBS Clean Energy Infrastructure Switzerland is a limited partnership for collective capital investments under the Swiss Collective Investment Act (KAG), supervised by FINMA.

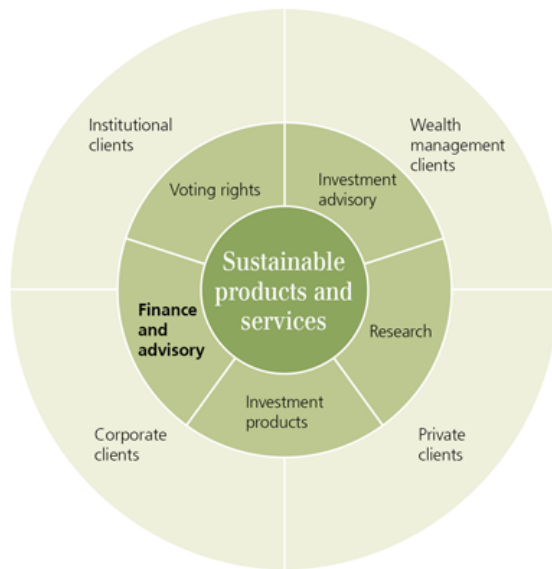
UBS Global Asset Management is responsible for client support and running the investment structure. To this end, UBS Clean Energy Infrastructure Switzerland AG was established in Basel as a dedicated company acting as general partner.

Fontavis AG adds, as an investment advisor of UBS Clean Energy Infrastructure Switzerland AG, its specific know-how and broad network to the partnership.

Schweizerische Mobiliar complements this partnership and acts as lead investor. It provides risk assessments and insurance analysis for potential target companies.

Further information can be found here: www.ubs.com/ceis

Corporate and private clients finance and advisory



UBS provides **capital raising and strategic advisory services to renewable energy and clean technology** companies globally, including those in the solar, wind, energy efficiency, biofuels and renewable chemicals sectors. Our Renewable Energy & Clean Technology team (RE&CT) within the Investment Bank includes senior employees on four continents. In 2012, the team raised approximately USD 5.7 billion from 12 transactions, further establishing RE&CT as one of the leading clean technology practices globally. Transactions we supported include the USD 350 million initial public offering (IPO) of Borregaard SA - the first internationally book-run IPO in the Nordic region since May 2011 - and the USD 220 million convertible bond transaction for GT Solar, which was the largest such offering for a solar company in 2012. We also supported the USD 319 million H share IPO of Huadian Fuxin - the third largest IPO in Hong Kong in 2012 - and the USD 72 million IPO of Renewable Energy Group, which is the largest independent biodiesel producer in the United States and conducted the first IPO of 2012.

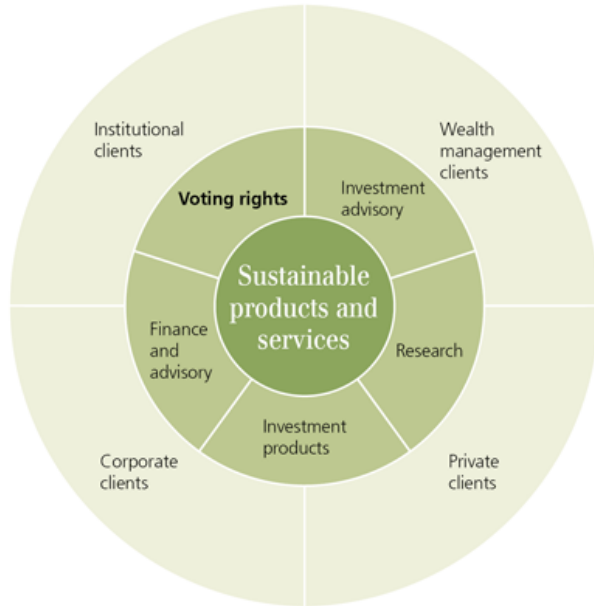
In **cap and trade emissions markets**, such as the EU Emissions Trading Scheme (EU ETS), companies have annual caps on the amount of emissions their facilities are allowed to produce. Companies that are able to reduce their emissions below their cap can sell their unused quota to other entities, thereby creating an emissions market. Through the use of financial instruments, we are able to help our clients manage their exposure to the emissions markets. UBS Exchange Traded Derivatives is an active member of the major emission exchanges in Europe and North America, and offers execution and full service clearing for contracts on EU ETS allowances, UN Certified Emissions Reductions, Regional Greenhouse Gas Initiative allowances, and permits for nitrogen oxide and sulfur dioxide.

In Switzerland, our home market, we reward energy-efficient renovations and support the goals of the Swiss nationwide building efficiency program. Our Swiss **private clients** benefit from the UBS "eco" Mortgage when building energy-efficient homes and a cash benefit (funded by proceeds from the Swiss CO2 levy refund) when renovating their homes sustainably.

From 2013 onward, we will incentivize **Swiss SME** to save energy by promoting the Swiss Energy Agency's SME Model. Clients will profit from the "Energy Check Up for SME" at reduced costs and in addition, we will offer a cash premium to clients who commit to an energy reduction plan within this scheme.

- ▶ Case study: UBS acted as joint global coordinator, joint bookrunner and sole financial adviser to Orkla ASA on the NOK 2.0bn (USD 350mm) Initial Public Offering for Borregaard ASA
- ▶ Case study: UBS supports energy efficiency of Swiss SME

Voting rights



We believe that voting rights have economic value and should be treated accordingly. Where Global Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. We are strongly supportive of the Stewardship Code published by the Financial Reporting Council of the United Kingdom in 2010. This aims to enhance engagement between institutional investors and companies. Good corporate governance should, in the long term, lead towards both, better corporate performance and improved shareholder value and stakeholder appreciation. In 2012, we voted on more than 59,000 separate resolutions at 5,945 company meetings. Our approach to corporate governance is an active one and is integral to our investment process. We are an active member of a number of collaborative shareholder bodies.

Since 2010, Global Asset Management in Switzerland has offered UBS Voice, a free service enabling holders of Swiss institutional funds to express voting preferences ahead of shareholders' meetings of major Swiss corporations. This allows additional shareholder input into the voting decisions of the funds' management company. More than 40% of invested assets for which UBS Voice is offered participate in this service.

Corporate responsibility glossary

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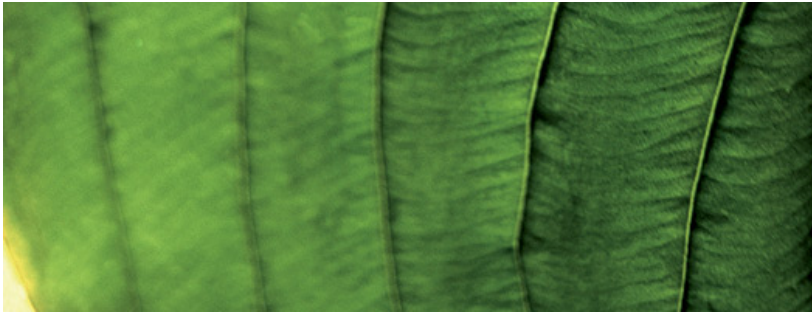
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Corporate responsibility

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.



Responsibility in operations



In-house environmental management

We have been managing our internal environmental impact for decades. Since the 1970s, this has focused on improving 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. We manage the UBS Environmental Program through an Environmental Management System in accordance with ISO 14001 and have greenhouse gas emissions data externally verified according to ISO 14064 standards.

[▶ Read more](#)

Responsible supply chain management

Responsible sourcing and 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 and the UBS Group Policy Against Corruption.

[▶ Read more](#)



Health & safety

We aim to create a work and business environment that safeguards the health and safety of employees, business partners or clients. A safe and healthy work environment supports employees in performing their jobs in a productive and efficient manner

[▶ Read more](#)



Accessibility

We aim to make our locations and our services accessible for all clients and provide a working environment - both logistically and culturally - that enable all employees to be an integral part of our company.

