

Corporate *responsibility*



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

Our focus areas

Governance & strategy

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. 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.

- ▶ [More on governance & strategy](#)
- ▶ [Details on our achievements](#)

News

April 2012

UBS presents the "Most Responsible Business Award"

10 Apr 2012, 10:15

JA-YE Europe Trade Fair makes a guest appearance at Zurich's central station

December 2011

Creating shared value

29 Dec 2011, 09:15

In a society where over-consumption and excessive production have become the norm, there has been a shift away as global sectors search for the next big thing. Many believe it could lie in innovative ways of "Creating

Responsible banking

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

▶ [More on responsible banking](#)

CR in operations

Corporate responsibility also manifests itself in how we operate our business. Our in-house environmental management measures and responsible supply chain management consider environmental and human rights aspects; our health & safety and accessibility standards support well-being and equal opportunities among our employees.

▶ [More on CR in operations](#)

Our employees

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

▶ [More on our employees](#)

Community investment

We have a tradition of supporting the advancement and empowerment of organizations and individuals within the communities we do business in. We do this through a variety of community affair activities as well as through a number of foundations dedicated to specific missions.

▶ [More on community investment](#)

shared value (CSV)", a means for business success while having a positive environmental impact. An exploration of doing more with less has begun.

Sustainable mobility

20 Dec 2011, 14:00

A panel discussion on the subject of sustainable transport, entitled "Easier – More efficient – Quicker. Is sustainable mobility the solution or a contradiction?", took place on November 29 in the Grünenhof Conference Center in Zurich. It was the first in a series of events about sustainability aimed at bringing together interested parties both within and outside UBS.

UBS and Bridge Academy win the Prime Minister's Big Society Award

02 Dec 2011, 10:45

Ratings and awards



Our performance and efforts were reflected in key external ratings and rankings, which take into account sustainability issues.

[▶ Read more](#)

Case studies



Portfolio screening for sustainable investing

Aligning a portfolio along personal views and values on sustainability and ethics takes more than just selecting the right products.

[Read more](#)



The UBS Visionaris Award: Leveraging the power of social entrepreneurship

Visionaris is a UBS Social Entrepreneurship Award, which aims to bring recognition and add impetus to leading Mexico-based social entrepreneurs.

[Read more](#)

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.



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 lead 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.



[Ernst & Young Assurance Report](#) 

[GRI Content Index](#)

[ISO 14001 Certificate](#)

[CDP submission](#)

[UN Global Compact COP](#) 

[Reports](#)

[Read more](#)

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.

Commitment

- ▶ Chairman's statement
- ▶ Our stakeholders
- ▶ External commitments

Governance

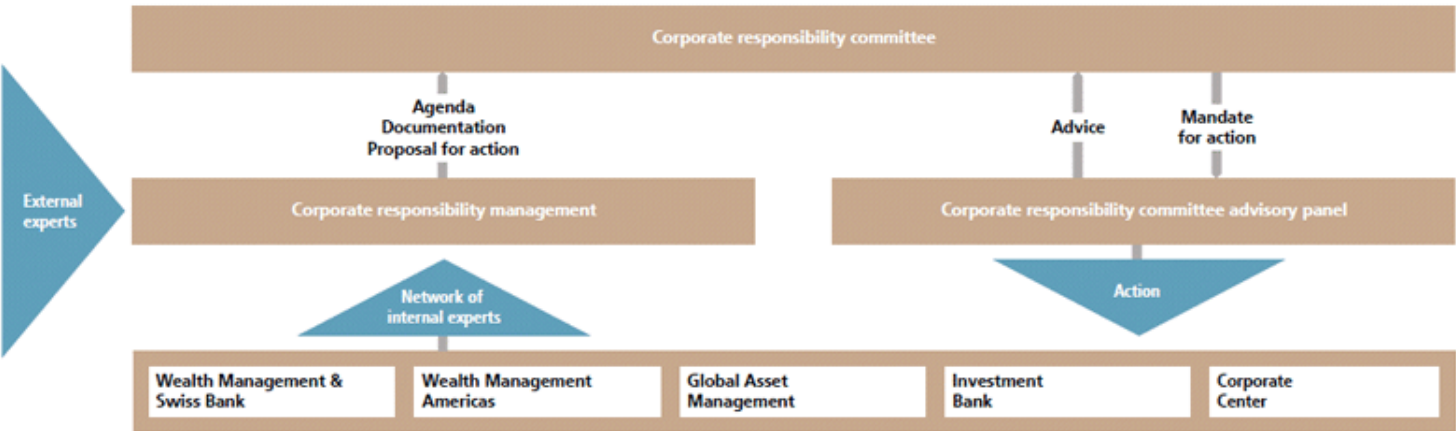
- ▶ Governance structure
- ▶ Corporate responsibility at UBS
- ▶ Corporate responsibility committee
- ▶ Environment and human rights
- ▶ Money laundering prevention
- ▶ Diversity
- ▶ Community Affairs
- ▶ Policies and guidelines

Strategy & performance

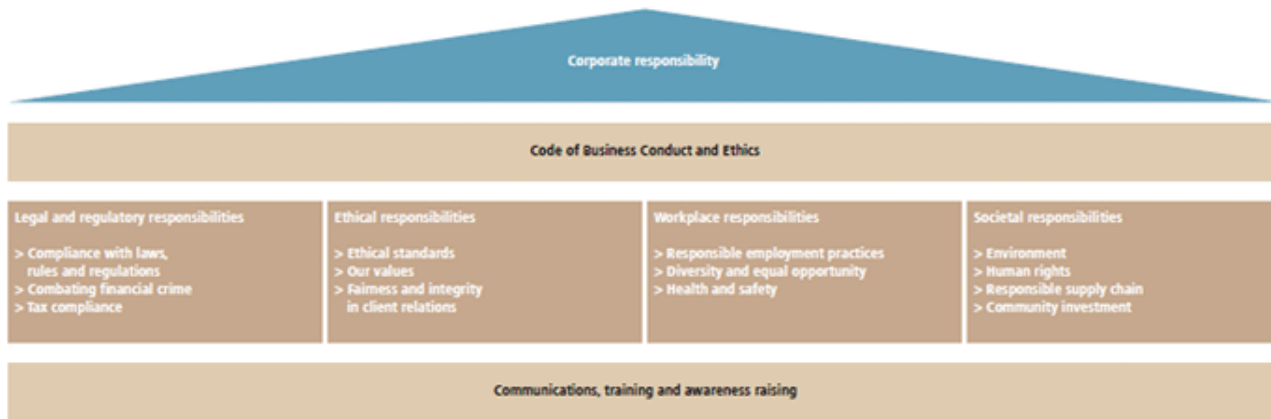
- ▶ Sustainability at UBS
- ▶ Training and awareness
- ▶ External ratings and awards
- ▶ Performance and Compensation
- ▶ Reporting and assurance
- ▶ Objectives & Achievements 2010

Governance structure

Our corporate responsibility governance process



Corporate responsibility at UBS



Chairman's statement 2011

Kaspar Villiger, Chairman of UBS (until 3 May 2012)



The Board of Directors is responsible for setting the Group's values and standards and ensuring that our obligations to shareholders and stakeholders are met in full. We are focused on gaining and retaining the trust of all our stakeholders alongside our goal of generating sustainable earnings and creating long-term shareholder value. Our shareholders, clients, employees and society in general demand that our banking activities are undertaken in a responsible manner, and that our products and services are best suited to the needs and

requirements of our clients.

UBS's continued commitment to corporate responsibility

In 2011, we continued to make a valuable contribution to the fight against money laundering, corruption and terrorist financing (AML). We strengthened our management of environmental and social (including human rights) risks, intensified our sustainability-related business activities, and continued with the execution of our in-house environmental management and supply chain programs and our investment in community activities.

We also strengthened senior management accountability in relation to particular corporate responsibility activities, most notably through the oversight provided by two Group Executive Board (GEB) committees concerned with environmental and social risks and community investment. These, and other corporate responsibility developments at UBS, were monitored and reviewed by the UBS Corporate Responsibility Committee (CRC), a Board of Directors (BoD) committee, of which I am a member.

Our efforts were also reviewed and received recognition by external bodies. To highlight one noteworthy example, our company is among the few financial sector companies represented in two Carbon Disclosure Project (CDP) indices, Carbon Performance Leadership Index (CPLI) and the Carbon Disclosure Leadership Index. Our inclusion in the CPLI, which features companies that have distinguished themselves through their efforts to reduce emissions and their strategies for combating climate change, encapsulates an achievement I am particularly proud of, our efforts to reduce our firm's CO₂ emissions. With a global overall reduction of 39% from 2004 levels achieved in 2011 we are within a whisker of our ambitious 40% reduction target for 2012.

Furthermore, I would also like to highlight the recognition we have received for our community investment activities. In December, UBS and its Bridge Academy partnership in London won the UK Prime Minister, David Cameron's Big Society Award. The award recognizes the 1,700 UBS employees who have volunteered their time and skills since the Bridge Academy was established in 2003.

I see all this recognition as good evidence of the comprehensive range of valuable activities our firm engages in under the collective heading of corporate responsibility. They also serve as clear evidence of our commitment to the corporate responsibility principles set out in 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. Since 2000, we have provided evidence for this in many ways. Key examples include our leading role in the issuance of the first global anti-money laundering principles in 2000 and the subsequent introduction of our policy against corruption, the launch of our internal Diversity Initiative in 2002, the implementation of our climate change strategy in 2006, the introduction of the UBS Statement on Human Rights and of our responsible supply chain standard introduced in 2006 and 2008, respectively.

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Corporate responsibility strategy

Implicit to this list of achievements is our firm's corporate responsibility strategy, which is founded in the spirit of continuous improvement. This 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. We have firmly established responsibility for the oversight of this important and complex task at the highest level of the firm.

At the Board of Directors level, the Corporate Responsibility Committee both monitors and continues to provide direction on our Corporate Responsibility commitments and activities. To me, noteworthy examples in 2011 include the strengthening of our due diligence processes through collaboration between our Compliance and Risk functions. Jointly, they developed and introduced new and more effective ways to screen potential business partners, vendors and clients in respect of any potential issue regarding environmental and social (including human rights) risk. This development directly supports the continued execution of our 'Position on relationships with clients and suppliers associated with controversial activities', which we published in January 2011.

While the management of environmental and social risks is undoubtedly a key consideration for us, providing financial products and services which help our clients manage their environmentally and socially-related business opportunities is equally important. To illustrate this with three examples, we broke new ground by listing four Exchange Traded Funds (ETF) on the German Stock Exchange that track sustainability leaders identified by Socially Responsible indices such as the new MSCI ESG (environmental, social, governance) Indices. UBS Global Asset Management's Global Real Estate business defined and implemented a Sustainability and Responsible Property Investment (RPI) strategy for its real estate products and mandates. More broadly, combined teams from philanthropy and values-based investing (VBI) and sustainable investing developed further our holistic service offering in our wealth management business.

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Retrospective and outlook

2011 proved to be a difficult and turbulent year for us and for the financial sector as a whole. Uncertain markets, low client activity and regulatory changes weighed heavily on the results in our industry. In addition, we were confronted with the unauthorized trading incident. These challenges notwithstanding, we made progress, achieving a solid net profit for the year and further strengthening our position as the best capitalized bank in our peer group. Progress was also made in our corporate responsibility initiatives. The thorough implementation of these initiatives, including those that I have outlined here, will continue in 2012.

2012 is a special year for our firm in that we celebrate 150 years of UBS. Our history encompasses our firm's rise from a small regional lender in 1862 into the global financial institution that we are today. Since 1862, more than 300 financial firms, ranging from private banks and savings banks to wealth managers and brokers to commercial banks, have become part of today's UBS. All these acquisitions and mergers have added to the rich historical foundations of our firm and contributed to its diversity and globality of experiences.

Two factors have been instrumental in shaping this impressive history of our bank: change and stability. These are themes that will also shape our future. Further change is ahead of us, and further steps will be needed to maximize efficiency and create value for all our stakeholders. Success will only be possible if we establish a consistent and strengthened culture across the firm. This culture will be driven by our commitment to clients, by our determination to achieve excellence in all we do, and by our constant efforts to deliver sustainable performance.

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Our stakeholders

UBS & its stakeholders

Dialogue with external parties is an important contributor to our understanding and approach to corporate responsibility. In 2011, we engaged with experts and stakeholders on a range of topics including discussions with investors on a wide range of environmental, social and governance (ESG) topics and non-governmental organizations (NGOs) on the subjects of deforestation, human rights and coal.

In all dealings with stakeholders, we are guided by the principles and standards set out in the Code of Business Conduct and Ethics (the Code). By fostering an open and honest dialogue with our stakeholders, we strive to meet their expectations and address their concerns in an informed and effective manner, as outlined in the charter of the Corporate Responsibility Committee (CRC).

Input on our corporate responsibility strategy and associated activities is also regularly sought from employees, including an internal, cross-divisional and cross-regional network of experts, with its members providing critical input on stakeholder expectations and concerns. These contributions are relayed back to the CRC and provide a very valuable addition to information gathered through other monitoring channels.

To enhance further our provision of corporate responsibility information to our stakeholders, in 2011 we established a UBS climate change website (ubs.com/climate). We also introduced a UBS Corporate Responsibility factsheet to provide stakeholders with clear and concise information on our key commitments.

Our stakeholders

- **Clients:** Clients are at the centre of our activities. We are committed to building and sustaining relationships with clients based on trust and integrity. Regular dialogue with clients and their feedback (including via our [Quality Feedback management system](#)) ensures that we understand their expectations. Collecting this feedback enables the firm to act and continuously improve products and client service standards in order to provide the best client experience. As regards sustainability topics, the Investment Bank hosted both the annual UBS SRI Conference focused primarily on sustainable supply chains, and the UBS Q-series® Sustainable Innovation Conference.
- **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. At our investor day 2011, we communicated our strategy and targets for our businesses and the Group. We laid out our plans to build on our industry-leading capital strength and sound liquidity and funding positions in the context of evolving and more restrictive regulations affecting these areas together with our plans for reducing risk-weighted assets, particularly in the Investment Bank. We signaled our intention to issue a dividend of CHF 0.10 for the financial year 2011 and to initiate a progressive shareholder return policy thereafter reflecting our success in implementing our strategy. We also highlighted corporate governance and compensation issues and improvements we have made in our financial disclosures, improvements to our risk controls and the changes to the regulatory landscape and their potential impacts on the way in which we operate going forward.
- **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 2011, each employee had the opportunity to attend, directly or via UBS TV, at least one town hall with senior

management, listening to and discussing a broad range of topical issues such as the firm's strategy. In Switzerland, the ERC also organized Open Space Forums to discuss, for instance, IT issues. In 2011, we also published a UBS Health & Safety statement on our Corporate Responsibility website following a review of our health and safety activities and efforts. The statement demonstrates our long-standing commitment to creating a work and business environment that safeguards the health and safety of employees, business partners and clients.

- **Governments / Regulators:** Financial market stability and efficiency is largely dependent on the regulatory and political environment. We actively participate in political discussions to share our expertise surrounding regulatory changes and corporate responsibility-related issues. In 2011, discussions regarding the future regulatory framework for financial institutions figured prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments and regulators.
- **Communities:** We actively ensure that the communities where we operate are healthy and prosperous. To contribute to the health of these communities, we are engaged in various ways, most notably through our dedicated Community Affairs teams around the world. These teams work closely with senior managers to build partnerships with organizations in the communities where we operate. In 2011, UBS and our affiliated foundations made direct cash donations totaling CHF 31.1 million to carefully selected non-profit partner organizations and charities. These donations were directed primarily towards achieving our Community Affairs key themes of "education" and "entrepreneurship". Contributions were also made to other activities, in particular disaster relief, including CHF 3.2 million in Japan.
- **Suppliers:** As a major procurer of materials and services, we maintain many relations with suppliers worldwide, and strive to adhere to high ethical standards when interacting with our vendors. In 2008, we introduced a Responsible Supply Chain Guideline which provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption. Since its introduction, more than 1,100 suppliers have been screened according to the guideline's social and environmental criteria, and responsible supply chain requirements were included in contracts awarded to relevant suppliers.
- **International Organizations and initiatives:** We are a member or participate in several organizations and initiatives that promote the advancement of corporate responsibility and sustainability, including the United Nations Global Compact, the Global Reporting Initiative, the United Nations Environment Program Finance Initiative, the Carbon Disclosure Project and the UN Principles for Responsible Investment (Global Asset Management only). Our representatives participate in external meetings, events and conferences and use these platforms to exchange ideas, promote joint actions among participants and gain valuable input for the development of our corporate responsibility approach and strategy. In 2011, we participated in, among other sustainability-related events, the UNEP FI's global sustainability roundtable in Washington and the annual UNEP FI / VfU sustainability roundtable. We also contributed to ensure smooth logistics for the International Association for Volunteer Effort's biannual World Volunteer Conference, which was held in Singapore and attended by more than 1,000 global participants from around the globe.
- **Non-governmental organizations:** With regard to societal issues, non-governmental organizations (NGOs) have long established themselves as the most critical "watchdogs" of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. We interact with NGOs and appreciate their input and insight, as it helps the firm consider its approach to, and understanding of, environmental and social issues and concerns. In 2011, we communicated with NGOs on topics as diverse as human rights, palm oil, mountaintop removal coal mining and cluster munitions. 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 2011, we participated in such a dialogue event on the subject of coal with about 50 representatives from banks and NGOs.
- **Peers:** We actively engage in regular discussions on corporate responsibility and related issues with specialists in peer banks, and more widely through trade bodies and associations such as the Swiss Banking Association (where we are a member of the "green economy" working group newly established in 2011). Their experiences and assessments of corporate responsibility issues help to compare and improve our strategy, approach and tools (e.g. in the area of environmental and social risk management). In May 2011, we organized a meeting of a number of universal banks to consider the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" (the Guiding Principles) on business and human rights. As a group ("the Thun Group") we initiated a process to interpret the Guiding Principles with specific reference to their application to the banking sector. A short statement on the "Guiding Principles" was released by the Thun Group at the UNEP FI global sustainability roundtable in October.

- **Media:** We conduct an active and consistent dialogue with media in all of our major locations worldwide. Our media teams provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management also regularly gives account to journalists, predominantly through interviews.
- **Rating and research agencies:** We actively engage in dialogue with analysts in rating and research agencies. With regard to our sustainability performance, the evaluation of specialized agencies helps to evaluate our current strategy and activities, and provides a useful means for benchmarking. In 2011, we provided detailed information on our sustainability performance to a range of agencies either in response to questionnaires (e.g. for the DJSI) or via meetings or calls (with environmental, social and governance (ESG) analysts). Our corporate responsibility website regularly serves as a key source of information for these agencies.

