

Corporate responsibility

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



News

- **Zurich / Basel, June 9, 2010 : UBS named index component for the FTSE4Good Index**
- **Zurich / Basel, May 11, 2010, 03:30 PM : UBS achieves top spot in eco rating by leading Swiss business magazine Bilanz**
- **Zurich / Basel, January 12, 2010, 09:00 AM : UBS releases new Code of Business Conduct & Ethics**
- **More**

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

Governance & strategy

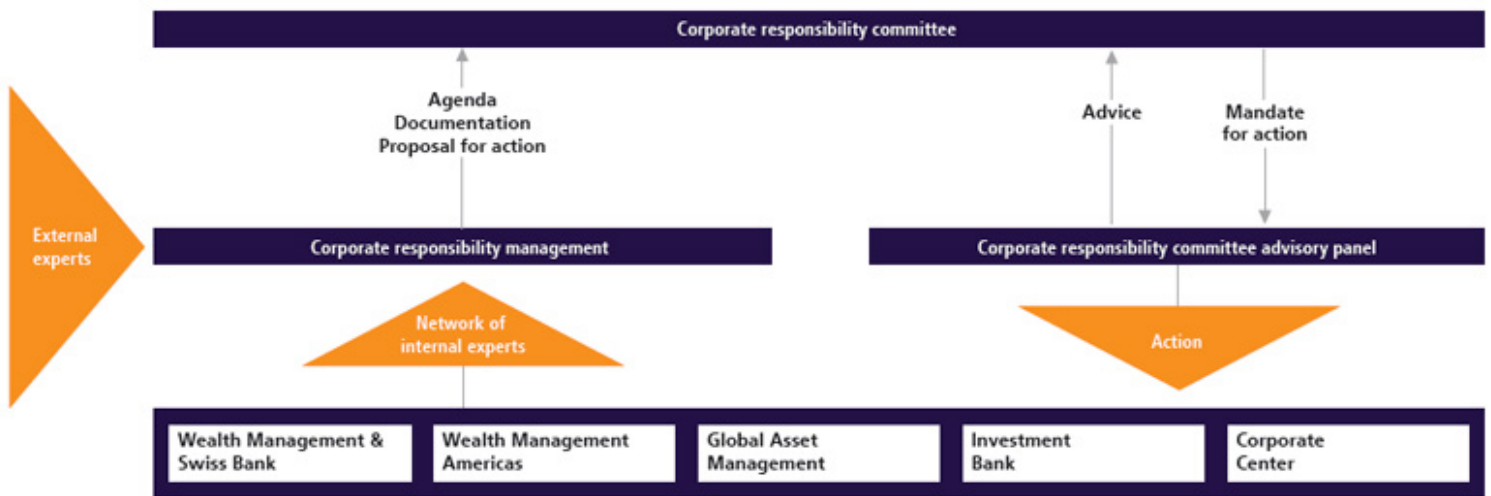
As a leading global financial services firm, UBS is confronted with the concerns and expectations of a wide and diverse range of stakeholders. Along with clients, investors and employees, for example, various government regulators and suppliers can also be said to have a stake in the company to varying degrees. In a broader sense, the communities in which UBS has a presence are stakeholders too.

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

Commitment	Governance	Strategy & performance
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Governance structure

UBS's corporate responsibility governance process



Operational corporate responsibility at UBS



Chairman's Statement



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

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. We want to create sustainable value, a central goal reflected in our various key documents (e.g. "Organization Regulations of UBS AG"), processes and initiatives.

In 2009, we took major strides towards becoming sustainably profitable in reaction to the effects resulting from the financial crisis that began in the second half of 2007. Since only being sustainably profitable permits us to discharge our responsibilities to our stakeholders, achieving this goal is in the interests of all of them.

UBS's continued commitment to corporate responsibility

We are responsible for understanding, assessing and acting upon the diverse range of our stakeholder interests, including with regard to societal commitments. As chair of the Corporate Responsibility Committee (CRC), I take a particular interest in this. For many years, our stakeholders have been taking a growing interest in our wider societal commitments and activities. In 2000, we demonstrated our belief in the importance of key societal issues by becoming one of the first subscribers to the UN Global Compact – an initiative that unites governments, business, labor organizations and civil society to foster global adherence to principles with regard to human rights, labor, environment and anti-corruption standards. The Global Compact continues to be an important reference point for UBS's corporate responsibility efforts.

In 2009, we made important strides on the road towards restoring our reputation, stability and success. In 2010, we will continue to deliver on our commitments in creating a new UBS, including our values of truth, clarity, and performance; our strategic principles of reputation, integration, and performance; and our financial objectives. Actively pursuing our societal commitments and responsibilities contributes to this most significant endeavor. We have enshrined these commitments and responsibilities in our updated Code of Business Conduct and Ethics which was published at the end of 2009.

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Corporate responsibility themes at UBS

The financial crisis has shown that an overly dominant focus on short-term thinking resulted in too many compromises on quality and sustainability. A fundamental lesson has therefore been to re-focus on long-term thinking. While short-term centered actions undoubtedly have their place, the overall focus must be on sustainable banking. In ensuring that banking activities are undertaken in a responsible manner, and that products and services are suited to the needs and requirements of clients, UBS aims to fulfill the heightened expectations of clients and stakeholders.

We remain firmly committed to our effective risk-based approach to anti-money laundering – a key responsibility for any global financial firm – and to promoting the development and implementation of anti-money laundering and anti-corruption standards for the financial industry as a whole.

It is important to sustain a network of talented professionals. Therefore, we remain committed to investing in our people and in ongoing programs and processes across the firm to promote a diverse workforce. This includes the range of offerings provided by the UBS Business University, a corporate learning and education platform that was launched in January 2010.

As we are aware of the impact our business has on the environment, it is our social responsibility to address and manage these challenges, including the implementation of our climate change strategy. In addition to working towards achieving our 40% CO2 emissions reductions goal by 2012, we have heightened our focus on the client-related aspects of climate change, including www.ubs.com/corporateresponsibility

climate change-related products and services and dedicated research reports.

We continue to work on important projects linked to our statement on human rights, in particular pertaining to the issue of responsible supply chain management and to the implementation of industry sector guidelines.

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Outlook

In 2010, the CRC will continue to monitor and review UBS's corporate responsibility activities and commitments in accordance with their respective policies and regulations. At the same time, the work of the CRC will continue to be shaped by our assessment of the expectations and concerns of stakeholders.

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Our stakeholders

UBS & its stakeholders

Dialogue with external parties is an important contributor to UBS's understanding and approach to corporate responsibility. In 2009, communications with experts and stakeholders covered a series of topics ranging from general (e.g. individual vs. corporate responsibility) to specific (e.g. environmental and social issues pertaining to particular industries).

In all dealings with stakeholders, UBS is guided by the principles and standards set out in the 'Code of Business Conduct and Ethics'. By fostering an open and honest dialogue with its stakeholders, UBS strives to meet their expectations and address their concerns as outlined in the charter of the Corporate Responsibility Committee (CRC). The firm seeks to address the expectations of its stakeholders by responding to their concerns and feedback in an informed and effective manner.

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

Our stakeholders

- **Clients:** Clients are at the centre of UBS's activities. UBS is committed to building and sustaining relationships with clients based on trust and integrity. Regular dialogue with clients and their feedback (including via UBS's [Quality Feedback management system](#) ⓘ) ensure that UBS understands their expectations. Collecting this feedback enables the firm to act and continuously improve products and client service standards in order to provide the best client experience.
- **Shareholders/Investors:** UBS's senior management and the Investor Relations team regularly communicate with the investment community to ensure accurate and timely dissemination of UBS financial results and latest developments. In 2009, important topics that were communicated included the financial crisis and its implications and UBS's new management and refocusing the strategic guidelines of the firm.
- **Employees:** The skills and dedication of UBS's employees are fundamental to delivering superior solutions for the firm's clients. UBS promotes an open and honest dialogue between its employees and senior management. Direct communication is regularly undertaken with feedback and input actively sought, key examples being personal meetings, emails, town halls and the Quality Feedback system. Thousands of employees world-wide attended town halls with senior management (or followed the proceedings on UBS TV) in order to be informed and discuss the steps taken to build a new UBS.
- **Governments / Regulators:** Financial market stability and efficiency is largely dependent on the regulatory and political environment. UBS actively participates in political discussions that allow the firm to share its expertise and adapt early to regulatory changes and corporate responsibility-related issues. In 2009, the fallout of financial market dislocation and subsequent adjustment measures continued to be a major topic of the intense dialogue between UBS senior management and specialized functions, governments and regulators.
- **Communities:** UBS actively ensures that the communities where it operates are healthy and prosperous. To contribute to the health of these communities, UBS is engaged in various ways, most notably via dedicated Community Affairs teams worldwide. The teams work closely with senior managers to build partnerships with organizations in the communities where UBS operates, focusing on education and community regeneration.
- **Suppliers:** As a major procurer of materials and services, UBS maintains many relations with suppliers worldwide and strives to adhere to high ethical standards when interacting with its vendors. In 2008, the firm introduced a Responsible Supply Chain Guideline. Since its introduction, approximately 400 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:** UBS is a member or participant 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 and the Carbon Disclosure Project. UBS representatives participate in meetings, events and conferences and use these platforms to exchange ideas, promote joint actions and gain valuable input for the development of our corporate responsibility approach and strategy. In 2009, UBS Global Asset Management became an Investment Manager signatory to the UN Principles for Responsible Investment (UNPRI), a global investor initiative designed to provide a framework for better integration of environmental, social and governance (ESG) issues into mainstream investment practice.
- **Non-governmental organizations (NGOs):** UBS interacts with NGOs and appreciates their input and insights as it helps the firm to consider its approach to, and understanding of, environmental and social issues and concerns. In 2009, UBS communicated with NGOs on topics as diverse as biofuels, controversial weapons, and issues surrounding human rights in weak governance zones.
- **Peers:** UBS actively engages in regular discussions on corporate responsibility and related issues with specialists in peer banks, and more widely via trade bodies and associations such as the Swiss Banking Association. Their experiences and assessments of corporate responsibility issues help UBS to compare and improve its own strategy, approaches and tools.
- **Media:** UBS conducts an active and consistent dialogue with media in all its major locations worldwide. The firm's media teams provide timely information on a wide range of global, regional and local topics of relevance to UBS. Senior management also regularly gives account to journalists, predominantly via interviews (around 120 globally in 2009).
- **Rating agencies:** UBS actively engages in a dialogue with analysts in rating agencies. With regard to the firm's sustainability performance, the evaluation of specialized agencies helps UBS to evaluate its current strategy and activities and provides a useful means for benchmarking.

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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 clients and employees alike. 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 critical 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 make targeted quality improvement of products, processes and services possible.

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 2009, key topics and developments included the financial crisis and its impact on UBS, the new management of the firm and its strategy, the business performance of UBS and the John Doe summons proceeding.

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 2009, employees provided feedback on topics such as the services provided by Support and Service Centres and the firm's IT business applications.

External commitments

UBS has endorsed and signed several international 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](#)

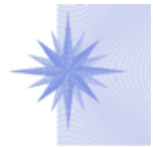
UNEP Finance Initiative



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

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Wolfsberg Group - preventing money laundering



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

[More](#)

UN Principles for Responsible Investment (UNPRI)



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

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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 5,000 corporate participants, to be an important measurement in providing guidance for its key corporate responsibility initiatives and activities. In addition, by participating in the Swiss UN Global Compact network, UBS contributes actively to important corporate responsibility discussions across industrial sectors among Swiss-based companies.

- **The UN Global Compact's ten principles in the areas of human rights, labour, environment and anti-corruption**
- **Global Compact website**



- Labor standards and human rights
- Environment
- Fighting corruption

Labor standards and human rights

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

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

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

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Environment

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

→ **Environmental management**

→ **UNEP**

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Fighting corruption

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

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

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The Global Compact

The Ten Principles

Human Rights

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

Labour Standards

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

Environment

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

Anti-Corruption

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

UNEP Finance Initiative: UBS among first signatories in 1992

In 1992, UBS was one of the first signatories of the UN Environment Program's Bank Declaration (UNEP). This act committed the firm to integrating appropriate environmental measures within its activities. It has resulted in a well developed global environmental management system, certified to the ISO 14001 standard, which covers both banking activities and in-house operations.

In 1992 the United Nations Environment Programme (UNEP) bank declaration (Statement by Financial Institutions on the Environment and Sustainable Development) was drawn up within the framework of this initiative. This statement has been endorsed by 180 financial institutions.

	<p>UNEP seeks to promote the integration of environmental aspects into the financial sector by means of its Finance Initiative.</p> <p>→ Content of UNEP bank declaration</p>
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UNEP Bank Declaration

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

1. Commitment to sustainable development

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

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

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

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

2. Environmental management and financial institutions

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

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

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

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

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

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

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

3. Public awareness and communication

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

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

3.3 We will foster openness and dialogue relating to environmental matters with relevant audiences, including shareholders, employees,

customers, governments, and the public.

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

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

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

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

Wolfsberg Group

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



UBS is a founding member of the Wolfsberg Group, an association of 11 global banks established in 2000 which aim to develop financial services industry standards and related products for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies. Together with other members of the Group, UBS has actively engaged with the Financial Action Task Force (FATF), which is an inter-governmental body that develops and

promotes national and international policies to combat money laundering and terrorist financing in the context of its consultation processes with the private sector. Special attention is placed on developing a risk-based approach to money laundering, implementing guidelines around Weapons of Mass Destruction Proliferation Finance, and actively contributing to the revision of FATF Recommendation 9 ("Customer due diligence and record-keeping"), which states that financial institutions, intermediaries or other third parties must perform certain aspects of the customer due diligence process.

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

Wolfsberg Group's work is ongoing in the area of credit cards and stored value cards, the implementation of a new SWIFT (Society for Worldwide Interbank Financial Telecommunication) message format to protect against the abuse of cover payments and a review of the Group's 2003 paper on monitoring, screening and searching.

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



- The 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 behaviour 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 organisations with interests and expertise in business ethics. The institute also helps organisations to strengthen their ethics culture by hosting events, running training courses, publishing relevant materials and providing an information web service.

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

→ www.ibe.org.uk

Eurosif

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

→ www.eurosif.org

VfU

The Association for Environmental Management in Banks, Savings Banks and Insurance Companies (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 ecology is based on the latest version of the VfU Indicators Protocol

→ www.vfu.de

oikos

UBS is a donor of oikos foundation, a part of the international oikos student organisation for sustainable economics and management and a leading reference point for the promotion of sustainability change agents. Originally founded in St. Gallen, Switzerland, in 1987, oikos has grown to more than 25 local chapters in 15 countries worldwide. oikos strengthens action competence for sustainable development among tomorrow's decision makers by increasing awareness for sustainability opportunities and challenges focusing on management and economics students with an objective to foster their ability not only in analyzing long-term economic, environmental and social trends, but also implement sustainability driven innovation; and to create institutional support for these learning processes through the integration of sustainability issues in research and teaching at the world's faculties for management and economics.

→ www.oikosinternational.org

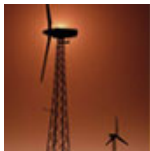
ÖBU

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

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

→ www.oebu.ch

Zurich Energy Model



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

for its achievements and successes in the field of energy efficiency and energy management.

→ www.energiemodell-zuerich.ch

ASrIA

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

At UBS, the Board of Directors (BoD) sets the UBS Group's values and standards to ensure that its obligations to shareholders and other stakeholders are met. Jointly, the Chairman and the Group CEO have a key role in maintaining UBS's reputation. They are also responsible for ensuring effective communication with shareholders and stakeholders.

All BoD committees have responsibilities and authorities of direct relevance to UBS's goal of sustainable value creation. The Governance and Nominating Committee, for instance, has responsibilities and authorities to address all relevant corporate governance issues affecting the UBS Group. The Human Resources and Compensation Committee annually reviews the UBS Group "Compensation and Benefits Principles" and proposes any amendments to the Board for approval. It also evaluates the effectiveness of pay for performance across the UBS Group. 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 UBS should meet existing and evolving corporate responsibility expectations of its stakeholders. The CRC thus supports the BoD's efforts to ensure and advance UBS's reputation for responsible corporate conduct. Headed by the Chairman of the BoD, the committee includes two additional BoD members. It is advised by a panel consisting of members of the Group Executive Board (GEB) and other senior managers. The members of the advisory panel participate in committee meetings and implement its recommendations.