[▶ Read more](#)

Case studies

- Case study: Installing energy-efficient lighting in Asia Pacific and the United Kingdom
- Case study: Wood pellet heating system at UBS conference center in Switzerland
- Case study: Conserving water in the United States

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

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

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

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

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

With buildings dating from as early as 1576, UBS acquired the Wolfsburg campus, above Lake Constance, in 1970 and converted it into a world class training facility and conference centre and adding a 125 room hotel in 1980. Heating was provided from centralized oil fuelled boilers and a community heating network. Another significant upgrade was completed at the end of 2012 when, in line with UBS's environmental policy, the heating system was converted to renewable energy. By heating with locally sourced biomass (wood pellets), the conference center can be operated sustainably in the future. The new system will reduce the consumption of heating oil by more than 170,000 liters per year, and CO₂ emissions by about 95 percent.

Case study: Conserving water in the United States

Automatic taps in Chicago

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

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

Waterless urinals in Jersey

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

In-house environmental management



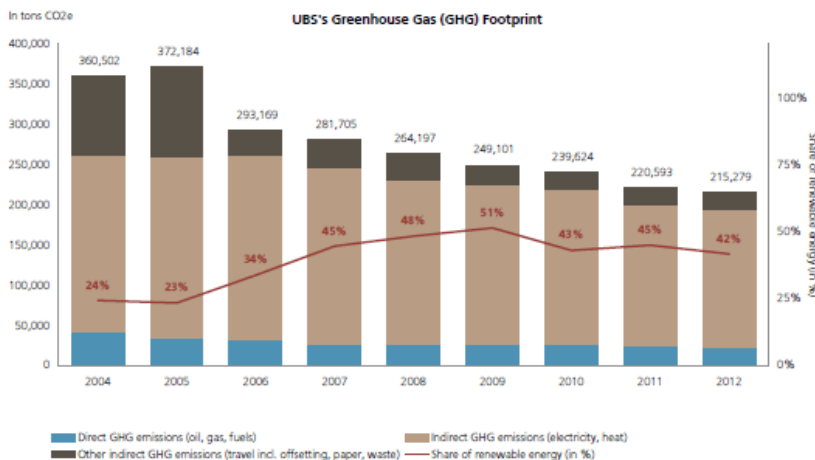
Reducing our environmental impact

We have been managing our internal environmental impact for decades. Since the 1970s, we have focused on improving 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. We manage the UBS Environmental Program through an Environmental Management System in accordance with ISO 14001 and have greenhouse gas emissions data externally verified according to ISO 14064 standards.

- ▶ [Environmental indicators](#)
- ▶ [Environmental indicators per full-time employee](#)

Climate change strategy

In 2006, the GEB endorsed a firm-wide CO₂ emission reduction target of 40% below 2004 levels by 2012 which was achieved in the reporting year. Steps taken towards achieving this target included adopting internal efficiency measures, increasing the proportion of renewable energy used and offsetting emissions we cannot avoid, such as business air travel. We have set a new target as part of our renewed climate change strategy and will aim to reduce our CO₂ emissions by a further 15% by 2016 resulting in an overall reduction of 50% below 2004 levels.



- ▶ [Our climate change commitment](#)
- ▶ [UBS among top 10 companies in Global 500 Carbon Disclosure Project 2012](#)
- ▶ [Wastewise label of the Hong Kong Awards for Environmental Excellence](#)
- ▶ [LEED 'Gold' for Sao Paulo office](#)

Energy, paper, waste and water targets

To complement our climate change strategy, we are committed to further reducing our environmental impact and set targets to reduce energy and paper consumption, waste management and water usage within three years on baseline year 2009. In 2012, we surpassed all of these targets except for the one/those set for waste recycling, as evidenced by the table below.

Environmental targets and performance in our operations

Performance against environmental targets 2012 and new targets 2013-2016

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

"Legend: CO₂e = CO₂ equivalents; FTE = full-time employee; GWh = giga watt hour; kWh = kilo watt hour; km = kilometer; kg = kilogram; m³ = million cubic meter; t = tonne

1 Detailed environmental indicators according to the Global Reporting Initiative are available on the internet www.ubs.com/environment

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

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

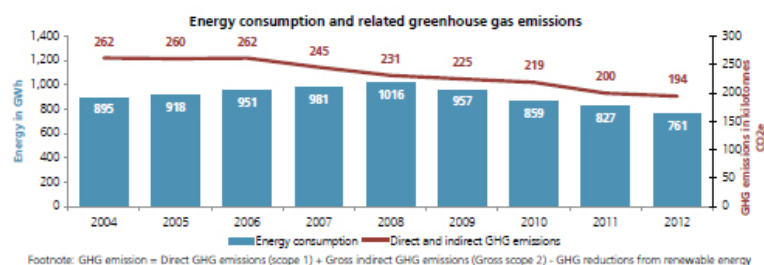
4 Baseline levels 2009 if not indicated otherwise

5 Baseline levels 2004

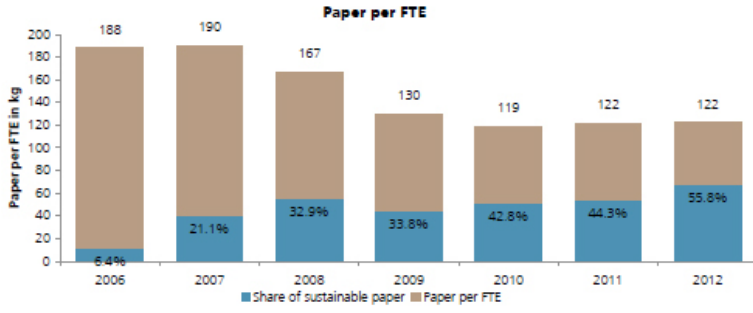
6 Green: target achieved / red: target not achieved

7 Baseline levels 2012 if not indicated otherwise"

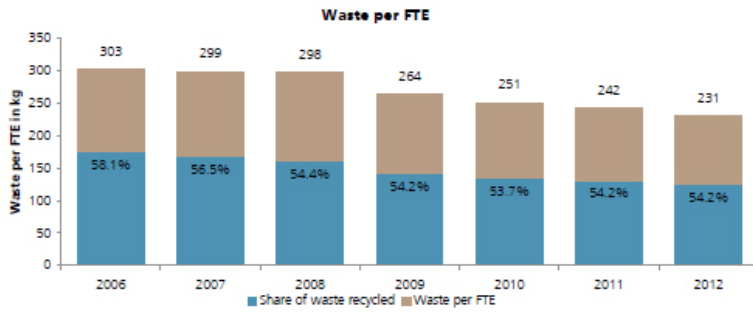
Energy consumption time series



Paper consumption time series



Waste generation time series



Environmental indicators per full-time employee

Environmental indicators per full-time employee

	Unit	2012	Trend ¹	2011	2010
Direct and intermediate energy	kWh / FTE	11,485	-	12,459	12,633
Business travel	Pkm / FTE	9,805	--	11,489	8,743
Paper consumption	kg / FTE	122	=	122	119
Waste	kg / FTE	230	=	242	251
Water consumption	m ³ / FTE	29.5	=	30.1	33.3
CO2 footprint	t / FTE	3.25	=	3.32	3.66

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

¹ The trend is stable (=), low decreasing/increasing (-,+), decreasing/increasing (--,++).