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Quality Feedback system

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

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

UBS strives to respond directly to each individual who provides feedback. Moreover, on significant topics and key developments, UBS also provides a collective response in its external reporting (Quarterly/Annual Report, Letter to the Shareholders). In 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.

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](#)

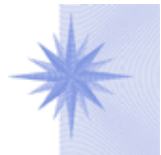
UNEP Finance Initiative



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 2011, we considered along with a number of other universal banks the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights. As a group ("the Thun Group"), we initiated a process to interpret the Guiding Principles with specific reference to their application to the banking sector.

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](#)

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Environment

UBS acknowledges that climate change represents one of the most significant environmental challenges. In 2009, UBS supported the Global Compact's "Seal the Deal!" campaign, which calls for a fair, balanced and effective post-Kyoto climate agreement. In his testimonial for "Seal the Deal!", UBS's Chairman of the BoD confirmed a cornerstone of the firm's climate change strategy in that UBS seeks to help clients address risks and take advantage of opportunities presented by climate change and the transition to a low carbon economy. With this in mind, UBS continued to expand its offering of

climate change-related products and services and to publish dedicated research reports in 2011. In addition, UBS seeks to lead by example by acting to reduce its own environmental impact. In 2006 the Group Executive Board (GEB) set a target to reduce the firm's carbon emissions by 40% through 2012 from 2004 levels. In 2011, UBS continued to make progress towards achieving this target.

▶ [Addressing climate change](#)

▶ [UNEP](#)

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Fighting corruption

By taking responsibility to preserve the integrity of the financial system, and its own operations, UBS is committed to assisting in the fight against money laundering, corruption and terrorist financing. UBS employs a rigorous risk-based approach to ensure its policies and procedures correspond with those risks and that relationships that are classified as higher risk are dealt with appropriately. The firm adheres to strict know-your-customer regulations, which do not, however, seek to undermine customers' legitimate right to privacy. Ongoing due diligence and monitoring is undertaken to assist in the identification of suspicious activities, including the utilization of advanced technology to assist in the identification of transaction patterns or unusual dealings which, if discovered, are promptly escalated to management or control functions.

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

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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](#)

Wolfsberg Group

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



UBS is a founding member of the Wolfsberg Group, an association of 11 global banks established in 2000 which aim to develop financial services industry standards and related products for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies. Together with other members of the Group, UBS has actively engaged with the Financial Action Task Force (FATF), in its consultation processes with the private sector. The FATF is an inter-governmental body that developed the FATF 40 Recommendations on Money Laundering and the 9 Special Recommendations on Terrorist Financing which have been endorsed by more than 180 countries and jurisdictions, and are recognised as the international anti-money laundering / counter-terrorist financing standards. At the end of 2010, the FATF announced that it is reviewing its 40+9 Recommendations. The Wolfsberg Group gave comments and feedback to the FATF within the consultation process, which extended into early 2011.

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

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

The Group continues to update existing publications it has produced over the last eleven years, with an update to the Trade Finance Principles and updated guidance on Prepaid and Stored Value cards being published in 2011.

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.



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

Further commitments

The Conference Board

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

► www.tcb.org

Business in the Community

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

► www.bitc.org.uk

Institute of Business Ethics

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

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

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

► www.ibe.org.uk

Eurosif

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

► www.eurosif.org

Forum for Sustainable Investment - FNG



UBS is a member of the Forum Nachhaltige Geldanlagen (Forum for Sustainable Investment - FNG). The FNG was formed in 2001 as a professional association for sustainable investment in Germany, Austria and Switzerland. Its more than 140 corporate members include banks, asset managers, insurance companies, rating agencies, investment companies, wealth managers,

financial advisors and NGOs.

► www.forum-ng.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

oikos

UBS is a donor of oikos foundation, a part of the international oikos student organisation for sustainable economics and management and a leading reference point for the promotion of sustainability change agents. Originally founded in St. Gallen, Switzerland, in 1987, oikos has grown to 38 local chapters in 21 countries worldwide. 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

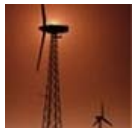
ÖBU

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

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

▸ www.oebu.ch

Zurich Energy Model



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

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

▸ www.energiemodell-zuerich.ch

ASrIA

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

▸ www.asria.org

CSR Asia

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

▸ www.csr-asia.com

Corporate Responsibility Committee

The Corporate Responsibility Committee (CRC) supports the BoD in fulfilling its duty to safeguard and advance the Group's reputation for responsible corporate conduct. It reviews and assesses stakeholder concerns and expectations for responsible corporate conduct and their possible consequences for UBS, and recommends appropriate actions to the BoD. The CRC is comprised of following members of the BoD. The CRC is advised and supported by a number of senior business representatives.

Members



Wolfgang Mayrhuber

Wolfgang Mayrhuber was elected to the BoD at the 2010 AGM. He has chaired the Corporate Responsibility Committee since 2011 and has been a member of the Human Resources and Compensation Committee since 2010.

[▶ CV](#)



William G. Parrett

William G. Parrett was elected to the BoD at the October 2008 Extraordinary General Meeting. He has chaired the Audit Committee since 2009 and has been a member of the Corporate Responsibility Committee since 2012.

[▶ CV](#)



Axel A. Weber

Axel A. Weber was elected to the Board of Directors (BoD) at the 2012 Annual General Meeting (AGM) and was thereafter appointed Chairman of the BoD. He chairs the Governance and Nominating Committee and has been a member of the Corporate Responsibility Committee since 2012.

[▶ CV](#)



Beatrice Weder di Mauro

Beatrice Weder di Mauro was elected to the BoD at the 2012 AGM. She has been a member of the Audit Committee and Corporate Responsibility Committee since 2012.

[▶ CV](#)



Joseph Yam

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

[▶ CV](#)

Advisory Panel

- Sergio P. Ermotti ▪ John Bradley ▪ Markus U. Diethelm ▪ John A. Fraser ▪ Lukas Gähwiler
- Steve Hottiger ▪ Ulrich Körner ▪ Philip J. Lofts ▪ Robert J. McCann ▪ Michael Willi ▪ Chi-Won Yoon

The Committee operates under the Corporate Responsibility Committee Charter as described in the Organization Regulations of UBS AG, Annex C (Charter for the Committees of the Board of Directors of UBS AG, pp. 39-40), sections 6.1 and 6.2

Download

▸ [Organization regulations of UBS AG](#) 

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BoD and sustainability

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

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

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

Environmental and human rights governance

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

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

In 2011, the Global Environmental & Social Risk Committee was established to address transactional and policy matters relating to environmental and social (including human rights) risks and associated reputational risks. The Committee is chaired by the Group Environmental Representative and includes five Group Executive Board members. Operational execution of UBS's environmental policy and of the UBS statement on human rights continues to be overseen by the Environmental & Human Rights Committee, which consists of senior Environmental Representatives drawn from each business division.

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. The Divisional Environmental Representatives are supported by Program Managers who oversee day-to-day execution and performance.

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



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

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Money laundering prevention

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

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



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



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



Following a strategic review of UBS's Community Affairs activities, the governance structure has been streamlined and given a more strategic focus with the creation of the Global Community Affairs Steering Committee, chaired by the Group Chief Executive Officer and composed of several members of UBS's senior management. The Steering Committee sets the overall strategic direction and aims of UBS's Community Affairs. Furthermore, the committee is ultimately responsible for deciding on UBS's 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 about 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

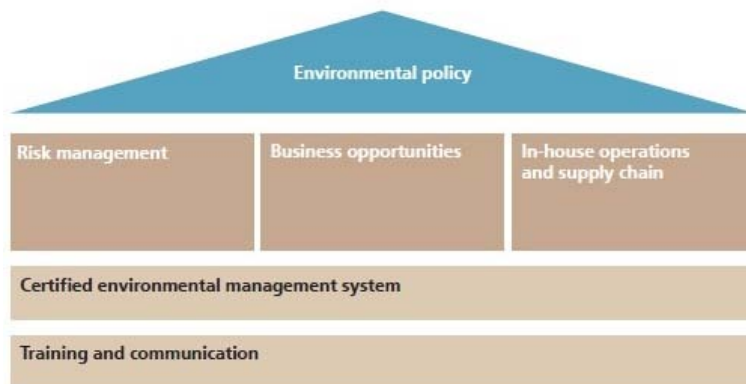
UBS adheres to the highest standards of information security. It meets legal and regulatory requirements related to information security, satisfying the obligations it has to clients, employees and shareholders.

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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.

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

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.

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, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target - are associated with such controversial activities.
 - 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 2011, UBS along with a number of universal banks considered the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights. As a group ("Thun Group"), we initiated a process to interpret the Guiding Principles with specific reference to their application to the banking sector.

- ▶ [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](#)

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

Much of a firm's identity is shaped by its history. In 2012, UBS is particularly conscious of this fact as it celebrates its 150th anniversary. In legal terms, UBS is a young firm, established in 1998, through the merger of two leading Swiss banks, the Union Bank of Switzerland and the Swiss Bank Corporation (SBC). Both banks, however, had a long history going back to the second half of the 19th century and to two regional lenders. The SBC traced its roots to Basler Bankverein, founded in 1872, and the Union Bank to the Bank in Winterthur, established 150 years ago in 1862. The rise of our firm from these humble beginnings to a global financial institution is an impressive success story, despite the occasional setbacks and crises the bank has faced.

Our 150th anniversary is an excellent opportunity to look forward and to open a new chapter in our history. Our strategic objectives are centered on the long-standing leadership positions of our global wealth management businesses and our universal bank in Switzerland. Together with a focused, less complex and less capital-intensive Investment Bank and a well-diversified Global Asset Management business, UBS will drive further growth and expand its premier wealth management franchise.

The growth and success of UBS will be driven by the firm's longstanding leadership in its wealth management businesses. We plan to extend our leadership positions in Switzerland, Europe, Asia Pacific and the emerging markets and will continue to build on Wealth Management Americas' successful execution track record.

Our leading Retail & Corporate banking business in Switzerland is integral to the success of the Group. We intend to grow its market share by capturing additional banking and lending opportunities presented by existing clients and by investing in technology and infrastructure to expand corporate transaction banking capabilities.

The Investment Bank will be less complex, carry fewer risk-weighted assets and require substantially less capital to produce sustainable returns for shareholders. Its client-centric strategy will focus on serving the needs of its core clients across wealth management, institutional, corporates, sovereigns and sponsors and investing in its leading advisory, capital markets, and client flow and solutions businesses. It will exit or significantly downsize several businesses. The Investment Bank will work more closely with UBS's wealth management businesses and increase its emphasis on the execution, advisory and research capabilities it provides to wealth management clients.

Global Asset Management will continue to deliver investment services to clients through its diversified investment capabilities. It will grow its third party wholesale business, building on established strengths in Asia Pacific and in Switzerland and continue to build its services to clients of UBS's wealth management businesses.

UBS ended 2011 with an even stronger capital position and sound liquidity and funding positions. We maintained our standing as one of the world's best capitalized banks. We made clear progress towards achieving our strategic goals, reducing Basel III risk-weighted assets and building capital ratios further towards our targeted Basel III tier 1 common equity target of 13%. We also continued to make progress delivering our previously announced cost reduction program.

We expect to see more of the benefits as a result of our measures coming through in 2012. Our capacity for further tactical cost cutting measures is limited and so we must focus on strategic

changes which go to the heart of our organizational design and structures. We will continue to seek additional efficiencies by exploring opportunities to lower the structural cost base of the firm. In addition, we will monitor markets actively and, if conditions deteriorate materially, we will take further measures to reduce our cost base.

Workplace

Due to ongoing market challenges, we had to make some difficult business decisions that impacted our workforce, including personnel reductions. Throughout this process, we endeavored to act as a responsible employer, making full use of our internal labor market and, where necessary, career transition support services. We also continued to invest in the development and training of talented employees who can help us to grow our businesses.

In general, employee levels were stable in 2011, with the number of people employed on 31 December 2011 at 64,820, up 203 or 0.3% from year-end 2010. In 2011, our employees worked in 57 countries, with approximately 36% of our staff employed in Switzerland, 35% in the Americas, 17% in Europe, the Middle East and Africa and 12% in Asia Pacific. Employee turnover, as a percentage of average overall headcount, was 13.8% in 2011. Employee-initiated turnover was 6.9%, down 0.2% from 2010.

Our workforce is truly global. We have 895 offices in 57 countries, and our employees are citizens of 146 countries. In 2011, the average age of our employees was 38 years and the average length of employment with the firm was 8.6 years. In Switzerland, more than 51% of employees have worked at UBS for more than 10 years.

In 2010, we made some significant changes to our performance management processes to increase transparency, support employee development and better reward employees in line with their contributions. These goals have not changed. However, based on employee feedback and a comprehensive review of the impact, we amended some aspects of the evaluation process in 2011. These changes were made to increase efficiency, improve the business focus of assessments and put more emphasis on individual development. Our underlying goal of strengthening our performance culture and focusing on our strategy so we can achieve long-term, sustainable profitability remains. 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. In 2011, 99% of the employees eligible to participate in the firm's global performance assessment received a performance review.

Societal responsibilities

We are contributing to achieving our strategic goals by actively pursuing our societal commitments and responsibilities. In 2011, we continued to address key societal issues by contributing to the fight against money laundering, corruption and terrorist financing (AML). We strengthened our management of environmental and social (including human rights) risks, intensified our sustainability-related business activities, and continued with the execution of our in-house environmental management and supply chain programs and our investment in community activities.

We also strengthened senior management accountability in relation to particular corporate responsibility activities, most notably through the oversight provided by two Group Executive Board-level (GEB) committees concerned with environmental and social risks and community investment. These, and other corporate responsibility developments at UBS, were monitored and reviewed by the UBS Corporate Responsibility Committee (CRC), a Board of Directors (BoD) committee.

We are focused on gaining and retaining the trust of all our stakeholders alongside our goal of generating sustainable earnings and creating long-term shareholder value. Our shareholders, clients, employees and society in general demand that our banking activities are undertaken in a responsible manner, and that our products and services are best suited to the needs and requirements of our clients. Our ability to promote and respect relevant standards depends on the nature of our relationships with our various stakeholders.

In 2011, we continued to strengthen our efforts to both prevent and combat financial crime. 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-clients regulations but without undermining a clients' legitimate right to privacy.

Ongoing due diligence and monitoring assists in the identification of suspicious activities, including the use of advanced technology to help identify transaction patterns or unusual dealings. If discovered, they are promptly escalated to management or control functions. As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, additional enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally during 2011. During 2011, we also 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 in respect of any potential issue regarding environmental and social risk.

Some of our clients operate in sectors characterized by consistent environmental and social challenges. To support the consistent identification and assessment of such risks, we developed internal industry sector guidelines in 2009. In 2011, we focused on the execution of the 'UBS position on relationships with clients and suppliers associated with controversial activities'. The 'UBS position', published in January, further strengthened our environmental and social (including human rights) risk management by identifying controversial activities where we will not do business, or only do business under stringent pre-established guidelines. This means we will not knowingly provide financial services to corporate clients, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target involves certain environmental and social risks. In 2011, following the execution of our 'position', the number of cases referred for assessment to the environmental and social risk units for a detailed environmental and social risk assessment more than doubled to 416 transactions.

We provide financial products and services which help our clients manage their environmentally and socially-related business opportunities. We seek to help investors benefit from such opportunities by integrating environmental and social considerations, where relevant, in our investment, ownership, research and financing processes. This applies across our businesses in asset management, wealth management, retail and commercial banking and investment banking. It includes funds, research and advisory services provided to private and institutional clients, access to the world's capital markets for renewable energy firms and, in Switzerland, "eco" mortgages. Client interest in ESG issues has grown and, correspondingly, so has our research coverage in this area. Specialized research teams focus on a range of ESG issues, with a view to understanding what impact developing trends such as climate change/energy efficiency, water, demographics, and other potential environmental and social constraints might have upon the sectors and companies covered by our analysts. They collaborate closely with other teams to write about emerging themes and relevant research content is regularly published by a growing number of mainstream analysts. Specialized teams have been established within each of our business divisions to serve their respective clients.

In 2010, we created the Renewable Energy & Clean Technology Team (RE&CT) within our Investment Bank to focus our efforts and build upon our successes in this important sector. RE&CT, which includes five senior employees from four continents, provides capital raising and strategic advisory services to renewable energy and clean technology companies globally, including those in the solar, wind, electrical efficiency, biofuels and renewable chemicals sectors.

In 2011, combined teams for philanthropy and values-based (VBI)/ sustainable investing further developed our holistic service offering in our wealth management businesses. The teams provide thought leadership, advice, products and solutions to assist our private clients and prospects to invest all or part of their portfolio according to their values and investment objectives and to deliver positive change through their philanthropy and investments.

With regard to our own operations, we have long taken a very keen and active interest in lowering our environmental footprint. Following the establishment of our first energy functional unit in the late 1970s, we were also the first Swiss bank to establish the position of an environmental officer in the 1980s. Years later, we persist in our efforts to continually improve the environmental efficiency of our operations. Our climate change strategy, launched in 2006, represents a key commitment to improving efficiency. In 2011, we have already reduced our global CO₂ emissions by 39% compared with 2004 levels, and we are confident that we will very shortly meet our 40% reduction target for 2012.

In the social sphere, together with our employees, we seek to enhance the well-being of the local communities in which we are active. We do this through our well-established community affairs program. In 2011, UBS and its affiliated foundations made direct cash donations of a total of CHF 31.1 million to carefully selected non-profit partner organizations and charities. These donations were directed primarily towards achieving our Community Affairs key themes of "Education" and "Entrepreneurship". Contributions were also made to other activities, in particular disaster relief, including CHF 3.2 million in Japan. 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 2011, 11,678 employees spent 105,000 hours volunteering, a substantial increase on previous years.

By incorporating environmental and social standards and conventions in our business practices we benefit from participation in various external initiatives. In May 2011, directly prior to the UN's endorsement (in June) of the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights, UBS convened a meeting in Thun, Switzerland, of a number of universal banks (subsequently referred to as the "Thun Group") to consider the "Guiding Principles". During the meeting the "Thun group" initiated a process to interpret the Guiding Principles with specific reference to their application to the banking sector. A short statement on the "Guiding Principles" was released by this group at the UNEP FI global sustainability roundtable in October. Subsequently, a practical guidance tool which sets out the challenges and best practice examples of operationalizing the "Guiding Principles" in universal banks has been drafted and is currently under discussion within the group.