In addition to its mandate pertaining to the expectations of stakeholders, the CRC also monitors and reviews UBS's corporate responsibility policies and regulations as well as the implementation of its 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 notably [the Environmental & Human Rights Committee](#).

Members



Kaspar Villiger (Chair)

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

→ [CV](#)



Sally Bott

Sally Bott was elected to the BoD at the October 2008 Extraordinary General Meeting (EGM). She chairs the Human Resources and Compensation Committee. Furthermore she is a member of the Corporate Responsibility Committee and the Governance and Nominating Committee.

→ [CV](#)



Ann F. Godbehere

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

→ [CV](#)



Wolfgang Mayrhuber

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

[→ CV](#)

Advisory Panel

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

The Corporate Responsibility Committee met twice in 2009. The meetings were attended by 100% of its members.

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[→ Organization regulations of UBS AG](#) 



Professional history and education

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



Professional history and education

Sally Bott was elected to the BoD at the October 2008 Extraordinary General Meeting (EGM). She chairs the Human Resources and Compensation Committee. Furthermore, she is a member of the Corporate Responsibility Committee and the Governance and Nominating Committee. Sally Bott serves as the Group Human Resources (HR) Director of BP plc, which she joined in early 2005, and is a member of BP's Group Executive Committee. Ms. Bott has spent most of her career in financial services. Between 2000 and 2005, she was a Managing Director at Marsh & McLennan Companies, a US-based global risk and insurance services business, and Head of Global HR for Marsh Inc. She was at Barclays Bank from 1994 to 2000, first as Barclays de Zoete Wedd HR Director and then as Group HR Director from 1997 to 2000. In 1970 she joined Citibank out of college as a research analyst in the economics department. She was credit trained and worked in the finance function. She moved into HR in 1978 and worked as an HR Director in most of Citibank's wholesale bank and investment banking businesses for the next 15 years. She was the Global HR Director of the wholesale bank from 1990 to 1993. Ms. Bott studied at Manhattanville College in the US and graduated with a bachelor's degree in economics. She was born on 11 November 1949 and is an American citizen.

Other activities and functions

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

Ms. Bott is a member of the board of the Royal College of Music in London and the Carter Burden Center for the Aging in New York City.

Ann F. Godbehere



Professional history and education

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

Other activities and functions

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

Ms. Godbehere is a board member of Prudential plc, Rio Tinto plc and Rio Tinto Limited. She is on the board of Lloyd's managing agency, Atrium Underwriters Ltd. and Atrium Underwriting Group Ltd., which were acquired in 2007 by Ariel Holdings Ltd. She is also a member of the board of Ariel Holdings, an insurance and reinsurance company.

Wolfgang Mayrhuber



Professional history and education

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

Other activities and functions

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

Mr. Mayrhuber is a member of the supervisory boards of Fraport AG, Munich Re Group, BMW Group as well as Lufthansa Technik AG and Austrian Airlines AG. Furthermore, he serves on the Board of SN Airholding SA / NV and HEICO Corp., USA.

Environmental and human rights governance

The Group Executive Board is responsible for UBS's environmental policy and nominates a Group Environmental Representative, who is UBS's senior level representative for environmental issues. This function is currently held by Philip Lofts, the firm's Chief Risk Officer. The business divisions also nominate Divisional Environmental Representatives, who are responsible for the implementation of the policy within their business division.

These Group and Divisional Environmental Representatives, as well as other senior executives, form an Environmental & Human Rights Committee that is tasked with overseeing the adoption of UBS's environmental policy and providing direction to the business divisions in their adoption of the UBS Statement on Human Rights. The Committee defines Group priorities and objectives to be submitted to the Group Executive Board for approval, oversees execution by the business divisions and initiates action if required.

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



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

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

*** Delegated to oversee global in-house ecology model

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 ecology**

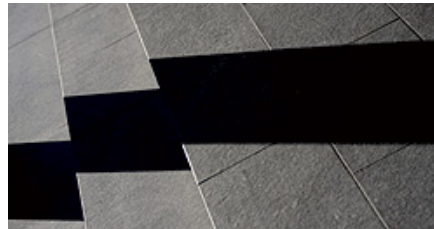
→ **Responsible supply chain management**

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Money laundering prevention

UBS's 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. UBS is streamlining policies and processes to enhance consistency between business divisions as well as to assess threats and risks within its business. The firm has developed extensive policies intended to prevent, detect and report money laundering, corruption and terrorist financing. These policies seek to protect the firm and its reputation, from those who may intend to legitimize their ill-gotten gains through UBS.

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 UBS meets 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 Group's management and control of AML risks so as to ensure efficiency and consistency throughout the Group and protect the Group's reputation. Business divisions, exercising common sense, are expected promptly to inform Global AML compliance of all material AML issues that may affect UBS. Global AML compliance coordinates its work via various committees and specialist networks, the core one being the Global AML Committee.

Anti-corruption policies and procedures are in place in all business divisions which aim to prevent bribery occurring in UBS's own 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



Regional diversity heads, along with senior business managers, consider and decide on diversity / business-aligned plans linked to regional and divisional business and talent strategies. They are also responsible for advising and supporting regional diversity boards, or their regional equivalent, in assessing progress made on relevant issues. The global diversity team coordinates regional efforts and

integration into the HR process.

→ **More**

Community affairs



Community affairs at UBS are founded in a global strategy defined by the GEB, and are based on a global community affairs guideline. Activities are governed in a decentralized fashion. Every region has a dedicated community affairs team which reports directly to senior management. With regional guidelines in place, the teams coordinate various charitable involving our senior management and

employees. The Corporate Center ensures global coordination of these activities and also provides a central reporting structure to collate community investment data from across UBS as a whole.

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

→ **More**

Policies and guidelines

The importance UBS attaches to responsible corporate behavior is reflected in the various documents and policies defining the rules and principles the firm applies to the behavior of its employees. These guidelines define the way UBS does business and the firm regularly monitors compliance.

Code of business conduct and ethics

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

→ **Code of business conduct and ethics** 

Values

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

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

Employment of staff

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

→ **www.ubs.com/employees**

Environmental policies and guidelines

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

[More](#)

Human rights statement

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

[More](#)

Money laundering prevention

UBS takes its responsibility to preserve the integrity of the financial system, and its own

operations, seriously. We are committed to assisting in the fight against money laundering, corruption and terrorist financing.

[More](#)

Conflicts of interest

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

Whistleblowing protection

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

→ [Whistleblowing protection](#) 

Community affairs

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

[More](#)

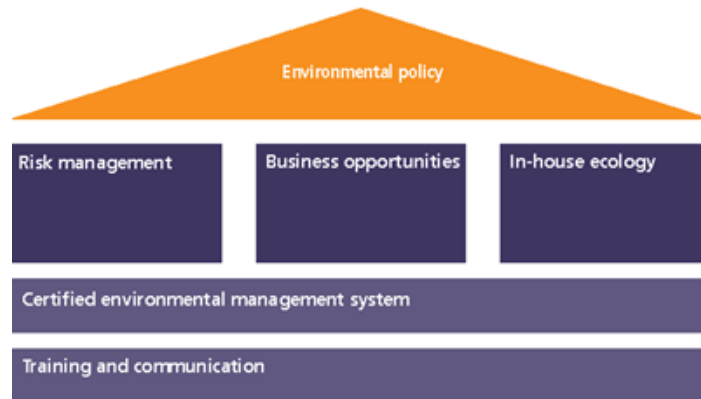
Information security

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

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Environmental policies & guidelines

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



Foundations

The protection of our environment is one of the most pressing issues facing our world today. Climate change for instance, will have wide-ranging effects on ecosystems, on societies and on economies worldwide. The increasing awareness of environmental issues has resulted in a fast-changing regulatory and competitive landscape which is affecting UBS, our suppliers and our clients. In response to these emerging risks and opportunities, appropriate strategies are being shaped.

UBS was one of the first financial institutions to sign the United Nations Environment Programme's "Statement by Financial Institutions on the Environment and Sustainable Development" in 1992. UBS was also among the first companies to endorse the UN Global Compact, is an original signatory of the Carbon Disclosure Project (CDP), and UBS Global Asset Management is an Investment Manager signatory to the UN Principles for Responsible Investment (UNPRI).

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

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

Purpose and Scope

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

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

The policy applies world-wide to all transactions, services and activities involving environmental issues entered into by or on behalf of UBS in the course of business. Both banking activities and

in-house operations are subject to and must be conducted in compliance with this policy.

Environmental Principles

Principle 1: Risk Management

- UBS applies an environmental risk framework to all transactions, products, services and activities in order to identify and assess potential environmental issues and to manage any identified risks. As part of this process, UBS will engage with clients and suppliers in order to understand their processes and policies and to explore how environmental risks may be mitigated. UBS avoids transactions, products, services, activities or suppliers if there are material environmental risks that cannot be properly assessed or where, in the judgment of UBS, the counterparty/issuer is not addressing environmental issues in an appropriate and responsible manner.

Principle 2: Business Opportunities

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

Principle 3: In-house Ecology

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

Implementation

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

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

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

Implementation of this policy is a process of continual improvement.

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

² Socially/Sustainable and Responsible Investments.

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

Responsibilities and Structure

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

The **Group CRO** 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 Group Environmental Risk & Policy 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 Ecology): 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**⁴ supports the Board in its duties to safeguard and advance the UBS Group's reputation for responsible corporate conduct. It reviews and monitors the implementation of UBS's environment policy.

Definitions/Glossary

Environmental risk

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

Socially/Sustainable and Responsible Investments and environmental products and services

UBS defines Socially/Sustainable and Responsible Investments (SRI) as an approach to investment that takes account of environmental, social or corporate governance criteria besides traditional financial factors such as risk, return and liquidity when selecting securities. Environmental products and services include SRI as well as thematic funds and research, renewable energy financing and advisory services and emissions products.

In-house ecology

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

Further guidelines & standards

UBS's environmental policy is further supplemented by groupwide guidelines and standards that

address specific environmental issues across the firm:

- *Industry sector guidelines*: Some of UBS's clients operate in sectors that are considered to be particularly environmentally and socially sensitive. To support the consistent identification and assessment of environmental and social risks (including human rights) across the Group, UBS has developed internal industry sector guidelines. The sector guidelines currently cover chemicals, oil and gas, utilities, infrastructure, forestry products and biofuels and metals and mining. These guidelines are being adopted by each of the business divisions in transactional and client due diligence processes. These guidelines provide an overview of key environmental and social issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them.
- *Responsible supply chain guideline* UBS has adopted a supply chain guideline that provides group-wide guidance for identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption.
- *Standard for energy efficiency*: UBS has adopted a technical standard supporting worldwide oversight of measures taken to improve energy efficiency in fields such as building operation, replacement investments and rehabilitations. The standard sets energy efficiency target values, for example for heating boilers, chillers and heat pump systems as well as for glazing, facades and lighting. It generally applies to all owned buildings, whereas in leased buildings applicability is limited to UBS's sphere of influence as a tenant.

→ **For more on industry sector guidelines**

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

→ **For more on the standard for energy efficiency**

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Labor standards & human rights

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

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

- **For more on labor standards and diversity programs**
- **For more on the responsible supply chain guideline**
- **For more on the industry sector guidelines**

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UBS Statement on Human Rights

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

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

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

Employees

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

Suppliers and Contractors

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

Clients

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

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

→ **Code of conduct**

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Sustainability at UBS



- UBS strategy and identity
- Workplace
- Societal responsibilities

UBS strategy and identity

Responsibility and sustainability have been key themes for UBS in 2009 as the firm continued to contend with the effects of the major financial crisis it experienced in 2007 and 2008. We assumed responsibility to resolve key issues arising from the crisis and continued to strengthen the firm's financial position by further reducing risk positions, risk-weighted assets, total assets and operating costs. Above all, in a fundamental process of transformation a **new UBS identity**, joined up with the firm's business strategy, has been established.

In January 2010, UBS released its new identity, including new values and a new Code of Business Conduct and Ethics of UBS. This follows the setting of a **clear strategic direction and targets for the firm**. As highlighted at UBS's Investors Day in November 2009, our goals are to strengthen our position as a leading global wealth management business, to be a leading client-focused investment bank and to be economically profitable in every segment, market and business in which we operate. We aim to substantially improve our operating performance, building toward our medium-term target of CHF 15 billion in annual profits before tax. We do so by adhering to and implementing our strategic principles of **reputation, integration and execution**.

Our new **values** (Truth, Clarity, Performance) focus on strengthening and safeguarding our reputation, fully integrating the bank and ensuring excellence in execution. Specifically, this means:

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

Our **reputation** is our most valuable asset and is ultimately defined by the actions and decisions we make every day. To safeguard our reputation, we have introduced more disciplined and effective governance processes and we have updated our **Code of Business Conduct and Ethics**. The new Code is an explicit expression of the vital significance of responsible behaviour by UBS and its employees towards stakeholders. It emphasises the significance of sustainable value creation for UBS and its stakeholders and highlights legal, ethical, workplace and societal responsibilities of the firm and its employees. All employees (and every new employee) are receiving the Code, certify to having read it and are receiving training to deepen understanding of the issues highlighted in the document. In 2010, a central goal will be to make our new identity into a reality and to make it the defining characteristic of everything the firm does in the future. For this, processes and procedures, training and education, measurement and incentives are all being put in place.

Our efforts to reposition the firm are taking place alongside ongoing regulatory changes. Proposed changes with regard to capital and liquidity adequacy, mitigation of the "too big to fail" issue, financial products regulation, compensation rules or the US "Volcker" proposals may have profound consequences for the industry as a whole. We will maintain flexibility in our business model to adjust to future regulatory changes

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Workplace

To meet client needs and deliver results, UBS relies on the expertise, talent and commitment of its employees. Engaging, developing and retaining a high-value workforce are therefore vital. In 2008 and 2009, the financial crisis – and the concomitant restructuring of our firm – necessitated reductions in our staff. During the course of 2009 headcount was reduced by 12,550 personnel to just over 65,000 staff. These reductions notwithstanding, UBS continues to judiciously invest in its personnel to ensure that the firm has the range of skills and experience necessary to meet client needs.

An important facilitator for this is the firm's Human Resources organization. In 2009, it and other crucial functions (e.g. Finance, Risk, Communications, Corporate Development, IT, Legal & Compliance, Supply & Demand Management) were centralized to fully implement control, efficiency and transparency. The new Human Resources organization strongly contributes to the implementation of key elements in the transformation of UBS. Important examples include the activities of the UBS Business University (newly established in January 2010) with its global and comprehensive training mandate UBS Business University will consolidate all of the firm's existing learning and development capabilities to provide high-quality training programs to employees.

A further important example is the implementation of the new compensation principles which provide the overarching guidance on how UBS employees are remunerated. The principles focus on aligning compensation with sustainable performance. They also seek to support appropriate and controlled risk taking, encourage effective performance management and communication (via Performance Measurement & Management, PMM) and attract and engage a diverse, talented workforce.

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Societal responsibilities

UBS is committed to its societal responsibilities – towards protecting the environment, respecting human rights and contributing to the advancement of the communities the firm operates in.

In relation to societal risks and concerns, UBS has established processes and commitments in place. Our ability to promote and respect relevant standards depends, however, on the nature of our relationship with the various stakeholders with whom we engage. UBS has well-established human resources policies and practices that apply to our employees, our central sphere of influence. With regard to our suppliers, UBS has a supply chain guideline, which provides group-wide guidance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment and corruption. UBS's influence is more limited with regard to clients. However, these limitations notwithstanding, UBS takes its responsibility to preserve the integrity of the financial system seriously. The firm has developed extensive policies designed to prevent, detect and report money laundering, corruption and terrorist financing. In addition, UBS seeks to identify, manage and control environmental and social risks in its business transactions.

Equally important to the management of environmental and social issues is the provision of financial products and services that help clients manage their environmentally and socially-related business opportunities and risks. UBS seeks to help investors benefit from related market opportunities and by integrating environmental and social considerations, where relevant, in research and investment analysis. Taking into account environmental, social and governance (ESG) issues in investment processes is of increasing interest to clients and consultants across all of UBS's investment areas. In 2009, Global Asset Management took another step in demonstrating commitment to ESG by becoming a signatory to the UN Principles for Responsible Investment (UNPRI). Also in 2009, UBS decided to establish a new competence center within its Wealth Management & Swiss Bank business division that draws and expands on the firm's resources and expertise in the areas of philanthropy and SRI. In a "one-stop" approach, the competence center will provide clients with a unique opportunity to access a comprehensive range of philanthropic, SRI and values-based wealth management services.