Our greenhouse gas footprint

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

Our climate change commitment

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

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

- **Risk management:** seeking to protect our clients', and our own, assets from climate change risks, within our sphere of influence. Recognizing that the transition to a low-carbon economy will take time and that fossil fuels will continue to dominate energy production for decades to come, we are determined to understand the risks that our clients', and our own, assets are exposed to in the context of uncertain policy and technology developments addressing climate change. This includes developing a metrics-based approach to measure our exposure to climate change risks in high-risk sectors such as real estate and energy.
- **Investments:** helping to mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation. Our clients will continue to look for investment opportunities and some will increasingly focus on investments facilitating climate change mitigation and adaptation.
- **Finance:** supporting this transition as corporate advisor, and/or with our lending capacity. We are helping corporate clients raise capital on domestic/international capital markets in order to meet the high investment levels required for the transition to a low-carbon economy. In Switzerland, we are also supporting private clients in renovating their private homes sustainably and innovative small and medium-sized enterprises (SMEs) in providing solutions for climate change mitigation and adaptation.
- **Research:** offering world-class research capacity to our clients on climate change issues. Building on our renowned expertise, we act as a thought leader and expert advisor to our clients on financial impacts of, and solutions for, climate change.
- **In-house operations:** reducing our own greenhouse gas footprint. We are positioning our in-house operations in support of a low-carbon economy by further investing in sustainable real estate and efficient IT infrastructure and limiting business travel-related CO₂ emissions.
- **Engagement & disclosure:** reporting and communicating transparently about the progress of our strategy. We are engaging with our stakeholders on climate change issues and continue to raise awareness among our employees. In addition, we are disclosing the progress we have made in executing our climate strategy through established standards, such as the Global Reporting Initiative and the Carbon Disclosure Project.

These efforts build on a history and strong track record of reducing our environmental footprint in a consistent and transparent manner. In the reporting year 2012, we reached our ambitious goal set in 2006 to reduce CO₂ emissions by 40% compared with 2004 baseline levels. A target on which we delivered successfully by adopting energy efficiency measures to reduce the energy consumption of the buildings we occupy, and of critical facilities such as the data centers we use, while increasing the proportion of renewable energy used. Emissions that cannot be reduced by other means (e.g. business air travel) are offset. Our achievements have been recognized by external experts, in particular by the most significant climate-change-focused investors' initiative, the Carbon Disclosure Project, which in 2012 ranked UBS as one of the top 10 companies worldwide for excellence in transparency and achievement in combating climate change.

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

- Participating in an industry-wide initiative to develop accounting metrics for CO₂ emissions associated with lending and investments;

- Reducing the environmental impact of our Global Real Estate investment portfolios;
- Offering the "Energy Check Up for SME" to Swiss SMEs in partnership with the Swiss Private Sector Energy Agency and renewing the cash bonus to support private clients in renovating their private homes sustainably;
- Launching UBS Clean Energy Infrastructure Switzerland for institutional clients to invest in renewable energy infrastructure;
- Continuing to support renewable energy and clean technology financing through our Investment Bank;

Developing UBS Sustainability Health Check, which will allow Wealth Management clients to identify discrepancies between their sustainability preferences (including climate change) and the composition of their portfolio;

Reducing our greenhouse gas emissions by 50% compared with 2004 baseline levels, another 15% below 2012 levels, and reducing our overall energy consumption by 10% compared with 2012 levels, by the year 2016.

▶ www.ubs.com/climatechange

Energy consumption time series

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

Paper consumption time series

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

Waste generation time series

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

Energy consumption and efficiency



Energy consumption has a significant environmental impact and is the biggest contributor to our overall greenhouse gas emissions. Since baseline year 2009, we have reduced our energy consumption by 21%. This reduction comes as the result of, for example, engineering teams ensuring that heating, air-conditioning and lighting controls of buildings we occupy are optimized. In addition, we apply externally verified standards to

validate building performance.

Information technology (IT) consumes half of the electricity used by the Global business and our IT-driven initiatives contributed significantly to these energy savings. Consolidation and virtualization have reduced average IT server energy consumption by 22% since 2011. The Desktop Transformation Program initiated in 2010 and continued through 2012 is designed to reduce the number of personal computers by 14% whilst ensuring that new computers and monitors are more energy-efficient than the equipment they replace.

External recognition

- ▶ [The Carbon Trust Standard](#)
- ▶ [BREEAM 'Excellent' for 5 Broadgate development \(London\)](#) 
- ▶ [Voluntary climate protection \(certificate of the Swiss Private Sector Energy Agency\)](#) 
- ▶ [UBS among top 10 companies in Global 500 Carbon Disclosure Project 2012](#) 

Case studies

- ▶ [Case study: Installing energy-efficient lighting in Asia Pacific and the United Kingdom](#)
- ▶ [Case study: Replacing data centre air-conditioning fans in Hayes, UK](#)

Carbon Trust Standard

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



It is designed to provide a robust, objective and consistent methodology for assessing corporate carbon performance. Assessment against the Standard is undertaken by independent third-parties. Following a submission of evidence and an external audit, we were able to demonstrate a consistent and ongoing reduction in carbon emissions during the previous three years. We have implemented policies and procedures as well as organizational groups that aim to continue this trend.

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

Case study: Replacing data centre air-conditioning fans in Hayes, UK

Data centres account for up to 30% of the total annual electricity consumption for UBS. After power to servers and other IT equipment, air-conditioning is the next largest consumer. Innovation in computer room air-conditioning units in recent years has included electronically commutated (EC) fan technology that delivers considerable savings in energy, with improved performance and control. In 2012 a project at our Hayes data center to replace old fans with the new technology resulted in an 11% reduction in site electricity consumption. This project was also nominated for two industry awards (for Client Energy Management Award (CIBSE) and for Project of the Year category of the H&V News Awards).

Renewable energy



We are reducing our use of carbon-intensive energy by including a high proportion of renewable energy. In 2006, we sourced 24% of our energy consumption from renewable energy and district heating, steadily increasing this to 45% by 2012.

In Switzerland, the percentage of electricity sourced from renewable sources, such as hydro power stations, remained at 100%. Sourcing 100% renewable energy in Germany was introduced in 2012 (see case study below). In the UK, we purchased 62 GWh electricity backed by 100% renewable sources, representing 50% of the total volume for our main London buildings. In addition, we purchased 50,000 MWh of renewable energy certificates (RECs) in the Americas electricity markets to mitigate 2012 emissions. This equates to 23% of US emissions from electricity in 2012.

▶ [Case study: Renewable energy in Germany](#)

▶ [Case study: Wood pellet heating system UBS conference center in Switzerland](#)

Case study: Renewable energy in Germany

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

Business travel and offsetting CO₂ emissions



We try to minimize our carbon footprint and encourage our employees to choose high-speed rail rather than air travel, recording a 5.7% increase in global employee rail travel and an 8% reduction in the number of flights taken in 2012. Our investments in video conferencing solutions contributed to this reduction and we also recorded a 31% increase in video conference volumes compared with the previous year. The marketing and events team

adopted environmental guidelines for client conferences and considered the impact of delegate travel, hotels, venue facilities and catering as part of their logistics and planning.

Over the past six years, we have offset all CO₂ emissions resulting from agency booked business air travel and client events and conferences. We neutralized over 600,000 metric tons of CO₂ emissions and thereby supported renewable energy and other projects reducing CO₂ emissions with an amount of CHF 5.3 million. Projects we select meet the requirements of the Gold Standard for voluntary emissions reductions while providing positive community benefits. Schemes selected include wind power projects in Turkey and community biofuel projects in China, South Africa and India.

► [Case study: 2012 CO₂ offsetting projects](#)

Case study: 2012 CO₂ offsetting projects

Tekirdag wind power project in Turkey

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

Efficient biomass cook stoves in China

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

Coal to biomass in South Africa

In this South African citrus farm, the steam production is being shifted from the fossil fuel, coal, to climate-friendly biomass. The citrus farm is surrounded by immense forests and sawmills. This leads to a large quantity of sawdust and wood waste being available within a radius of 20 km. By purchasing emission certificates, it will support the replacement of the current boilers with a biomass boiler. The sawdust and the wood waste of the region are used to heat the boiler, whereby around 18,000 tons of biomass can be burned annually.

Biomass Boilers for communal kitchens in India

The efficient cookers project replaces polluting liquid petroleum gas (LPG) cookers with climate-friendly biomass cookers. Within two years, 7'500 biomass cookers will be sold to communal kitchens, such as restaurants, canteens and schools, and save an average of 69'000 tonnes of CO₂ per year.