Outlook

We ended 2011 with an even stronger capital position and sound liquidity and funding positions that together give us a distinct competitive advantage in today's uncertain market environment and for the future. As we go forward into 2012, we remain committed to executing our strategic plans in a disciplined manner and will sharpen our focus on meeting our clients' needs to ensure that we are better able to provide attractive and sustainable returns to our shareholders.

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 putting our clients at the center of everything we do, increasing collaboration across the firm and reducing risk-weighted assets in a disciplined and timely manner to achieve our targets, we will be able to deliver sustainable performance and prove ourselves equally attractive to clients, shareholders and employees. We have every reason to be confident about our future.

▶ [Achievements 2011](#)

▶ [Objectives 2012](#)

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Training and raising awareness

Through induction, education and broader awareness-raising activities we ensure that our employees are in no doubt as to the importance of UBS's societal commitments. General information is published on our intranet and on our corporate responsibility website. In 2011, training and awareness-raising activities for all employees continued to focus on the Code of Business Conduct and Ethics, notably via the Leading UBS Forward program and through induction events for new employees. 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

- As the Code also covers anti-corruption from the perspective of risks relating to clients in the terms below, all current employees and new joiners were alerted to the importance of this topic through Code-related training and awareness activities. Whilst the Code focuses on preventing the misuse of the financial system, including in relation to bribery, the specific anti-corruption standards of conduct that apply to all employees are more fully set out in a separate policy. In 2008, it was agreed that new joiners across the firm be trained on the issue of anti-corruption as it pertains to the firm itself in the revised Group Policy Against Corruption (issued in early 2008). The policy sets out our zero-tolerance stance towards corruption and prohibits all forms of bribery by the firm and our employees, including so-called facilitation payments.
- Employees regularly undergo training in respect of AML-related issues and new trends, be it through on-line training, awareness campaigns or seminars.
- In relation to the Group Policy Against Corruption, training materials were developed by Group AML compliance, which formed the basis for business division training modules that raise awareness on new and revised topics. The business divisions also regularly refresh their web-based training modules to address compliance issues, including anti corruption standards.
- Generally, all compliance employees receive mandatory compliance training every two years (usually web-based). This also covers anti-corruption, as it pertains both to employees and clients. Employees in specific areas (e.g. Compliance) also receive targeted training on client-related corruption, including the bank's own corruption risks in relation to intermediaries, gifts and entertainment, or when major new developments require additional training (e.g. UK Bribery Act).

Environment

Some 19,300 employees received training on environmental issues. Of these, 15,700 received a general education on our environmental policy and programs and 3,600 participated in specialist training targeted within their area of expertise and influence. Employee speaker sessions, exhibitions and lunchtime training sessions have taken place in all regions alongside specific technical training for the environmental team.

- Environmental management indicators (including training numbers)

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Excerpt from the UBS Code of Business Conduct and Ethics

Excerpt from UBS Code of Business Conduct and Ethics:

Preventing money laundering, terrorist financing and corruption

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

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

External ratings and awards

Dow Jones Sustainability Indexes

Since 1999, the Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index which are considered to be leaders in terms of corporate responsibility. UBS has been an index component for the Dow Jones Sustainability Index (DJSI) World since its inception. In 2011, we increased our total DJSI assessment score to 76 points (compared to an industry average of 53).

▶ www.sustainability-index.com

FTSE4Good Indexes

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

▶ www.ftse4good.com

oekom Corporate Rating

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

▶ [oekom](http://oekom.com)

Carbon Performance Leadership Index and Carbon Disclosure Leadership Index

We continue to be included in the Carbon Disclosure Leadership Index of the Carbon Disclosure Project (CDP), figuring among the companies which are setting the standards in reporting on the risks and opportunities arising for businesses in connection with climate change. We are also represented in the Carbon Performance Leadership Index, featuring companies that have distinguished themselves through their efforts to reduce emissions and their strategies for combating climate change. We are among the few financial sector companies represented in both CDP indices.

▶ www.cdproject.net

2011 awards

We achieved a top-four ranking in each of the key rankings for brokerage firms in the 2011 Thomson Reuters Extel and UKSIF Socially Responsible Investing & Sustainability Survey: "Socially Responsible Investment Research", "Thematic Research", "Corporate Governance Research", and "Renewable Energy Research".

In the UK, we received two major accolades for our work in this field. We were ranked joint number one in The Environment Agency's new performance league table. This table ranks over 2,000 organizations according to early actions metrics that reflect the installation of smart meters as well as to what degree the organization has satisfied the requirements of the Carbon Trust's Standard (CTS) for good energy management. In December, UBS and its Bridge Academy partnership (see Community investment section below) won the UK Big Society Award promoted by UK Prime Minister David Cameron. Commenting on the award, the Prime Minister said: "The Bridge Academy is a brilliant example of business working with their local community to make a difference and create

something really special for their area. The innovative ideas, enthusiasm and skills of the UBS volunteers have had a clear impact on the Academy, inspiring students and helping them reach their potential."

A further award relating to UBS's Community Affairs efforts was achieved in Switzerland. UBS's online community affairs newsletter, "Engagement", won a BCP (the largest corporate publishing competition in Europe) Best of Corporate Publishing award in the "Digital media – employees" category. The jury justified its decision by saying: "With 'Engagement', UBS has not only opened up as a business, but has also opened the heart. It really brings home the essence of the UBS brand to employees, making it well worthy of the gold prize." Since the launch of "Engagement", there has been a marked improvement in the number of staff volunteering and donations.

Furthermore, we were ranked third in the CSR Online Awards Switzerland 2011, maintaining our top three ranking for the third consecutive year. The CSR Online Awards consider how well a corporate website is used as a platform for CSR 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.

Overview of UBS compensation model

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

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 2011 and outlook (excerpted from the *Letter from the Human Resources and Compensation Committee of the Board of Directors* and the Compensation section of the 2011 Annual Report, see [LINK](#))

Last year was a turbulent one for our industry, and many of the challenges that were present in 2011 will remain in 2012 and beyond. Financial firms, including UBS, continue to face volatility in the financial markets, which has dampened earnings in a number of businesses. Banks must also cope

with the impact of substantial new capital requirements, which are widely expected to lead to lower returns on capital in the industry in the future. We are keenly aware that the environment in which we operate is changing dramatically. It is therefore imperative that we adapt accordingly. We recognize that past levels of compensation will be unsustainable in the future if profitability declines throughout the industry. In this new environment, we must find the right balance between the sometimes conflicting objectives related to compensation, namely, ensuring that we retain the qualified, competent people needed to deliver sustained success, keeping pay aligned with performance, and building up sufficient capital to meet the new regulatory requirements with which we must comply.

Despite the new realities that we face, we are convinced that our approach to compensation remains appropriate. In 2011, our compensation framework responded effectively to the decline in the firm's overall performance as well as the impact of the unauthorized trading incident within the Investment Bank. Our significantly smaller bonus pool reflects our weaker performance last year, in particular at the Investment Bank, and demonstrates our commitment to ensuring that pay is appropriate in relation to performance. Appropriately, our lower profitability affected compensation at an individual level. In addition to the impact that our weaker share price performance had on the value of their awards, employees saw their share-based incentives further reduced last year due to the application of performance conditions in our variable compensation plans that enabled us to claw back unvested bonuses that had been awarded in previous years. At the Investment Bank, 50% of bonuses granted under the Senior Executive Equity Ownership Plan and the Performance Equity Ownership Plan in 2011 that were due to vest in 2012 have been forfeited. The unauthorized trading within the Investment Bank represented a setback for us. Given the serious nature of this incident, we took disciplinary action against certain employees involved, including some in supervisory roles and in the relevant control functions. Such action included appropriate measures regarding their compensation. The substantial financial and reputational damage contributed to a 60% reduction in the bonus pool for the Investment Bank.

- ▶ [Compensation report 2011](#) 
- ▶ [Compensation report e-paper](#)
- ▶ [Objectives & Achievements 2011](#)
- ▶ [Objectives/Focus Areas 2012](#)

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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 2012, we had our 2011 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 Certificate](#)
- ▶ [Environmental management indicators \(including number of audit days\)](#)
- ▶ [Reports](#)



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To the management of
UBS AG, Zurich and Basel

Basel, 13 March 2012

Independent assurance report

Our engagement

We have performed a limited review of the information disclosed as part of the GRI-based sustainability reporting of UBS AG (hereafter "Report"):

- Information in the "Corporate responsibility" section of the Annual Report 2011, for the reporting period 1 January to 31 December 2011 (pages 222 to 233)
- Information in the "Our employees" section of the Annual Report 2011, for the reporting period 1 January to 31 December 2011 (pages 234 to 239)
- Information for the reporting period 1 January to 31 December 2011, which is referred to in the GRI Content Index (online at http://www.ubs.com/content/dam/static/corporate_responsibility/GRI_Content_Index.pdf as per date of this report)

We performed our review to obtain limited assurance as to the extent to which the abovementioned information provides, in all material respects, a reliable and adequate representation of the policies, business operations, events and performance with respect to sustainability for the reporting period 2011.

Our procedures were planned to obtain limited assurance as a basis for our conclusion. The scope of work to obtain evidence is reduced compared to the scope required to obtain reasonable assurance (e.g., in an audit of financial statements) such that a lower degree of audit assurance is obtained.

Limitations of the engagement

Our engagement was limited to a review of the information explicitly listed above. We have not assessed the following information disclosed in the report:

- KPIs for the previous reporting periods were not reviewed unless it was required for plausibility checks.
- All information contained in other sections of the Annual Report 2011. The financial information in scope of the statutory audit of the financial statements have not been additionally reviewed to obtain limited assurance. Our review was limited to the presentation of the information in line with the GRI requirements.

Similarly, our engagement did not include a review of forward-looking statements.

Criteria

UBS AG prepared the report based on the following reporting principles and criteria applicable in the reporting year 2011 (hereafter "criteria"):

- Sustainability Reporting Guidelines Vol. 3.0 of the Global Reporting Initiative (GRI) application level A+
- Internal policies and process descriptions in support of GRI Guidelines Vol. 3.0 as per date of this report

A summary of the guidelines is presented on the GRI homepage (online at <https://www.globalreporting.org/reporting/latest-guidelines/g3-guidelines>). We assessed the report against the criteria. We believe that these criteria are a suitable basis for our review.

Member of the Swiss Institute of Certified Accountants and Tax Consultants

Responsibility of UBS AG's management

The management of UBS AG is responsible for the preparation of the report and the information contained therein in accordance with the aforementioned criteria. This responsibility includes developing, implementing and safeguarding internal controls of material importance for the preparation of a report that is free of material misstatement. In addition, the responsibility includes selecting and applying suitable reporting standards as well as measurement methods and estimates deemed suitable in view of the circumstances.

Our approach

Our responsibility is to express a conclusion on the information disclosed in the sustainability report based on our review to obtain limited assurance. We planned and performed our engagement in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE3000) and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence. We performed all of the procedures needed to ensure a sufficient and suitable basis for our conclusion.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the management of UBS AG.

Overview of our work

Within the scope of our engagement, we obtained evidence on a sample basis considering materiality and assurance engagement risk to obtain limited assurance on the compliance of the report with the reporting principles and criteria. The nature and scope of our work, including appropriate samples, were based on our professional judgment used in forming our conclusion. The performance of our engagement included the following procedures:

- Assessment of the suitability of the underlying criteria and their consistent application
- Interviews with employees regarding the sustainability strategy of UBS AG
- Interviews with employees responsible for preparing the GRI-based sustainability reporting to assess the process of preparing the report, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for a review of the report
- Surveys of employees in specialist departments responsible for the topics "Corporate responsibility" and "Our employees"
- Inspection of the documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis
- Analytical considerations, surveys and inspections of documents on a sample basis with respect to the compilation and reporting of quantitative data included in the report
- Evaluating the overall view of sustainability information provided in the report

Our conclusion

Based on our review, nothing has come to our attention that causes us to believe that the report does not comply in all material respects with the aforementioned criteria and the application level A+ of the Global Reporting Initiative.

Ernst & Young Ltd



Jonathan Bourne
Partner



Roger Amhof
Partner

GRI Content Index

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 2011 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](#) 

No	Indicator	Reference
1. Strategy and analysis		
1.1	Senior management statement	Statement of the Chairman
1.2	Key impacts, risks and opportunities	Sustainability at UBS Objectives & Achievements 2011 Objectives 2012
2. Organizational Profile		
2.1	Name of organization	About us
2.2	Products and services	Our businesses (see 2.7 for details)
2.3	Operational structure	Group structure
2.4	Headquarter location	About us
2.5	Countries of operations	Locations
2.6	Nature of ownership and legal form	Articles of Association of UBS AG Significant shareholders - Annual Report 2011 - pages 197 - 198
2.7	Markets served	UBS in a few words Wealth Management - Annual Report 2011 - pages 30 - 32 Retail & Corporate - Annual Report 2011 - pages 33 - 34 Wealth Management Americas - Annual Report 2011 - pages 35-37 Global Asset Management - Annual Report 2011 - pages 38 - 41 Investment Bank - Annual Report 2011 - pages 42 - 44
2.8	Scale of the organization	UBS in a few figures UBS in a few words Our businesses Note 2a Segment Reporting - Annual Report 2011 - pages 319 - 322 Note 2b Segment reporting by geographic location - Annual Report 2011 - page 323
2.9	Significant changes	Note 1b Changes in accounting policies, comparability and other adjustments - Annual Report 2011 - pages - 312 - 313 Note 36 Discontinued operations - Annual Report 2011 - page 398 Note 37 Reorganizations and disposals - Annual Report 2011 - page 399

2.10	Awards received	CSR Online Awards UBS and Bridge Academy win the Prime Minister's Big Society Award Investment Bank Awards Fund Awards Community Investment Awards Wealth Management Awards Best Private Bank Awards APAC
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3. Report Parameters

3.1	Reporting period	Annual reporting
3.2	Most recent previous report	Annual Report 2010
3.3	Reporting cycle	Annual Reporting Quarterly Reporting
3.4	Contact persons for the report	Contacts - Annual Report 2011 - page - 463 Analysts & Investors: Contact information Corporate Responsibility: Contact us
3.5	Process for defining report content	Information sources - Annual Report 2011 - pages 462 Information policy - Annual Report 2011 - pages 220 - 221 Our stakeholders Reporting and assurance
3.6	Boundary of the report	Critical accounting policies - Annual Report 2011 - pages 58-61 Accounting Principles - Annual Report 2011 - page 282 Note 1 Summary of significant accounting policies - Annual Report 2011 - pages 297 - 318 Note 33 Significant subsidiaries and associates - Annual Report 2011 - pages 394 - 397 <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>
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 2011 - pages 218 - 219 Management's report on internal control over financial reporting - Annual Report 2011 - pages 284 - 288 Ernst & Young independent assurance report - Annual Report 2011 - page 240 - 241

4. Governance, Commitments, and Engagement

4.1	Governance structure	UBS organizational structure Board of Directors - Organizational principles & structure - Annual Report 2011 - pages 204 - 211 Corporate responsibility committee
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4.2 Board structure

		Board of Directors - Annual Report 2011 - pages 204 - 211 Independency criteria
4.3	Unitary board structures	not relevant
4.4	Shareholder resolutions / employee representation	Article of Association Shareholder participation rights- Annual Report 2011 - pages 202 - 203 General meetings of the shareholders Employee representation Note: "For issues raised by investors and employees see also 4.14"
4.5	Executive compensation	Compensation & shareholdings Performance and compensation
4.6	Conflicts of interests	CR Guidelines & policies
4.7	Board members expertise	Performance & compensation Organization Regulations - Annex C and D
4.8	Codes of conduct	Code of Business Conduct and Ethics CR Guidelines & policies
4.9	Corporate Responsibility board level processes and structure	Corporate responsibility governance Statement of the Chairman
4.10	Evaluation of Board performance	Organization Regulations - Board Self Assessment Performance and compensation
4.11	Precautionary approach or principle	Risk management and control - Annual Report 2011 - pages 112 - 115 CR Guidelines & policies
4.12	Subscriptions/Endorsement to external economic, environmental and social charters/principles/initiatives	External commitments
4.13	Memberships in industry associations	See 4.12
4.14	Stakeholder groups	Our stakeholders
4.15	Basis for identification and selection of stakeholders	see 4.14
4.16	Approaches to stakeholder engagement	see 4.14
4.17	Key topics and concerns of stakeholders	see 4.14 Compensation governance - Annual Report 2011 - pages 244 - 245 Strategy review and update (UBS Investor Day 2011) Unauthorized trading incident Banks' Statement on the 'Guiding Principles on Business and Human Rights' UBS position on relationships with clients and suppliers associated with controversial activities UBS launches global health & safety statement Sustainability at UBS Note 21 Provisions and contingent liabilities - Annual Report 2011 - pages 341 - 348 Capital strength - Quaterly Report 2011 - pages 50 - 57 

5. Economic Performance Indicators

	Management Approach	Our strategy - Annual Report 2011 - pages 22 - 26 Measurement and analysis of performance - Annual Report 2011 - pages 27 - 29 Key Figures - Annual Report 2011 - Page6 Group Internal Audit - Annual Report 2011 - page 219 Organizational regulations - Annex C UBS Investor Day 2011 Community Affairs Governance Objectives table 2012 Objectives & Achievements 2011
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 2011 - page 289 Note 6 Personnel expenses - Annual Report 2011 - page 327 Note 7 General and administrative expenses - Annual Report 2011 - page 327 Note 22 Income taxes - Annual Report 2011 - pages 349-350 Community investment Community Affairs Governance Responsible supply chain management (total purchase amount)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Addressing Climate Change Emission Trading CDP Information Request
EC3	Coverage of the organization's defined benefit plan obligations.	Note 29 Pension and other post-employment benefit plans - Annual Report 2011 - pages 375-380
EC4	Significant financial assistance received from government.	Swiss National Bank (SNB) Stabilisation Fund - SNB Annual Report 2011 - pages 81-84
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Overview of our compensation model - all employees - Annual Report 2011 - pages 249-253 Performance culture Note: "Compensation is above local minimum rate."
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Responsible supply chain management This indicator has low relevance for a global financial services company.
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 UBS workforce
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Community investment - Overview Community affairs Governance Community affairs - Around the globe
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Retail & Corporate - Strategy and Clients - Annual Report 2011 – pages 33-34 Switzerland and UBS - strong Partners Working for UBS

