

# UBS and Society

Site Map



# UBS and Society

## Meet the 2016 UBS Social Innovators

Our regional juries have chosen Choba Choba, Karma Healthcare and Kiron to be the 2016 UBS Social Innovators.

[Find out more](#)



## Climate change: a risk to the global middle class

New UBS and Society report

[See more](#)



At UBS, corporate responsibility means 'doing the right thing' – both now and in the future.

A short video explains where UBS sees its responsibility as a corporate organization in society. Innovators.

[Watch the video](#)



## Making sustainability the everyday standard

**We aim to be a leader in sustainability in the financial industry. This requires focusing on the long term and working to provide consistent returns to our stakeholders.** It also requires moving beyond the commitment of doing no harm, to one that promotes common good by being proactive, purposeful and accountable. Our key program in this regard is UBS and Society – a cross-divisional, umbrella platform covering all our activities and capabilities in sustainable investing and philanthropy, environmental and human rights policies that govern client and supplier relationships, managing our own environmental footprint, as well as our firm's community interactions.



## How we do business

- › [Sustainability at UBS](#)
- › [Chairman's interview on corporate responsibility](#)
- › [What matters - materiality in today's banking business](#)
- › [Environment and human rights](#)
- › [Governance](#)



## How we support our clients

- › [Sustainable investments](#)
- › [Philanthropy](#)



## How we support our communities

- › [Our Global Approach](#)
- › [Switzerland](#)
- › [Americas](#)
- › [APAC](#)
- › [EMEA](#)

## Advice and contact

- Christian Leitz  
Robert Ramer  
Isabella Tramontana
- › [Send us an email](#)

### UBS and Society News

November 2016

**UBS recognized as World Leader for corporate action on climate change**





28 Nov 2016, 15:00

**Kiron Open Higher Education is named EMEA's UBS Social Innovator 2016**

07 Nov 2016, 09:00

› [News Archive](#)

### UBS and Society at a glance

- › [UBS and Society factsheet](#) 
- › [Chairman's interview](#)
- › [Code of Conduct](#)
- › [Our environmental and social risk policy framework](#) 
- › [Our climate change commitment](#) 
- › [Sustainability reporting](#)
- › [CR history](#) 

# About UBS and Society

# About UBS and Society

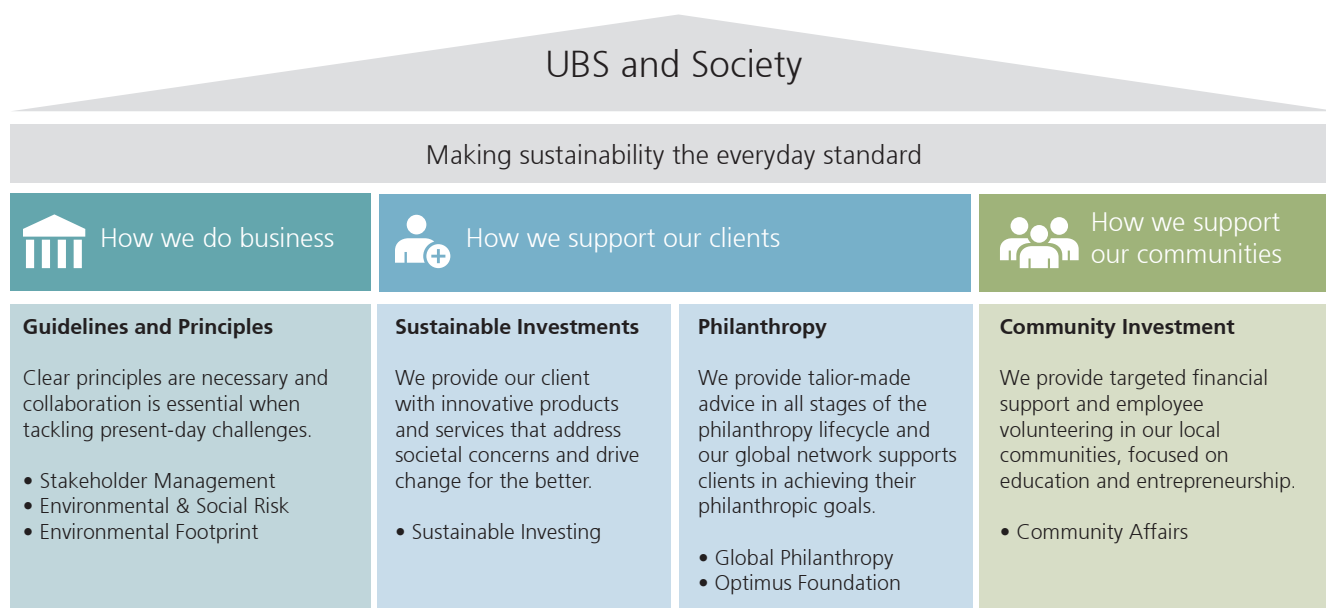
**We aim to be a leader in sustainability in the financial industry. This requires focusing on the long term and working to provide consistent returns to our stakeholders.** It also requires moving beyond the commitment of doing no harm, to one that promotes common good by being proactive, purposeful and accountable. Our key program in this regard is UBS and Society – a cross-divisional, umbrella platform covering all our activities and capabilities in sustainable investing and philanthropy, environmental and human rights policies that govern client and supplier relationships, managing our own environmental footprint, as well as our firm’s community investment.