The biomass cookers are subsidized by carbon credits and can be sold to the communal kitchens with a 30 per cent price reduction. The biomass cooker users also benefit from the cheaper prices of biomass pellets compared to LPG.

Events



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

The guideline describes how environmental considerations should be factored into the evaluation and selection of vendors of products (e.g. branded gifts) and services (e.g. catering, transport, event venue and accommodation).

The guidelines also provide detailed recommendations on how the environmental impacts of events can be managed, for example through energy-saving measures, waste and water management, and the avoidance of excessive usage of communication and printed materials.

Paper, waste and water



To complement our climate change strategy, we are committed to further reducing our environmental footprint and set targets to reduce paper consumption, waste generation and water usage. In 2012, we surpassed all of these targets except for the one set for waste recycling, as evidenced by the data provided in the table "Environmental targets & performance in our operations".

The amount of paper used per employee decreased 6% compared with baseline year 2009. Double-sided printing and copying, now the default setting for printers used by the majority of our employees, combined with an ongoing shift towards the distribution of electronic documents, contributed to our surpassing the target to stabilize paper use. We increased the percentage of office paper from Forest Stewardship Council (FSC) or recycled sources increasing the proportion of sustainable paper from 34% in 2009 to 56% in 2012, surpassing our 50% target.

The continued implementation of bin-less offices in many larger locations has reduced the waste per employee by 13% since 2009, surpassing the target to stabilize this at 2009 levels. However, our waste recycling ratio has stabilized at 54%, falling short of our target of 70%. Paradoxically, this is due to our success in reducing annual paper consumption, a significant recyclable waste stream, from 130kg to 122kg per full-time employee.

Our water consumption decreased 24% compared with 2009 levels, exceeding our target of 5%.

► [Performance against environmental targets 2012 and new targets 2013-2016](#)

Case study: New paper contracts in Asia Pacific region

Case study on recycled paper: New paper contracts in the Asia Pacific region

Hong Kong, Singapore, Tokyo and Sydney accounts for over 90% of the total copier paper consumption of UBS locations in the Asia Pacific region. Following a regional sourcing initiative for sustainable paper for these locations, the ratio of Forest Stewardship Council certified or recycled paper has increased from 57% to 90% resulting in a regional increase to 83%.

Case study: Replacing paper vending cups

In London...

At UBS in London employees use, on average, 5 disposable vending cups a day which equates to eight million cups each year. Even though our coffee cups are recycled, they are not made from recycled paper.

The London office at Golden Lane moved away from paper cups and introduced mugs, glasses and dishwashers. Although, generally speaking, manufacturing reusable mugs creates a bigger environmental impact than that of paper cups, the differential is eroded over time as the mugs and glasses are reused. Moving away from paper cups would bring positive results for the environment and reduce costs.

The feedback from employees for this pilot has been very positive and introducing reusable dishes, plates and bowls etc in more offices is now also being considered.

...Sydney...

Most of the locations across the region deploy ceramic cups and have been reducing the use of paper cups for some time. In Sydney, employees are encouraged to buy a "Keep Cup" at the cafeteria with free coffee included in the purchase price of the cup.

...and Chicago

In an effort to reduce waste, UBS promoted the use of reusable mugs with employees across the Americas region, concentrating efforts within UBS at One North Wacker Drive in Chicago.

During the promotional period, approximately 10% of UBS employees purchased a mug from the on-site cafeteria. As a result, disposable cup consumption alone decreased by approximately 13%. Overall waste generated by UBS at One North Wacker Drive decreased by 2% in 2012 from 2011

Extending bin-less office in Hong Kong

With the successful bin-less roll-out in Li Po Chun Chambers in 2011, the Hong Kong bin-less programme was extended to 2 International Financial Centre in 2012. By the end of 2014, the total recycling ratio for Hong Kong is expected to increase to 71%. The program includes replacing individual desk bins with recycling stations with segregation for paper, metal, plastics and general waste placed across the floors.

'Single' approach to recycling in Weehawken

In 2012, the Lincoln Harbor Campus in Weehawken, New Jersey introduced a single-stream recycling program. It allows employees to discard both waste and recyclable items into one bin, making the first step to the recycling program easy. Items are sent to a special facility where they are separated by type. The new process allows for more material to be collected and therefore a reduction of approximately 15% for the number of total waste collections. This, in turn, decreases our indirect ('scope three') green-house gas emissions from haulers' vehicles.

In addition to the single-stream program, the Campus implemented a composting program, whereby separate compostable food-waste containers are placed at key locations within each floor of the building. As a result of the single-stream and composting programs, the Lincoln Harbor Campus reduced the annual number of tons of waste sent to landfill from 25 in 2011 to 2 in 2012 (92% decrease), while increasing its annual total recycling from 12 tons in 2011 to 40 tons in 2012 (235% increase).

Pilot waste management concept in Zurich

The UBS Zurich-Altstetten location was used as a pilot for the new waste management concept for UBS buildings in Switzerland. A major goal was to increase the waste recycling rate. New convenient recycling stations and detailed instructions helped put the plan into practice. It also looked at new recycling categories to add to the current PET, paper, aluminium, batteries, glass and cardboard. The pilot included recycling for plastic waste and coffee capsules which was tested from an operational and environmental point of view. The new system increased waste recycled by employees from 57% to 73%. UBS is now looking at implementing the system at other UBS locations in connection with building renovations.

Automatic taps in Chicago

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

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

Waterless urinals in Jersey

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

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Performance against environmental targets 2012 and new targets 2013-2016						
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Share of renewable energy	42%	increase	24%	73%	I	increase
GHG offsetting (business air travel) in t CO ₂ e	73'024	100%	0 ⁵	100%	I	100%
Paper consumption in kg per FTE	122	stabilize	130	-6%	I	-5%
Share of recycled and FSC paper	55.8%	50%	33.8%	65%	I	60%
Waste in kg per FTE	230	stabilize	265	-13%	I	-5%
Waste recycling ratio	54.2%	70%	54.4%	-0.3%	I	60%
Water consumption in m ³	1.95	-5%	2.55	-23%	I	-5%

Legend: CO₂e = CO₂ equivalents; FTE = full-time employee; GWh = giga watt hour; kWh = kilo watt hour; km = kilometer; kg = kilogram; m³ = million cubic meter; t = tonne

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

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

4 Baseline levels 2009 if not indicated otherwise

5 Baseline levels 2004

6 Green: target achieved / red: target not achieved

7 Baseline levels 2012 if not indicated otherwise

Employee engagement

Employee speaker sessions, exhibitions and lunchtime training sessions were delivered in all regions alongside specific technical training for the regional environmental teams.

By educating, increasing awareness among and offering incentives to employees on environmental matters, we hope to encourage them to behave sustainably both at work and at home. As part of our commitment to reducing carbon emissions, we continued to support Earth Hour in March 2012, switching off lights in UBS offices in 58 cities around the world, for one hour. This was also the starting signal for our annual internal and external environmental awareness campaign. The theme in 2012 was energy efficiency, with activities including environmental fairs, an online environmental quiz and video messages from experts, as well as articles and interviews with senior management posted on our internal and external websites.

Regional employee awareness campaigns in 2012 included

- photo competitions in the Americas region and in Europe. Several hundred employees submitted own pictures with an environmental theme and voted for winning pictures which will be used in future internal awareness campaigns.
 - an Environmental Challenge in the Asia Pacific region where 800 employees throughout the region completed 9,473 environmentally friendly actions, showcasing their environmental efforts
 - 750 employees in Switzerland participating in the national "Bike to Work" initiative
-
- [More on training & awareness raising](#)
 - [Case study: Electric vehicle charging facilities in the United States](#)
 - [Case study: Driving change instead of cars at UBS's Mexico City office](#)
 - [Environmental management indicators \(including training figures\)](#)

Case study: Electric vehicle charging facilities in the United States

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

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

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

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

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

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

Our greenhouse gas footprint

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

Responsible supply chain management

Responsible sourcing and 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 and the UBS Group Policy Against Corruption.