6. Environmental Performance Indicators

	Management Approach	Environmental & Human Rights Governance UBS Environmental Policy UBS Environmental Policy Responsible supply chain management Objectives table 2012 Objectives & Achievements 2011 Training and awareness
EN1	Materials used by weight or volume.	Environmental Indicators - Paper - Annual Report 2011 - page 231 Paper and Waste Paper case studies
EN2	Percentage of materials used that are recycled input materials.	Environmental Indicators - Recycled paper - Annual Report 2011 - page 231 Paper and Waste Paper case studies
EN3	Direct energy consumption by primary energy source.	Environmental Indicators - Direct energy - Annual Report 2011 - page 231
EN4	Indirect energy consumption by primary source.	Environmental Indicators - Indirect energy - Annual Report 2011 - page 231
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 - Annual Report 2011 - page 231
EN9	Water sources significantly affected by withdrawal of water.	Not relevant
EN10	Percentage and total volume of water recycled and reused.	Not relevant
EN11-EN15	Biodiversity, Habitats	Not relevant
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environmental Indicators - Direct and indirect CO2 emissions - Annual Report 2011 - page 231
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 - Annual Report 2011 - page 231 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 affected by the reporting organization's discharges of water and runoff.	Not relevant
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Not relevant Case study: E-documents in Switzerland Electronic documents
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not relevant
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	No significant environmental fines or penalties imposed against UBS in 2009 have been identified.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Environmental Indicators - Business Travel - Annual Report 2011 - page 231 Business Travel and Offsetting
EN30	Total environmental protection expenditures and investments by type.	Not relevant

7. Labor Practices and Decent Work Performance Indicators

Management Approach	Governance - Human Resources and Compensation Committee Governance - Group Chief Operating Officer - Annual Report 2011 - page 45 UBS workforce - Annual Report 2011 - pages 234-236 Performance and compensation CR Policies and guidelines Health & Safety Statement Training and awareness Objectives table 2012 Objectives & Achievements 2011
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LA1	Total workforce by employment type, employment contract, and region.	UBS workforce - Annual Report 2011 - pages 234-236
LA2	Total number and rate of employee turnover by age group, gender, and region.	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. 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 13.3%) UBS workforce Media release "UBS update on cost reduction plans" 2011 Investor Day ("Other significant disclosures")
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Our commitment to employees
LA4	Percentage of employees covered by collective bargaining agreements.	Employee representation
LA5	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Notice periods are labor market specific. Employee representation
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	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. Health & Safety Statement
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Employee Assistance
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Employee Assistance
LA9	Health and safety topics covered in formal agreements with trade unions.	No health and safety topics covered in formal agreements with trade unions
LA10	Average hours of training per year per employee by employee category.	Leadership development & learning Business University
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Education and talent development - Annual Report 2011 - pages 237-238 Business University Benefits and well-being - Annual Report 2011 - pages 238-239

LA12	Percentage of employees receiving regular performance and career development reviews.	Performance culture
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	UBS workforce Diversity Board of Directors - CVs Group Executive Board - CVs Diverse workforce
LA14	Ratio of basic salary of men to women by employee category.	CR Policies and guidelines (Non-discrimination policy) Commitment to Diversity Total Reward Principles Performance culture

8. Human Rights Performance Indicators

	Management Approach	Governance - Environmental & Human Rights Committee CR Policies and guidelines UBS Statement on Human Rights UBS Position on Controversial Activities Responsible Supply Chain Management Objectives table 2012 Objectives & Achievements 2011
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.	No percentage figure of screened significant suppliers and contractors reported prior to full implementation of best practice. Responsible supply chain management Objectives table 2012
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	See FS4
HR4	Total number of incidents of discrimination and actions taken.	CR Policies and guidelines (Code of Business Conduct & Ethics and "Employment of staff") The annual compliance assessment for 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.	Commitment to diversity
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None identified An analysis made in 2009 identified no operations that are at risk of child labor. FS2

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

	Management Approach	Governance "Money Laundering Prevention" CR Policies and guidelines Combating Financial Crime Employee representation Corporate Responsibility section in UBS Annual Report 2011 Objectives 2012 Objectives & Achievements 2011
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	See EC8 and LA11
SO2	Percentage and total number of business units analyzed for risks related to corruption.	Combating Financial Crime
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures.	Training and raising awareness
SO4	Actions taken in response to incidents of corruption.	The annual compliance assessment for 2011 did not show any significant incidents of non-compliance with UBS's anti-corruption policy
SO5	Public policy positions and participation in public policy development and lobbying.	UBS expresses its positions on sustainability issues publicly but participates only to a limited extent in public policy discussions on sustainability issues (and not in lobbying activities).
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	UBS complies with legal requirements on disclosing political donations, as applicable in the relevant jurisdiction. In the US, political donations of employees are disclosed via the political action committee (PAC) system.
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	See SO8
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Material issues are disclosed under Note 21 of the Annual Report. Note 21 Provisions and contingent liabilities - pages 341 - 348 Note 20 Other liabilities (Provisions for contingent claims) - page 341

10. Product Responsibility Performance Indicators

	Management Approach	Regulation and supervision - Annual Report 2011 - pages 47-49 Code of Business conduct and Ethics UBS Values Risk management and control - Annual Report 2011 - pages 112 - 115 Our strategy - Annual Report 2011 - pages 22 - 26 Objectives 2012 Objectives & Achievements 2011
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not relevant for financial services company
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not relevant for financial services company
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	See FS15 Terms and conditions for investment business Independence of Financial Research
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	See SO8
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Our stakeholders - Clients
PR6	Programs for adherence to laws, standards and voluntary codes related to marketing communications.	Code of Business Conduct and Ethics The UBS Brand Policy sets out the roles and responsibilities for the consistent management and development of our brand and that brand guidelines, processes and procedures must be adhered to
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	See SO8
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Note 21 Provisions and contingent liabilities - Annual Report 2011 - pages 341 - 348
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	See SO8

11. Financial Services Sector Supplement Performance Indicators

	Management Approach	see FS1-5 Environmental and Human Rights Governance Objectives table 2012 Objectives & Achievements 2011 Table "Managing Environmental & Social Risks"
FS1	Policies with specific environmental and social components applied to business lines.	CR Policies and guidelines
FS2	Procedures for assessing and screening environmental and social risks in business lines.	Environmental & social risk management
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Low relevance. The main application is for project finance, a business that UBS is not active in.
FS4	Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.	Training and awareness
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Environmental & social risk management Responsible Shareholders Responsible Supply Chain Management
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Wealth Management - Annual Report 2011 - pages 30-32 Retail & Corporate - Annual Report 2011 - pages 33-34 Wealth Management Americas - Annual Report 2011 - pages 35-37 Global Asset Management - Annual Report 2011 - pages 38-41 Investment Bank - Annual Report 2011 - pages 42-44 Market Risk - Annual Report 2011 - pages 133-139 Credit Risk - Annual Report 2011 - pages 116-132 Basel 2.5 Pillar 3 - Annual Report 2011 - pages 161-193
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	UBS Optimus Foundation UBS Philanthropy Services The UBS Visionaris Social Entrepreneurship Award
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Products & Services / Socially Responsible Investments (see FS11) Clean tech finance and advisory Renovation with Cash Bonus
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Reporting and assurance (including link to environmental management indicators) Group Internal Audit - Annual Report 2011 - page 219
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Our interactions with companies take a comprehensive ESG approach. Selective quantitative data provision on environmental and social issues only is therefore not practical. Products & Services - Engagement and voting rights Corporate Governance Responsible investing

FS11	Percentage of assets subject to positive and negative environmental or social screening.	Socially Responsible Investments - Invested Assets
FS12	Voting polic(ies) applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.	Products & Services - Engagement and voting rights Corporate Governance Responsible investing
FS13	Access points in low-populated or economically disadvantaged areas by type.	UBS is a retail bank in Switzerland only and has a broad network of branches and ATMs in this country. Service Finder for individuals in Switzerland Locations of UBS ATMs
FS14	Initiatives to improve access to financial services for disadvantaged people.	Accessibility
FS15	Policies for the fair design and sale of financial products and services.	Suitability CR Policies and guidelines
FS16	Initiatives to enhance financial literacy by type of beneficiary.	UBS Financial Advisory Tools UBS Generation - Budget calculator UBS Campus - Budget calculator Mortgage calculator UBS Key Invest - Know How about Structured Products UBS Dictionary of Banking Wealth Management Research Tool and Checklists for SME Community investment Switzerland - Partnerships (Ernst Schmidheiny Foundation and Young Enterprise Switzerland) UBS WMA Partnership with the Clinton Foundation

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UBS AG – UN Global Compact Communication on Progress

1. Introduction

Detailed information relating to the Global Compact principles can be found in the "Corporate responsibility" and "Our employees" sections of the UBS Annual Report 2010 (Section 1: Strategy, performance and responsibility, pages 54-70, see PDFs below). This information together with additional detail pertaining to the Global Compact principles can be accessed on the UBS Corporate Responsibility website (www.ubs.com/corporateresponsibility).

2. UBS Sustainability Disclosure

For 2010, UBS commissioned SGS to conduct an independent assurance of the GRI based Sustainability Disclosure. The SGS Statement on Assurance of UBS GRI Sustainability Disclosure 2010 confirms that UBS's "Sustainability Disclosure as referenced in the GRI index meets the requirements of level A+ of the GRI (2006) ... and fulfills the requirements for Communication on Progress (COP) under the UN Global Compact." The Statement has been published in the UBS Annual Report 2010 (page 70) and on the UBS Corporate Responsibility website:

http://www.ubs.com/1/e/about/corp_responsibility/commitment_strategy/reporting_assurance.html

In the UBS GRI index (www.ubs.com/gri) the following GRI indicators relate directly to the principles of the Global Compact (according to Annex A of the 2007 report "Making the connection; The GRI Guidelines and the Global Compact Communication on Progress"):

Human Rights

Principle 1 – EC5, LA4, LA6–9; LA13–14, HR1–9, SO5, PR1–2, PR8

Principle 2 – HR1–9, SO5

Labor

Principle 3 – LA4–5, HR1–3, HR5, SO5

Principle 4 – HR1–3, HR7, SO5

Principle 5 – HR1–3, HR6, SO5

Principle 6 – EC7, LA2, LA13–14, HR1–4, SO5

Environment

Principle 7 – EC2, EN18, EN26, EN30, SO5

Principle 8 – EN1–30, SO5, PR3–4

Principle 9 – EN2, EN 5–7, EN 10, EN 18, EN 26–27, EN30, SO5

Anti-Corruption

Principle 10 – SO2–6



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3. Statements on UBS's commitment to the Global Compact and its principles

a. Continued support for the Global Compact

Statement by Kaspar Villiger, UBS Chairman (see

http://www.ubs.com/1/e/about/corp_responsibility/commitment_strategy/chairman_statement.html):

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

Reference to UN Global Compact in Corporate responsibility section in UBS Annual Report 2010:

In implementing environmental and social standards and conventions into our business practices, we benefit from participating in various external initiatives, including the UN Global Compact and its local network in Switzerland, the Wolfsberg Group, the UNEP Finance Initiative, and the UN Principles for Responsible Investment (UNPRI).

b. Human Rights and Labor Standards:

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 implementation of its human rights statement is supported by a responsible supply chain guideline, by UBS's position on relationships with clients and suppliers associated with controversial activities (Including human rights, see *next paragraph*), and by industry sector guidelines supporting the consistent identification and assessment of environmental and social risks (including human rights) in the firm's banking activities.

In 2010, we further strengthened 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:

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

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 Kimberly Process certified

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

c. *Environment*:

UBS acknowledges that climate change represents one of the most significant environmental challenges of current times. In 2009, UBS supported the Global Compact's "Seal the Deal!" campaign calling for a fair, balanced and effective post-Kyoto climate agreement. In his testimonial for "Seal the Deal!", UBS's Chairman of the BoD confirmed a cornerstone of the firm's climate change strategy in that UBS seeks to help clients address risks and take advantage of opportunities presented by climate change and the transition to a low carbon economy. With this in mind, UBS continued in 2010 to expand its offering of climate change-related products and services and to publish dedicated research reports. In addition, UBS seeks to lead by example by acting to reduce its own environmental impact. To this end, in 2006 the Group Executive Board (GEB) set a target to reduce the firm's carbon emissions through 2012 by 40% from 2004 levels. In 2010 these measures allowed UBS to decrease its CO₂ emissions by 33.5% compared with 2004, another step toward achieving the 2012 reduction target. The share of renewable energy UBS purchased amounted to 43% in 2010.

In 2010, we further strengthened 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 environmental and social risks listed above.

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

d. *Anti-Corruption*:

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

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

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 2011 Information Request](#) 







ISO 14001 Certificates

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

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

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



In 2011, UBS successfully passed the extensive ISO 14001 re-certification audit that consisted of 17 audit days and involved 170 employees in six countries. SGS confirmed that the firm has a well-performing environmental management system. The management system was judged suitable for managing environmental risks and improving environmental performance on a continual basis.

- ▶ 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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Reports

Corporate Responsibility reports

- [Download "Corporate responsibility" section in UBS annual report 2011](#) 
- [Download "Our Employees" section in UBS annual report 2011](#) 

Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
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 2012

Governance & strategy

GRI	Objectives 2012
EC	Annual target financial performance ranges: <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
EC	More focused and less complex Investment Bank. Reduction of Basel 3 risk-weighted assets from CHF ~230 billion (as of end of Q3-11) to no more than CHF 150 billion in our core Investment Bank (target to be achieved by 2016). ²
4.14-4.17, FS	Host and facilitate dialogue meeting between banks and non-governmental organizations on the topic of mining
Various	Establish a sustainability awareness raising employees network (including speaker series) in Switzerland
EN	Environmental Management System: Pass 2012 surveillance audit

Responsible banking

GRI	Objectives 2012
FS	Complete and test, jointly with peer banks ("Thun Group"), a practical guidance tool interpreting the "Guiding Principles for the Implementation of the United Nations 'Protect, Respect and Remedy' Framework" on business and human rights with specific reference to their application to the banking sector
FS	Identify and develop environmental and social business opportunities: <ul style="list-style-type: none"> ■ 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
SO, FS	Suitability: <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
PR5	Quality Feedback: <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
SO2	Continue to reform the UBS Group Policy framework to ensure its continued adherence to emerging regulation, including FATF (Financial Action Task Force) predicate and FATCA (Foreign Account Tax Compliance Act) requirements
SO2	Continued active participation in the Wolfsberg Group, notably concerning: <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

CR in operations

GRI	Objectives 2012
EN	Achieve our climate change strategy target (40% CO2 reduction by 2012; baseline 2004)
EN	Deliver on firm-wide energy, paper, waste & recycling and water reduction targets for 2010-2012: <ul style="list-style-type: none"> ■ 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
HR, EN	Responsible Supply Chain management:
SO	<ul style="list-style-type: none"> ■ Implement findings of 2011 strategic review to ensure best practice in this area

Our employees

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

Community investment

GRI	Objectives 2012
SO1	Implement new global Community Affairs (CA) strategy: <ul style="list-style-type: none"> ■ Focus on education and entrepreneurship ■ Emphasis on employee engagement ■ Strengthened governance ■ Global communication strategy
SO1	Implement 150th anniversary CA activities program

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

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

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Objectives and achievements 2011

Governance & strategy

GRI	Objectives 2011	Achievements 2011
EC	Achieve CHF 15 billion Group pre-tax profit target in the medium-term	At the UBS Investor Day 2011 a new target has been announced: Our target return on equity is 12-17% for the Group from 2013
EC	Achieve required levels of capital through retained earnings	As of end of Q3-11, an improvement in our BIS tier 1 ratio to 18.4% and an increase in our BIS tier 1 capital to CHF 38.1 billion both underlined our position as one of the world's best capitalized banks At the UBS Investor Day 2011, our plans to target Basel 3 CET1 ratio of 13% through earnings accretion / RWA mitigation have been outlined
EN	Environmental Management System: Pass 2011 recertification audit in June	Passed (external confirmation of a well-performing environmental management system). Consisted of 17 audit days involving 170 employees in six countries

Responsible banking

GRI	Objectives 2011	Achievements 2011
SO2	Engage with the Wolfsberg Group's work to finalize the papers on pre-paid cards, trade finance (part 2), and revisions to the Statement Against Corruption	During 2011 the following Wolfsberg papers, including input from UBS, were published: Guidance on Prepaid & Stored Value Cards Anti-Corruption Guidance Statement on the publication of the Wolfsberg Anti-Corruption Guidance August 2011 Trade Finance Principles (2011) http://www.wolfsberg-principles.com/standards.html
SO, FS	Suitability: Ensure continued high-quality in our advisory process while reflecting the requirements of a quickly changing regulatory environment	Update of the global WM&SB Suitability Framework in order to reflect recent legal and regulatory changes in our global minimum standards Enhancements in the tool infrastructure to support client advisors better
PR5	Quality Feedback: Establish quarterly management reporting for the Swiss market Increase awareness of the client feedback system in the front units	Quarterly management reporting has been established and hot topics are analyzed and if necessary measures are taken Targeted communication and education measures have been initiated and will be carried on in 2012
FS	Environmental & social risk management:	Position published in January 2011

Position on relationships with clients and suppliers associated with controversial activities: Implement new standards for existing client relationships and in onboarding and transaction due diligence processes.

New standards implemented for existing clients and transaction due diligence processes adjusted. New onboarding screens jointly developed by Compliance and Risk Control. Number of cases referred for detailed assessment more than doubled to 416

FS Identify and develop environmental and social business opportunities:

Global AM:

Broader application of the UN PRI Principles throughout the division.

Following the approval in 2010 of the Group Real Estate (GRE) Sustainability Policy, implement the Responsible Property Investment strategy regionally or locally for all GRE mandates.

Expanded engagement and proxy voting. Voted on 48,000 resolutions at over 4.600 company annual general meetings

GRE mandates managed according to the Responsible Property Investment strategy represented 26 billion CHF as per 31.12.2011.

WM&SB

Extend cash bonus initiative (GEAK) until end of 2011

Roll out & implement the Values Based Investing (VBI) Advisory Approach.

134 cash bonuses (GEAK) approved in 2011. Initiative extended to end of 2012.

VBI advisory approach rolled out, with 1900 client advisors reached.

WMA

Pilot a Managed Portfolio of ESG (environmental, social and governance) Investments that enables High Net Worth (HNW) and Institutional Clients to invest with their values.

UBS Managed Portfolio of ESG Investments launched.