Our concept of stewardship encompasses more than just our clients’ assets, it means taking care of what we leave for future generations. This is not measured by financial performance alone, but in parallel with our performance relating to the environment, good governance, our social impact and the key components of sustainability. To this end, we aim to:

- make sustainability the everyday standard across the firm,
- channel a growing portion of investable client assets through innovative financial mechanisms to address societal challenges,
- make sustainable performance part of every client conversation,
- train employees on sustainability,
- create a credible sustainability methodology,
- measure the impact of our community investment activities, and
- support the transition to a low carbon economy through a comprehensive climate change strategy.

We implement the UBS and Society program through the three pillars of how we do business, how we support our clients and how we support our communities.

## UBS and Society



How we do  
business

# How we do business



Living up to our principles and standards contributes to the wider societal goal of sustainable development. As a global firm, we recognize our responsibility to go beyond the norm, lead the debate on important societal topics, and contribute to the setting of standards and collaboration in and beyond our industry.



## Sustainability at UBS

We reflect on key elements of our approach to sustainability.

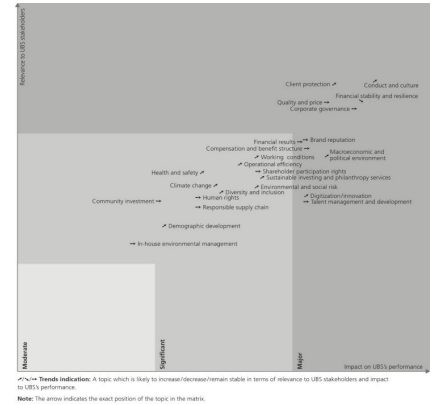
[› More](#)



## Chairman's interview

UBS's Chairman highlights the importance of corporate culture & responsibility at UBS.

[› More](#)



## What matters – materiality in today's banking business

Our materiality matrix shows the topics of relevance to our stakeholders and to the performance of our bank.

[› More](#)



## Environment and human rights

Our in-house environmental management, our responsible supply chain management, and our environmental and social risk standards and management are aligned with the UBS and Society program.

[› More](#)



## Governance

We have firmly embedded at the highest level responsibility for setting our firm's values and standards, ensuring that we meet our obligations to our stakeholders and our firm's corporate responsibility and sustainability agenda.

[› More](#)



# Sustainability at UBS

For the past four years, we have worked to build our capital strength, improve efficiency and effectiveness, and further strengthen our risk management. These three pillars are the basis of our business strategy and for everything we do. At the same time, we have been developing a new corporate culture geared toward generating sustainable value for the long term.

Client focus and sustainable performance are at the heart of our business model and we strive for excellence in everything we do, from the people we employ to the products and services we offer to our clients. These concepts are integrated into our corporate decision-making and people management processes, and they shape the daily actions of our employees.

We also recognize that it is important to understand key societal challenges and opportunities - and to consider their relevance to UBS as well as potential (mid-to-long-term) actions our firm may need to take. UBS must strike a careful balance between such likely actions on societal developments with a potentially less immediate materiality to our firm - and the immediate requirements demanded to ensure our bank's successful and sustainable performance.

This balance is, in fact, reflected in our firm's GRI-based 2015 materiality assessment, which was again undertaken on behalf of the Corporate Culture and Responsibility Committee. The 2015 materiality assessment demonstrates that our stakeholders clearly understand that economic sustainability is the core foundation for societal sustainability. As most relevant topics they have focused on those that ensure a sustainable performance, notably financial stability, client protection, corporate governance and conduct & culture.

The 2015 materiality assessment also provided a useful snapshot of the key opportunities and challenges in terms of corporate responsibility and sustainability. This is demonstrated in particular by the solid position on the matrix of such topics as "sustainable investing". It relates directly to our key corporate responsibility and sustainability activities in 2015, the advancement of "UBS and Society", our cross-divisional initiative encompassing all our activities and capabilities in sustainable investing and philanthropy, as well as our firm's community interaction.