With regard to our own operations, UBS has long taken a very keen and active interest in lowering its environmental footprint. Following the establishment of its first energy functional unit in the late 1970s, UBS was also the first Swiss bank to establish the position of an environmental officer in the 1980s. Years later, UBS persists in its efforts to continually improve the environmental efficiency of its operations. Our climate change strategy, launched in 2006, represents a key commitment. Building on the reduction of our CO₂ emissions by 31% achieved in 2009 (compared with 2004), we will, in 2010, continue to advance towards our goal of reducing the firm's CO₂ emissions by 40% below 2004 levels by 2012.

In the social sphere, UBS, together with its employees, seeks to enhance the well-being of the local communities in which it is active. We do this through our well-established community affairs program. In 2009, UBS set clear savings goals across the firm; these also impacted upon our community affairs activities. Direct cash donations by UBS and its affiliated foundations to carefully selected non-profit partner organizations and charities were lower than in previous years. These donations combined with other significant activities, notably the volunteering activities of employees, have continued to provide substantial benefit to projects and people around the world.

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Training and raising awareness

To advance employees' awareness of UBS's corporate responsibility processes, activities, commitments, and relevant topics are integrated in internal education offerings as well as in broader awareness raising activities. General information is published on the firm's intranet and on the corporate responsibility website. In 2009, nearly 10,000 employees participated in training and awareness-raising activities dealing with corporate responsibility. Furthermore, awareness of corporate responsibility was also raised in induction programs via an intranet-based presentation.

AML and Anti-Corruption

- All new joiners to UBS are informed about the UBS Code of Business Conduct and Ethics (www.ubs.com/code), which also covers anti-corruption from the perspective of risks relating to clients in the terms below. 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 UBS employees themselves are more fully set out in a separate policy. It was agreed in 2008 that new joiners in all UBS business divisions 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 the firm's zero-tolerance stance towards corruption and prohibits all forms of bribery by UBS and its employees, including so-called facilitation payments.
- Employees regularly undergo training in respect of anti-money-laundering (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 of new and revised topics. Business divisions also regularly refresh their web-based training modules to address compliance issues, including also anti corruption standards. Progressive roll-out of training is ongoing.
- Generally, all compliance employees receive mandatory compliance training every two years (usually web-based). This also covers anti-corruption as it pertains both to UBS employees and to clients. Employees in pertinent departments and units (e.g. Compliance) also receive targeted training on client-related corruption.

Environment

4140 employees participated in training on environmental issues, with 3047 receiving general education on UBS's environmental policy and programs, and 1093 employees receiving specialist training targeted at their area of expertise and impact. Finally, since 2008, approximately 260 procurement and sourcing officers were trained on the relevance and application of the UBS responsible supply chain guideline.

→ **Managing environmental and social risks**

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External ratings

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. With regard to the three dimensions rated for the DJSI – economic, environmental, and social - UBS scored well in the social dimension and is one of the financial sector's leaders in the environmental dimension. A lower score in the economic dimension – a reflection of a challenging period for UBS during 2008 and 2009 – meant, however, that UBS dropped out of the DJSI STOXX, a second Dow Jones Sustainability Index.

→ www.sustainability-index.com

FTSE4Good Indexes

UBS has also been included in the FTSE4Good Index 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)

Climate Leadership Index (CLI)

UBS was a member of the Climate Leadership Index (CLI) from its launch in 2004 until 2007. The CLI discloses to investors which FT500 companies have the most comprehensive climate-change disclosure practices in place, judged on the basis of each company's individual response to the Carbon Disclosure Project (CDP) questionnaire.

→ www.cdproject.net

RiskMetrics

ESG Analytics, a division of RiskMetrics Group, specializes in analyzing companies' performance on environmental, social, and strategic governance issues, with a particular focus on their impact on competitiveness, profitability, and share price performance. Companies are rated on a scale from AAA (highest) to CCC (lowest). In January 2009, UBS received a BBB rating.

→ www.riskmetrics.com/sustainability

Performance and Compensation

UBS believes that the foundation of good performance management is an ongoing employee-manager dialogue, with demonstrable performance as the basis for meritocracy. All employees therefore participate in a year-round performance management process that assesses 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 division's strategic goals. The performance management process for the executive members of the Board of Directors (BoD), members of the Group Executive Board and senior managers is broadly the same as for other employees.

As set out in the Organization Regulations of UBS, BoD committee members must have the necessary knowledge and experience to fulfil their functions. Performance and effectiveness of the Chairman, the Board as a whole and each committee are assessed annually, a process overseen by the Governance and Nominating Committee (GNC). The GNC also ensures that each committee carries out and oversees a performance self-assessment.

With regard to the committee specifically dedicated to corporate responsibility and sustainability, the Corporate Responsibility Committee, 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 experience as the Board considers desirable in order to enable the CRC to perform its duties. The CRC's chairman is expected to have good knowledge of the relevant committee's area of responsibility together with such other experience as the Board considers desirable in the context of that committee's work.

UBS's compensation system addresses the needs, the requirements, market rules, labor laws and competitive compensation practices in over 80 countries to pay 65'000 employees around the world with a variety of different instruments ranging from cash to deferred instruments which are blocked and tied to material restrictions. At UBS, the compensation structure for all employees reflects recent regulatory developments and focuses on long-standing drivers including reward for performance, sustainable profitability, strong management of risk and capital, outstanding client focus and teamwork, and sound governance.

All UBS employees are rewarded on the basis of their individual and team performance, and that of their business division, within the context of UBS as a whole and the markets in which we operate. UBS's reward structure aims to

- align reward with sustainable performance by encouraging a culture of integration and collaboration, a sense of engagement and long-term alignment with clients and shareholders, and quality execution of their orders;
- support appropriate and controlled risk taking consistent with UBS's risk tolerance thereby protecting our capital, investors and reputation, and enhancing the quality of our financial results;
- foster effective individual performance management and communication by rigorously evaluating performance and ensuring the appropriate use of reward;
- attract and engage a diverse, talented workforce, providing attractive career opportunities underpinned by reward that is competitive in the market.

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, UBS has integrated this important value into management processes such as recruiting and performance management.

Objectives focusing on UBS's key corporate responsibility and sustainability commitments are set for managers and employees in pertinent departments or units. Most notably, this would include

managers and employees in Corporate Responsibility, Anti-Money Laundering, Human Resources, Environmental, and Community Affairs functions.

→ **Corporate governance and compensation** 

→ **Compensation report** 

→ **Objectives & Achievements 2009**

→ **Objectives/Focus Areas 2010**

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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](#).



UBS's reporting efforts are assessed externally. At the beginning of 2010, we had our 2009 sustainability disclosure externally assured against the GRI. The assurance was again (as in the previous year) conducted by SGS which were satisfied that UBS's sustainability disclosure as referenced in the GRI index meets the requirements of level A+ of the GRI (Global Reporting Initiative).

- [SGS Assurance Statement](#) 
- [GRI Content Index](#)
- [UN Global Compact COP](#) 
- [CDP submission](#)
- [ISO 14001 Certificate](#)
- [Reports](#)

GRI Content Index

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

→ **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 2009 Objectives/Focus Areas 2010
2. Organizational Profile		
2.1	Name of organization	About us
2.2	Products and services	Our businesses (see 2.7 for details)
2.3	Operational structure	Group structure
2.4	Headquarter location	About us
2.5	Countries of operations	Locations
2.6	Nature of ownership and legal form	Articles of Association of UBS AG Significant shareholders
2.7	Markets served	UBS in a few words Wealth Management & Swiss Bank Wealth Management Americas Global Asset Management Investment Bank
2.8	Scale of the organization	UBS in a few figures UBS in a few words Our businesses Note 2a Segment Reporting Note 2b Segment reporting by geographic location UBS workforce
2.9	Significant changes	UBS reporting structure Note 37 Discontinued operations Note 38 Reorganizations and disposals
2.10	Awards received	CSR Online Awards Investment Bank Awards Fund Awards Employer & Diversity Awards Community Investment Awards Best Private Bank Awards APAC
3. Report Parameters		
3.1	Reporting period	Annual reporting
3.2	Most recent previous report	Annual Report 2008
3.3	Reporting cycle	Annual Reporting Quarterly Reporting
3.4	Contact persons for the report	Contacts Analysts & Investors: Contact information Corporate Responsibility: Contact us
3.5	Process for defining report content	UBS reporting at a glance Other sources of information Information policy Our stakeholders Global Reporting Initiative

3.6	Boundary of the report	Accounting and reporting structure changes Accounting Principles Note 1 Summary of significant accounting policies Note 34 Significant subsidiaries and associates Note: "Except where clearly identified, all of UBS's sustainability information referenced in this GRI index is presented on a consolidated basis under IFRS requirements for financial reporting for the UBS AG Parent Bank."
3.7	Limitations on the scope of the report	Not relevant
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
3.10	Effect of re-statements	Accounting and reporting structure changes
3.11	Significant changes from previous reporting	Not relevant
3.12	GRI content index	GRI online index
3.13	Independent assurance	Auditors Management's report on internal control over financial reporting SGS Assurance Statement

4. Governance, Commitments, and Engagement

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

4.17	Key topics and concerns of stakeholders	see 4.14 Compensation governance John Doe Summons Settlement & US - Swiss Double Taxation Treaty Process UBS Investor Day 2009
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5. Economic Performance Indicators

	Management Approach	Strategy and structure Measurement and analysis of performance Financial performance Group Internal Audit Organizational regulations – Annex C UBS Investor Day 2009 Objectives table 2010 Objectives & Achievements 2009
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Income Statement Note 6 Personnel expenses Note 7 General and administrative expenses Note 22 Income taxes Community investment Carbon offsetting projects (case studies)
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	Addressing climate change (CDP Disclosure)
EC3	Coverage of the organization's defined benefit plan obligations.	Compensation framework – all employees
EC4	Significant financial assistance received from government.	Conversion of mandatory convertible notes issued to the Swiss Confederation Sale of assets to a third-party fund controlled by the Swiss National Bank (SNB)
EC5	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	Compensation framework – all employees Performance management Note: "Compensation is above local minimum rate."
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Responsible supply chain management
EC7	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	Board of Directors – CVs Group Executive Board – CVs UBS workforce
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Community investment Example project
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	Wealth Management & Swiss Bank – Strategy and Clients Investing in our employees

6. Environmental Performance Indicators

	Management Approach	Environmental & Human Rights Governance UBS Environmental Policy Responsible supply chain management Objectives table 2010 Objectives & Achievements 2009 Training and awareness
EN1	Materials used by weight or volume.	Environmental Indicators - Paper Paper and Waste Paper case studies
EN2	Percentage of materials used that are recycled input materials.	Environmental Indicators – Recycled paper Paper and Waste Paper case studies
EN3	Direct energy consumption by primary energy source.	Environmental Indicators – Direct energy
EN4	Indirect energy consumption by primary source.	Environmental Indicators – Indirect energy
EN5	Energy saved due to conservation and efficiency improvements	Energy efficiency case studies

EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	Not relevant for financial institutions, see FS8
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	Renewable energy Energy efficiency case studies
EN8	Total water withdrawal by source.	Environmental Indicators – Water
EN9	Water sources significantly affected by withdrawal of water	Not relevant
EN10	Percentage and total volume of water recycled and reused.	Not relevant
EN11-EN15	Biodiversity, Habitats	Not relevant
EN16	Total direct and indirect greenhouse gas emissions by weight.	Environmental Indicators – Direct and indirect CO2 emissions
EN17	Other relevant indirect greenhouse gas emissions by weight.	Environmental Indicators – Other indirect CO2 emissions
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Climate change: 2012 CO2 emission reduction target
EN19	Emissions of ozone-depleting substances by weight.	Not relevant
EN20	NO, SO, and other significant air emissions by type and weight.	Not relevant
EN21	Total water discharge by quality and destination.	Not relevant
EN22	Total weight of waste by type and disposal method.	Environmental Indicators - Waste Paper and Waste Waste case studies
EN23	Total number and volume of significant spills.	Not relevant
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	Not relevant
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	Not relevant
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Paper and Waste Electronic documents
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	Not relevant
EN28	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	No significant environmental fines or penalties imposed against UBS in 2009 have been identified.
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	Environmental Indicators - Business Travel Business Travel and Offsetting
EN30	Total environmental protection expenditures and investments by type.	Not relevant

7. Labor Practices and Decent Work Performance Indicators

	Management Approach	Governance - Human Resources and Compensation Committee Governance - Group Chief Operating Officer Investing in UBS employees Performance and compensation CR Guidelines & policies Training and awareness Objectives table 2010 Objectives & Achievements 2009
LA1	Total workforce by employment type, employment contract, and region.	UBS workforce Diverse workforce
LA2	Total number and rate of employee turnover by age group, gender, and region.	UBS workforce

LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Assisting 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.	Employee representation
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 Objectives table 2010
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Leadership development & learning Business University
LA12	Percentage of employees receiving regular performance and career development reviews.	Performance management
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 Guidelines & policies (Non-discrimination policy) Diverse workforce Total Reward Principles Performance management

8. Human Rights Performance Indicators

	Management Approach	Governance - Environmental & Human Rights Committee CR Guidelines & policies UBS Statement on Human Rights Objectives table 2010 Objectives & Achievements 2009
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	Not relevant for financial institutions, see FS11, FS1, FS2, FS3
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	Responsible supply chain management
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	Responsible supply chain management
HR4	Total number of incidents of discrimination and actions taken.	Corporate Responsibility – Guidelines and policies (Code of Business Conduct & Ethics and "Employment of staff") The annual compliance assessment for 2009 did not show any significant incidents of non-compliance with UBS's anti-discrimination policy.
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	Employee representation
HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to	None identified

HR6	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	None identified
HR7	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	None identified
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	Security procedures are established and relevant employees are being trained regularly.
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken.	Not relevant

9. Society Performance Indicators

	Management Approach	Governance "Money Laundering Prevention" Corporate Responsibility – Guidelines and policies Combating Financial Crime Corporate Responsibility Chapter Objectives table 2010 Objectives & Achievements 2009
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.	Community Investment Community affairs governance Employee Assistance (COACH, SOVIA)
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.	Combating Financial Crime Note 21 Provisions and litigation
SO5	Public policy positions and participation in public policy development and lobbying.	Stakeholders "Governments / Regulators" US Office of Public Policy at UBS Americas
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.	We do not report on this disclosure since the information is proprietary. Any material issues are disclosed under Note 21 of the Annual Report. Note 21 Provisions and litigation Note 20 Other liabilities (Provisions for contingent claims)

10. Product Responsibility Performance Indicators

	Management Approach	Regulation and supervision Code of business conduct and ethics UBS Values Risk management and control UBS's strategic priorities
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	Not relevant for financial services company
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	Not relevant for financial services company

PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Suitability 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.	Note 21 Provisions and litigation
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 UBS has internal procedures relating to its marketing communications materials
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	Not relevant
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Note 21 Provisions and litigation
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Note 21 Provisions and litigation

11. Financial Services Sector Supplement Performance Indicators

	Management Approach	see FS1-5 Environmental and Human Rights Governance Objectives table 2010 Objectives & Achievements 2009 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.	Responsible Banking (Managing risks) Environmental & social risk management
FS3	Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions.	Not relevant. 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 Table "Managing Environmental & Social Risks"
FS5	Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.	Environmental & social risk management Responsible Shareholders
FS6	Percentage of the portfolio for business lines by specific region, size (e.g. micro/SME/large) and by sector.	Wealth Management & Swiss Bank Wealth Management Americas Global Asset Management Investment Bank Market Risk Credit Risk Basel II Pillar 3
FS7	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.	UBS Optimus / UBS Charity Card UBS Campus UBS Philanthropy Services
FS8	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.	Socially Responsible Investments (see FS11) Clean tech finance and advisory Carbon trading UBS eco Mortgage
FS9	Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.	Reporting and assurance Group Internal Audit
FS10	Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.	Products & Services – Engagement and voting rights

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
FS13	Access points in low-populated or economically disadvantaged areas by type.	UBS is a retail bank in Switzerland only. 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 Guidelines & policies
FS16	Initiatives to enhance financial literacy by type of beneficiary.	UBS Financial Advisory Tools UBS Generation – Budget calculator UBS Campus – Budget calculator Mortgage calculator UBS Key Invest – Know How about Structured Products UBS Dictionary of Banking Wealth Management Research Tool and Checklists for SME Case study community investment Switzerland

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Addressing climate change

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

By offering relevant products and services across businesses, UBS seeks to help clients address risks and take advantage of opportunities presented by climate change and the expected transition to a lower carbon economy. With this in mind, UBS continues to expand its offering of climate change-related products and services and to publish dedicated research reports.