CR in operations

GRI	Objectives 2011	Achievements 2011
EN16	Further reduce our CO2 emissions in order to achieve our climate change strategy target (40% CO2 reduction by 2012; baseline 2004)	Further reduction of our 2011 CO2 emissions, with an overall global reduction reaching 39% below 2004 levels (close to achieving the 2012 target)
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 waste per FTE¹ at 2009 level, by 2012 Reduce waste to landfill by -10% below 2009 level, by 2012 Stabilize paper consumption per FTE at 2009 level, by 2012 Increase share of sustainable (FSC/recycled) paper to 50% by 2012 Increase waste recycling ratio to 70%, by 2012 Reduce water consumption by 5% below 2009 level, by 2012 	<ul style="list-style-type: none"> Decrease by 14% below 2009 (ahead of target) Decreased by 9% below 2009 (ahead of target) Decreased by 40% below 2009 (ahead of target) Decreased by 6% below 2009 (ahead of target) Increased to 44% (on track) Remained flat at 54% due to lower volumes of paper used (behind target) Decreased by 22% below 2009 (ahead of target)

HR2, EN	Responsible Supply Chain management: Implement sourcing process that will establish consistent performance standards for all high impact products and services and embracing UBS's position on controversial activities.	600 suppliers screened. Conducted strategic review of RSCM operations and developed action plan for 2012 to ensure best practice in this area.
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Our employees

GRI	Objectives/Focus Areas 2011	Achievements 2011
LA6-8	Health & safety review: Create a statement on our firm's H&S commitment Create global accountability for H&S Establish a global overview of all regional H&S programs and initiatives	UBS Health & Safety statement published on https://www.ubs.com/global/en/about_ubs/corporate_responsibility/cr_in_operations/Health_Safety.html Mandate and H&S committee established Global catalogue of H&S products, services and offerings established and reviewed
LA10-11	Continue GEB-sponsored "Leading UBS forward" employee training program to raise awareness and understanding of our strategy and identity, our values and our strategic principles	Roll-out of "Leading UBS forward" successfully concluded, with positive feedback from participants
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)	Establishment of both Group-wide, cross-divisional and business-driven, cross-divisional succession planning for UBS senior management Heightened focus on on-the-job development, stretch assignments etc. Intensification of development and on-the-job activities for talent population
LA	Improve our	HR transformation program (HRT) achieved benefits and deliverables projected

service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business"

for 2011. Implementation of HRT continues in 2012 and 2013.

LA9	Increase relevance, quality and impact of Business University programs per business requirements	Customized UBS Business University initiatives, programs and services, mainly driven by business-aligned UBS BU internal consultants supporting the divisions and/or regions. Feedback on quality, relevance, and applicability to jobs are either steady or increased compared to last year (satisfaction levels high, consistently above 70%; quality ratings of trainings very high, consistently above 87%)
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¹ Note: all Full Time Equivalent (FTE) indexed targets are influenced by headcount.

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History of corporate responsibility at UBS

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

2003	Institution of NGO communications & analysis function First financial services firm to formally register interest as an Academy sponsor in the UK (leads to the opening of the The Bridge Academy, Hackney, in 2007)
2004	Establishment of SRI Equity Research in Investment Bank
2005	Establishment of coordination function for Community Affairs in Switzerland Setting up of UBS Tsunami Relief Fund UBS commences social reporting in Annual Report (section on employees)
2006	Introduction of Climate Change Strategy Adoption of UBS Statement on Human Rights Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach
2007	Establishment of SRI Research in Global WMBB Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments First company-wide volunteering at Wealth Management US
2008	Introduction of group-wide Responsible Supply Chain Guideline Wolfsberg Group Revised PEP FAQs
2009	UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI UBS Global Asset Management becomes a signatory to the UN Principles for Responsible Investment
2010	UBS's Sustainability Disclosure 2009 meets the requirements of level A+ of the GRI
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
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

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Corporate responsibility

Contact us

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

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



Have we awoken your interest? Get in contact!

Personal Details

Title* Mrs/Ms
 Mr


First name*

Last name*

Address*

Postal code*

City*

Country* 

Phone*

E-mail

Reason for contact* Private
 Business
 University

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Environmental management indicators

		For the year ended			% change from
<i>Full-time equivalent, except where indicated</i>	GRI ¹	31.12.11	31.12.10	31.12.09	31.12.10
Personnel financial businesses		64,820	64,617	65,233	0
Personnel in specialized environmental units/functions		31	35	26	(13)
Environmental awareness raising					
Employees trained	FS4	15,693	8,616	3,047	82
Specialized environmental training					
Employees trained	FS4	3,677	1,383	1,093	166
External environmental audits²					
Employees audited	FS9	182	36	52	406
Auditing time (days)	FS9	22	5	10	340
Internal environmental audits³					
Employees audited	FS9	181	261	312	(31)
Auditing time (days)	FS9	28	115	78	(76)

1 Global Reporting Initiative (see also www.globalreporting.org). FS stands for the Environmental Performance Indicators defined in the GRI Financial Services Sector Supplement. 2 Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2009 and 2010. The more comprehensive Re-Certification Audit was done in 2011. 3 Audits / reviews carried out by specialized environmental units. The implementation of Environmental Risk Policies is also audited by Group Internal Audit.

Responsible *banking*

By ensuring that our banking activities are undertaken in a responsible manner, we aim to fulfill the heightened expectations of clients and stakeholders.



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](#)



Products & services

We seek to help investors benefit from related market opportunities by integrating environmental and social considerations, where relevant, in research and investment analysis.

[▶ Read more](#)

Case studies

Responsible Property Investment - enhancing investment performance



Creating value for investors while improving economic, social and environmental profile of real estate investments.

[▶ Read more](#) 



In Switzerland, more than 80% of the energy used by an average household goes towards heating and hot water. Ecological construction and proper insulation can be financially beneficial for homeowners.

[▶ Read more](#)

Portfolio screening service for sustainable investing



Aligning a portfolio along personal views and values on sustainability and ethics takes more than just selecting the right products.

[▶ Read more](#)

Responsible banking



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

Managing risk

- ▶ Combating financial crime
- ▶ Environmental & social risk management

Products & services

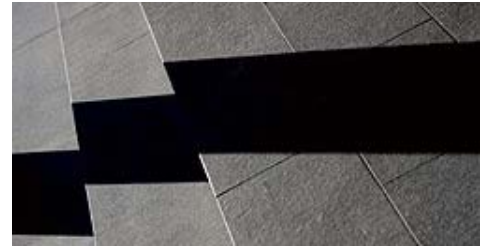
- ▶ Suitability
- ▶ Socially responsible investments
- ▶ Clean tech finance and advisory
- ▶ Carbon trading

Combating financial crime

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

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

In 2011, we continued to strengthen our efforts to both prevent and combat financial crime. By taking responsibility to preserve the integrity of the financial system and our firm, we are committed to assisting in the fight against money laundering, corruption and terrorist financing. We employ a rigorous risk-based approach to ensure our policies and procedures correspond with those risks, and that relationships which are classified as higher risk are dealt with appropriately. We adhere to strict know-your-clients regulations, which do not, however, seek to undermine clients' legitimate right to privacy.



We undertake ongoing due diligence and monitoring to assist in the identification of suspicious activities, including using advanced technology to identify transaction patterns or unusual dealings which, if discovered, are promptly escalated to management or control functions. As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally in 2011. During the year we worked closely with the Environmental and Social Responsibility group to create new opportunities to screen potential business partners, vendors to UBS and clients in respect of any potential issue regarding environmental risk.

In 2011, all business divisions were required to perform a legal and compliance risk assessment based on 2010 data. This comprehensive process, which included an assessment of corruption, sanction and AML risks, is also forward-looking with follow-up actions to highlight the priorities and objectives for each business division. The risk assessment did not show any significant incidents of non-compliance with our anti-corruption policy and other regulations related to anti-corruption.

As part of our extensive and ongoing efforts to prevent money laundering, corruption and terrorist financing, the internal Global AML policies were reviewed in 2011, and enhancements to address more specific risks in relation to corruption and terrorist financing were implemented globally. As part of our 2009 review of trade financing prohibitions regarding certain war materials, these were expanded from nuclear, biological and chemical weapons and antipersonnel land mines to include cluster bombs, depleted uranium for military purposes as well as components of all such weapons. During 2011 we took further steps to strengthen our Trade Finance control framework by enhanced transaction screening protocols.

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



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

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Managing environmental and social risks

▬ Wealth Management & Swiss Bank

▬ Wealth Management Americas

▬ Investment Bank

▬ Global Asset Management



Environmental and social (including human rights) risks are broadly defined as the possibility that UBS is harmed reputationally or financially as a result of transactions, products, services or activities such as lending, capital raising, advisory services or investments that involve a party associated with environmentally or socially sensitive activities, or exposed to risks such as environmental liabilities, human rights infringements or changes in environmental regulations. For products, services and activities identified as having significant environmental and social risk potential, procedures and tools for the timely identification, assessment, approval and monitoring of such risks are applied and integrated into standard risk, compliance and operations processes.

- Client onboarding: 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
- In-house environmental management: our operational activities and employees (or contractors working on UBS premises) are assessed for compliance with relevant environmental and labor rights regulations
- 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

Some of our clients operate in sectors characterized by ongoing environmental and social challenges. To support the consistent identification and assessment of such risks, we developed internal industry sector guidelines in 2009. These guidelines, adopted by each of our business divisions in their transactional and client due diligence processes, 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.

In 2011, we strengthened further our environmental and social risk management (including human rights) by executing the 'UBS position on relationships with clients and suppliers associated with controversial activities' that was published in January. This 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, nor will we purchase goods or services from suppliers, where the use of proceeds, primary business activity, or acquisition target involves the following environmental and social 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;
- high conservation value forests as defined by the six categories of the Forest Stewardship Council;
- 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 and actively seeking to enhance certification of its production;
- wetlands: on the RAMSAR list; and ▪ world heritage sites as classified by UNESCO.

All commercial activities that:

- engage in child labor: according to ILO Conventions 138 (minimum age) and 182 (worst forms);
- engage in forced labor: according to ILO Convention 29;
- threaten indigenous peoples' rights in accordance with IFC Performance Standard 7; and
- engage in diamond mining and trading of rough diamonds unless Kimberley Process certified.

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

Following the execution of our position on relationships with clients and suppliers associated with controversial activities by the business divisions, the number of cases referred for assessment to the environmental and social risk units in 2011 more than doubled as shown by the table "Managing environmental and social risks" below.

- [UBS position on controversial activities](#)
- [UBS statement on mountaintop removal coal mining](#)
- [UBS Global AM policy on anti-personnel mines and cluster munitions](#)

Managing environmental and social risks

	GRI ¹	For the year ended			% change from
		31.12.11	31.12.10	31.12.09	31.12.10
Environmental and social risk assessments ²	FS2	416	194	93	114
Requests by region					
Americas	FS2	111	48	20	131
Asia Pacific	FS2	136	84	32	62
Europe, Middle East and Africa	FS2	119	32	20	272
Switzerland	FS2	50	30	21	67
Requests by business division ²					
Investment Bank	FS2	330	147	69	124
Wealth Management & Swiss Bank	FS2	81	44	24	84
Wealth Management Americas	FS2	5	3	n/a	67

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 functions.

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Wealth Management & Swiss Bank

Wealth Management and Swiss Bank assesses environmental risks in a three-stage process. Client advisors, transaction specialists, and due diligence officers complete the first screening. They look at environmental and social aspects which present financial or reputational risks to the client and to UBS. Financial risks might be related to compliance with environmental legislation, workplace safety, contaminated sites and natural hazards. Reputational risks might be related to alleged severe

environmental degradation or human rights violations. The first screening is used to assess whether a transaction is in line with our standards and whether a corporate client is involved in controversial business activities. If the risks cannot be fully ruled out during the first screening, a risk officer initiates a second screening and decides whether the risks identified are transparent enough for a decision to be taken. Transactions entailing significant environmental risk undergo a detailed assessment as a third step, a service provided by the business division's environmental and social risk unit. In 2011, the business division performed 81 detailed assessments.

► [Case Study: Environmental and social risks assessment in the palm oil industry](#)

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Wealth Management Americas

Wealth Management Americas applies a standardized environmental and social risk check to all credit requests over USD 5 million for operating companies or corporate client relationships where evidence suggests potential reputation risks. Environmental and social risk coordinators perform the first stage, applying an international standard checklist relevant to financial institutions to identify reputational risks entailed by the involvement in sensitive sectors, activities and controversial projects. For transactions involving significant environmental and social risks, the business division's environmental program manager initiates a second stage screening.

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Investment Bank

The environmental and social risk framework of the Investment Bank covers a range of products and services, including Underwriting, Advisory Services, M&A, Research, Lending, OTC, Tradable Assets and Private Equity. Investment Bank personnel identify potential environmental risks in the initial due diligence phase, and alert the environmental & social risk unit in case of significant potential risks. The environmental & social risk unit works with the relevant business and control functions to assess the risks, determine any mitigating measures and direct further due diligence and escalation as required (330 transactions/ clients assessed in 2011). In this way, senior business management may fully consider the potential environmental and social risk in the course of its review of the transaction and/ or client.

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Global Asset Management

In Global Asset Management, environmental risk is analyzed with regards to investment and client service activities. In 2011, all properties acquired or developed by Global Real Estate for its direct investment vehicles were subject to a thorough environmental due diligence process, in accordance with local regulations and internal best practice guidance. Similar processes are in operation in Infrastructure Asset Management.

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Case Study: Environmental and social risks assessment in the palm oil industry

In October 2010, UBS had an opportunity to enter into a new client relationship with a palm oil production company. The palm oil industry is often associated with severe environmental degradation, such as deforestation and loss of biodiversity, as well as with social issues, such as conflicts over land rights with local communities. UBS's policies require that a client is a member in good standing of the Roundtable on Sustainable Palm Oil (RSPO) and is actively seeking to enhance certification of its production according to the RSPO Principles and Criteria for Sustainable Palm Oil Production.

UBS was transparent with the client about the reasons for its palm oil production policy and explained that this approach will lay the foundation for a long-term partnership. Before entering the new client relationship, UBS performed a detailed environmental and social risk assessment to evaluate the client's compliance with UBS standards. By liaising directly with the company's own environmental team, UBS was able to review and comment on the company's environmental report without having to involve the company's executives each time. Also, it was crucial that the client was informed about the steps in the approval process early on - UBS made it a point to provide the client with regular updates throughout the process.

Approval was obtained shortly before the end of December 2010, within the timeframe requested by the client. The approval was granted based on the report prepared by the client and made subject to certain conditions that will allow UBS to monitor the company's commitment to sustainable palm oil production over time.

Suitability

Suitability Framework

Clients expect to be provided with products and services which are suitable for them. In most 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 & Swiss Bank has established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation and periodic reviews of agreed solutions, and by the proper documentation of the steps taken during this process. It is completed by requirements for monitoring and control activities which target - amongst others - at capturing tail-risks. The global WM&SB 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&SB has established a structured advisory process, which is supported by a number of forms and tools at the disposal of the client advisors: In a first step, these forms and tools support the initial identification of a client's investment experience and knowledge, and of the client's risk appetite and capacity. In a second step, they serve the identification of an appropriate investment strategy for a specific client portfolio. Furthermore, a number of tools and platforms have been established, which allow for matching a client's risk appetite and sophistication level with appropriate investment proposals 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 / reward profiles or risk score and thereby help clients and client advisors properly assess the risk characteristics of investment products and services. Additional processes provide for checks, that product documentation made available to both client advisors and clients contains adequate and easy-to understand information on product economics, underlying assumptions and risks, including scenario analyses and maximum loss indications, as well as clear eligibility criteria, e.g. minimum risk capacity and appetite of investors and recommended minimum holding periods. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

After-Sales Communications

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

¹ 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.

Environmental and social business opportunities

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

- [Case study: Sustainable renovation financing in Switzerland](#)

- ▬ Investment products and advisory

- ▬ Research

- ▬ Engagement and voting rights

- Financing and advisory services

- Carbon trading



Investment products and advisory

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

A dedicated Sustainable & Responsible Investment (SRI) team within Global Asset Management offers a wide range of products to their institutional clients, including thematic SRI funds which are focused on innovative companies that provide solutions to the challenges of climate change, water scarcity and demographic change. They offer a range of products focusing on each individual theme and the UBS (Lux) Equity Fund Global Innovators, which spans all three themes. In 2011, UBS broke new ground by listing four exchange-traded funds (ETF) on the German Stock Exchange that track sustainability leaders identified by socially responsible indices, such as the new MSCI ESG Indices. Additionally, the team offers customized client portfolios in the form of segregated mandates / institutional accounts based on "negative" screening, which exclude certain controversial stocks or sectors based on their negative social or environmental impact, as perceived by the client. Our global platform and investment research capabilities enable us to offer such tailor-made solutions.

- [Integrating ESG factors in UBS Global Asset Management](#)

Furthermore, Global Asset Management's Global Real Estate business has defined and implemented a Sustainability and Responsible Property Investment (RPI) strategy for its real estate products and mandates. As a responsible property investor the financial objectives of clients remain the primary focus, but we also consider long-term social and environmental aspects.

► [Responsible Property Investment - enhancing investment performance](#) 

In 2011, combined teams from philanthropy and values-based investing (VBI) and sustainable investing developed further our holistic service offering in our wealth management businesses. These teams provide thought leadership, advice, products and solutions to assist our private clients and prospects who wish to invest all or part of their portfolio according to their values and investment objectives and want to deliver positive change through their philanthropy and investments. These services include sustainability-focused alternatives to conventional products, mission-related investing for donor-advised funds and private foundations. They also include values-based portfolio management, such as mandate solutions for private clients with a strong focus on sustainability across all asset classes, portfolio review and proposals for the integration of sustainability into stock or bond selection. In the US, this offering also includes managed accounts where ESG criteria are embedded into the fundamental investment process, or where clients have the ability to identify and exclude securities from ownership based on issue-oriented screens. This allows our private clients to customize mandates to their particular social policy criteria.

► [Case study: Portfolio screening service of UBS Wealth Management](#)

► [Values-based investing in UBS Wealth Management](#)

► [Invest sustainably with UBS Wealth Management Switzerland](#)

In response to increased client demand we have expanded our own offering and, through our open architecture, we can offer clients the chance to invest in SRI bonds, equity and microfinance products from leading third-party providers. The table below shows that, as of 31 December 2011, our total SRI / VBI invested assets were CHF 241.57 billion, representing 11.2% of our total invested assets. The increase in our reported SRI / VBI invested assets in 2011 is largely due to the expansion of our SRI / VBI reporting framework, which now includes products subject to our Sustainability and Responsible Property Investment strategy. It also includes assets subject to restrictions under the UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions, which applies to actively managed retail and institutional funds domiciled in Switzerland, Luxembourg and Ireland.