In 2015, our performance and activities in the area of sustainability were directly reflected in our key rating achievement, the leadership position in the Diversified Financials industry group of the Dow Jones Sustainability Indices (DJSI), the most widely recognized sustainability rating. The Industry Group Leader report for UBS cites our support to clients and communities and our integration of societal and financial performance. It also points to our work to build UBS's capital strength, improve efficiency and effectiveness, and strengthen risk management through our UBS and Society program.

› [Achievements 2015 & Objectives 2016](#)

# Interview with Axel Weber on corporate culture and responsibility at UBS



Axel. A. Weber

**The responsibilities and authorities of the Corporate Culture and Responsibility Committee (CCRC), which you chair, include “to support a strong and responsible corporate culture firmly founded in a spirit of long-term thinking.” Looking at “long-term thinking” first, how do you interpret this?**

Axel A. Weber (Chairman of UBS and Chair of the CCRC): The idea of thinking and acting with a long-term horizon must incorporate a number of critical perspectives, combining economic factors (e.g. strong capital base, sustained client relations) with other important considerations, notably a strong corporate culture and a responsible approach to our wider community of stakeholders.

Corporate culture and responsibility are key topics of the CCRC and it is clear that both can only be achieved through continuous effort. Take corporate culture: we have implemented a number of important measures at UBS, starting with the introduction of clearly defined principles and behaviors, the implementation of a firm-wide behavior program and, very importantly, making behaviors a determining factor in compensation. These and other measures will help us to build a strong corporate culture.

Thinking and acting with a long-term horizon also means to understand the role of our firm within society – and thus also the societal challenges that will be influencing our business in the mid- to long-term. Take climate change as a very relevant example: the FSB established a task force at the beginning of 2016, precisely with concerns about the long-term impact of this major societal challenge in mind. Owing to our comprehensive climate change strategy, UBS is actively involved in the pertinent discussions.

**What do you regard as our firm’s key achievements in 2015 in terms of our approach to sustainability? And what, in your view, are the key tasks and goals for 2016 and beyond?**

AAW: We have decisively increased the involvement of the Board of Directors in corporate culture issues. Our commitment is to actively support and supervise the significant cultural change that the Group CEO and the Executive Board are leading. The right tone from the top clearly matters.

A second important achievement was undoubtedly the establishment and advancement of our UBS and Society initiative and, with it, our commitment to making sustainability the everyday standard at our firm.

Our activities regarding both culture and sustainability are closely intertwined with the interests of key stakeholders, in particular our shareholders, employees and clients. But both topics are also of interest to governments and regulators. We have intensified our discussions in the CCRC about the approach and actions these bodies have taken pertaining to culture and sustainability as well as those they are currently and in future envisaging to adopt.

Moreover, looking at 2016 and beyond, all of the developments highlighted above continue to be relevant. Embedding cultural change, making sustainability the everyday standard and continuing to interact with stakeholders in these areas are ongoing tasks and require continuing efforts. This is highly demanding – but essential and undeniably worthwhile!

**A very important illustration of our firm’s long-term focus is the UBS and Society initiative, which you highlighted. This year it features prominently in both our Annual Report and our Annual Review, and you and our Group CEO also refer to it in your Letter to Shareholders. Why does UBS attach such significance to it?**

AAW: UBS and Society is an integral part of our firm’s effort to fulfill its responsibilities toward its stakeholders and clients. Across all our firm’s clients, be they private, corporate or institutional, we see a growing interest in, and indeed a demand for, sustainable investing. I firmly believe our bank is uniquely positioned to cater to this demand – and in fact we already do so and to an ever-greater extent, for example with the introduction of novel financial products and services such as impact investing. We provide telling examples in our Annual Report as well as an informative overview of where we stand in terms of sustainable investing overall.

But UBS and Society not only benefits our clients. It is a cross-divisional, umbrella platform covering our activities in sustainable investing and philanthropy, our environmental and human rights policies, our environmental footprint, and our firm’s community interactions.