We purchase products and services ranging from office maintenance services across information technology infrastructure to items such as stationery. Responsible supply chain management principles serve to embed our ethics and values with our suppliers, contractors, service partners and project teams. As part of this commitment we have implemented a framework to identify, assess and monitor supplier practices in the areas of human and labor rights, the environment and corruption.

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

- ▶ [For more on paper](#)
- ▶ [For more on renewable energy](#)

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

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.



In 2012, we refined our risk rating concept and initiated training with our procurement and sourcing specialists. All our significant active suppliers have been screened for existing environmental and human rights issues. These screenings identified no critical issues according to UBS's requirements. In addition, over 400 suppliers completed a Responsible Supply Chain questionnaire assessing environmental and social management practices.

- ▶ [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 \(Mandarin\)](#) 

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UBS Health and Safety Statement

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

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

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

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

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

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

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

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

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

Accessibility

Public Website and Microsites

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

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

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

Accessibility statement

Cash machines

All UBS free-standing cash machines correspond to the recommendations made by ADAAG (Americans with Disabilities ACT accessibility Guidelines).

These cash machines have access key buttons and PIN keypads which have been made usable for the visually impaired. Additionally, on all machines, transaction processes have been made uniform to all machines, enabling blind and disabled visitors to access money with ease by pressing select "touch points" on the keypads as well as the cash express function. Clients who cannot use a cash machine due to a disability or impairment can withdraw cash from a branch counter without being charged a fee.

disAbility Awareness network

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

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

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

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 [email](#) us.



Our *employees*

We are a global firm that relies on the drive, ability, insight and expertise of our employees to meet clients' needs and build our businesses.



Working for UBS

Our employees work across geographic and business boundaries to meet their clients' needs. Likewise, we invest in our employees around the globe - managing our talent, supporting diversity and building a performance-oriented culture.

[▶ Read more](#)



Our commitment to employees

We are dedicated to being an attractive and supportive employer.

[▶ Read more](#)



Employee development

At UBS, we foster a culture of continuous individual development. Our goal is to give our employees and leaders what they need to excel in their roles, progress in their careers, and ultimately create value for our shareholders.

[▶ Read more](#)



Careers

We are always interested in talking to talented, career-minded individuals. Our unique mix of global businesses and a collaborative, respectful culture is a platform for our long-term success.

[▶ Read more](#)

Community investment



Community affairs

- ▶ [Overview](#)
- ▶ [Community affairs around the globe](#)
- ▶ [Working in partnership](#)
- ▶ [Heritage & awards](#)

UBS foundations

- ▶ [UBS Optimus Foundation](#)
- ▶ [UBS Culture Foundation](#)
- ▶ [UBS Foundation for Social Issues and Education \(CH only\)](#)

Overview

We continued our well-established tradition of supporting the advancement and empowerment of organizations and individuals within the communities in which we do business. Our initial focus was centered on direct cash donations, but our community investment program now encompasses employee volunteering, matched-giving schemes, in-kind donations, disaster relief efforts and partnerships with community groups, educational institutions and cultural organizations in all of our business regions.

Community affairs

In 2012, UBS and our affiliated foundations made direct cash donations totaling CHF 27.5 million to carefully selected non-profit partner organizations and charities, compared with CHF 31.1 million in 2011. Additionally, spending on the UBS Anniversary Education Initiative amounted to CHF 16.7 million. These donations were primarily aimed at our Community Affairs key themes of education and entrepreneurship.

Contributions were also made to other causes, in particular disaster relief, including a commitment of more than USD 1.2 million in total financial contributions to long-term relief and rebuilding efforts in response to the devastation caused by Hurricane Sandy in the United States. These donations, combined with other significant activities, notably the volunteering activities of employees, have continued to provide substantial benefits to projects and people around the world, as demonstrated by the examples provided below.

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 2012, 12,563 employees spent 110,065 hours volunteering, an increase of respectively 8% and 5% compared with 2011. We support their commitment by offering up to two working days a year for volunteering efforts, and also match employee donations to selected charities.

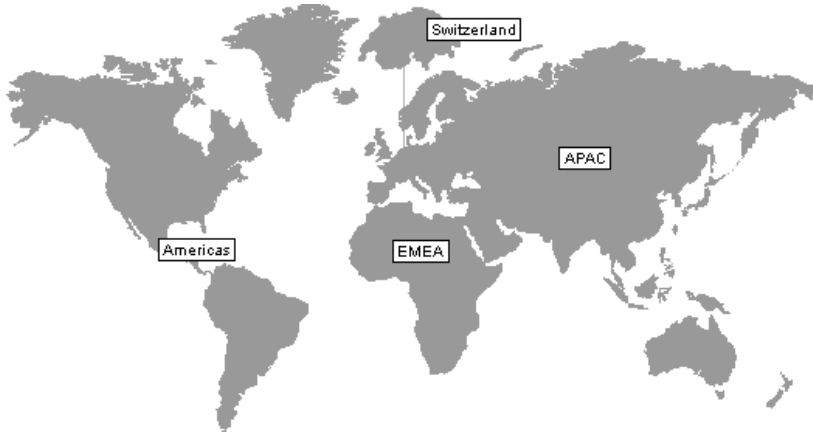
In Switzerland, our community investment efforts are also advanced by the UBS Culture Foundation, the UBS Foundation for Social Issues and Education, and the A Helping Hand from UBS Employees association. In 2012, these organizations made valuable contributions to important social causes, including fostering the humanities and the creative arts, supporting communities in need, and helping disabled and disadvantaged people.

Client foundation

Established in 1999, the UBS Optimus Foundation works to break down the barriers that prevent children from reaching their potential. The Foundation works with carefully selected partners globally on projects which help children in the areas of health, education and protection against violence and sexual abuse. Since its establishment, the Foundation has received more than 18,000 donations totaling over CHF 175 million, enabling it to support 275 projects in 75 countries. Because UBS bears all administrative costs related to the UBS Optimus Foundation, 100% of every donation goes directly towards the projects funded.

In 2012, we published the Optimus Study, the most comprehensive research ever conducted in Switzerland into the extent of sexual assault on children and adolescents. The study's findings are helping the government and child protection agencies to improve in delivering child protection services for children and in turn, reduce the incidence of child sexual victimization.

Around the globe



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

Building stronger communities through education and entrepreneurship

It is our aim that our business activities have a positive influence on the social and environmental well-being of our local communities. As a global financial services firm, we know that successful investment requires insight and commitment – and we apply those very same qualities to our investment in local communities. Our approach is long-term, founded on building sustainable and successful partnerships with schools and non-profit organizations to ensure that our contribution has a lasting impact.



Americas

In 2012, Community Affairs Americas expanded the Elevating Entrepreneurs program and teamed up with lenders in two new locations, Chicago and Los Angeles, to provide USD 15 million in financing solutions for qualified small businesses. Through a variety of student mentoring programs sponsored by UBS, we also contributed 8,148 volunteer hours to supporting children and young adults in developing their career and computer skills and providing them with work experience to help them achieve academic success and economic empowerment.

Additionally, we launched Season of Service, a community impact initiative which resulted in approximately 161 different volunteer activities being undertaken from October to December and 4,473 volunteer hours logged by UBS employees across the Americas region. In response to the devastation caused by Hurricane Sandy in late October, Community Affairs Americas announced that UBS is committing more than USD 1.2 million in total financial contributions to aid in the long-term relief and rebuilding efforts.



EMEA (Europe, Middle East and Africa)

UBS was given the 25th Anniversary Lord Mayor of London's Dragon Award in recognition of the achievements of the firm's community affairs program in London over the past 25 years.

Some 90 young performers from On-track, UBS's community partnership with the London Symphony Orchestra, performed at the opening ceremony of the Olympics.