Socially responsible investments (SRI) invested assets¹

CHF billion, except where indicated	GRI ²	As of			% change from
		31.12.11	31.12.10	31.12.09	31.12.10
UBS total invested assets		2'167	2'152	2'223	1
UBS SRI products and mandates					
positive criteria	FS11	1.84	2.00	2.72	(8)
positive criteria / RPI ³	FS11	28.19	na	na	na
exclusion criteria ⁴	FS11	27.46	21.27	22.44	29
policy based restrictions ⁵	FS11	181.49	na	na	na
Third-party ⁶	FS11	2.59	2.40	1.69	8
Total SRI invested assets	FS11	241.57 ⁷	25.67	26.85	841
proportion of total invested assets (%) ⁸		11.15	1.19	1.20	

¹ The terms Socially Responsible Investing and Values-Based investing are used interchangeably. All figures are based on the level of knowledge as of January 2012.

² FS stands for the performance indicators defined in the Global Reporting initiative Financial Services Sector Supplement.

³ Responsible property investment (RPI) strategy.

⁴ Includes customized screening services (single or multiple exclusion criteria).

⁵ Assets subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions.

⁶ SRI products from third-party providers apply either positive and exclusion criteria or a combination thereof.

⁷ Due to adjustments in the reporting boundaries, 78.3% of reported assets have newly been included in 2011.

⁸ Total SRI / UBS's invested assets.

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Research

Client interest in ESG issues has grown and, correspondingly, so has our research coverage in this area. Specialized research teams focus on a range of ESG issues, with a view to understanding what impact developing trends such as climate change / energy efficiency, water scarcity, demographics, and other potential environmental and social constraints might have upon the sectors and companies covered by our analysts. They collaborate closely with other teams to write about emerging themes and relevant research content is regularly published by a growing number of mainstream analysts. Specialized teams have been established within each of our business divisions to serve their respective clients.

The ESG Analyzer is an Investment Bank publication that helps clients take ESG issues into consideration at every stage of the investment process. The ESG Analyzer was published several times during 2011, but was only available for Europe and South Africa. As a result of client demand, we now plan to make the Analyzer available for other regions starting in 2012. The Q-series® reports focus on thought-provoking discussions, leading to a firm-wide drive for more thoughtful, proprietary and valuable research. The report "Q-series®: Water Risks to Business" achieved the second-highest readership of any UBS Equity Research publication in 2011. Additionally, during the year the Investment Bank hosted both the annual UBS SRI Conference, which was focused primarily on sustainable supply chains, and the UBS Q-series® Sustainable Innovation Conference.

Wealth Management Research published a paper on Impact Investing, a new investment philosophy that is attracting interest from our clients. Reports under the "Greentech" label covered investment ideas such as electric cars (more efficient cars and better battery technology) and energy efficiency (smart grids, LED, the future of energy). Furthermore, the Wealth Management & Swiss Bank research magazine "UBS outlook on energy" included an analysis of renewable forms of energy.

Clients also benefited from a series of bulletins from our senior scientific advisor, Sir David King, director of the Smith School of Enterprise and Environment at the University of Oxford and formerly the UK Government's Chief Scientific Advisor and Head of the Government Office of Science. These bulletins provided clients with an insight into a variety of current topics, including biofuels and actions various countries were taking in relation to climate change.

- ▶ [Case study: Wealth Management thematic research](#)
- ▶ [Case study: UBS Q-series®: Sustainable Innovation Conference](#)
- ▶ [Case study: UBS SRI Conference on sustainable supply chains](#)

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Engagement and voting rights

We believe that voting rights have an economic value and should be treated accordingly. Global Asset Management, wherever appropriate, seeks to influence the corporate responsibility and corporate governance practices of the companies it invests in. Where we have been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in a manner we believe will be most favorable to the value of their investments. We are strongly supportive of the Stewardship Code published by the UK Financial Reporting Council in 2010. This aims to enhance the quality of engagement between institutional investors and companies. Good corporate governance should, in the long term, result in better corporate performance and improved shareholder value. As such, we expect board members of companies in which we have invested to act in the best interests of their shareholders, and to view themselves as stewards of the company by exercising appropriate judgment and by undertaking diligent oversight of the management of the company. In 2011, we voted on more than 48,000 separate resolutions at over 4,600 company meetings. In addition, we are active members of a number of shareholder bodies and are keen to work with like-minded shareholders.

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 the shareholders' meeting of major Swiss corporations. This allows additional shareholder input into the voting decisions of the funds' management company.

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

engagement activities are applied to SRI funds in addition to the positive screening processes.

▶ Case study: Voting the shares in UBS portfolios

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Case study

Sustainable Renovation Financing in Switzerland

Rewards for the sustainable renovation of residential properties

In Switzerland, more than 80% of the energy used by an average household goes towards heating and hot water. These figures suggest that ecological construction and proper insulation are financially beneficial for homeowners in the medium- to longer-term, not only with regards to energy savings but also increased home resale value.

In mid-2010, the Swiss government started to refund companies with the first instalment of CO2 fuel incentive tax, which has been levied since 2008. We will pass on this rebate totalling almost CHF 4 million to existing and future mortgage clients wishing to sustainably renovate their residential property. With this cash bonus, we believe it is important to reward energy-efficient renovation, and support the goals of the Swiss nationwide building program.

The cash bonus is awarded on the basis of a cantonal energy certificate for buildings (*Gebäudeenergieausweis*, GEAK) which details a description of the renovation potential. Depending on how many efficiency categories can be improved by the renovation, the premium is between CHF 2,500 and CHF 8,500 per client.

► http://www.ubs.com/1/e/ubs_ch/private/mortgage/promotion.html

The GEAK® energy label for buildings

GEAK® is the cantonal building energy performance certificate. It rates the overall energy efficiency of buildings based on different performance categories. GEAK® focuses on two aspects: the building shell and total consumption. In terms of the building shell, the wall, roof and floor insulation are assessed in addition to window quality. Under total consumption, heating, hot water and electricity use are also evaluated. The GEAK® system enables buildings to be assessed and compared based on energy costs and occupant comfort. Obtaining a GEAK® certificate for a single-family house costs between CHF 400 and CHF 600.

Case study

Portfolio screening service for sustainable investing

Aligning a portfolio along personal views and values on sustainability and ethics takes more than just selecting the right products.

We have developed and implemented a new portfolio screening service designed for clients who wish to prevent sustainability related long-term risks by increased transparency on their current asset allocation or aim to design and implement a fully sustainable portfolio.

Values-Based Portfolio Screening Services uses aggregated data from renowned sustainability providers and a specialised broker research database of over 3000 companies and bond issuers.

The methodology and process can be applied on any portfolio, but is of particular interest for clients who either have personal motivations for a sustainable approach towards asset management, or institutional clients who need to take sustainability into consideration.

A specialised team systematically analyzes the portfolio of stocks, bonds, and pooled vehicles along the following criteria:

Sustainability opportunities: identifies companies who have the best strategies in place to deal with environmental and social challenges in their industry

Sustainability risks: identifies firms that have fallen behind with regard to management of environmental, social and governance issues or companies involved in strong controversies

Exclusion criteria: check of portfolio against exclusion criteria, e.g. tobacco or weapons

The screening is summarized in a report outlining the overall assessment of all categories and provides recommendations for alignment or further improvement.

Values-based portfolio screening has been developed and tested for UBS Wealth Management clients throughout 2010 and has been more broadly implemented in 2011.

Case study: Wealth Management thematic research

Equity analysis within Wealth Management Research (WMR) adopts a thematic investment methodology which also considers the sustainability angle of investments. Respective research reports can be found collectively under the WMR equity investment area 'Sustainability'. Besides this, other investment areas include 'Prudence', 'Geography', 'Industry', 'Persistence', and 'Approach'. These different investment areas provide investors with another perspective on how to create a diversified portfolio.

In our Sustainability theme, we discuss investment ideas dealing with major sustainability challenges such as climate change, demography and resource scarcity (e.g. water). We discuss risks and opportunities that drive business models based on economic, environmental and social criteria. We cover investment ideas such as electric cars (more efficient cars and better battery technology), energy efficiency (e.g., smart grids, LED, the future of energy), but also ideas which address resource scarcity, such as water "thirst for investments." The architecture of our team is open, which means that we can leverage the expertise of different sector analysts to get the best knowledge in the respective area.

Case study: UBS Q-Series®: Sustainable Innovation Conference

The UBS Q-Series® Sustainable Innovation Conference (held at the Bloomberg Conference Center in New York on 19 October, 2011) brought together critical stakeholders of the capital market. This unique event combined Global Sector Research expertise with extensive corporate access, macro insights into political economics – and most importantly, an understanding of sustainable innovation as a source of risk and opportunity for all UBS investment constituencies.

The conference included an exceptional roster of speakers, including keynote speakers Professor Michael E. Porter and Larry Silverstein, as well as a forum for discussion with expert panellists from the science and business communities. Companies from across the materials, infrastructure, housing, consumer and technology sectors, including Pepsico, NBC Universal, Deutsche Bank, General Mills, SAP and C3 also attended.

Key messages conveyed by the conference included change in corporate strategy and capitalism, economics, and investment analysis. Professor Porter described how the old model of corporate strategy and indeed the old model of capitalism is dead. The new way forward is “shared value”. In the new model, businesses prosper because they take societal needs into account in driving the business forward. The conference panel on defining sustainable innovation concluded that the old economic model, which had previously ignored so-called externalities, working on the basis of infinite resources and infinite sinks, is also out of date in the current environment. Another panel on portfolio manager break-in discussed the idea that the old, narrowly-framed, next-quarter’s-earnings-driven approach to investment decision-making in the context of equity markets is dead. Major societal trends are simply an input to fundamental analysis, providing a holistic view of the company.

Case study: UBS Annual SRI Conference: Sustainable Supply Chains

On 5th October we held the annual UBS SRI and Sustainability conference. Each year we explore an SRI-related theme that we believe will have implications for corporate growth and profitability over the following year. This year's theme was sustainable supply chains.

The SRI conference this year looked at different aspects of the supply chain in the mining and minerals, clothing retail and beverage sectors. These sectors are exposed to social and environmental issues along the supply chain, which potentially impact reputation and costs for companies: mining of resources, conditions in clothing production, sustainability of agricultural and water inputs:

Environmental, Social and Governance (ESG) factors increasingly pervade the commodity end of supply chains. UBS commodity strategist Peter Hickson, De Beers and a consultancy specialized in conflict minerals examined the main ESG factors at play, including the ongoing politicization of resources, the increasing recognition of the role of local stakeholders for successful mining projects, and the possible contradictions between China's environmental and growth targets.

Case study: Voting the shares in UBS portfolios

Corporate governance is a key focus in our Equities investment area. We aim to be supportive, long-term shareholders on behalf of our clients and we engage extensively with management of the companies we invest in on issues of corporate governance.

Since 2009, we have been an Investment Manager signatory to the UN Principles for Responsible Investment (PRI), a global investor initiative which is designed to provide a framework for better integration of environmental, social and governance (ESG) issues into mainstream investment practice. The key principle for equities is Principle 2, "We will be active owners and incorporate ESG issues into our ownership policies and practices."

A key aspect of our corporate governance program is voting the shares we hold in our portfolios (including collective investment vehicles). We vote globally as long as there is no conflict with the efficient management of client portfolios. In 2011, we voted at more than 4,600 company meetings globally on over 48,000 separate resolutions. In the interests of transparency to our clients and stakeholders, we publish voting records on our external website for our UK, Canadian and US mutual funds. We have a dedicated Corporate Governance Director, who is a former portfolio manager, and a team of four based in London implementing our voting program and working very closely with our investment teams.

The team apply our global governance principles with two fundamental objectives:

- Seeking to act in the best financial interests of our clients to enhance the long-term value of their investments.
- As an investment advisor, we have a strong commercial interest that companies in which we invest on behalf of our clients are successful. We promote best practice in the boardroom.

Clean tech financing and advisory



In 2010, we created the Renewable Energy & Clean Technology team (RE&CT) within our Investment Bank to focus our efforts and build upon our successes in this important sector. RE&CT, which includes five senior employees from four continents, provides capital raising and strategic advisory services to renewable energy and clean technology companies globally, including those in the solar, wind, electrical efficiency, biofuels and renewable

chemicals sectors.

In 2011, our global RE&CT team raised approximately USD 2.6 billion from fourteen equity and debt transactions and advised on seven deals, establishing RE&CT as one of the leading clean technology practices globally. Recent transactions include the USD 123 million initial public offering (IPO) of Gevo, the first successful IPO in next generation biochemical and advanced biofuels, the USD 220 million IPO of BYD Company, the largest A share IPO in the renewable energy sector in 2011, and the USD 162 million IPO of KiOR, the largest market cap of any pre-revenue clean technology company upon IPO.

- Case study: UBS acted as sole financial advisor to Innovation Network Corporation of Japan in the joint acquisition of Landis+Gyr with Toshiba

Case study: UBS acted as sole financial advisor to Innovation Network Corporation of Japan in the joint acquisition of Landis+Gyr with Toshiba

In 2011, UBS Investment Bank acted as a sole financial advisor to Innovation Network Corporation of Japan (INCJ) in the 2.3 billion US dollars joint acquisition of Landis+Gyr with Toshiba. INCJ is a public-private partnership and provides financial, technological and management support for next-generation businesses in the areas of environment and energy, electronics and IT, bio-tech, and infrastructure. The acquisition is the second largest Japanese/Swiss outbound M&A transaction ever and INCJ's USD 680 million investment is its largest to date.

Landis+Gyr is the leading global provider of integrated energy management products for energy companies. It operates in approximately 30 countries worldwide and engages in the design, manufacturing and sale of metering products for energy utilities. It generated more than USD 1.5 billion in revenues in 2010. Over the last few years, Landis+Gyr has established a number one market position globally in smart metering. Today, the company offers the broadest portfolio of products and services in the electricity metering industry and has been paving the way for the next generation of smart grids. Its offering includes meters, communication devices and networks, software and managed services. Smart grids are essential for the realization of a low-carbon society and are expected to improve energy efficiency and self-sufficiency of energy supply. Landis+Gyr's core product, smart meters, are key components in providing real-time information allowing for effective control of power demand, generation and distribution capacity.

This transaction improved Landis+Gyr's capital strength and directly contributed to the accelerated introduction of smart meters in Japan, improving energy savings and self-sufficiency of Japanese energy supply. Also, Landys+Gyr can now support global smart-grid related business deployment with effective utilization of leading Japanese technologies.

Carbon trading



In cap and trade emissions markets, such as the EU Emissions Trading Scheme (EU ETS), companies have annual caps on the amount of emissions their facilities are allowed to produce. Companies who are able to reduce their emissions below their cap 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 (ETD) is an active member of the major emission exchanges in Europe and North America, and offers execution and full service clearing for contracts on EU ETS allowances (EUA), UN Certified Emissions Reductions (CER), Regional Greenhouse Gas Initiative allowances, and permits for nitrogen oxide and sulphur dioxide.

Corporate responsibility glossary

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

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

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Corporate responsibility

Contact us

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

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



Corporate responsibility in *operations*



What we do

In-house environmental management



We continue to build on a long heritage of managing our internal environmental impact, which, since the 1970s, has focused on increasing energy efficiency, reducing consumption of paper and other resources, actively managing waste volumes and encouraging our employees to replace air travel with more sustainable options.

[▶ Read more](#)

Responsible supply chain management



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

[▶ Read more](#)

Health and safety



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.

▶ [Read more](#)

Accessibility



We aim to make our locations and our services for 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: Energy save projects in New Jersey City, New Jersey, USA](#)
- ▶ [Case study: New photovoltaic plant in Zurich, Switzerland](#)
- ▶ [Case study: Energy efficient lighting in London, UK](#)
- ▶ [Case study: New lighting system for the Sydney trading floor](#)

Corporate responsibility in operations



Corporate responsibility in operations

- In-house environmental management
- Responsible supply chain management
- Health & Safety
- Accessibility

In-house environmental management

We continue to build on a long heritage of managing our internal environmental impact, which, since the 1970s, has focused on increasing energy efficiency, reducing consumption of paper and other resources, actively managing waste volumes and encouraging our employees to replace air travel with more sustainable options. We deliver the program through a network of global, regional and local environmental specialists, supported by an Environmental Management System (EMS) accredited to ISO 14001 and have Greenhouse Gas (GHG) emissions data externally verified to ISO 14064. Having deployed a new Carbon reporting system, we have enhanced further the quality of data capture and increased the speed that management information can be released.

Environmental and CO₂ footprints

We have a direct impact on the environment in a number of ways: our businesses consume electricity, notably through our IT-systems, and fossil fuels; employees travel, use paper and generate waste in the course of their work; and offices require heating and comfort cooling systems. Improving the ways we use these resources can both reduce our operational costs and improve our environmental performance. Therefore, we have set firm-wide targets for CO₂ emissions, energy, paper, waste and water, and we have a series of measures to efficiently manage our environmental impact.

▸ [Environmental indicators](#)

Climate change strategy and CO₂ emission reduction

In February 2006, the Group Executive Board decided to establish a firm-wide CO₂ emission reduction target of 40% below 2004 levels by 2012.

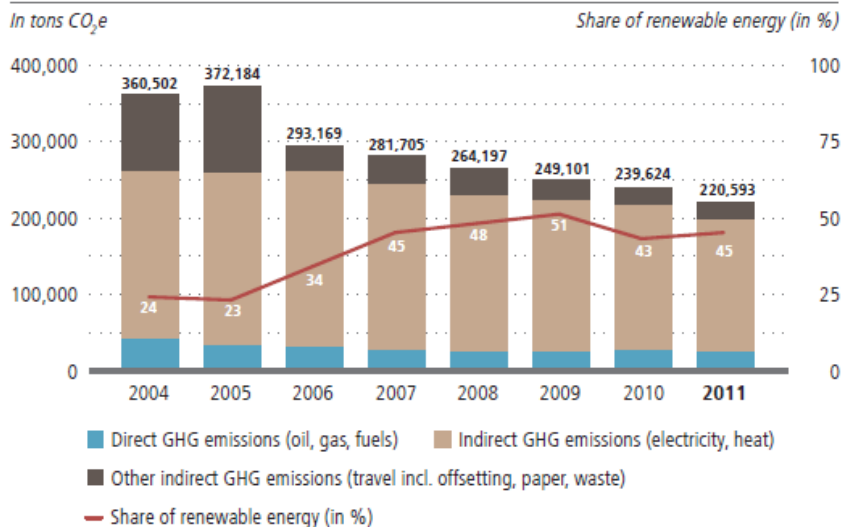
We seek to achieve this target by implementing:

- [in-house efficiency measures](#) that reduce energy consumption of our buildings and data centers
- [increasing the proportion of renewable energy](#) used
- [offsetting](#) CO₂ emissions that cannot be reduced by other means

As a result, we reduced further our 2011 CO₂ emissions, with an overall global reduction of 39% below 2004 levels, close to achieving our 2012 target.