- **Socially responsible investments**
- **Clean tech finance and advisory**
- **Carbon trading**

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 in 2012 by 40% from 2004 levels. UBS continued in 2009 to make good progress towards achieving this target and reduced its 2009 emissions by 31% compared with 2004.

- **In-house ecology**

Submission to the Carbon Disclosure Project

UBS is a founding member of the Carbon Disclosure Project (CDP). The CDP issues annual climate change Information Requests on behalf of institutional investors to more than 3,700 corporations across the globe. By doing this the CDP wants to encourage organizations to measure, manage and reduce emissions and climate change impacts.

As one of the 3,700 corporations receiving the CDP Information Request, UBS also annually responds to the questionnaire.

- **UBS - CDP 2010 Information Request** 



ISO 14001 Certificates

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

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

These comprehensive audits (24 audit days and 163 employees in the 2008 re-certification) verify that appropriate policies and processes are in place to manage environmental issues, and that they are executed in day-to-day practice.

In 2009, SGS confirmed that a well-performing environmental management system, integrated in the organization and suitable for managing environmental risks and improving environmental performance on a continual basis, was put into place..

- **2008 - 2011, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide** 
- **2005 - 2008, ISO 14001 Certificate. Scope: Banking Business and Inhouse operations worldwide** 
- **2002 - 2005, ISO 14001 Certificate. Scope: Corporate Services outside Switzerland** 
- **2002 - 2005, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland** 
- **1999 - 2002, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland** 

























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Reports

Corporate responsibility reports

- [Download "Corporate responsibility" section in UBS annual report 2009](#) 
- [Download "Our Employees" section in UBS annual report 2009](#) 

Archive

	Corporate responsibility	Environmental reports	Our employees	CR online report
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 & Achievements 2009

Governance & strategy

GRI	Objectives/Focus Areas 2009	Achievements 2009
LA	<ul style="list-style-type: none"> Adoption of a new compensation model for the BoD and the GEB that has a long-term focus and is more closely aligned with the creation of value for the firm 	<ul style="list-style-type: none"> Principles and fundamentals of the new compensation model for 2009 approved at the annual general assembly
EN, LA, HR, SO, PR, FS		<ul style="list-style-type: none"> New Code of Business Conduct & Ethics of UBS released in January 2010
EN	<ul style="list-style-type: none"> Environmental management system: Pass ISO 14001 surveillance audit 2009 	<ul style="list-style-type: none"> ISO 14001 surveillance audit 2009 successfully passed (audited by Société Générale de Surveillance (SGS))
EN, LA, HR, SO, PR, FS	<ul style="list-style-type: none"> Continue to inform and engage employees on corporate responsibility and its sub-themes 	<ul style="list-style-type: none"> Participation of nearly 10,000 employees in training and awareness-raising activities dealing with corporate responsibility Corporate responsibility awareness-raising in employee induction via an intranet-based presentation Additionally, participation of 4140 employees in training on environmental issues, with 3047 receiving general education on UBS's environmental policy and programs, and 1093 employees receiving specialist training targeted at their area of expertise and impact Regular training of employees in AML related issues

Responsible banking

GRI	Objectives/Focus Areas 2009	Achievements 2009
FS2, HR, EN	<ul style="list-style-type: none"> Managing environmental & social risks: Adoption of industry sector guidelines by the divisions 	<ul style="list-style-type: none"> Approval of industry sector guidelines and standards for identifying and assessing environmental and social risks in the oil & gas, chemicals, forestry, utilities, metals & mining and infrastructure sectors. Adoption in progress
FS8, FS11	<ul style="list-style-type: none"> Business divisions to continue to identify and develop socially responsible investments (SRI) and other environmental market opportunities 	<ul style="list-style-type: none"> Increase of SRI invested assets to CHF 26.85 billion (as per 31 December 2009), representing 1.2% of UBS's total invested assets Endorsement by Global AM of UN Principles for Responsible Investment (UN PRI) IB raised USD 4.2 billion in financing for renewable energy companies globally Establishment of new competence center in Wealth Management & Swiss Bank building on existing capacity and providing clients with a one-stop approach to philanthropic, SRI and values-based wealth management services

SO2	<ul style="list-style-type: none"> Continued assurance of UBS's zero-tolerance stance towards corruption and the prohibition of all forms of bribery by UBS and its employees, including so-called facilitation payments Continued implementation of the Group Policy against Corruption by the business divisions, of related business division training, including web-based training Continued efforts to reduce the risk of misuse of UBS's systems to perpetrate bribery 	<ul style="list-style-type: none"> Establishment of the Global Business Team Anti Bribery (GBT) with the mandate to coordinate implementation of the Group and BD policies relating to Anti Corruption Specific reviews by GBT of standards in identified risk areas such as UBS's engagement of intermediaries Introduction of new enhanced due diligence standards for "Sensitive Intermediaries" (i.e. for persons who act on behalf of certain higher (corruption) risk industry sectors such as weapons, oil & gas, etc) to mitigate risks associated with bribery by our clients
SO2	<ul style="list-style-type: none"> Continued contribution to the work undertaken by the Wolfsberg Group (notably in the area of credit cards and stored value cards and in the review of the Group's 2003 paper on monitoring, screening and searching) 	<ul style="list-style-type: none"> Active engagement, together with the other members of the Wolfsberg Group, with the Financial Action Task Force (FATF) in the context of its consultation processes with the private sector, with special attention placed on developing a risk-based approach to money laundering, implementing guidelines around Weapons of Mass Destruction Proliferation Finance, and actively contributing to the revision of FATF Recommendation 9 ("Customer due diligence and record-keeping") Continued active role within the Wolfsberg Group, participating in the publication of new papers: The Wolfsberg AML Guidance on Credit/Charge Card Issuing and Merchant Acquiring Activities, The Wolfsberg Trade Finance Principles and an updated and revised version of its Statement on Monitoring, Screening and Searching
		<ul style="list-style-type: none"> Expansion of trade financing prohibitions regarding certain war materials, from nuclear, biological and chemical weapons and anti-personnel land mines to include cluster bombs, depleted uranium for military purposes as well as components of all such weapons

CR in operations

GRI	Objectives/Focus Areas 2009	Achievements 2009
EN	<ul style="list-style-type: none"> Continue to execute Climate Change strategy towards achieving 40% CO2 reduction by 2012 	<ul style="list-style-type: none"> Further reduction of CO2 emissions by 4% in 2009, reaching 31% compared to baseline year 2004 Reduction of energy consumption by 6% (59 gigawatt hours) through a combination of tighter building controls, data centre and work station efficiency, and reduced occupancy Increase of percentage of renewable energy and district heating purchases from 24% in 2004 to 51% in 2009 and significant decrease of air travel (~40% vs. 2008)
EN	<ul style="list-style-type: none"> Continue to work towards achieving 2009 targets for paper and waste: <ul style="list-style-type: none"> Paper consumption per FTE -5% below 2006 level Share of recycled paper: 20% Waste per FTE: -10% below 2006 level Waste recycling ratio: 70% 	<ul style="list-style-type: none"> Reduction of paper consumption per FTE by 31% compared to 2006 (particularly strong decrease in 2009 due to a combination of significantly lower publications volume and the success of E-documents and doublesided printing initiatives) Share of recycled paper at 16%, below target of 20%. However, overall improvement of environmental footprint from paper use due to increase of share of FSC (Forest Stewardship Council)-certified paper from 0% in 2006 to 17% in 2009 Reduction of waste per FTE by 13% (exceeding 10% target below 2006 level) Low level of waste recycling ratio at around 54%, partially owing to reduced paper consumption
HR, EN	<ul style="list-style-type: none"> Adoption of the Responsible Supply Chain Guideline by the Business Divisions 	<ul style="list-style-type: none"> Continued implementation of Responsible Supply Chain Management Guideline: <ul style="list-style-type: none"> Approximately 400 suppliers screened according to the guideline's social and environmental criteria since its introduction in 2008 Approximately 260 procurement and sourcing officers trained on the relevance and application of the guideline

Our employees

GRI	Objectives/Focus Areas 2009	Achievements 2009
LA	<ul style="list-style-type: none"> Historically, HR consisted of seven largely separate organizations (WM&SB HR, WM Americas HR, IB HR, Global AM HR, Operational CC HR, ITI HR and Group HR) April 2009: HR mandated to centralize HR and cut costs significantly (HR's primary objective for 2009). The driver was cost but the mandate was a catalyst for positive change Mandate fully achieved by 1 October 2009 (through change program 'Cambio' which incorporated many of the 2009 achievements) 	<ul style="list-style-type: none"> Integration of seven divisional HR organizations into one, with unified structure and governance Harmonized core cycle (annual financial and non-financial key HR processes) across all Business Divisions
LA		<ul style="list-style-type: none"> Development of UBS Business University concept: Reviewed and integrated existing leadership and business learning program into one global entity
LA		<ul style="list-style-type: none"> Integration of control/support functions into Corporate Center and transfer of around 13'000 employees to Corporate Center
LA		<ul style="list-style-type: none"> Successful launch of a cross-divisional gender initiative across EMEA, aiming to increase the proportion of women at every level within EMEA

Community investment

GRI	Objectives/Focus Areas 2009	Achievements 2009
SO1	<ul style="list-style-type: none"> Encourage more employees to participate in the volunte 	

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Objectives/Focus Areas 2010

Governance & strategy

GRI Objectives/Focus Areas 2010	
EN, LA, HR, SO, PR, FS	Implement process to ensure full application of new Code of Business Conduct and Ethics: <ul style="list-style-type: none"> • Communication to all employees • Certification of Code by all employees • Training of / awareness raising among all employees
EN	Environmental management system: Pass ISO 14001 surveillance audit 2010
EN, LA, HR, SO, PR, FS	Inform all employees on corporate responsibility and its sub-themes

Responsible banking

GRI Objectives/Focus Areas 2010	
FS	Identify and develop socially responsible investments (SRI) and other environmental market opportunities <ul style="list-style-type: none"> • Broaden application of UN PRI in relevant areas of Global AM • Expand WM & SB's offering in the areas of philanthropy and SRI
FS, HR, EN	Environmental & social risk management: <ul style="list-style-type: none"> • Implement use of industry sector guidelines in standard client due diligence and risk management processes for lending and capital markets transactions as well as infrastructure investments
PR5	Develop UBS quality feedback system into a competence center for client and employee feedback and establish a system for quantitative and qualitative evaluations of feedback
SO2	Preventing Money Laundering, Corruption and Terrorist Financing: <ul style="list-style-type: none"> • Group-wide application of best industry standards (set via Wolfsberg Group) in money laundering prevention, including anti-corruption and the suppression of the financing of terrorism • GBT (Global Business Team Anti Bribery) to become a competence centre for anti-bribery issues • Implementation of new enhanced due diligence standards for "Sensitive Intermediaries" (i.e. for persons who act on behalf of certain higher (corruption) risk industry sectors such as weapons, oil & gas, etc) • Group-wide application of leading industry standards in sanctions compliance • Zero-tolerance stance towards corruption and the prohibition of all forms of bribery by UBS and its employees, including so-called facilitation payments • Work constructively with peers, regulators and public policy makers and other stakeholders, including NGOs, to address emerging money laundering type risks (mainly through the Wolfsberg Group, Wolfsberg Forum and Wolfsberg Outreach Programmes) and either issue principles, guidance and or FAQs as appropriate

CR in operations

GRI Objectives/Focus Areas 2010	
EN	Further reduce our CO2 emissions in order to achieve our Climate Change strategy target (40% CO2 reduction by 2012; baseline 2004)
EN	Establish new firm-wide paper, waste & recycling targets for 2010-2012 to replace 2006-2009 targets and start execution ¹
HR, EN	Responsible Supply Chain Guideline: Establish a new process that specifically addresses suppliers with material deficiencies

¹ The new targets will be added to this table as soon as they have been internally approved.

Our employees

GRI Objectives/Focus Areas 2010	
LA	Establish UBS Business University
LA	Implement UBS Total Reward Principles through changes to compensation plans aligned with regulatory requirements (e.g., reward plan design, reward policy & regulatory requirements)

LA	Formalize and integrate succession planning processes (for business-critical roles)
LA	Improve data reporting on employees' days of absence due to illness (at the least for one business region), by ensuring that such data is recorded consistently
LA	Collect data on all internal training undertaken by employees (and to externally report average hours of training per employee in 2011)
LA	Increase the proportion of women at every level in UBS EMEA

Community investment

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

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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)
1972	Establishment of Swiss Bank Corporation's 100th anniversary foundation (since 1999: UBS Foundation for Social Issues and Education)
1973	Institution of "A Helping Hand from UBS Employees" (UBS Mitarbeiter helfen) in Switzerland
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
2009	UBS Global Asset Management becomes a signatory to the UN Principles for Responsible Investment
2010	UBS's Sustainability Disclosure 2009 meets the requirements of level A+ of the GRI

→ www.ubs.com/history

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Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CCL	Climate Change Levy
CDP	Carbon Disclosure Project
CLI	Climate Leadership Index
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAI	Enhanced Analytics Initiative
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons
PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

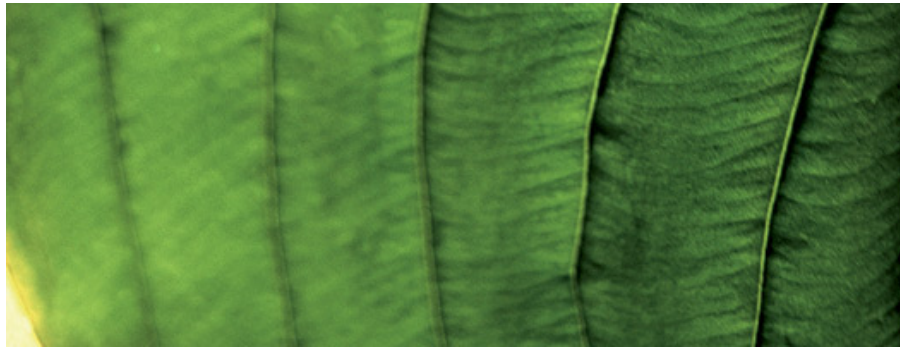
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Corporate responsibility

Contact us

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

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



Corporate responsibility Feedback form

Do you have a question, comment or suggestion regarding corporate responsibility at UBS?
Please use the form below to contact us.

First name *

Last name *

Company *

Address *

Postal code *

City *

Country *

Phone *

Fax

E-mail address *

Purpose of contact *

Private

Business

University

Please fill in your question or your comment. Thank you:

Please fill in all fields marked with *.

Please note:

UBS AG does not accept any kind of business and financial transaction orders through this form, e.g. payment orders or trading orders for securities.

Responsible banking



UBS has set its focus on earning the trust of its stakeholders, aiming for more sustainable earnings and creating long-term shareholder value. In ensuring that banking activities are undertaken in a responsible manner, and that products and services are suited to the needs and requirements of clients, UBS aims to fulfill the heightened expectations of clients and stakeholders.

Managing risks

- **Combating financial crime (Page 69)**
- **Environmental & social risk management (Page 70)**

Products & services

- **Suitability (Page 74)**
- **Socially responsible investments (Page 75)**
- **Clean tech finance and advisory (Page 80)**
- **Carbon trading (Page 82)**

Combating Financial crime

To UBS, it is of utmost importance to actively prevent potentially irresponsible or harmful actions. First and foremost, this means that UBS employees must uphold the law, adhere to relevant regulations, and behave in a responsible and principled manner.

In 2009, UBS has made forceful strides to ensure that all employees are conscious of their responsibilities and of the importance of abiding by the law in all of their actions. The firm has clearly laid out the foundation, via new risk and compliance processes and the publication of a new Code of Business Conduct & Ethics in January 2010, and has also instigated an in-depth process of communicating to and with employees about their responsibilities.



UBS continued to strengthen its efforts to both prevent and combat financial crime. 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.