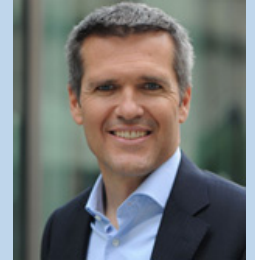
Across EMEA, rapidly increasing numbers of UBS employees are sharing their business skills through strategic volunteering in their local communities: In Israel 90% of employees are supporting young social entrepreneurs in partnership with Ashoka Ventures, and in Turkey 40% of employees are supporting students in developing their science and math skills.

Our social commitment in Switzerland

Lukas Gähwiler

"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



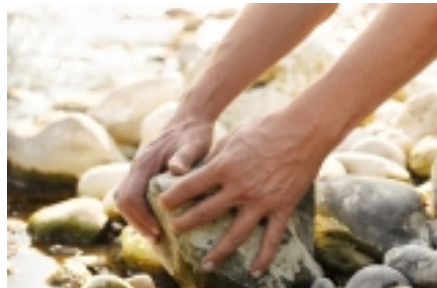
Our commitment at a glance



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.

[▶ Read more](#)



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.

[▶ Read more](#)



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.

[▶ Read more](#)



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.

[▶ Read more](#)



UBS Culture Foundation

[▶ Read more](#)



UBS Foundation for Social Issues and Education

[▶ Read more](#)

News



Getting involved in nature: UBS employees roll up their sleeves

11 Jul 2013, 10:00 News article | Tags: Community Investment CH

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Education initiative: UBS recognizes digital literature project

05 Jul 2013, 17:00 Newsarticle | Tags Community Investment CH



UBShonors up-and-coming entrepreneurs

04 Jun 2013, 16:00 Newsarticle | Tags Community Investment CH, Corporate Responsibility



UBSEmployee Volunteering: "Schwent" project in the Gruyère Pays-d'Erhaut Nature Park

04 Oct 2012, 17:08 Newsarticle | Tags Community Investment CH



UBSEmployee Volunteering: Helping young people

01 Oct 2012, 15:00 Newsarticle | Tags Community Investment CH

Community Affairs Switzerland

Getting involved in nature: UBS employees roll up their sleeves

Zurich | 11 Jul 2013, 10:00 | Community Investment CH

Together with the Swiss Parks Network, the Swiss Foundation for Landscape Conservation and the Swiss Hiking Federation, UBS organizes various outdoor voluntary assignments from spring through to late autumn. In June, UBS employees from all over Switzerland helped out at various locations, building dry stone walls, clearing footpaths or looking after meadows and the edges of woodland. The efforts of the volunteers were an important help for the organizations, and for the UBS employees it made an exciting change from their everyday work at the bank.

Bern – Gantrisch nature park

Shovels and spades instead of desks and computers – around 20 UBS employees got involved at Gantrisch nature park from June 26 to 28. Under the expert guidance of a representative of the nature park, the bankers helped with brush clearance and the maintenance of various meadows and removed unwanted vegetation. They also provided assistance with tree-felling.

Eastern Switzerland – municipality of Ebnat-Kappel

Around 90 UBS employees volunteered their services to assist the board of works of Ebnat-Kappel in restoring the Toggenburg high-altitude path from June 5 to 8. Under the guidance of employees from the Bildungswerkstatt Bergwald from Thun, they spent three days working on various tasks intended to make life easier and safer for walkers.

Valais – municipality of Ausserberg

Over 20 UBS employees gave their all in the municipality of Ausserberg from June 12 to 14. Under the expert guidance of a representative from Berner Wanderwege, the canton's footpath organization, the UBS team worked on enhancing the local footpaths. The volunteers from UBS helped to get the footpaths ready for the summer season. The facilities provided included rest areas and seating for tired walkers.

Community Affairs Switzerland

Education initiative: UBS recognizes digital literature project

Zurich | 05 Jul 2013, 17:00 | Community Investment CH

Innovative business ideas that provide answers to social challenges – a concept that the Social Entrepreneurship Initiative & Foundation (seif) stands for. Once a year, seif recognizes projects that bring about advances in society or environmental protection. 2013 was the first year in which UBS sponsored one of these awards under the aegis of the education initiative.



The Schiffbau hall in Zurich was the scene of this year's award ceremony on July 3. Among the illustrious speakers at the event were Bill Liao, co-founder of the networking platform Xing, and Corine Mauch, mayoress of Zurich, who welcomed the ten finalists.

The winning teams used brief films to present their projects, which originated in the fields of health, education, the environment, energy, IT, Web 2.0 and integration. A panel of expert judges then conferred the awards live.

The UBS Education Innovation award went to the "Brotseiten" digital literature project. Developed as an alternative to commuter tabloids, an app is offered that focuses on short and serialized stories to read, discover and listen to. The stories are penned by famous authors, columnists and celebrities as well as talented new writers.

Juerg Kronenberg, head of Corporate Clients at UBS Zurich, presented the award. "The panel was impressed by both the idea and the way it was implemented," he said. "Brotseiten is a promising digital educational innovation that provides fresh access to reading material and supports efforts to promote literacy."

In all probability, the Brotseiten app should become available later in the summer.



Community Affairs Switzerland

UBS honors up-and-coming entrepreneurs

Zurich | 04 Jun 2013, 16:00 | Community Investment CH | Corporate Responsibility

From May 31 to June 1 Zurich's main railway station played host to the 14th national competition for up-and-coming companies organized by Young Enterprise Switzerland (YES). Over two days, 25 mini-companies from Switzerland presented themselves to visitors and various expert juries. UBS has been the main sponsor of the exhibition for three years and this year presented the "Most innovative product" award.

As part of the YES competition, high-school students aged between 16 and 20 run a real company over a period of a year. Based on trade show appearances, interviews and the business plans they submit, the best 25 are selected each year and invited to Zurich to participate in the national competition in the main railway station. Representatives from the worlds of business, education and politics use this meeting point to catch up with the young companies presenting their business ideas and hoping to find potential clients.



This year UBS was represented by Christine Novakovic, head of Corporate & Institutional Clients, among others. She took part in a podium discussion on the subject of career women and appeared impressed by the up-and-coming companies: "The competition is a perfect example of how to get young people interested in business. From talking to the young people it is easy to see their enthusiasm for their product and their pride at having taken it so far. At the same time they are focused and professional in their dealings and all have ambitions," she said.

This year, prizes were awarded to the mini-companies in several different categories. The UBS jury, consisting of Stephan Stotz, head of Corporate Banking for the Zurich region, Rainer Kirchhofer, head of Community Affairs Switzerland, and Henning Grossmann, CEO of Technopark, had the difficult task of choosing the most innovative product from the diverse offering. "It wasn't easy to choose. We were particularly impressed with how professionally the young people presented their products – it was as if they had had years of sales experience," said Rainer Kirchhofer.

In the end they opted for "Grab-it", an innovative board game developed by eight students from Wohlen Cantonal School. "Grab-it is impressive because it is pared down to the essential, is quick, brings people together and is lots of fun. Bringing a game onto the market that encourages togetherness in this day and age is something we really like. The students worked out and perfected the idea themselves from beginning to end, including designing the first prototypes and seeking and finding the appropriate manufacturing partner. We have rewarded their imagination and commitment with the UBS award," says Stephan Stotz.



Young Enterprise Switzerland (YES)

Young Enterprise Switzerland (YES) is a non-profit organization that develops practical business courses for schoolchildren and students aimed at networking schools with business. UBS and YES have worked together for over ten years. Every year, with the support of UBS, around 750 students at 25 high schools, commercial and vocational colleges in Switzerland have the opportunity to found startups, recognize business contexts and act enterprisingly. In addition to its financial involvement, UBS employees offer practical business training for adolescents (8th to 10th grade) as voluntary consultants, or present tasks and interrelations within a community to elementary school children. UBS gives its staff two paid days off work for this commitment.

Community Affairs Switzerland

UBS Employee Volunteering: "Schwent" project in the Gruyère Pays-d'Enhaut Nature Park

Zürich | 04 Oct 2012, 17:08 | Community Investment CH



Community Affairs Switzerland

UBS Employee Volunteering: Helping young people

Zurich | 01 Oct 2012, 15:00 | Community Investment CH



On the occasion of the bank's 150th anniversary, each business region conducted an anniversary project. In Central Switzerland UBS employees got involved with the Swiss Paraplegic Center (SPZ) in Nottwil. During a volunteer assignment they helped with the care of participants during the so-called Youth Rehab Weeks.