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

Our greenhouse gas (GHG) footprint



Energy, paper, waste and water targets

Firm-wide operational targets for energy, paper, waste and water have been established for 2010 to 2012, using 2009 achievements as baseline. The table below shows that we are making steady progress towards achieving these targets.

Progress on our energy, paper, waste and water targets

	Energy	Paper		Waste		Water
	Consumption	Consumption	FSC/recycled paper	Total	Recycling	Consumption
	kWh	kg/ FTE	% of total	kg/FTE	% of total	litres
Targets 2010-2012	-10%	stabilize	50%	stabilize	70%	-5%
Achievements 2011	-14%	-6%	44%	-9%	54%	-22%
Forecast 2012	Over-achieve	Over-achieve	Achieve	Over-achieve	Under-achieve	Over-achieve

▸ Energy

consumption
time series

▸ Paper

consumption
time series

▸ Waste

generation
time series

Energy efficiency



Energy efficiency is an essential component of our program to achieving our firm-wide CO₂ emission reduction target. Working with building technical teams and other stakeholder groups, measures include investments in energy-efficient building systems and encouraging users to take control of energy efficiency in their offices and meeting rooms.

Designing new UBS offices in conjunction with third-party developers presents a significant opportunity to influence design features to maximise sustainability, including low energy operation, with major construction projects being assessed against specific building energy performance standards. Where smaller offices are being provided by a third-party developer or commercial landlord and where we have less control of the facilities, sustainability and environmental requirements can be included as part of the agreement for lease.

In 2010 we introduced a specific target for the reduction of energy consumption across the firm to strengthen our climate change objective. Establishing a global reduction target of 10% by 2012, we also implemented Regional Energy Steering Committees to promote innovation to foster best practice, develop ideas and review performance on a regular basis. These committees consist of stakeholders from facilities, engineering, environmental management, procurement and building management, as well as representatives of relevant vendors and service partners. Their goal is to co-ordinate all activities relating to energy procurement and consumption.

In 2011, energy consumption was reduced by 14% (130 gigawatt hours) from 2009 levels through a combination of building portfolio management, more dynamic building controls, data center efficiency and improved employee housekeeping. Our IT-driven initiatives contributed significantly to these energy savings, most notably through a server consolidation program, and our Desktop Transformation Program, which is deploying the latest in desktop IT hardware and software, where energy efficiency has been considered in equipment selection and power saving software features are optimised.

▸ Operational targets & achievement level 2011

Certificates

- The Carbon Trust
- Leadership in Energy and Environmental and Design (LEED)

Case studies

- Case study: Carbon Reduction Commitment (CRC) energy efficiency scheme
- Case study: Energy save projects in New Jersey City, New Jersey, USA
- Case study: New photovoltaic plant in Zurich, Switzerland
- Case study: Energy efficient lighting in London, UK
- Case study: New lighting system for the Sydney trading floor
- Case study: Desktop Transformation Program

The Carbon Trust

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, with recertification due during 2012.

Leadership in Energy and Environmental Design (LEED)

UBS achieves LEED recognition in the US



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

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

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

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

The CRC is a mandatory UK emission trading scheme aimed at large organizations which use more than 6,000 MWh of electricity a year. The scheme, which was launched by UK Government in April 2010, aims to reduce carbon emissions through energy efficiency. UBS submitted its first Annual and Footprint reports for 2010/2011 in July this year. The reports are a summary of UBS's emissions from electricity and gas supplies. In total, we consumed 117,000 MWh of electricity and 13,000 MWh of gas, which emitted a total of 65,450 tonnes of CO₂.

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

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

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

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

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

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

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

Case study: New photovoltaic plant in Zurich



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

Case study: Energy efficient lighting for the UBS London campus



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

After a series of trials to validate the reliability and lighting quality of LED, a project was

delivered to replace 2000 lamps across the 7th Floor of our offices at 1 Finsbury Avenue, London.

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

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

Case study: New lighting system for the Sydney trading floor

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

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

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

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

Case study: Desktop Transformation Program (DTP)



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

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



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

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

Renewable energy



In addition to our energy efficiency programs, we are reducing our use of carbon-intensive energy by including a high proportion of renewable energy. In 2011, 45% of our heating purchases came from renewable energy and district heating. In Switzerland, the percentage of electricity sourced from renewable sources, such as hydro power stations, remained at 100%. In the UK, we purchased 58 GWh electricity backed by 100% renewable sources, representing 50% of the total volume for our main London buildings. In addition, we purchased 100,000 MWh of renewable energy certificates (RECs) in the Americas electricity markets to mitigate 2010/11 emissions. This equates to 22% of US emissions from electricity in 2011.

- [Case study: Renewable Energy Certificates \(RECs\)](#)

Case study: Renewable Energy Certificates (RECs)



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

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

Business travel and offsetting CO2 emissions



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

Working with reputable intermediaries and a panel of internal specialists, we select projects meet the requirements of the Gold Standard for voluntary emissions reductions while providing positive community benefits. Schemes selected in 2011 include wind power projects in Taiwan and Turkey and a community biofuel project in China.

Our levels of business air travel naturally mirror our client advisor activity, resulting in a significant increase in 2011. We seek to reduce the environmental impact of air travel and therefore actively promote and invest in audio and video conferencing where the number of installations and call volumes has increased substantially.

For travel within Europe, we encourage high speed rail travel in preference to air travel. Additionally, the marketing and events team have adopted the environmental guidelines for client conferences and now consider the impact of delegate travel, hotels, venue features and catering as part of their logistics and planning.

- ▶ [Case study: 2011 offsetting projects](#)
- ▶ [Case study: Video conferencing technology](#)

Case study: 2011 offsetting projects

Tachia wind power project in Taiwan



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

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.

Dares Datca Wind Project in Turkey



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

Case study: Video conferencing technology



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

from 2010.

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 describe 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 and waste

We are making steady progress towards achieving our 2012 paper consumption, waste generation and water use reduction targets. Double-sided printing and copying is now the default setting for most of our employees and, combined with an ongoing shift towards the distribution of electronic documents, this has resulted in a 6% reduction in paper used per employee since baseline year of 2009. The share of office paper from Forest Stewardship Council (FSC) or recycled sources has increased from 34% in 2009 to 44% in 2011. The continued implementation of bin-less offices in many larger locations has reduced the waste per employee by 9% since 2009. However, the waste recycling ratio remained flat at 54%. Paradoxically, this is due to our successes in reducing paper consumption, which is a significant recyclable waste stream. Our water consumption decreased by 22% on 2009 levels through a combination of new technology, improvements in housekeeping and employee engagement.

► Operational targets & achievement level 2011

Environmental indicators per full-time employee

	Unit	2011	Trend	2010	2009
Direct and intermediate energy	kWh/FTE	12,459	↔	12,633	11,986
Business travel	Pkm/FTE	11,489	↑	8,743	7,016
Paper consumption	kg/FTE	122	↔	119	130
Waste	kg/FTE	242	↔	251	265
Water consumption	m ³ /FTE	30.1	↘	33.3	31.9
CO ₂ footprint	t/FTE	3.32	↘	3.66	3.12

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

- Case study: Waste recycling – binless office pilot extended to Hong Kong
- Case study: E-documents in Switzerland

Binless office pilot extended to Hong Kong



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

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

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

Case study: E-documents in Switzerland

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

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

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

Engaging our employees

Employee engagement has long been recognized as an important component within the UBS Environmental program. By providing incentives, education and awareness regarding environmental matters to our employees and suppliers, we seek to promote sustainable behavior not just at work but also in the homes of our employees. In 2011, UBS provided training and awareness raising to some 19,300 employees.

- Case study: Environmental Champions UK initiative
- Case study: "Bike to work" in Switzerland
- Case study: Employee engagement in the Americas

Case study: Environmental Champions UK initiative

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

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

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

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

Case study: "Bike to work" in Switzerland



During the month of June, 2011, over 1,000 UBS employees rode 150,000 km participating in the "Bike to work" campaign - despite the rather damp weather conditions. Of the 20 possible bike days in June, staff on average cycled all or part of their journey to work on 12 days, saving 24 tons of CO2 emissions compared to the emissions of commuting by car. Many participants took this opportunity to ride to work for the first time and most committed to continue as they saw the benefits to their health and the environment.

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

Case study: Employee engagement in the Americas



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

Following this public event, UBS installed two electric vehicle charging stations on the Campus.

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

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

Environmental indicators

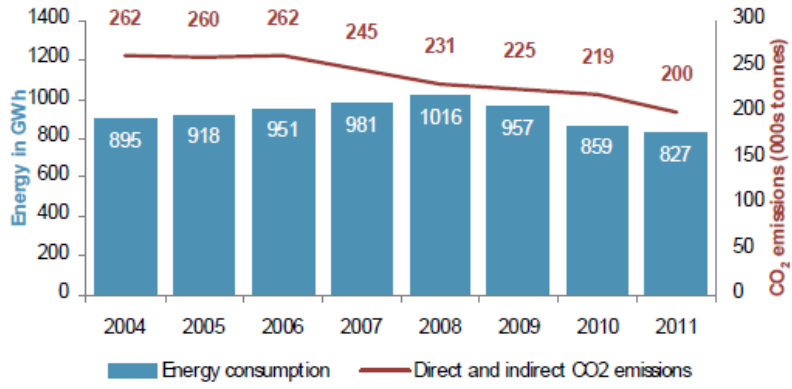
Environmental indicators¹

	GRI ³	2011 ²			2010 ²	20
		Absolute normalized ⁴	Data quality ⁵	Trend ⁶	Absolute normalized ⁴	Abso normaliz
Total direct and intermediate energy consumption⁷		827 GWh	***	→	859 GWh	957 GWh
Total direct energy consumption⁸	EN3	128 GWh	**	→	137 GWh	132 GWh
natural gas		84.2%	**	→	82.6%	84.6%
heating oil		13.1%	***	↓	15.0%	10.9%
fuels (petrol, diesel, gas)		2.6%	***	↑	2.3%	4.5%
renewable energy (solar power, etc.)		0.03%	***	↑	0.02%	0.02%
Total intermediate energy purchased⁹	EN4	699 GWh	***	→	722 GWh	825 GWh
electricity from gas-fired power stations		18.1%	**	↔	16.3%	10.6%
electricity from oil-fired power stations		2.3%	***	↓	4.1%	2.9%
electricity from coal-fired power stations		15.8%	**	→	17.1%	17.5%
electricity from nuclear power stations		10.8%	**	→	11.5%	9.9%
electricity from hydroelectric power stations		29.5%	***	→	29.1%	28.0%
electricity from other renewable resources		13.9%	***	→	13.5%	23.6%
district heating		9.7%	***	↑	8.5%	7.8%
Share of renewable energy and district heating		45%	***	→	43%	51%
Total business travel	EN29	762 m Pkm	***	↑	595 m Pkm	560 m Pkm
rail travel ¹⁰		1.5%	***	↓	1.9%	3.7%
road travel ¹⁰		0.4%	**	↓	0.5%	1.0%
air travel		98.1%	***	→	97.6%	95.3%
Number of flights (segments)		337,573	***	↑	258,766	258,311
Total paper consumption	EN1	8,093 t	***	→	8,076 t	10,341 t
post-consumer recycled	EN2	18.2%	***	↓	21.9%	16.7%
new fibers FSC ¹¹		26.1%	***	↑	20.9%	17.1%
new fibers ECF + TCF ¹¹		55.6%	***	→	57.0%	65.9%
new fibers chlorine bleached		0.1%	**	↓	0.3%	0.4%
Total waste	EN22	16,083 t	***	↘	17,053 t	21,181 t
valuable materials separated and recycled		54.2%	***	→	53.7%	54.4%
incinerated		20.0%	***	↑	18.1%	12.9%
landfilled		25.8%	**	→	28.2%	33.1%
Total water consumption	EN8	2.00 m m³	**	↘	2.27 m m³	2.55 m m³
Greenhouse gas (GHG) emissions in CO₂e						
Direct GHG emissions (scope 1) ¹²	EN16	25,235 t	**	→	27,153 t	25,721 t
Gross indirect GHG emissions (gross scope 2) ¹²	EN16	227,978 t	***	↘	248,893 t	298,331 t
Gross other indirect GHG emissions (gross scope 3) ¹²	EN17	110,010 t	***	↑	89,957 t	87,861 t
Total gross GHG emissions		363,223 t	***	→	366,003 t	411,921 t
GHG reductions from renewable energy ¹³		53,759 t	***	↘	57,226 t	99,241 t
CO ₂ e offsets (business air travel) ¹⁴		88,867 t	***	↑	69,152 t	63,571 t
Total net GHG emissions (GHG footprint)¹⁵		220,597 t	***	↘	239,624 t	249,101 t

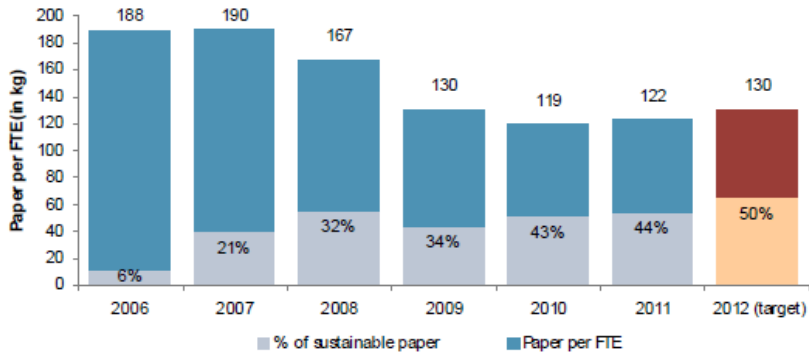
Legend: GWh = gigawatt hour; Pkm = person kilometer; t = tonne; m³ = cubic meter; m = million; CO₂e = CO₂ equivalents

¹ All figures are based on the level of knowledge as of January 2012. ² Reporting period: 2011 (1 July 2010–30 June 2011), 2010 (1 July 2009–30 June 2010), 2009 (1 July 2008–30 June 2009). ³ Global Reporting Initiative (see also www.globalreporting.org). EN stands for the environmental performance indicators as defined in the GRI. ⁴ Non-significant discrepancies from 100% are possible due to roundings. ⁵ See the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5%—***, up to 15%—**, up to 30%—*. Uncertainty is the likely difference between a reported value and a real value. ⁶ trend: at a ***/**/* data quality, the respective trend is stable (→) if the variance equals 5/10/15%, low decreasing/increasing (↘/↗) if it equals 10/20/30% decreasing/increasing if the variance is bigger than 10/20/30% (↓/↑). ⁷ Refers to energy consumed within the operational boundaries of UBS. ⁸ Refers to primary energy purchased which is consumed within operational boundaries of UBS (oil, gas, fuels). ⁹ Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating). ¹⁰ Rail and road travel: Switzerland only. ¹¹ Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free. ¹² Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" (www.ghgprotocol.org), the international standards for GHG reporting: scope 1 accounts for direct GHG emissions by UBS; gross scope 2 accounts for indirect emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, fuel consumption and waste disposal. ¹³ GHG savings by consuming electricity from renewable sources. ¹⁴ Offsets from third-party GHG reduction projects measured in CO₂ equivalents (CO₂e). These offsets net GHG emissions from our business air travel. ¹⁵ GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and CO₂e offsets.

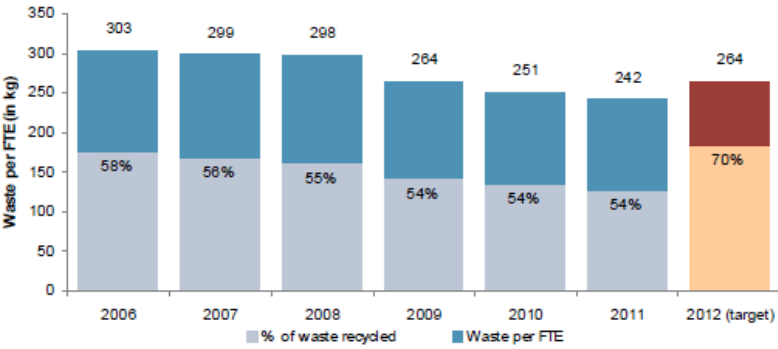
Energy consumption time series



Paper consumption time series



Waste generation time series



Responsible supply chain management

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

In 2011, UBS spent over CHF 6.7 billion purchasing products and services ranging from office maintenance services across IT infrastructure to components such as stationery. Responsible supply chain management (RSCM) principles serve to embed our ethics and values with our suppliers, contractors, service partners and project teams.

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

- ▶ [For more on 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 2011, over 600 suppliers were screened according to our social and environmental criteria. We also trained 42 procurement and sourcing officers to help with this work, and responsible supply chain requirements were included in the agreements with relevant suppliers who were awarded contracts. Also in 2011, we developed a risk-rating concept to allow us to better focus on the potential risks of products and services and increase our impact in the area of RSCM. Finally, we engaged in a full strategic review of our RSCM operations and have developed an action plan for 2012 to ensure best practice in this area.

- ▶ [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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Client Gifts

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



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

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

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

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

UBS Health and Safety Statement

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

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

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

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

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

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

- UBS endeavors to maintain a working environment that supports the general health and well-being of all employees. Our efforts include flexible working models, competitive vacation and benefits offerings and an open and respectful work environment.
- With ergonomic workstations, workplace safety standards, measures to protect nonsmokers, reviews of radiation exposure and other initiatives, UBS strives to ensure that its working environment is as efficient, safe and comfortable as possible.
- UBS takes preventive measures to mitigate potential emergencies in the workplace and to assist employees on business trips. In addition, travel and security experts, crisis management committees, first aid providers, health specialists, social counselors and other specialists are available, if needed.

- Issues such as personal problems, addictions, conflict in the workplace and harassment impact physical and mental health. UBS assists and advises employees primarily through its Employee Assistance Programs (EAPs), which are offered in a number of locations globally.

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

Operational responsibility for the governance and review of health and safety sits with the Group Chief Operating Officer (Group COO). 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. Richard Thwaite, Chair of the disability Awareness Network and UBS Diversity Advisor on Disability, also earned

recognition for his efforts, having been shortlisted for a Disability Standard Award in 2009. During 2010 the disAbility Awareness Network group continued to raise awareness of disability through comedy events, sporting activities and jointly with other networks using celebrity figures.

What is accessibility?

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

Accessibility barriers may be related to any of the following:

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

Corporate responsibility glossary

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

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

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Corporate Responsibility Contact us

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

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



Our *employees*



We rely on the excellence, creativity and dedication of our employees in all parts of the world to meet our 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](#)



Our approach to Diversity & inclusion

Having a diverse and inclusive workforce enables us to meet the many needs of our increasingly global client base.