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

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

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



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

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Environmental & social risk management

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



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

UBS seeks to identify, manage and control these environmental and social risks in its business transactions. However, not all products and services provided by UBS have the same risk potential: UBS therefore takes a risk-based approach to environmental and social risk management and regularly analyzes its portfolio of products and services to assess their respective environmental and social risk potential. With its current business profile and operating environment, UBS's potential for material risk is greater within the context of its lending and capital markets businesses, as well as its direct real estate and infrastructure investments. For these products and services, UBS has designed procedures and tools for the identification, assessment and management of environmental and social risks: Wealth Management & Swiss Bank has introduced a standardized environmental risk check to identify material environmental risk in its lending to all relevant clients, including its roughly 140,000 corporate clients in Switzerland. In the Investment Bank, the environmental risk framework covers all banking activities including debt and equity underwriting, financial advisory services and lending. For its part, Global Asset Management has put environmental due diligence processes in place for its real estate and infrastructure funds. These procedures and tools are integrated into standard risk management processes, such as due diligence on transactions or investments, helping to ensure that material environmental and social risks are identified, assessed and escalated in a timely fashion.

Some of UBS's clients operate in sectors that are considered to be particularly environmentally and socially sensitive. To support the consistent identification and assessment of environmental and social risks (including human rights) across the Group, UBS has developed internal industry sector guidelines. The sector guidelines currently cover chemicals, oil and gas, utilities, infrastructure, forestry products and biofuels and metals and mining. These guidelines are being adopted by each of the business divisions in transactional and client due diligence processes. These guidelines provide an overview of key environmental and social issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them. UBS believes that its commitment to its clients and to society requires that the firm seeks solutions whenever possible. UBS seeks to help clients to move towards more environmentally and socially responsible practices by engaging with them. This can benefit their business and decrease financial and reputational risk. However, where engagement is not possible or successful, the firm may decline the transaction altogether.

Managing environmental & social risks

For the year ended

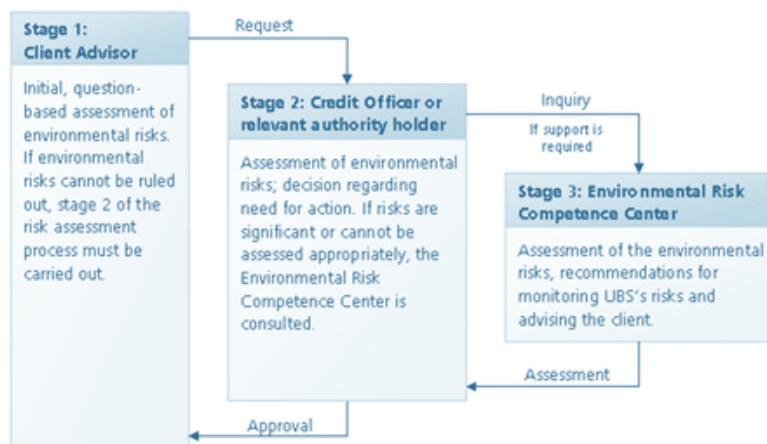
	GRI ¹	2009	2008	2007
Transactions referred for assessment²	FS2	93	112	144
by region				
Americas	FS2	20	18	33
Asia Pacific	FS2	32	39	45
Europe, Middle East and Africa	FS2	20	29	39
Switzerland	FS2	21	26	27
by business division³				
Investment Bank	FS2	69	80	108
Wealth Management & Swiss Bank	FS2	24	32	36
Total employees trained⁴	FS4	302	577	570
by business division				
Investment Bank	FS4	284	443	501
Wealth Management & Swiss Bank	FS4	18	134	69

1 Global Reporting Initiative (see also www.globalreporting.org). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement. 2 Transactions referred to the Investment Bank Environmental Advisory Group and Wealth Management & Swiss Bank Environmental Competence Center. 3 Investment Bank business activities include debt and equity underwriting, Financial advisory services and lending; Wealth Management & Swiss Bank business activities include lending. 4 Figures cover specialised environmental risk training to bankers, client advisers, credit officers and support functions.

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Wealth Management & Swiss Bank

The business division assesses its environmental risks in a three-stage process. Client advisors complete the first screenings, looking at financial risks linked to environmental aspects such as compliance with environmental legislation, workplace safety, contaminated sites and natural hazards. In 2009, nearly 100,000 lending transactions in Switzerland were subject to such a screening. If the risks cannot be fully ruled out during the first screening, a credit officer initiates a second screening and decides whether the risks identified are transparent enough for the credit decision to be taken. Transactions entailing significant environmental risk undergo a detailed environmental assessment as a third step, – a service provided by the business division's environmental risk competence center. In 2009, 24 such detailed assessments took place and 18 client advisors and credit officers were trained.



→ Case study: Trade Finance: Asbestos Fibers from Russia to Brazil

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Investment Bank

In the Investment Bank, the environmental risk framework covers all banking activities including debt and equity underwriting, financial advisory services and lending. Investment Bank staff identify potential environmental risks in the initial due diligence phase and alert the Investment Bank's Environmental Advisory Group (EAG) in case of significant potential risks. Assessments by lawyers and / or external consultants are routinely sought for certain sectors and products. The EAG works with the relevant business and control functions (69 transactions in 2009) to assess the risks, determine any mitigating measures and direct further due diligence as required. In this way, the relevant senior business committee may fully consider the potential environmental risk in the course of its review of the transaction and / or client. The implementation of the environmental risk framework is supported by training and awareness raising activities. In 2009, sector-specific training was provided to 284 bankers and support functions and high-level training to a further 360 employees.

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Global Asset Management

Global Asset Management has put environmental due diligence processes in place for its real estate and infrastructure funds. In 2009, 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

Trade finance: Asbestos fibers from Russia to Brazil

UBS Trade Finance Services was asked by a Swiss trading company to provide a guarantee for the shipment of asbestos from Russia to Brazil. Trade in asbestos is the core business of the trading company, and should UBS decide to enter into this business, a number of transactions similar to this one are to follow.

Asbestos is considered a controversial product in Trade Finance Services, and thus the transaction was escalated to the Environmental Risk Competence Center. The Environmental Risk Competence Center was asked to check controversies attached to the Russian asbestos producer, the Brazilian buyer and the product itself.

The research revealed that the Russian asbestos producer had been criticized before for its poor health and safety standards. Workers in asbestos mines are exposed to severe health risks if not equipped appropriately. Other issues related to the producer include impacts on landscapes and impacts on communities through dust emissions. No issues were found for the other parties involved in the transaction.

Asbestos fibers are proven to cause lung cancer, asbestosis and other diseases in people (professionally) exposed to unbonded asbestos fibers. It is banned in many countries, including Switzerland. Russia and Brazil belong to the major producers and users of asbestos fibers and do not participate in the ban. Particularly, the International Labour Organisation is campaigning for a worldwide ban on asbestos. Additionally, "production or trade in un-bonded asbestos fibers" is listed on the exclusion list of the International Finance Corporation, the private sector arm of the World Bank Group.

Consequently, UBS Trade Finance Services decided not to carry out the transaction.

Suitability

Suitability Framework

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

To meet both client expectations and regulatory requirements, WM&SB has established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation and periodic reviews of agreed solutions, and by the proper documentation of the steps taken during this process. It is completed by requirements for monitoring and control activities which target – amongst others - at capturing tail-risks.

Investment & Advisory Suitability¹

Within the frame of its UBS Client Experience (Understand - Propose – Agree & Implement – Review), WM&SB has established a structured advisory process, which is supported by a number of forms and tools at the disposal of the client advisors: In a first step, these forms and tools support the initial identification of a client's investment experience and knowledge, and of the client's risk appetite and capacity. In a second step, they serve the identification of an appropriate investment strategy for a specific client portfolio. Furthermore, a number of tools and platforms have been established, which allow for matching a client's risk appetite and sophistication level with appropriate investment proposals.

Product Suitability²

Advisory platforms and tools segment products along the lines of their risk / reward profiles or risk score and thereby help clients and client advisors properly assess the risk characteristics of investment products and services. Additional processes provide for checks, that product documentation made available to both client advisors and clients contains adequate and easy-to-understand information on product economics, underlying assumptions and risks, including scenario analyses and maximum loss indications, as well as clear eligibility criteria, e.g. minimum risk capacity and appetite of investors and recommended minimum holding periods. Finally, specific legal documentation is required for certain products with specific risks (e.g. hedge funds).

After-Sales Communications

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

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

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

Products & Services

UBS provides financial products and services that help clients manage their environmentally and socially-related business opportunities and risks. UBS also seeks to help investors benefit from related market opportunities and by integrating environmental and social considerations, where relevant, in research and investment analysis. This offering currently stretches across UBS's businesses in wealth management, investment banking, asset management, retail, and commercial banking. It includes Socially Responsible Investment (SRI) funds, research and advisory services provided to private and institutional clients, access to the world's capital markets for renewable energy firms and, in Switzerland, "eco" mortgages.

Taking environmental, social and governance (ESG) issues into account in investment processes is of increasing interest to clients and consultants across all of our investment areas. In 2009, Global Asset Management took another step in demonstrating commitment to ESG by becoming a signatory to the UN Principles for Responsible Investment (UNPRI). UNPRI is a global investor initiative that is designed to provide a framework for better integration of ESG issues into mainstream investment practice.

Also in 2009, UBS decided to establish a new competence center within its Wealth Management & Swiss Bank business division that draws and expands on the firm's resources and expertise in the areas of philanthropy and SRI. In a "one-stop" approach, the competence center will provide clients with a unique opportunity to access a comprehensive range of philanthropic, SRI and values-based wealth management services.

Finally, UBS's senior scientific advisor, Sir David King, continued to advise on all scientific matters with particular emphasis on global climate change and the challenges it poses to sustainable economic growth. UBS clients benefit from Sir David's expertise and can get further insight into a variety of timely scientific topics through a quarterly series of science-focused bulletins. In 2009 these bulletins included briefs on climate change, biofuels and mobility. Sir David also discussed energy efficiency and low carbon technologies in the November issue of the UBS Investor's Guide.



- Investment products and advisory
- Engagement and Voting Rights
- Research

Investment products and advisory

In 2009, UBS continued to expand its SRI offering in response to growing demand from a number of markets, including the launch of two new SRI products, the UBS (Lux) Equity SICAV - Sustainable Global Leaders and the UBS (Lux) Equity SICAV - Climate Change. UBS's offering is diverse and includes products managed according to ESG criteria and theme-based approaches. The ESG offering includes an all cap SRI Global Equity strategy, which was among the first of its kind. The theme-based approach focuses on innovative companies providing solutions to the challenges of climate change, water scarcity and demographic change. UBS offers a range of products focusing on each individual theme and the flagship UBS (Lux) Equity Fund Global Innovators, which spans all three themes.

Additionally, UBS 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. UBS's global platform and investment research enable the firm to offer such tailor-made solutions. In addition to fund management services, UBS provides stock-broking and account management services to alternative energy and SRI fund managers.

Finally, UBS also offers SRI portfolio management solutions to selected private client segments.

This offering combines internal and external SRI expertise and includes SRI-focused portfolios in Switzerland and SRI-managed accounts in the US, where ESG criteria are embedded into the fundamental investment process, or where clients have the ability to identify and exclude securities from ownership based on issue-oriented screens. This allows private clients to customize mandates to their particular social policy criteria. UBS's open architecture approach also allows clients to invest in SRI bond, equity and microfinance products from leading third-party providers.

In past years, UBS experienced increased client demand for SRI and expanded its SRI product offering. As per 31 December 2009 SRI invested assets went up to CHF 26.85 billion, representing 1.2% of UBS's total invested assets.

Socially responsible investments invested assets¹

CHF billion, except where indicated	GRI ²	For the year ended			% change from
		31.12.09	31.12.08	31.12.07	
UBS		2,233	2,174	3,189	3
UBS SRI products and mandates					
positive criteria	FS11	2.72	2.12	5.20	28
exclusion criteria	FS11	22.44	14.05	33.33	60
Third-party	FS11	1.69	1.85	1.08	(9)
Total SRI invested assets	FS11	26.85³	18.03	39.61	49
Proportion of total invested assets (%) ⁴		1.20%	0.83%	1.24%	

¹ All figures are based on the level of knowledge as of January 2010. ² Global Reporting Initiative (see also www.global-reporting.org). FS stands for the performance indicators defined in the GRI Financial Services Sector Supplement. ³ 5.5% of reported assets have newly been included in 2009 due to adjustments in the reporting process and boundaries. ⁴ Total SRI / UBS's invested assets.

- **Sustainable and responsible investments**
- **UBS Wealth Management Switzerland – Invest Sustainably**
- **Case study: Sustainability - an important topic of Global Real Estate in Europe**

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Engagement and Voting Rights

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

UBS believes voting rights have economic value and should be treated accordingly. In the UK, the asset management business seeks to influence the corporate responsibility and corporate governance practices of the companies it invests in. Where it has been given the discretion to vote on behalf of clients, it will exercise its delegated fiduciary responsibility by voting in a manner it believes will most favorably impact the value of their investments. Good corporate governance should, in the long term, lead towards both better corporate performance and improved shareholder value. Thus, it expects board members of companies in which it has invested to act in the service of the shareholders, view themselves as stewards of the company, exercise appropriate judgment and practice diligent oversight of the management of the company.

- **UBS Global AM UK - Corporate Governance & SRI**

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Research

UBS's SRI research teams analyze emerging socio-economic and environmental trends and assess their potential impact on investment markets and companies' share prices. Identifying material SRI issues is challenging. As such, three things help determine which environmental and

social issues are critical: society's perception of what is important; the nature of the competitive pressures facing firms in an industry; and how costs and benefits are (or will be) distributed between stakeholders.

The UBS SRI research teams were established in each of the firm's business divisions to serve their respective clients. In the Investment Bank, the equity research team writes recommendations and reports for institutional investment clients on renewable energy, the carbon markets and the impact of climate change on companies in a wide range of sectors. SRI and sustainability research is provided by a dedicated team. In 2008 the SRI and sustainability research team initiated dedicated coverage of corporate governance issues and corporate governance was the theme of UBS's 2009 SRI conference. In addition to publishing regular research reports on the topic, UBS has incorporated selected governance data within some of UBS's research tools. In the asset management business, an internal SRI research team manages portfolios around themes such as climate change / energy efficiency, water and demographics. The SRI research team in UBS's wealth management business conducts SRI research and provides advice to private clients on SRI investment solutions.

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

→ **Case study: UBS Investment Bank Acquires Stake in Governance Metrics International**

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Case study: Sustainability - a key theme for Global Real Estate in Europe

The Global Real Estate (GRE) business of UBS Global Asset Management directly manages real estate investments in multi-family homes, offices, retail businesses, hotels and industry. Sustainability, which is playing an ever more important role in the real estate industry, is today a central part of GRE's business strategy in Europe, as illustrated by the following examples from Switzerland and Germany.

In Switzerland, GRE has set itself the goal of reducing by half the energy needs of all the buildings it renovates which were built before 1980. Since 2005, all new construction has as a rule been built to the Swiss Minergie standard, and since 2009 has received the corresponding certification. Sustainability means more than just energy efficiency, however. Alongside the ecological, there are also economic and socio-cultural aspects to be considered. To help develop sustainable strategies for its real estate portfolio, GRE makes use in Switzerland, among other things, of the well-established Economic Sustainability Indicator (ESI®) of the Center for Corporate Responsibility and Sustainability (CCRS) of the University of Zurich. At the same time it is taking part in a large-scale research project for which it has made one of its sub-portfolios available for analysis. Based on long-term trends, the ESI® measures both the risk that a property will lose value in the future as well as the chance that it will gain value. To capture sustainability in terms of the future viability of a property, ESI® uses the following five sustainability attributes: flexibility and polyvalency; energy and water dependence; accessibility and mobility; security; and health and comfort.

In 2009, GRE in Germany established a comprehensive Responsible Property Investment (RPI) strategy for its real estate funds. As a result, sustainability criteria are gradually being added to existing management processes and thereby to the management of the portfolios as well as, little by little, the whole management cycle. As part of this, for example, GRE strengthened the sustainability criteria for its purchases and renovations in Germany. At the same time it systematically analyzed the improvement and certification potential of all the properties in its portfolio. It also made measurable sustainability criteria an integral part of the profile of its service providers.