During the course of the Rehab Weeks, wheelchair-bound young people learn to improve their independence, go on outings and practice routine skills. For five days during one such week they received support from UBS employees on a volunteer assignment, including Michael Widmer, who works in the area of Corporate Clients in Lucerne. Like his colleagues, he used the assignment to get a deeper insight into the SPZ and the lives of paraplegics.

"My initial reticence was quickly overcome and I noticed that the young people were very open about their situation in life," the 28-year-old said. Their "joie de vivre" really impressed him –

and that's something that will stick with him: "Once again I became aware of how we tend to get upset over the smallest things in life that, seen objectively, are absolutely meaningless. The day made a big impression on me and was so interesting; I wouldn't have missed it for the world."

UBS not only supported the Youth Rehab Weeks with its own employees, but also with a donation of CHF 10,000.

UBS Employee Volunteering offers a variety of options for getting involved for a good cause. The bank supports participation in the volunteer program and gives employees two paid workdays per year for this purpose.

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.



Bildungswerkstatt Bergwald

Bildungswerkstatt Bergwald (BWBW) is a charitable foundation present throughout Switzerland for environmental education and the education of young people. Among other things, it runs forest project weeks for adolescents from the ninth grade that are aimed at strengthening their social and personal skills. At the end of 2010, the BWBW was recognized by the Swiss UNESCO Commission as a "United Nations Decade of Education for Sustainable Development Activity".



UBS supports the BWBW with the carrying out of various projects and works closely with the BWBW as part of the UBS Employee Volunteering program.

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.



Since their inception, UBS has supported the Business Weeks financially. Many of the bank's managers also help out as course tutors, providing the young people with concrete support in their professional career.

Schule plus Wirtschaft

► www.esst.ch

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

Philiias Foundation



Philiias promotes the topic of Corporate Social Responsibility (CSR) in Switzerland. It is the founder of a network that brings together companies throughout Switzerland that are keen to get involved in CSR in the long term. The aim of the networks' 30 members is to exchange ideas and endorse social responsibility amongst companies in Switzerland.

▶ www.philiias.org

Swiss Red Cross

UBS supports the Swiss Red Cross by asking its employees to donate in the event of disasters. True to the motto "Double the impact of your donation", UBS matches its Swiss employees' donations franc for franc in the event of a disaster.



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.

▶ www.chili-srk.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

- ▶ [Experience report Reto Felber](#)

Partner organization experience reports

- ▶ [Nicole Heim, CEO Young Enterprises Switzerland](#)
- ▶ [Monica Marti, Head Nature Events, Naturama Aargau](#)
- ▶ [Eva Veith, Volunteering Coordinator, Käferberg Care Home](#)

Videos

- ▶ [The videos show UBS employees performing voluntary work and talking about their experiences](#)

Experience report Reto Felber



"Because I am too clumsy to help build an SAC hut, I signed up for the Ernst Schmidheiny Foundation Business Weeks as part of UBS Employee Volunteering.

The foundation organized the training where I got to know two other aspiring teachers with whom I was able to conduct a Business Week shortly after.

Our 20 students agreed to produce virtual headphones and so the week was spent making various business decisions together. As specialist teachers we cleared up questions as they arose, went deeper into some topics and, as course leaders, were responsible for the smooth operation and evaluation of the simulation.

Unleashing creativity and ambition in the young people and then attending their final presentation was an inspiring and great experience!"

Nicole Heim, CEO Young Enterprises Switzerland



"We have worked intensively with UBS since 2006 and the introduction of the 'Fit for Business' program in Switzerland. It sees the bank's employees providing young people in the 8th to 10th grades with practical knowledge in the areas of business, job applications and consumption. By way of interactive exercises, the students practice job interviews, create their own budgets to avoid the debt trap, and much more. The UBS volunteers are an important inspiration for the young people, often providing them with their first conscious contact with business and the careers that await them.

We see our partnership with UBS as highly enriching. The volunteers are always very motivated and committed to their work with us. Our dealings with UBS have always been characterized by mutual respect. As a non-profit organization, it is important for us to work with partners who understand the processes and problems involved in voluntary work and maintain a long-term commitment as a foundation."

Monica Marti, Head Nature Events, Naturama Aargau



"The committed work of many UBS employees tangibly improves habitats for threatened flora and fauna in Aargau and directly supports the region's nature. For the UBS employees themselves, the hard, hands-on work they perform combined with expert information promotes a new understanding of nature. At the same time, these assignments sensitize the local population to the natural wonders on their doorstep and draw their attention to conservation issues.

For Naturama Aargau, the partnership with UBS Employee Volunteering is valuable on many fronts. We are continually impressed by the motivated and uncomplicated work performed by participants."

Eva Veith, Volunteering Coordinator, Käferberg Care Home



"Our residents often have little connection with people outside the home. Through volunteering, active residents have the opportunity to chat with UBS employees and enjoy more of a social life. The handicapped and those suffering from dementia also appreciate the support and attention. For us, the additional personal support opens up new options, for example in organizing special events, excursions and the like.

The cooperation with UBS Community Affairs Switzerland has developed very positively. Since its inception in 2005, we have organized an average of two events every year and from setting a date to the day of the event, we are in regular contact with the bank.

At these events, we find that UBS employees are people with a positive attitude who get involved with curiosity and an open mind. As an institution specializing in long-term care, we see this type of cooperation as an interesting opportunity to positively affect social and political thought in countering uncertainties and prejudices related to old age."

Videos

The videos show UBS employees performing voluntary work and talking about their experiences.

UBS Employee Volunteering: "Schwent" project in the Gruyère Pays-d'Enhaut Nature Park.



The Ernst Schmidheiny Foundation's Business Weeks



Adventure weekend on the River Aare with Procap Sport and cleanup of the Gantrisch



UBS Employee Donations

The UBS Employee Donations scheme lets employees donate money to selected charitable organizations. UBS matches donations of up to CHF 3,500 per person and year.

The broad selection of topics within the donation program is UBS's way of catering for the various interests of its employees. Thanks to the careful vetting of the organizations, they can rest assured that their donation will be used effectively and efficiently.



A helping hand from UBS Employees

"[A helping hand from UBS Employees](#)" finances projects for mentally and/or physically handicapped people and the socially disadvantaged in Switzerland. It is a permanent element of the UBS Employee Donations program.

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

A helping hand from UBS Employees

"A Helping Hand from UBS Employees" is a politically neutral and non-denominational organization that was founded around 40 years ago upon the initiative of UBS employees. The organization supports projects which improve the quality of life for many people in Switzerland who have physical, Intellectual or multiple disabilities.

UBS employees and retirees participate in the organization with member contributions and monetary donations and in this way carry out their social and ethical responsibility in society. The organization's board, made up of committed UBS employees, meets to determine the support of projects at regular intervals. The board members work as volunteers. UBS makes the necessary infrastructure available and assumes the administrative costs. The donations and contributions go in full to the carefully selected projects. Furthermore, the efficient procedures ensure that the financial support goes directly and without unnecessary bureaucracy to the recipients.



Type of support

"A helping hand from UBS Employees" makes a concentrated effort to support projects that improve the quality of life of people in Switzerland with physical, mental or multiple handicaps. Larger projects are supervised by the board up to their launch.

Some practical examples

Foundation Swiss School for Guide Dogs for the Blind

The East Switzerland Foundation School for Guide Dogs for the Blind (OBS) makes a major contribution to helping blind and visually-impaired people cope with everyday life by carefully training guide dogs for the blind. "A Helping Hand from UBS Employees" participated in the training costs of the future guide dog for the blind, "Sambo," and supported his entire training program.