[▶ 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

Community investment



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UBS foundations

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Overview

We are continuing with 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 we have progressed to a position where our community investment program 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 2011, UBS and our affiliated foundations made direct cash donations totaling of CHF 31.1 million to carefully selected not-for-profit partner organizations and charities. These donations were directed primarily towards achieving our Community Affairs key themes of “education” and “entrepreneurship”.

Contributions were also made to other activities, in particular disaster relief, including CHF 3.2 million in Japan. 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 (see examples 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 2011, 11,678 employees spent 105,000 hours volunteering. We support their commitment by offering up to two working days a year for volunteering efforts, and also match employee donations to selected charities.

In Switzerland, our community investment efforts are also advanced by the UBS Culture Foundation, the UBS Foundation for Social Issues and Education, and the association A Helping Hand from UBS Employees. In 2011, these organizations have again 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

Charitable organizations and projects across the globe – usually in regions where we do not maintain a business presence – also benefit from the support of the UBS Optimus Foundation. The UBS Optimus Foundation is one of Switzerland’s largest charitable foundations. It is a not-for-profit organization which offers UBS clients a broad range of opportunities to improve the lives of children around the globe.

Since its foundation in 2000, the foundation has contributed over CHF 118 million to 250 projects in 73 countries. Employing a sophisticated funding strategy, it plays a key role in bringing about positive social change in the areas including healthcare, education and child protection. As UBS bears all the administrative costs related to the UBS Optimus Foundation, clients can be sure that 100% of every donation goes directly to the project.

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 2011, we developed a unique community partnership with artist Stephen Wiltshire and student artists from The Children's Aid Society, The Harlem School of the Arts, and the YMCA of Greater New York. *New York City: Through our eyes* was a special exhibition focusing on the New York City skyline from varying perspectives. It was used as a foundation for the young artists to reflect on their own feelings about their community. The program allowed students to draw their own interpretation of the skyline as a way to learn and engage in discussions about 9/11 and their neighborhoods in general. The main feature of the exhibition is Wiltshire's intricate panorama of the New York City skyline. This panorama can be seen on a 160-foot long UBS billboard greeting passengers arriving at the JFK International Airport terminal.

To commemorate the 10th anniversary of September 11, 2001, UBS published *Reflections of Recovery and Resurgence: UBS 9/11 Humanitarian Relief Fund*, a booklet which highlights the firm's commitment to and support of the National September 11 Memorial & Museum. Immediately following the events of September 11, UBS created the UBS 9/11 Humanitarian Relief Fund to provide assistance to victims as well as long-term grants for the children of victims. This booklet also provides helpful information related to support groups, guidance concerning "talking to your family about 9/11", and other resources.

Our *mentor programs*, which operate in four U.S. cities, continue to be our main volunteer initiatives. This year, employees have volunteered to become mentors to hundreds of children - helping students build the confidence and skills they need for future success. Our mentor programs empower students of all ages and range from the Power Lunch reading program designed to increase elementary school literacy through to college preparatory and career skills development for high school students through our iMentor program.

To encourage the development of quality education, the Americas region is supporting innovative and collaborative *after-school programs for Beacon centers* in New York City. These high school after-school programs aim to integrate children's learning experiences in and outside the classroom as well as offering career skills development, job training and computer literacy that contribute to greater opportunities for success after graduation.

EMEA (Europe, Middle East and Africa)

Throughout the region, we continue to support educational and entrepreneurial activities, particularly in areas close to where we conduct our business. We now have active Community Affairs programs in the UK, France, Italy, South Africa, Poland, UAE, Russia, Ireland and Jersey. The regional flagship program is our partnership with the Bridge Academy, a mixed, non-denominational school for 11-18 year olds, based in Hackney - one of the most deprived boroughs in London - and adjacent to UBS's London base. In 2003, UBS agreed to sponsor a new secondary school under the UK government's "Academy" program. UBS volunteers helped develop the vision and plans for the development of the Bridge Academy which opened in 2007. A fundamental principle of the partnership is that all activity must directly improve student attainment and achievement. To date, 1,700 volunteers have contributed over 18,000 hours in a range of activities such as:

- Governance: Five UBS Managing Directors form a majority on the governing body, contributing strategic expertise and taking responsibility for the Bridge Academy's direction and results
- Literacy and numeracy: Intervention schemes involving 80 volunteers per week
- Work-related learning program: providing an introduction to the world of work, a focus on relevant skills and the motivation to think positively about the working world
- Bespoke activities range from designing a virtual trading project with 54 top maths students from the Academy working with equities traders, through to engaging with Stonewall and the UBS Pride Network to work with 180 students to help tackle homophobic bullying
- UBS volunteers provide support for Bridge staff learning and development, finance, operations, communications, fundraising and IT

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



[UBS presents the "Most Responsible Business Award"](#)
10 Apr 2012, 10:15 News article | Tags: Community Investment CH



[11th Finance Forum "Charity Run"](#)
21 Nov 2011, 09:45 News article | Tags: Community Investment CH



[UBS online publication "Engagement" wins corporate publishing prize](#)
15 Aug 2011, 13:51 News article | Tags: Community Investment CH



[Multi-year partnership with the Swiss Foundation for Landscape Conservation](#)
21 Jun 2011, 00:37 News article | Tags: Community Investment CH



[Hans Purrmann exhibition at the Hermann Hesse Museum](#)
19 May 2011, 15:24 News article | Tags: Community Investment CH

UBS Partnerships



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

Ernst Schmidheiny Foundation

Since 1974, the Ernst Schmidheiny Foundation has hosted Business Weeks at Swiss high schools and has thereby furthered the understanding of a total of 90,000 students to date in the field of business. A corporate planning game developed specifically for the purpose and overseen by experienced business managers sees the students take on the role of an executive board member.



Schule plus Wirtschaft

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

▸ www.esst.ch

Swiss Solidarity

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



As part of National Fundraising Days, UBS supports Swiss Solidarity by asking its employees to contribute. True to the motto "Double the impact of your donation", UBS matches its Swiss employees' donations franc for franc in the event of a disaster.

▸ www.swiss-solidarity.org

Infoklick.ch

Infoklick.ch is an organization that supports children and adolescents in Switzerland, providing a direct point of call for those who want to get actively involved using their own ideas and personal resources. Many youth initiatives lack small items – and this is where Infoklick.ch provides support.



A partnership spanning many years has enabled UBS to help the association set up a regional center in the canton of Ticino. As a result, concrete help in all areas of life is now available to Italian-speaking children and adolescents in Switzerland. UBS also supports "Juniorexperts", a group of committed young people who help other adolescents realize their ideas.

► www.infoklick.ch

Naturama Aargau

The "Naturama Aargau" natural history museum showcases Aargau's habitat in the past, present and future, and aims to promote the canton's sustainable development. Besides the museum, environmental courses and the sustainability task force, conservation is also part of its work. Among other things, Naturama organizes voluntary work in the countryside.



UBS employees get involved for the benefit of the region's natural environment in a number of ways: on conservation projects, they help maintain species diversity in meadows, plant standard fruit trees with local farmers to provide a much-needed habitat for threatened species and tend hedges, ponds and mini-structures as interlinking landscape elements.

► www.naturama.ch

Swiss Red Cross

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



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

► www.chili-srk.ch

► www.2xweihnachten.ch

Swiss Studies Foundation

The Swiss Studies Foundation promotes hardworking students with broad interests at high schools and colleges whose personalities, creativity and intellectual abilities make them likely candidates to make a special mark in science, business, culture and politics. Those accepted into the scheme can draw on a wide range of education offers to complement their schooling, financial support, individual help and advice as well as many networking opportunities.



The foundation's goal is to support young people who are able and willing to take on responsibility in society. As a Silver Partner, UBS contributes to achieving this goal.

► www.studienstiftung.ch

Swiss Technical College Winterthur

The Swiss Technical College Winterthur (STFW) is one of the leading institutes offering vocational training and further education in technical professions in German-speaking Switzerland. More than 7,300 people take part in the courses and seminars each year. Course participants benefit from a unique and practical teaching method that draws on numerous practice models and learning objects.



UBS is financing new classrooms in the STFW's new annex to ensure that the wide-ranging courses can continue to be offered in an environment with sufficient space and perfectly designed infrastructure.

► www.stfw.ch

The Swiss Foundation for Landscape Conservation



The Swiss Foundation for Landscape Conservation strives to preserve, care for and enhance landscape that is worthy of protection in Switzerland. It pursues this goal by protecting, promoting and restoring the natural and cultural values of the landscape. It is a charitable foundation and has no commercial purpose.

UBS is entering into a three-year partnership with the Swiss Foundation for Landscape Conservation from 2011 and is thus supporting the preservation, care and enhancement of landscape that is worthy of protection in Switzerland.

► www.sl-fp.ch

Züriwerk Foundation

The Züriwerk Foundation is a non-profit organization recognized by the federal government and canton. On behalf of and in the interest of society, it backs the social and economic integration of adults with handicaps. Backed up by its wealth of experience, the Züriwerk Foundation provides professional assistance to the disadvantaged in finding work. Since 2007 it has also been involved in part-pay projects aimed at integrating benefit recipients.



UBS employees regularly perform social work for Züriwerk, working together with the handicapped in production locations or as part of the "Züriwerk backt's" part-pay project.

► www.zueriwerk.ch

Young Enterprise Switzerland

Young Enterprise Switzerland is a non-profit organization that develops practical business courses for schoolchildren and students aimed at networking schools with business.

As part of a partnership lasting several years, UBS supports the organization and every year enables 750 students at 25 high schools, commercial and vocational colleges in Switzerland to found startups, recognize business contexts and act enterprisingly. UBS also hosts the annual "Young Entrepreneurs in the Station" event in Zurich Central Station that gives young entrepreneurs valuable experience in presenting and selling their products and services to a wide audience.



Finally, UBS employees act as volunteer consultants, providing practical business training for students in the 8th to 10th grades. Their professional and life experience gives the young people concrete help for their professional careers.

► www.young-enterprise.ch

UBS Employee Volunteering



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

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

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

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

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

Employee experience reports

- 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!"



Partner organization experience reports

Nicole Heim, CEO Young Enterprises Switzerland



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

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

processes and problems involved in voluntary work and maintain a long-term commitment as a foundation."

Monica Marti, Head Nature Events, Naturama Aargau



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

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

Eva Veith, Volunteering Coordinator, Käferberg Care Home



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

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

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

Videos

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

The Ernst Schmidheiny Foundations Business Weeks



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



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



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

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

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

Type of support

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

Some practical examples

Procap Travel & Sport

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

Tanja Foundation, care home for the disabled

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

UBS Donations

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

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



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

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

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

News

April 2012

UBS presents the "Most Responsible Business Award"

10 Apr 2012, 10:15

JA-YE Europe Trade Fair makes a guest appearance at Zurich's central station

APAC (Asia Pacific)

The *Community Leadership Experience*, developed in partnership with Charities Aid Foundation India, was held in June 2011 in Mumbai. It focused on women leaders and the 20 participants came away with fresh perspectives on how to tackle the challenges of leading and managing a not-for-profit organization (NPO) in India. Launched in 2008, the annual three day program has been welcomed by the non-profit sector as a much needed platform to bring leaders together. Participants get to share and learn from each other and this helps them to improve their own organization's capacity to deliver services to their own community. Across the Asia-Pacific region, UBS employees continued to volunteer in record numbers. In 2011, our employees significantly increased the number of hours they contributed to our community partners. In Japan, volunteers from the Investment Bank worked with Social Venture Partners Tokyo to develop financial accounting processes for 10 new start-up NPOs. In Singapore, more than 200 employees and interns helped to organize the International Association for Volunteer Effort's biannual World Volunteer Conference which attracted more than 1,000 participants from around the globe. At this event, UBS continued its support for a unique program which aims to increase the capability of NPOs to secure funding from the private sector. Called "The Pitch", five finalists from among more than 100 applicants from around the globe competed before a live audience and panel of expert judges to secure funding for innovative volunteer management projects.

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 2011, 11,678 employees spent 105,000 hours volunteering.

Local commitment

Our activities are driven by our employees and the needs of the local communities. To ensure we understand these needs, we have dedicated Community Affairs teams in each region: they develop relationships with local organizations and ensure that our contributions have a significant, lasting and measurable effect.

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At UBS, we believe in many kinds of giving

UBS donations

In 2011, UBS and our affiliated foundations made direct cash donations totaling CHF 31.1 million to carefully selected not-for-profit partner organizations and charities. These donations were directed primarily towards achieving our Community Affairs key themes of “education” and “entrepreneurship”. Contributions were also made to other activities, in particular disaster relief, including CHF 3.2 million in Japan.

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

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 - Stamford

Initiatives & awards

UBS Investment Bank has established many partnerships with community organizations, and government agencies since relocating its headquarters in the Americas from New York City to Stamford in 1997. Through these relationships, UBS has been working to support public education initiatives and youth career development programs, and to improve the quality-of-life for people in need.

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

Other community awards include:

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

Specific initiatives include the following:

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

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

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

Education - Preparing youth for advanced educational opportunities and career training has

been the focus of UBS's charitable giving, with over \$200,000 in grants in 2007 to such programs as Achievement Matters at the Urban League of Southwestern Connecticut; and training by MOUSE for students to run technology help desks in schools; in addition, UBS has also supported after-school programs at the Yerwood Center, the YMCA and other agencies to help close the achievement gap in test scores of students.

- **Community** - Recognizing the need for critical social services, UBS provided over \$120,000 in 2007 to such organizations as the homeless shelter, the soup kitchen, the food bank and the hospital in Stamford. Local cultural organizations were also supported with over \$100,000 for various programs and productions. In support of the Stamford community, UBS has a five-year \$500,000 commitment as the title sponsor of city's parade spectacular, the second largest one day event in the state with more than 300,000 spectators.
- **Urban development** - In designing its 12-acre campus, UBS coordinated it with the larger vision of Stamford's Mill River Greenway Project and created the largest park in the downtown area in front of its headquarters. The centerpiece is a significant contribution to public art, one of the world's largest free-standing stained glass structures, standing 46-feet high. In 2002, UBS became the first corporate sponsor of the Mill River Collaborative, and has contributed over \$110,000 and hundreds of volunteer hours in support of building the Mill River Playground.
- **Transportation** - The pedestrian walkway from the Stamford Transportation Center to the Gateway Common is the result of the cooperative efforts of the federal government, the Connecticut Department of Transportation, the City of Stamford and a \$500,000 grant from UBS.
- **Volunteerism** - As the lead corporate sponsor in Fairfield County, UBS has over 100 employees committed to the Everybody Wins! lunch time reading program at two Stamford elementary schools. In addition, hundreds of the firm's employees are active volunteers for social service agencies in support of youth, education and other community programs. Many executives and others serve in leadership positions on boards of community organizations.

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

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APAC

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

The Asia-Pacific region continues to experience some of the world's most devastating natural disasters. In response to the 2011 Japan Tohoku earthquake and tsunami the firm made a group wide donation to create a fund to support local Japanese organizations with economic livelihood and rebuilding efforts. Employees world-wide responded generously in the immediate aftermath and these donations were matched by the firm.

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	
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.

UBS Optimus Foundation

A shared commitment to children

We support innovative, needs-based approaches and projects aimed at advancing the protection, education and health of children in need.

As an independent grant-making foundation established by UBS in 1999, we offer UBS clients a broad range of opportunities to engage in strategic charitable projects. Our professional and transparent [grant strategy](#) ensures optimal use of all client donations to generate lasting impact.

Thanks to UBS covering all our administrative and wage costs, 100% of every contribution goes to the supported projects.

Contributions from over 18,000 donors have enabled us to provide more than 175 million Swiss francs in support to 245 projects in 75 countries over the last 12 years.



Mission & Vision

- [General information about the Foundation](#)



Grant areas

- [More information on our grant areas](#)



Opportunities to participate

- [How can I make a donation?](#)



Applications for support

- [Procedure and requirements for proposal inquiries.](#)

UBS Culture Foundation

UBS Culture Foundation sees and understands itself as a constituent part of society with the task of reflecting on continuity and change in politics, economics, science and the media from the perspective of cultural and artistic creativity and productivity. We promote the advancement of cultural activities and artistic creativity, communication and exchange between artists and society, and the diversity of cultural expression. In particular, we support the generation, dissemination and mediation of contemporary forms of art and culture.

UBS Culture Foundation supports artists of Swiss nationality, foreign artists with permanent residence in Switzerland, cultural projects by professionals that focus on Switzerland as well as the acquisition of significant works and objects by art or cultural-historical museums in Switzerland. We offer grants in the following fields:



Visual Arts

Grants to artists of national or international standing as well as acquisitions of significant works by art museums

[▶ More](#)



Heritage Conservation & Archaeology

Grants for the restoration of protected buildings that are open to the public as well as archaeological projects in Switzerland

[▶ More](#)



Film

Grants for the production of professional cinema documentaries

[▶ More](#)



Literature

Grants to authors and translators as well as projects focused on mediating literature

[▶ More](#)



Music

Grants to composers as well as for first performances in the field of contemporary classical music

[▶ More](#)



Humanities & Cultural Sciences

Grants for studies with a historical, philosophical or trans-disciplinary profile as well as for the acquisition of significant objects by cultural-historical museums

[▶ More](#)

UBS Foundation for Social Issues and Education

UBS Foundation for Social Issues and Education sees itself and operates as a non-profit, or charitable, foundation in a rapidly changing social environment marked by globalization and pluralization. The present and future social and cultural challenges demand solidarity and commitment. Against this background we feel committed to the advancement of the common good in Switzerland, focusing on two key areas in the interest of a future-oriented, socially acceptable and sustainable societal development: integration and qualification.

UBS Foundation for Social Issues and Education supports, on the one hand, initiatives and projects by institutions, organizations and private individuals in the fields of education and training, employment, and integration into society and the world of work for people facing social disadvantage and/or adverse learning conditions. Secondly, the foundation supports efforts and projects in education and advanced training for groups of persons with particular potential, and, also, ventures and projects promoting entrepreneurial thinking and activity in general, and training in business and leadership in particular. We offer grants in the following fields:



Social Issues & Integration

Grants to projects aimed at promoting education, training, employment, and integration of people facing social disadvantage and/or adverse learning conditions.

[▶ More](#)



Education & Training

Grants to education and advanced training projects involving groups of persons with special potential, as well as initiatives and projects promoting entrepreneurial thinking and activities for different target groups.

[▶ More](#)

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 580,000 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.

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

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](#)

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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

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Last name*	<input type="text"/>
Address*	<input type="text"/>
Postal code*	<input type="text"/>
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