As a long-term, responsible investor, GRE will continue to place great emphasis on this important subject, and employ it to the benefit of its real estate products and clients.

Case study: UBS Investment Bank Acquires Stake in Governance Metrics International

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

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

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

Clean tech finance and advisory

UBS's renewable energy investment banking business arranges financing and provides strategic and financial advisory services for companies in the solar, wind, wave and other renewable energy sectors. Since 2006, UBS has led over 35 financing transactions in these sectors, raising over USD 24 billion for renewable energy companies worldwide. In 2009, UBS acted as the joint bookrunner and joint lead manager for the USD 2.6 billion initial public offering of the wind power developer and operator, China Longyuan Power Group. With over 3,300 mega-watt of installed wind capacity as at September 2009 and targeting 6,500 mega-watt by the end of 2010, Longyuan Power is the largest wind power company in Asia and the 5th largest in the world.

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

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

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

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

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

Carbon trading



In cap and trade emissions markets, such as the EU Emissions Trading Scheme (EU ETS), companies have annual caps on the amount of emissions their facilities are allowed to produce. Companies who are able to reduce their emissions below their cap have the ability to sell their unused quota to other entities, thereby creating an emissions market. Through

the use of financial instruments, UBS is able to help clients manage their exposure to the emissions markets. UBS Exchange Traded Derivatives (ETD) is an active member of the major emission exchanges in Europe and North America and offers execution and full service clearing for contracts on EU ETS allowances (EUA), UN Certified Emissions Reductions (CER), Regional Greenhouse Gas Initiative allowances, Chicago Carbon Exchange (CCX) carbon financial instruments and nitrogen oxide and sulfur dioxide.

Corporate responsibility glossary

AML	Anti-money laundering
APAC	Asia Pacific region
BoD	Board of Directors
CA	Community Affairs
CCL	Climate Change Levy
CDP	Carbon Disclosure Project
CLI	Climate Leadership Index
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAI	Enhanced Analytics Initiative
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons
PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

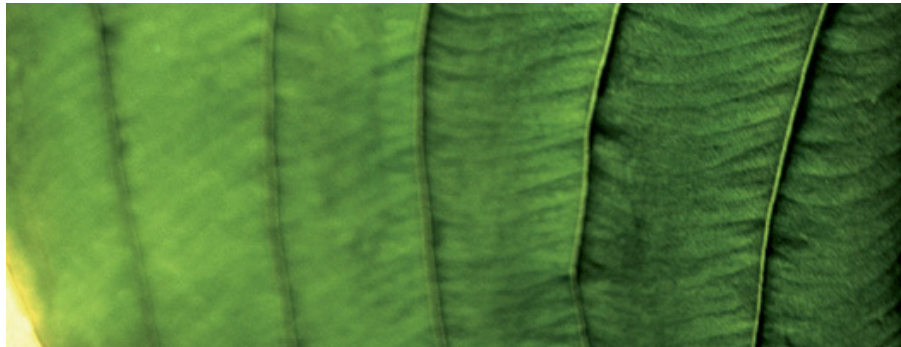
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Corporate responsibility

Contact us

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

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



Corporate responsibility

Feedback form

Do you have a question, comment or suggestion regarding corporate responsibility at UBS?
Please use the form below to contact us.

First name *

Last name *

Company *

Address *

Postal code *

City *

Country *

Phone *

Fax

E-mail address *

Purpose of contact *

Private Business University

Please fill in your question or your comment. Thank you:

Please fill in all fields marked with *.

Please note:

UBS AG does not accept any kind of business and financial transaction orders through this form, e.g. payment orders or trading orders for securities.

Corporate responsibility in operations



Corporate responsibility in operations

- **In-house ecology (Page 87)**
- **Responsible supply chain management (Page 107)**
- **Accessibility (Page 111)**

In-house ecology

UBS directly impacts the environment in a number of ways: its businesses consume electricity; employees travel for business purposes and use paper and generate waste in the course of their work; and offices require heating and cooling systems.

Improving the use of these resources can reduce costs and enhance environmental performance and UBS has therefore set firm-wide targets for CO2 emissions, paper and waste, and implements a series of measures to efficiently manage its environmental impact.

→ Environmental indicators

Climate change: 2012 CO2 emission reduction target

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

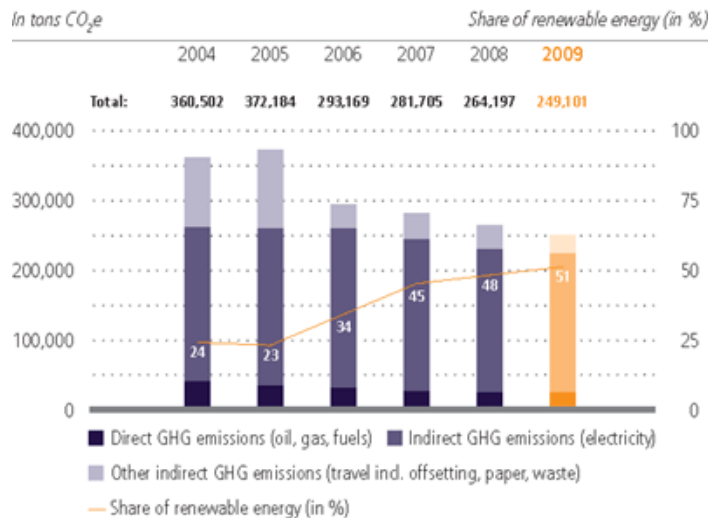
UBS seeks to achieve this target by implementing:

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

In 2009 these measures allowed UBS to decrease its CO2 emissions by 6% compared with 2008, or 31% compared with 2004, another step toward achieving the 40% reduction target by 2012. UBS also increased the share of renewable energy it purchases from 48% in 2008, to 51% in 2009.

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

Our greenhouse gas (GHG) footprint



Environmental indicators¹

		2009 ²			2008 ²	2007 ²
	GRI ³	Absolute normalized ⁴	Data quality ⁵	Trend ⁶	Absolute normalized ⁴	Absolute normalized ⁴
Total direct and intermediate energy consumption⁷		957 GWh	***	↘	1,016 GWh	981 GWh
Total direct energy consumption⁸	EN3	132 GWh	**	↔	127 GWh	130 GWh
natural gas		84.6%	**	↔	83.3%	83.3%
heating oil		10.9%	***	↓	12.2%	12.1%
fuels (petrol, diesel, gas)		4.5%	***	↔	4.5%	4.6%
renewable energy (solar power, etc.)		0.05%	***	↑	0.03%	0.03%
Total intermediate energy purchased⁹	EN4	825 GWh	***	↘	890 GWh	851 GWh
electricity from gas-fired power stations		10.6%	**	↔	11.7%	12.3%
electricity from oil-fired power stations		2.9%	***	↓	3.7%	4.2%
electricity from coal-fired power stations		17.5%	**	↔	18.4%	18.6%
electricity from nuclear power stations		9.5%	**	↘	11.1%	13.6%
electricity from hydroelectric power stations		28.0%	***	↗	25.8%	25.5%
electricity from other renewable resources		23.6%	***	↔	23.1%	22.0%
district heating		7.8%	***	↑	6.2%	3.8%
Share of renewable energy and district heating		51%	***	↗	48%	45%
Total business travel	EN29	560 m Pkm	***	↓	886 m Pkm	1,042 m Pkm
rail travel ¹⁰		3.7%	**	↔	3.5%	3.3%
road travel ¹⁰		1.0%	**	↑	0.6%	0.5%
air travel		95.3%	***	↔	96.0%	96.2%
Number of flights (segments)		258,396	***	↓	398,369	446,274
Total paper consumption	EN1	10,349 t	***	↓	14,403 t	15,593 t
post-consumer recycled	EN2	16.7%	***	↔	16.2%	10.5%
new fibers FSC ¹¹		17.1%	***	↔	16.6%	10.7%
new fibers ECF + TCF ¹¹		65.9%	***	↔	66.8%	78.6%
new fibers chlorine bleached		0.4%	**	↗	0.4%	0.2%
Total waste	EN22	21,183 t	***	↓	25,644 t	24,589 t
valuable materials separated and recycled		54.4%	***	↔	54.6%	56.3%
incinerated		12.5%	***	↓	14.3%	15.8%
landfilled		33.1%	**	↔	31.1%	27.9%
Total water consumption	EN8	2.55 m m³	**	↔	2.42 m m³	2.19 m m³
Greenhouse Gas (GHG) Emissions in CO₂e						
Direct GHG emissions (Scope 1) ¹²	EN16	25,723 t	***	↔	26,490 t	26,701 t
Gross indirect GHG emissions (Gross Scope 2) ¹²	EN16	298,338 t	**	↔	313,582 t	311,808 t
Gross other indirect GHG emissions (Gross Scope 3) ¹²	EN17	87,867 t	***	↓	129,364 t	149,323 t
Total Gross GHG Emissions		411,928 t	***	↓	469,436 t	487,832 t
GHG reductions from renewable energy ¹³		99,248 t	***	↘	109,238 t	93,127 t
CO ₂ e offsets (business air travel) ¹⁴		63,579 t	***	↓	96,000 t	113,000 t
Total Net GHG Emissions (GHG Footprint)¹⁵		249,101 t	***	↘	264,197 t	281,705 t

Legend: GWh=giga watt hour; Pkm=person kilometer; t=ton; m³=cubic meter; m=million; CO₂e=CO₂ equivalents

1 All figures are based on the level of knowledge as of January 2010. 2 Reporting period: 2009 (1 July 2008–30 June 2009), 2008 (1 July 2007–30 June 2008), 2007 (1 July 2006–30 June 2007) 3 Global Reporting Initiative (see also www.globalreporting.org). EN stands for the Environmental Performance Indicators as defined in the GRI. 4 Non-significant discrepancies from 100% are possible due to roundings. 5 Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5%—***, up to 15%—**, up to 30%—*. Uncertainty is the likely difference between a reported value and a real value. 6 Trend: at a ***/**/* data quality, the respective trend is stable (↔) if the variance equals 5/10/15%, low decreasing/increasing (↘,↗) if it equals 10/20/30% and decreasing/increasing if the variance is bigger than 10/20/30% (↓,↑). 7 Refers to energy consumed within the operational boundaries of UBS. 8 Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels). 9 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating). 10 Rail and road travel: Switzerland only. 11 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free. 12 Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" (www.ghgprotocol.org), the international standards for GHG reporting: scope 1 accounts for direct GHG emissions by UBS; gross scope 2 accounts for indirect GHG emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, paper consumption and waste disposal. 13 GHG savings by consuming electricity from renewable sources. 14 Offsets from third-party GHG reduction projects measured in CO₂ equivalents (CO₂e). These offsets neutralize GHG emission from our business air travel. 15 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and CO₂e offsets.

Energy efficiency



Energy efficiency measures are an important component of UBS's program for achievement of the firm-wide CO₂ emission reduction target. Measures include investments in energy-efficient technology and encouraging good housekeeping measures.

In addition UBS has adopted a technical standard supporting worldwide oversight of measures taken to improve energy efficiency in fields such as building operation, replacement investments and rehabilitations. The standard sets energy efficiency target values, for example for heating boilers, chillers and heat pump systems as well as for glazing, facades and lighting. It generally applies to all owned buildings, whereas in leased buildings applicability is limited to UBS's sphere of influence as a tenant.

In 2009, energy consumption is down 6% (59 gigawatt hours) through a combination of tighter building controls, data centre and work station efficiency, and reduced occupancy. UBS's IT-driven initiatives contributed significantly to these energy savings, most notably through the server efficiency program.

- **Case study: Server efficiency program**
- **Case study: Energy savings through operational efficiencies and lighting retro-fitting**

Case study: Server efficiency program

A major IT server consolidation project has been under way since 2007 which has reduced the total number of distributed servers at UBS by 2,200. The project focused on consolidating applications sitting on multiple old servers to fewer, newer machines and the decommissioning of old applications. The resulting energy savings of 17 GWh contributed significantly to the total of 25 GWh of savings from IT activities since 2007 (representing around 3% of UBS's global power consumption).

Case study: Energy savings through operational efficiencies and lighting retro-fitting

Energy efficiency projects continue to be a primary area of focus across UBS's offices in the US as the firm works to decrease its energy consumption.

At Newport Office Center VII in Jersey City (New Jersey), the Building Management System was re-programmed to turn off fan power boxes when the Heating, Ventilating and Air Conditioning (HVAC) system is off-line, resulting in an estimated energy save of approximately 850,000 kWh per year. A side stream filtration unit was also added to increase efficiency of the HVAC system by 5%.

Across the US home office portfolio, retro-fitting efforts have also led to increased energy efficiency in 2009. For example at 1285 Avenue of the Americas in New York City (New York), retro-fitting of lighting fixtures on all UBS floors resulted in an estimated annual savings of around 200,000 kWh. Other lighting fixtures replacements at Bluestone Datacenter in Shelton, Connecticut, led to over 50,000 kWh savings annually.

Renewable energy



In addition to its energy efficiency programs, UBS seeks to improve the energy mix it purchases by including a higher proportion of renewable energy. The percentage of renewable energy and district heating purchases increased from 24% in 2004 to 51% in 2009. In Switzerland, the percentage of electricity sourced from renewable sources, such as water and solar power stations, increased to almost 100%. Similarly, in the UK, UBS purchases electricity backed by 100% renewable sources for all its major buildings, representing 85% of the total volume. In addition, UBS purchases renewable energy credits (RECs) in the US electricity markets, which account for 18% of its electricity consumption in the US in 2009.

→ **Case study: renewable energy certificates**

Case study: renewable energy certificates

Renewable Energy Certificates (RECs)

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

In 2008 and 2009, UBS purchased 50,000MWh of Renewable Energy Certificates (RECs) from the Elk River wind farm in Kansas. Located on nearly 8,000 acres, the Elk River wind farm contains 100 General Electric wind turbines each with a 1.5 MW output. Elk River produces enough electricity to meet the annual needs of about 42,000 homes.

Business travel and offsetting



UBS offsets CO2 emissions from business related travel

Business travel is a significant contributor to UBS's greenhouse gas emissions. While the firm encourages its employees to use environmentally friendly alternatives to air and road travel, for example video conferences, travel is essential for a global financial services firm that strongly believes in personalized client relationships. Therefore, since 2006, UBS has offset 100% of its emissions from business related air travel. Offsetting emissions means that UBS indirectly neutralizes its business air travel emissions by investing in third-party projects that reduce an equivalent amount of greenhouse gas emissions.

In 2009, declining business and cost cutting measures led to a decrease in business air travel (approximately -40%). 68'000 tons of CO2 emissions from air travel have been offset by investing in third party CO2 reduction projects.

UBS selected offsetting projects in Brazil, Russia, India, China, Turkey and Germany, on the basis of their adherence to international quality standards such as the Voluntary Carbon Standard and the Gold Standard, and of their additional environmental and social benefits.

→ Case study: 2009 offsetting projects

Case study: 2009 offsetting projects

India: Household Biogas Plant Project – VER Gold Standard

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

Social and environmental benefits

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

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

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

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

Social and environmental benefits

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

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

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

Brazil: Hydro Power Upgrading Project – Clean Development Mechanism



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

Social and environmental benefits

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

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

Social and environmental benefits

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

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

Events

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

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

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

Case study: Guideline for Environmentally Sound Planning within Event Marketing

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

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

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

Paper and waste

Paper and waste are among the most visible environmental impacts of UBS's in-house operations. Addressing them also helps to encourage staff engagement in UBS's overall environmental program. UBS has therefore set firm-wide targets for paper and waste in 2006.

Target 2006-2009 Achievement 2009

Paper consumption per FTE -5% below 2006 level	Paper consumption per FTE is down 31% compared to 2006. The reduction in paper use per employee was particularly strong in 2009 due to a combination of significantly lower publications volume and the success of E-documents and double-sided printing initiatives.
Share of recycled paper: 20%	The share of recycled paper, at 16%, is below target of 20%, though UBS's overall environmental footprint from paper use has been improved by increasing the share of FSC (Forest Stewardship Council) certified paper from 0% in 2006 to 17% this year.
Waste per FTE: -10% below 2006 level	Waste per FTE was reduced by 13%, thereby exceeding 10% target below 2006 level.
Waste recycling ratio: 70%	The waste recycling ratio remained at a low level around 54%, partially due to the consequence of reduced paper consumption.