Sailability.ch

The organization Sailability.ch promotes sailing for people with special needs in Switzerland. The organization maintains several sailing dinghies on Lake Constance that can be used by people with a disability. "A Helping Hand from UBS Employees" supports this project and financed two personal lifters for Sailability.ch to make it easier for walking-impaired individuals to board a boat.

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



APAC (Asia Pacific)

In March 2011, an earthquake and resulting tsunamis devastated Kamaishi City in the Tohoku region of northeast Japan, causing the deaths of 1,250 residents. In response, UBS initiated the UBS Tohoku Project; a five-year strategy to bring relief to the disaster-struck region. In 2012, UBS and Japanese partner organization RCF Tohoku Earthquake Consulting Team, a reconstruction support organization, implemented the second phase of this strategy to help regenerate and rebuild the local community. APAC volunteers were first introduced to the work of RCF Tohoku Earthquake Consulting Team and the local rebuilding strategy Create-Play-Learn-Eat, allowing them to learn about the situation in Kamaishi before working on respective proposals for each of the focus areas to support the regeneration and rebuilding efforts.

UBS volunteers also spent a day harvesting rice at the UBS RICE Project paddy field. The UBS RICE Project aims to improve water quality and bio-diversity of Lake Kasumigaura, north of Tokyo and it is part of a larger program led by UBS's community partner, Asaza Fund, to provide local children with the opportunity to learn about ecosystems and develop environmental awareness. Through UBS's investment, the environment around the previously abandoned paddy field has been enriched and continues to thrive.

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 entrepreneurship, thereby building stronger communities. In doing so, we aim to assist our partner communities achieve sustainable growth and entrepreneurship 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 2012, 12,563 employees spent 110,065 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 2012, UBS and our affiliated foundations made direct cash donations totaling CHF 27.5 million to carefully selected non-profit partner organizations and charities, compared with CHF 31.1 million in 2011. Additionally, spending on the UBS Anniversary Education Initiative amounted to CHF 16.7 million. These donations were primarily aimed at our Community Affairs key themes of education and entrepreneurship. Contributions were also made to other causes, in particular disaster relief, including a commitment of more than USD 1.2 million in total financial contributions to long-term relief and rebuilding efforts in response to the devastation caused by Hurricane Sandy in the United States.

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.



- ▶ Americas
- ▶ Asia Pacific

- ▶ EMEA
- ▶ Switzerland

Recent Awards

25th Anniversary Lord Mayor of London's Dragon Award, 2012

In recognition of the achievements of UBS's community affairs program in London over the past 25 years

UK Prime Minister, David Cameron's Big Society Award, 2011

For UBS and its Bridge Academy partnership

Best of Corporate Publishing award for UBS's online Community Affairs Switzerland newsletter, 2011

"Engagement", wins a in the "Digital media - employees" category

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

Initiatives & awards

UBS has established many partnerships with community organizations, and government agencies.

Through these relationships, UBS has been working to support public education initiatives and youth career development programs, and to improve the quality-of-life for people in need.

Community awards:

- Heart of Gold Award for leadership in corporate volunteerism, The Volunteer Center of Southwestern Fairfield County
- National Champion of Education & Technology Award, MOUSE (Making Opportunities for Upgrading Schools & Education)
- Outstanding Business Partner Award, Junior Achievement of Southwest Connecticut
- President's Award for nonprofit capacity building initiative, The WorkPlace
- Corporate Leadership Award, The Urban League of Southern Connecticut



APAC

From its earliest days in the 1930s in Australia, UBS has had a business presence that has grown significantly in the Asia Pacific region. In more recent times, the firm, which now operates in 13 countries in the region, has established a targeted number of partnerships with community organizations. Our commitment to these groups goes beyond financial support to a high level of volunteer participation by UBS employees.

The Asia-Pacific region continues to experience some of the world's most devastating natural disasters. In March 2011, an earthquake and resulting tsunamis devastated Kamaishi City in the Tohoku region of northeast Japan, causing the deaths of 1,250 residents. In response, UBS initiated the UBS Tohoku Project; a five-year strategy to bring relief to the disaster-struck region. In 2012, UBS and Japanese partner organization RCF Tohoku Earthquake Consulting Team, a reconstruction support organization, implemented the second phase of this strategy to help regenerate and rebuild the local community. APAC volunteers were first introduced to the work of RCF Tohoku Earthquake Consulting Team and the local rebuilding strategy Create-Play-Learn-Eat, allowing them to learn about the situation in Kamaishi before working on respective proposals for each of the focus areas to support the regeneration and rebuilding efforts.

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	
2012	UBS receives the 25th Anniversary Lord Mayor of London's Dragon Award in recognition of the achievements of the firm's community affairs program in London over the past 25 years
2011	UBS and its Bridge Academy partnership win the UK Prime Minister, David Cameron's Big Society Award
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 660,000 in prize money, providing financial resources for the recipient organizations to grow or fund projects that are strategic to their futures.
- **Social capital:** The award ceremony, attended by 150 local philanthropists and community leaders, provides the Visionaris finalists with the opportunity to meet with potential donors and to network with peers with whom they can exchange social development experiences and best practices.
- **Symbolic capital:** The Award recognizes the work undertaken by selected social entrepreneurs, and provides motivation to continue with their social change initiatives.
- **Intellectual capital:** Before the Award Committee meeting, the selected social entrepreneurs receive training on the following competences: basic presentation skills to ensure an effective presentation of their projects, project evaluation and monitoring, and fundraising.

After nine events in Mexico, four in Brazil and three in Argentina, 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 giving. Commenting on his involvement with the Visionaris Award Committee, one philanthropist mentioned that "it was an honor to be part in such a jury. All the projects presented were excellent, and I would like to thank UBS and Ashoka for giving me the opportunity to get to learn about these social change initiatives".

Recent winners

2012: Mariana Baños

By providing free, comprehensive care over the phone to women suffering from any degree of physical, sexual, economic, or psychological violence, Mariana's organization, Origen Foundation, is reducing the barriers to psychological services throughout Mexico.

The core of the model is the toll-free phone line, Pro Ayuda a la Mujer (Help for Women), the first call center in Mexico that offers routine therapy at absolutely no cost to the callers. Unlike other phone-based services in Mexico that only provide one-off support to callers facing a specific domestic violence crisis or incident, Pro Ayuda a la Mujer connects women with psychologists, lawyers, and other specialists who provide professional follow-up to their callers long after the initial contact. Many of the women who call are not in emergency situations but are in need of psychological support nonetheless. In this way, Origen employs a detailed and comprehensive database to register every call and the counselor's notes on each session, which are made available to other potential service providers. For those callers requiring more specialized assistance, Mariana has built alliances with some 5,000 public and private healthcare and legal institutions to accommodate specific cases.

2011: Ernesto López Portillo

After working for several years on public security issues in Mexico, Ernesto founded the Institute for Security and Democracy (Insyde), an organization dedicated to the democratic reform of Mexico's law enforcement agencies, in order to make them more transparent and accountable to society.

As Mexico struggles with the widespread violence stemming from drug trafficking and organized crime, the sense of public security is at an all-time low. Questionable police performance leaves Mexicans with little respect for law enforcement, and an absence of the rule of law has been detrimental to the development of a safe and democratic society. Through Insyde's work, Ernesto and his team are executing a citizen-based approach to police reform. He combines applied research and methodologies, derived from the best practices in police reform around the world, with comprehensive and objective evaluations of individual police institutions throughout the country. Insyde's relationship with police institutions is deliberately collaborative rather than antagonistic, seeking to help the police transform their own organizations rather than foisting change on them from the outside.

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](#)

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.



Community affairs Contact us

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



Have we awoken your interest? Get in contact!

Personal Details

Title*	Mrs/Ms Mr
First name*	<input type="text"/>
Last name*	<input type="text"/>
Address*	<input type="text"/>
Postal code*	<input type="text"/>
City*	<input type="text"/>
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Phone*	<input type="text"/>
E-mail	<input type="text"/>
Reason for contact*	Private Business University
Message	<input type="text"/>

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