**In our annual reporting, we emphasize that we are striving to make sustainability the everyday standard. How would you comment on this very strong and very ambitious commitment?**

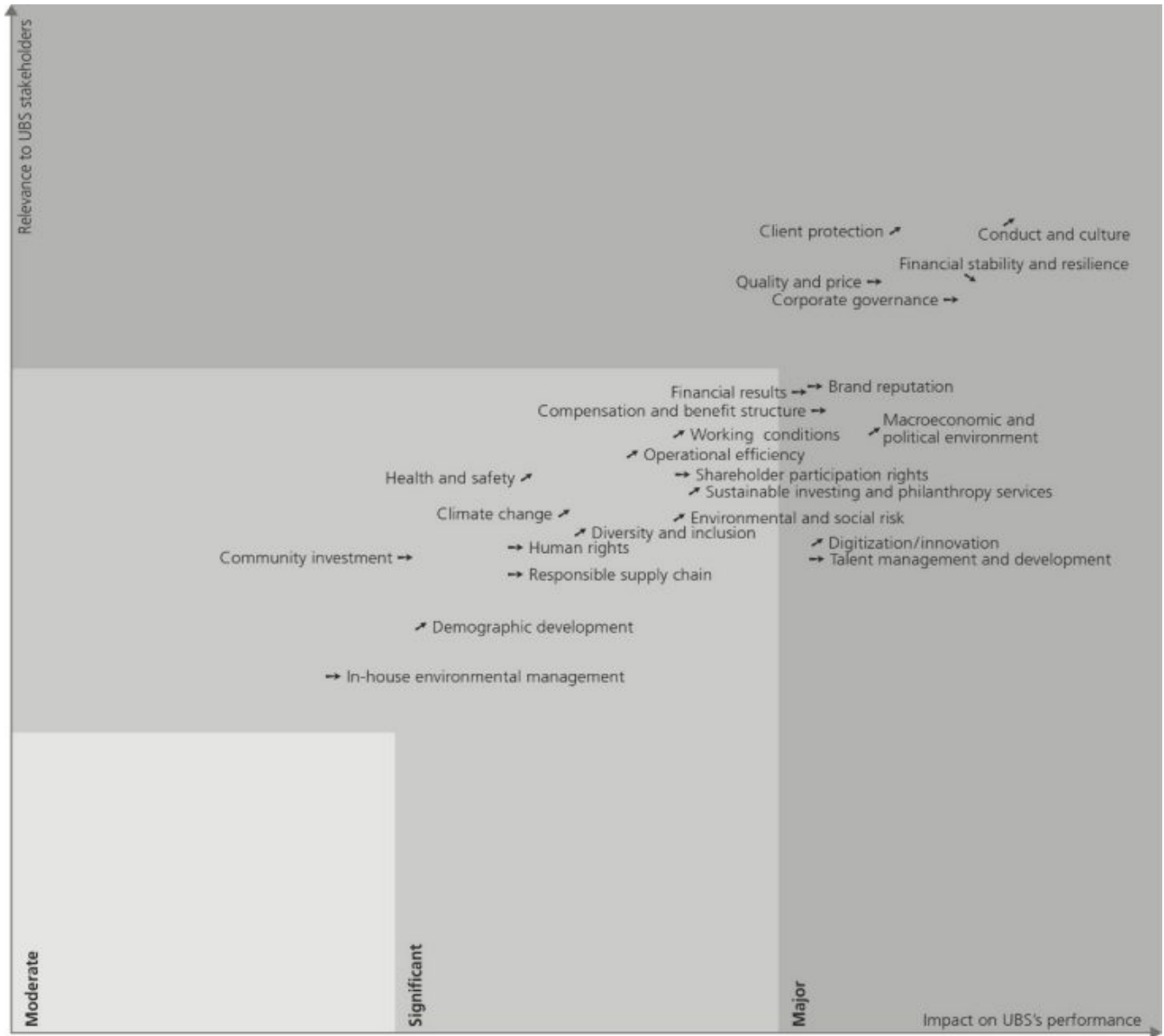
AAW: Sustainability in banking means both seizing opportunities and managing risk. For a long time people thought it was an achievement for big banks just to stay out of trouble. But I firmly believe that today the focus is shifting from “doing no harm” to “doing good.” As one of many examples, we must align our client and supplier relationships with our strict environmental and social risk management standards. In the end, it’s also about each one of us and our daily actions, not just as bankers, but also as consumers and citizens.

### **UBS’s commitment to the UN Global Compact**

UBS was among the first companies to sign the Global Compact in 2000. We are also a member of the UN Global Compact Network Switzerland. As reflected in detail in our 2015 sustainability disclosure (in Annual Report, Annual Review, and on [ubs.com/ubsandsociety](http://ubs.com/ubsandsociety)), we have a comprehensive set of commitments and activities in place pertaining to the principles of the Compact.

# What matters – materiality in today’s banking business

Our materiality matrix shows those topics of relevance to our stakeholders as well as to the performance of our bank.



↗/↘/→ **Trends indication:** A topic which is likely to increase/decrease/remain stable in terms of relevance to UBS stakeholders and impact to UBS's performance.