Environmental indicators per full-time employee

	Unit	2009	Trend	2008	2007
Direct and intermediate energy	kWh/FTE	11,986	↔	11,792	11,942
Business travel	Pkm/FTE	7,016	↓	10,281	12,685
Paper consumption	kg/FTE	130	↓	167	190
Waste	kg/FTE	265	↓	298	299
Water consumption	m ³ /FTE	31.9	↓	28.1	26.7
CO ₂ footprint	t/FTE	3.12	↔	3.07	3.43

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

- **Case study: E-documents in Switzerland and the US**
- **Case study: UBS replaces photocopiers with Multi Function Devices (MFDs)**
- **Case study: Waste Recycling – Binless Office**

Case study: UBS replaces photocopiers with Multi Function Devices (MFDs)

The consumption of office paper represents 30% of the overall paper consumption of the firm.

In rolling out revised printing solutions, UBS aimed to improve the speed and quality of printing, scanning and facsimile whilst reducing stationary consumption and cost.

Working with a Global print specialist, 1040 multi function devices (MFDs) were deployed in the UK to replace over 2500 devices used previously for printing, fax, photocopying and scanning.

The scheme included setting all machines to default to black and white, double sided printing, with power saving features activated that switch MFDs to a Low Power Mode after 10 minutes and a Sleep Mode after 30 minutes.

In addition, the performance of the MFDs is remotely monitored to further optimize toner consumption.

Case study: E-documents in Switzerland and the US

In Switzerland and the US, 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.

In Switzerland the project started in October 2007 and has so far resulted in 130,000 clients switching to the new process. More than 10 million pages have been diverted through the e-Banking solution in 2009, a 64% increase compared to 2008, and now representing 5.5% of UBS's total client mailing volume in Switzerland. In the US the project started in 2009 and close to 900,000 accounts had already enrolled in e-delivery of certain documents by year end. Both projects continue to gain acceptance as an important part of our commitment to reducing paper consumption.

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

Case study: Waste Recycling Binless Office

UBS in London provides additional recycling facilities.

As part of a sustained campaign supported with changes in waste infrastructure and employee training, Binless Office was considered the next step towards best practice.

During 2009 In-house Ecology in the UK rolled out an environmental initiative to help reduce waste and further increase recycling across the campus by removing under-desk general waste bins. This initiative has been developed to encourage staff to take their waste to designated recycling stations positioned throughout office areas.

Over 150 recycling station consisting of a number of bins (general waste, paper vending cup, cans/plastic, glass and paper bins) have been set up across the main office buildings and approximately 3400 desk bins have been removed and sent for reuse or recycling.

As a result of this, and other measures, UK recycling level ratio improved from 43% in 2008 to 56% in 2009. At the same time, general waste volumes are decreasing in all locations where Binless is deployed. Apart from increased recycling rates, other benefits include reduced volumes of waste going to incineration, reduced cost of waste disposal, reduced cleaning costs and improved staff wellbeing. Communication with management, staff and awareness raising was crucial in making this initiative a success.

Binless office is planned for the remainder of the London Campus during 2010.

Engaging our employees

Employee engagement has long been recognised as one of the most challenging components within the UBS Environmental program. By providing incentives, education and awareness on environmental matters to its employees and suppliers, we hope to help people make the right choices and promote sustainable behaviour both at work and in their domestic situations. In 2009 UBS provided training and awareness raising to 4140 employees.

- **Did you know campaign**
- **Case study: Offsetting private CO2 emissions**
- **Case study: Communication – Americas Branch Offices**

Case study: Offsetting private CO2 emissions

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

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

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



Did you know...



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

Our actions matter. To learn more about UBS's environmental program and initiatives, type **"noto/environment"** in your web browser.



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

Case study: Communication

Americas Branch Offices

UBS engages with its Branch Offices in the Americas.

Ensuring that employees are engaged in the UBS Environmental program is both a measure of success and essential to maintaining enthusiasm across the range of functions, roles and management hierarchy within the firm. Reaching out to a disparate group across a complex geography, presents the Americas In-House Ecology team with a particular challenge which is being addressed through innovative communication and technology.

In April 2009, a new internal web portal was rolled out as the focus for Americas branch communications. The portal provides environmental information specifically tailored for the branch network, including videos and presentations from recent speakers, training material to learn more about the In-House Ecology program and how each employee can reduce their impact, as well as promotional messages which can be utilized to raise awareness at the site level.

Also introduced in 2009, the Americas Environmental Community of Interest aims to provide a network of employees who are keen to learn more and share their views on sustainability with their peers and colleagues. With nearly 300 members, the COI enjoys it's own newsletter, 'Green Tips of the Month' and continues to grow in popularity.

The number of unsolicited questions to the team combined with an ever increasing volume of web page hits demonstrates the success of the program and the growing appetite for Environmental matters.

These tools have enabled the Americas team to enrich communication flow to almost 17,000 employees in nearly 380 offices across the region.

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.

Maintaining our infrastructure, ranging from offices across IT infrastructure to more mundane components such as stationery, would not be possible without the products and services from a substantial range of suppliers and vendors around the world. In 2009, we spent over CHF 6.3 billion purchasing a wide range of products and services from suppliers and contractors.

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

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

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

The UBS Responsible Supply Chain Standard

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



- **The UBS Responsible Supply Chain Standard (English)** 
- **The UBS Responsible Supply Chain Standard (German)** 
- **The UBS Responsible Supply Chain Standard (French)** 
- **The UBS Responsible Supply Chain Standard (Chinese)** 

Since its introduction more than 400 suppliers have been screened according to the guideline's social and environmental criteria, and responsible supply chain requirements were included in the arrangement with relevant suppliers who were awarded contracts. Also since 2008, approximately 260 procurement and sourcing officers were trained on the relevance and application of the new guideline. The centralization of all units performing supply management activities within Supply & Demand Management (SDM) by the end of 2009 further contributes to a stringent implementation of the guideline in the interaction with our suppliers.

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

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Case study Green Wave Initiative in Switzerland

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

Client Gifts

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



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

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

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

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

Case study: Guideline for Environmentally Sound Planning within Event Marketing

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Accessibility

Internet presence

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



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

Attributes of the function include:

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

→ **[Accessibility statement](#)**

E-banking

Based on WCAG (Web Content Accessibility Guidelines) the UBS Accessibility Guidelines are part of the UBS web application style guide which is always considered when developing new applications or functions.

Accessibility to UBS's e-banking is thus continually advanced.

Cash machines

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

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

disAbility Awareness network

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

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

disabilities.

In October 2009, UBS was shortlisted for the Disability Champion Award 2009 by the Employers' Forum on Disability (UK), the world's leading employers' organization focused on disability as it affects business. While Richard Thwaite, Chair of the disAbility Awareness Network and UBS Diversity Advisor on Disability, was shortlisted for the 2009 Disability Standard Award.

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
CCL	Climate Change Levy
CDP	Carbon Disclosure Project
CLI	Climate Leadership Index
CR	Corporate Responsibility
CRC	Corporate Responsibility Committee
DJSI World	Dow Jones Sustainability World Index
DJSI STOXX	Dow Jones STOXX Sustainability Index
EAI	Enhanced Analytics Initiative
EAPs	Employment Assistance Programs
EMEA	Europe Middle East Africa region
EPI	Environmental Performance Indicators
ERC	Employee Representation Committee
ESG	Environmental, social, governance
Eurosif	European Social Investment Forum
FATF	Financial Action Task Force
FINMA	Swiss Financial Market Supervisory Authority
FSC	Forestry Stewardship Council
FTE	Full-time equivalent
GEB	Group Executive Board
GRI	Global Reporting Initiative
IB	Investment Bank
ISO	International Standards Organization
KYC	"Know your customer"
NGO	Non-governmental organisation
öbu	Swiss Association for Environmentally Conscious Management
PEPs	Politically exposed persons
PMM	Performance measurement and management
RECs	Renewable Energy Certificates
SGS	Société Générale de Surveillance
SRI	Socially Responsible Investment
UNEP FI	United Nations Environmental Programme Finance Initiative
UN GC	United Nations Global Compact
UNPRI	United Nations Principles for Responsible Investment
VfU	Society for Environmental Management in Banks, Savings Banks and Insurance Companies in Germany, Switzerland and Austria
Wolfsberg Group	Association of eleven global banks, which aims to develop financial services industry standards, and related products, for Know Your Customer, Anti-Money Laundering and Counter Terrorist Financing policies

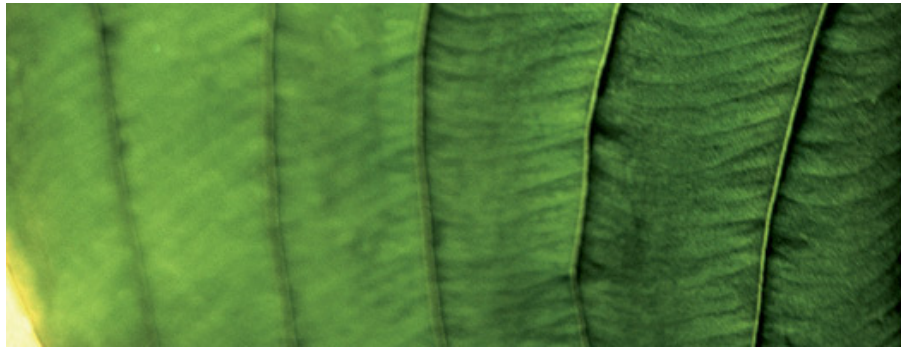
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Corporate responsibility

Contact us

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

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



Corporate responsibility Feedback form

Do you have a question, comment or suggestion regarding corporate responsibility at UBS?
Please use the form below to contact us.

First name *

Last name *

Company *

Address *

Postal code *

City *

Country *

Phone *

Fax

E-mail address *

Purpose of contact *

Private Business University

Please fill in your question or your comment. Thank you:

Please fill in all fields marked with *.

Please note:

UBS AG does not accept any kind of business and financial transaction orders through this form, e.g. payment orders or trading orders for securities.

Our employees



Our employees

We are a global firm that relies on the excellence, inspiration, client focus and commitment of our employees to meet clients' needs and build our businesses. At the same time, the breadth of our businesses, global career opportunities and a collaborative, performance-oriented culture offer our employees a platform for individual success.

→ **Our employees**

Community investment



Community affairs

- **Overview (Page 119)**
- **Community affairs around the globe (Page 120)**
- **Working in partnership (Page 131)**
- **Heritage & awards (Page 133)**

UBS foundations

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

Overview

In 2009, we continued the well-established tradition of supporting the advancement and empowerment of organizations and individuals within the communities we do business in. From an early focus on direct cash donations, we have progressed to a position where our community investment program encompasses employee volunteering, matched-giving schemes, in-kind donations, disaster relief efforts and / or partnerships with community groups, educational institutions and cultural organizations in all of our business regions.

Community affairs

In 2009, we set clear savings goals across the firm; these also had an impact on the activities of the regional community affairs functions. Direct cash donations by UBS and our affiliated foundations to carefully selected non-profit partner organizations and charities were lower than in previous years totaling nearly CHF 27 million, assigned, primarily, to our continuing community affairs key themes, "Empowerment through Education" and "Building Stronger Communities", with some contributions to other activities, including disaster relief. These donations combined with other significant activities, notably the volunteering activities of employees, have continued to provide substantial benefit to projects and people around the world.

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 2009, more than 9,200 employees spent almost 78,800 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 2009, these organizations have again made valuable contributions to important societal causes, including fostering humanities and the creative arts, supporting communities in need, and helping disabled and disadvantaged people.

Client foundation

Charitable organizations and projects across the globe – usually in regions without a UBS business presence – also benefit from the dynamic activities of our client foundation, the UBS Optimus Foundation, which invests donations into a number of programs and organizations. The foundation focuses on the key themes of "Education and Child Protection" and "Global Health Research". The UBS Optimus foundation celebrated its tenth anniversary at the end of 2009, and proudly looked back at a successful year in which it donated CHF 22 million in support of 93 projects and two major initiatives in Africa, Asia Pacific, Europe and North and South America. Over the past ten years, the UBS Optimus Foundation has supported 146 projects in 63 countries with a total of more than CHF 79 million. For its anniversary year, it has set itself ambitious targets to further expand the benefits it extends to charitable projects around the globe.

Around the globe



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

Building stronger communities through education and empowerment

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

Americas



- Power Lunch
- Building Brighter Futures

Power Lunch

The **Power Lunch** literacy mentorship program celebrates a decade long partnership. Over the past ten years over 1,400 employees from UBS Americas have volunteered from sixty to ninety minutes each week to read aloud to at-risk public elementary school students. Studies have shown that student-reading skills are enhanced through the use of mentor relationships.

The program began with Everybody Wins, a non-profit organization based in New York City, and has served children in Chicago, IL, Jersey City, NJ, Los Angeles, CA, New York, NY, Stamford, CT and Weehawken, NJ. Over 1,600 students have participated in the reading program over the last decade; they have been the recipients of approximately 50,000 volunteer hours.

“The fact that UBS supports these programs means a lot to me, and helps connect me to the firm and to the UBS culture”, says Maryellen Frank, a UBS employee who has participated in **Power Lunch** since its inception. “I have been here almost 20 years, and the constant connection between the firm and the community is something to be very proud of.”

Building Brighter Futures

In October 2009, Wealth Management Americas organized an Employee Giving Campaign, a new addition to its **Building Brighter Futures** program, which aims to make schools and other educationbased community organizations into dynamic learning centers. The primary goal of the Campaign was to raise funds for educational organizations with the firm matching employee donations dollar for dollar, and 29 charities were nominated by our employees. By making a significant monetary contribution (nearly USD 600,000) towards the enhancement of school buildings, and the gathering of various resources to offer students the chance to achieve success, we have made a difference in the lives of the children and families involved.

October 2009 was also **Building Brighter Futures'** Community Engagement Month. Its goal is to cultivate school and civic collaboration to help transform schools or educationfocused organizations into dynamic learning centers. Through our partnership with the Hands On Network, a non-profit organization focusing on community service, over 1,100 UBS employees participated in locally-driven volunteer activities.

Since the launch of Community Engage ment Month in 2007, over 5,700 employees, their friends and their families have volunteered across the country.

In 2008's Community Engagement Month, more than 1,500 employees and their friends and families had participated in volunteer projects in 50 cities across the country supporting local schools and community organizations. After helping renovate a kitchen and classrooms at the Dowd Education Center for homeless children in Columbus Ohio, one employee who volunteered at the project said: “It was really motivating to see how easy it is for me to make a difference in other people's lives, and it makes me want to help out my community more in the future.”

EMEA (Europe, Middle East and Africa)

Throughout the region, we continue to support regeneration efforts, particularly in areas close to where we conduct our business. In Milan and Paris, employees are involved in projects supporting the development and education of young adults from disadvantaged communities. In London, our efforts were recognized by the Business in the Community Example of Excellence Award for Project Shoreditch, a targeted and collaborative regeneration partnership involving UBS, Deutsche Bank, Linklaters, and community partners East London Business Alliance and Shoreditch Trust.

Project Shoreditch has placed over 5,800 employee volunteers with organizations in the Shoreditch area, and leveraged over GBP 450,000 in in-kind support. Carsten Kengeter, co-CEO of the Investment Bank, joined a group of 30 colleagues to take part in an employee volunteering project in Shoreditch, working with students at The Bridge Academy, Hackney, our flagship EMEA Community Affairs partnership, raising student aspirations by taking part in practical and group work.

Impact

- The project helps to build the capacity of community organisations, enabling them to effectively address priority issues including access to employment and learning, crime, and health.
- Since 2005, the project has facilitated over 5,800 employee volunteering activities directly supporting over 85 community organisations.
- “Community organisations overwhelmingly felt that the mentored and business advice support they’ve received has improved the stability and future prospects of their organisation” Rocket Science Independent Evaluation, 2007.
- Feedback from employees who have participated in volunteering through Project Shoreditch demonstrates that volunteering improves employee morale, provokes innovating thinking and provides excellent cross business networking opportunity.

How the World Really Works: Investment Banking

Sandip Dhillon, a graduate in Information Systems Engineering from Imperial College, London, has been working in the Investment Banking Department at UBS for two-and-a-half years. He recently contributed to **How the World Really Works: Investment Banking**, a children’s illustrated guide to banking.

[More](#)

How the World Really Works: Investment Banking

Interview with UBS graduate who was involved in the “How the World Really Works: Investment Banking” guide with Brook Community Primary School in Hackney, London.

Sandip Dhillon, a graduate in Information Systems Engineering from Imperial College, London, has been working in the Investment Banking Department at UBS for two-and-a-half years. He recently contributed to How the World Really Works: Investment Banking, a children’s illustrated guide to banking.

How did the book come about?

The book is the first in a new series of children’s books about the world of work. It was created in association with the Guy Fox History Project, an educational charity in London that encourages children to explore the world around them. My colleagues and I helped create the book in collaboration with pupils from the Brook Community Primary School, Hackney, London.

So why a children’s book about investment banking?

The idea is to give children a sense of their opportunities – and show them that work can be rewarding and have an impact. It’s about helping children understand what the world can offer beyond school – and what they can offer the world.

How did you get involved in the project?

UBS does a great deal of work in the community – especially in the areas surrounding the office. When an email came through asking for volunteers, a number of us across IBD put our hands up.

How do you go about explaining a complex topic like banking to children?

We set up an imaginary company with the kids, and then we took it through a private equity offering, then did an IPO and finally, a merger activity. All the while, we were explaining terms like “debt,” “equity,” and “capital” and the kids were illustrating the things they were learning. It was amazing how quickly the kids picked it up.

The book was a collaborative effort between bankers and schoolchildren. How did that work?

It was brilliantly orchestrated by a co-ordinator from the Guy Fox History Project. We had a number of structured sessions at the school in which I and other colleagues from UBS spent time in the classroom, answering questions – it was very interactive. The children also visited us at UBS – we gave them a tour of the trading floor and devised a trading game to help them understand the allocation of capital.

Has working on the book contributed to your personal development?

It’s not every day you deal with a class of 20 to 25 children between the ages of eight and ten! It was fascinating to get different perspectives on what we do – and on what the children wanted beyond school. We learned a lot from them that you just don’t get from being at your desk.

How has being involved in the project made you feel about UBS as an employer?

This project is just a small part of what UBS does in the community – and it’s very much appreciated, both inside and outside of the bank. Helping others to gain an understanding and insight into the business world can be a massive part of feeling good about what you do. And hopefully, the children will give back to the community when they get a chance – it benefits everyone.

Finally, do you plan to collaborate on any more books?

I’d definitely get involved with this kind of project again, but I think I’ll leave the drawing to the children — they were definitely better at that than me!

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Switzerland

→ **Employee commitment**

→ **UBS commitment**

In Switzerland, UBS has for many years supported selected charitable organizations working in education, science and culture, thus making a valuable contribution to the well-being of society. UBS Community Affairs Switzerland manages direct donations to charities and matches employee ones to selected organizations. UBS also organizes voluntary work for employees in charities.



Employee commitment

UBS Employee Donations

The UBS Employee Donations programme offers UBS employees in Switzerland the choice of various charitable organizations which they can support by making a donation. The goal is to offer staff the broadest possible range of different organizations to cover their various interests. UBS matches employee donations to the selected organizations, thus further increasing employees' commitment.

Opportunities for young people in Benin – An example



Swisscontact is the development organization run by Swiss business. It supports entrepreneurial and social development in a number of countries in the South and East by providing advisory services, training and continuing education. For example, thanks to Swisscontact's support, young people in Benin have the opportunity to complete apprenticeships, allowing them to earn a living and to escape from poverty.

www.swisscontact.org

UBS Employee Volunteering

Through the UBS Employee Volunteering programme and throughout Switzerland, UBS employees can carry out voluntary work in social institutions and environmental organizations. This work is carried out in a variety of regions throughout Switzerland.

UBS supports employees participating in these volunteer activities by allowing them to carry out the commitments during working hours.

Conservation work for endangered species of plants and animals – an example



In a project organized by the Landschaft & Kies Foundation, UBS employees carried out work to protect endangered species of plants and animals in Switzerland. At a nature reserve in a former gravel pit, UBS employees were supervised by experienced project leaders as they erected dry stone walls, cleared out hedges and built small islands in the water. In only one day, the volunteers were able to create a variety of habitats for yellow-bellied toads, sand lizards and rare species of orchids, thus contributing to maintaining the ecological diversity of the region.

www.landschaftundkies.ch

A Helping Hand from UBS Employees

"A Helping Hand from UBS Employees" has a history stretching back over 30 years and is funded entirely by UBS employees. Donations from the association enable socially disadvantaged people to lead active, independent lives. Money donated through the UBS Employee Donation Program is matched by UBS.

UBS commitment

UBS has a long tradition of social and community commitments in Switzerland. This is based on both the commitment of its employees and the involvement of UBS and its foundations:

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

UBS support for charitable organizations

Through the UBS Donations scheme, UBS supports charitable projects set up by organizations based in Switzerland. It focuses on projects which enable the beneficiaries to improve their living conditions and thereby improve their quality of life by helping them to help themselves. An example of such an organization can be seen in the case study. We invite organizations which believe they meet the following requirements to submit their projects.

- **Case study**

UBS considers the following criteria when selecting projects:

- A focus on empowerment projects which enable the beneficiaries of aid to improve by themselves their living conditions themselves and thereby increase their quality of life
- Contributions which directly benefit the target group
- Projects which provide sustainable, long-term benefits
- Organizations which have recognised certification (ZEWO certificate, NPO Label for Management Excellence)

Projects characterized by the following do not qualify for support:

- Projects which do not fall into the empowerment category
- Help for individuals based on private initiatives
- Organizations which primarily pursue political, religious or military goals
- Financial contributions for events, holiday camps, printing costs, sponsoring
- Deficit financing
- Help in the form of non-financial donations (PCs, furniture, etc.)

We invite organizations which believe they meet the following requirements to submit their projects by filling out the application form:

- **Application form**

Case study

Engaging young minds in the world of business



“Stimulating and fun”, “enriching”, “an unforgettable experience”. Those are just some of the words UBS employees use to describe their involvement in Fit for Business, an inspiring training program for 14-16 year olds in Switzerland.

Run by the organization Young Enterprise Switzerland, the scheme provides Swiss students with advice and education on everything from career choice to managing their own money.

It aims to open students’ minds to their own potential by fostering their entrepreneurial spirit, teambuilding skills and economic independence. Classes are taught by a volunteer from the business community in partnership with the class teacher.

By exposing young people to the real-life experiences of volunteers coming from the business, the program is a valuable addition to the school’s curriculum. And both students and volunteers find they learn a great deal from each other.

As one UBS employee put it: “Each question challenges one’s personal perspective and so stimulates your own development. It’s also important that we’re able to pass on our own knowledge in this way.”

UBS and Young Enterprise Switzerland – key facts

The many UBS volunteers involved in **YES 'Fit for Business'** contributed towards 1000 hours of their time to teaching the students. Overall, more than 300 scholars/students received support and gained additional experience through this project. Since 2009 UBS also supports the **YES Company Program**. Students organize and operate an actual business enterprise, produce and sell a real product or service, and learn how businesses function and what their role is in our society.

Application form

Please complete and submit this application form for immediate processing by Community Affairs.

Request for project support from the UBS Donations scheme.

Name of
organization: *

Website: *

Address *

Legal form: *

First/last name of
contact: *

Contact
telephone: *

E-mail address *

Brief description of the organization (max. 150 words): *

Brief description of the project (max. 150 words): *

Project goals (max. 150 words): *

Target group /
number of
beneficiaries: *

Project start: *

Anticipated project
duration: *

Finances

Total project
costs: *

Other funds applied
for: *

Requested
contribution from
UBS: *

Please fill in all fields marked with *.

PLEASE NOTE: In order to maintain discretion, please do not include any confidential data such as account numbers. UBS does not accept any instructions for business transactions such as the opening of accounts, payment orders, trading orders, changes of address etc., entered on this form. Please contact the appropriate office for such transactions.

APAC (Asia Pacific)

In order to maximize the impact of our grants in Singapore and Tokyo, we are now working with the Community Foundation of Singapore and Social Venture Partners Tokyo. With both partners, we are able to strengthen the capacity of community organizations to meet local needs and provide corporate philanthropic leadership. Through the creation of a donor-advised fund in Singapore in 2009, we will continue to support our existing community partners.

“UBS’s leadership in corporate responsibility in Singapore is a great example for other corporations”, says Stanley Tan, Chairman of the Community Foundation of Singapore. “Their strategic approach to the commitment of funds and employee skills are a tremendous investment in our community.” In Tokyo, promising social entrepreneurs have the opportunity to apply for funding through a competitive process, with the successful projects receiving strategic business counselling as well as funding.

Working in Partnership



- Part of our culture
- At UBS, we believe in many kinds of giving

Part of our culture

Long-term partnerships

Partnership is the foundation of UBS. Just as we take the time to engage closely with our clients in order to understand their particular needs, so we similarly build long-lasting relationships with our community partners. We have worked continuously with many non-profit organizations for over 30 years and continued to expand our Community Affairs program with new partnerships.

Targeted investment

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

Active involvement

We do more than just give money. We encourage employees to volunteer their time and skills to contribute to the causes they care about. In 2009, more than 9,200 employees spent almost 78,800 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

We provide direct cash donations to carefully selected non-profit partner organizations and charities active in the fields of 'Empowerment through Education' and 'Building Stronger Communities'. In 2009, we set clear savings goals across the firm; these also had an impact on the activities of the regional community affairs functions. Direct cash donations by UBS and our affiliated foundations to carefully selected non-profit partner organizations and charities were lower than in previous years totaling nearly CHF 27 million.

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 programme goes back to the 1950s. Over the years, the significance of our commitment and activities has been honoured by many awards across the regions we are active in.



Regions

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

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

Recent Awards

Arts & Business Sustained Partnership Award, 2009, UK

Recognised for UBS's 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,

Business in the Community Big Tick, 2009, UK

Recognised for positive community and business impact for UBS's partnership with The Bridge Academy

Caring Company Award 2008/09, Hong Kong

For the fifth consecutive year, UBS has been recognized as a role model for corporate citizenship.

Business in the Community - Big Tick 2008

Recognized with two "Big Ticks" for positive community and business impact for the following programs:

- Project Shoreditch, a collaboration between East London Business Alliance (ELBA), Deutsche Bank, Linklaters, UBS and the Shoreditch Trust,
- The Bridge Academy, Hackney

Employee Volunteer of the Year Awards, East London Business Alliance 2009

For 11 consecutive years, UBS employees have received awards for their volunteer work in East London.

Business in the Community's Jubilee Award 2007

Recognized UBS's 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, UBS has been recognized as a role model for corporate citizenship.

Erie Neighborhood House Corporate Partner Award, 2006

For employee volunteerism and support for the youth technology program.

Circle of Humanitarians Award 2006, American Red Cross

Recognized UBS's major gifts for the Southeast Asia tsunami disaster relief and Hurricane Katrina Relief in the U.S.

Americas - Stamford

Initiatives & awards

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

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

Other community awards include:

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

Specific initiatives include the following:

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

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

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

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

day event in the state with more than 300,000 spectators.

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

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

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APAC

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

- The Asia Pacific region has experienced some of the world's most devastating natural disasters. In response to the 2004 SE Asian tsunami, UBS established a special fund with contributions from the firm and its employees that made grants to a carefully selected group of relief and rebuilding organizations working at the local level in the affected countries. In May 2008, UBS and its employees responded generously to the twin disasters of the cyclone in Myanmar and earthquake in the Sichuan province of China.
- To build the management and leadership capacity of non-profit organizations, UBS launched the Community Leadership Experience at its India Service Centre (Hyderabad). This program was developed in partnership with Charities Aid Foundation India and will be expanded to other centres in Asia in the coming years.

History of Community Affairs at UBS (EMEA)

1978	Partnership with VSO (Voluntary Services Overseas) established
1982	UBS founder member of Business in the Community
1984	UBS co-founder of Hackney Business Ventures (HBV Enterprise), London
1985	Establishment of environmental charity Groundwork East London following UBS audit commission
1987	Payroll Giving (Give As You Earn) introduced to UK employees
1992	Partnership formed with Deptford Green School, London
1994	Roots and Wings, the first adult to student mentoring programme in the UK, launched with Deptford Green School
1995	Matched Giving scheme introduced to 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)
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
2003	UBS formally register interest as an Academy sponsor in the UK
2005	Project Shoreditch launched 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
2007	Flagship EMEA community project, the Bridge Academy, opens to 189 students
2008	Roll-out of Community Affairs programme into other EMEA countries begins in Italy and France
2008	19% of UK employees volunteer to support community projects

Awards

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)
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.
2002	Arts, Business and Sustainability Award presented by Arts & Business
2002	Business in the Community Award for Excellence (subsequently 2009)
2003	The Economist Reader Survey voted UBS as the leader in Corporate Responsibility
2003	The Brokerage – Employer of the Year Award (subsequently 2007)
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
2005	Liveable City Award
2005	Business in the Community "Big Tick" award presented for positive community and business impact. Subsequently received in 2006, 2007, 2008 and 2009.
2006	Inspire, Hackney Education Business Partnership Award for Outstanding corporate partnership
2006	UK Charity Award for UBS and Deptford Green School Partnership
2007	Business in the Community Jubilee Award for UBS's long-term impact in Hackney, London over a period of 20 years
2009	Arts & Business Sustained Partnership award for partnership with The Circus Space, Hackney, London

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 1973, the association **A Helping Hand from UBS Employees** assists disabled and disadvantaged people to lead active, independent lives. UBS encourages this employee involvement by matching the funds raised.
- The roots of the **UBS Cultural Foundation** date back to 1962. The foundation fosters creativity, appreciation of different forms of art, and contact between artists and society. The foundation financially supports fine arts, film, literature, music, preservation of historic buildings, archaeological projects and studies in history and philosophy in Switzerland.
- In similar fashion, the purpose of the **UBS Foundation for Social Issues and Education** , with its historical origins in 1972, is to support deprived communities in Switzerland in various forms. Non-profit, charitable organizations, projects and initiatives aiming at improving social welfare receive monetary assistance from these funds.

The UBS Visionaris Social Entrepreneurship Award



Visionaris, the UBS Social Entrepreneurship Award, was created in 2004 in order to bring recognition and added impetus to leading Mexico-based social entrepreneurs who are solving social problems with innovative and groundbreaking ideas. Conducted annually in collaboration with Ashoka, an international NGO that nurtures leading social entrepreneurs around the world, a winner and four finalists are

selected by an award committee consisting of 12 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 500,000 in prize money, providing financial resources for the recipient organizations to grow or fund projects that are strategic to its future.
- **Social capital:** The award ceremony, attended by 150 local philanthropists and civil society leaders, provides the Visionaris finalists with the opportunity to meet with potential donors and to encounter with peers with whom they can exchange social development experiences and best practices.
- **Symbolic capital:** The Award gives recognition to the work conducted by the selected social entrepreneurs, and provides motivation to continue with their social change initiatives.

After six editions in Mexico and three each in Argentina and Brazil from 2005 to 2007, Visionaris has become an integral part of Latin America's philanthropic landscape. As philanthropists seek innovative approaches to solving social issues, Visionaris stands out as one of the pillars on which they look to build their practice. Commenting his participation in the Visionaris Award Committee, a philanthropist mentioned that "it was an honor to be part in such a jury. All the projects presented were excellent, and I would like to thank UBS and Ashoka for giving me the opportunity to get to learn about these social change initiatives."

Recent winners

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.

2007: Adriana Castro Alverde

Through Fundación Ale – the organization she created after the death of her three-year old son – Adriana is increasing the number of organ donations in Mexico and building awareness for a culture which promotes organ donation – in Mexico, more than 10,000 people are in waiting list for a transplant, and the transplant rate is 3.3 for 1,000 deaths compared to 36.2 in the US.

Her organization provides low income patients with financial assistance so they can have access to transplant and post-transplant medicine; assists in the creation of the necessary infrastructure in Mexico so these transplants can be undertaken; and encourages hospitals throughout the country to obtain a license from the government to extract organs from donors.

Community affairs

Contact us

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



Corporate responsibility

Feedback form

Do you have a question, comment or suggestion regarding corporate responsibility at UBS?
Please use the form below to contact us.

First name *

Last name *

Company *

Address *

Postal code *

City *

Country *

Phone *

Fax

E-mail address *

Purpose of contact *

Private Business University

Please fill in your question or your comment. Thank you:

Please fill in all fields marked with *.

Please note:

UBS AG does not accept any kind of business and financial transaction orders through this form, e.g. payment orders or trading orders for securities.