**Note:** The arrow indicates the exact position of the topic in the matrix.

The topics included in the Materiality Matrix have been incorporated due to their relevance to our stakeholders and to our perception of their impact upon UBS’s long-term and sustainable performance. While the Matrix incorporates a 2015 view of stakeholder topics, it also indicates how these topics are likely to develop in future (trend). The contents of the Matrix are drawn from assorted formal and informal monitoring tools we employ, from our dialogue with stakeholders and from relevant studies and reports. We update this Matrix annually.

Undertaken on behalf of and supervised by the UBS Corporate Culture and Responsibility Committee (CCRC), UBS’s comprehensive materiality assessment process is managed by a UBS-internal, cross-business division and cross-regional materiality assessment team. The team consists of a group of experts who - due to their function - deal with stakeholder expectations and concerns on a daily basis. The team is responsible for delivering the outcome of the materiality assessment to the CCRC on an annual basis. Additionally, the CCRC is also informed about potentially relevant developments arising from the (ongoing) materiality assessment on a regular basis.

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

We put great emphasis on learning the views and values of our stakeholders as regards the business activities of UBS and its role in society. Annually, we therefore conduct a materiality assessment based on the Global Reporting Initiative (GRI) to find out which topics are of relevance to our stakeholders.

We regularly invite stakeholders to directly share their views, be it – as was the case in 2014, via an online survey open to all, or via a survey targeting particular groups. In 2015, we tasked a student organization to interview students on their expectations regarding the banking sector. Approximately 2,500 students in seven countries across all continents were asked to prioritize a wide range of topics.

The following topics received the highest relevance scoring in the 2015 materiality assessment:

- Conduct and Culture
- Client Protection
- Financial Stability and Resilience

› [More on the materiality assessment process](#)

› [More on the topics of relevance to UBS](#) 

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## Our stakeholders

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We engage with our stakeholders, both key groups (clients, investors, employees, governments/regulators) and others, on a regular basis and on a wide range of topics. This engagement with stakeholders yields important information on their expectations and concerns and thus makes a critical contribution to our understanding and management of issues of potential (positive and negative) relevance to our bank. By actively fostering such interactions we are in a position to address stakeholder expectations and concerns in an informed and effective manner.

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

In 2015, we engaged with experts and stakeholders on a range of topics. These included discussions on impact investing and philanthropy, food speculation, human rights, the reduction of our environmental footprint, and climate change (notably coal finance).

› [More](#)

# Environment and human rights



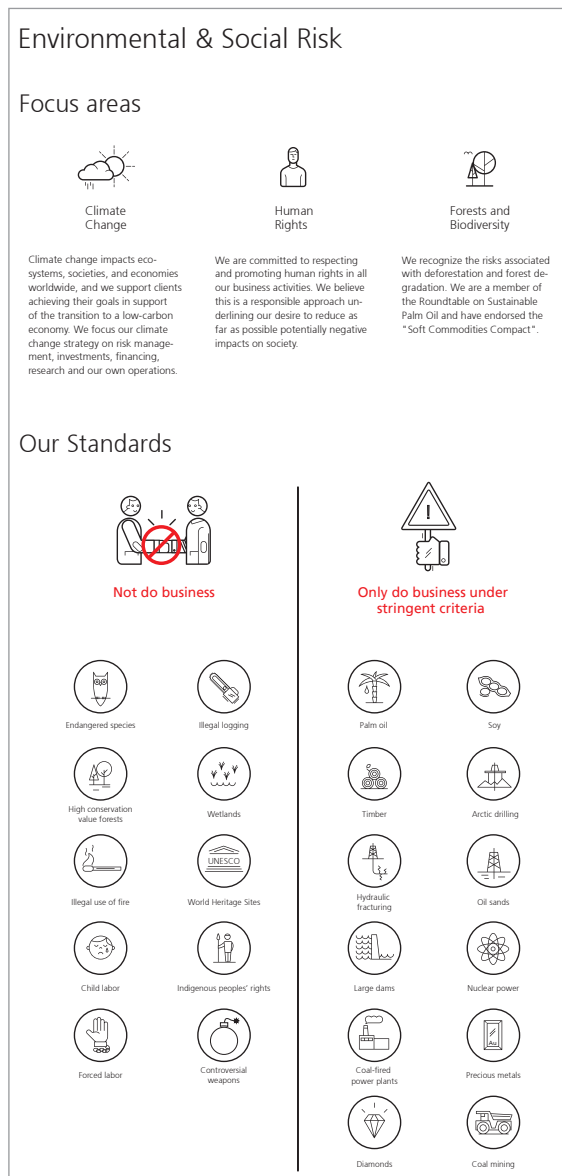
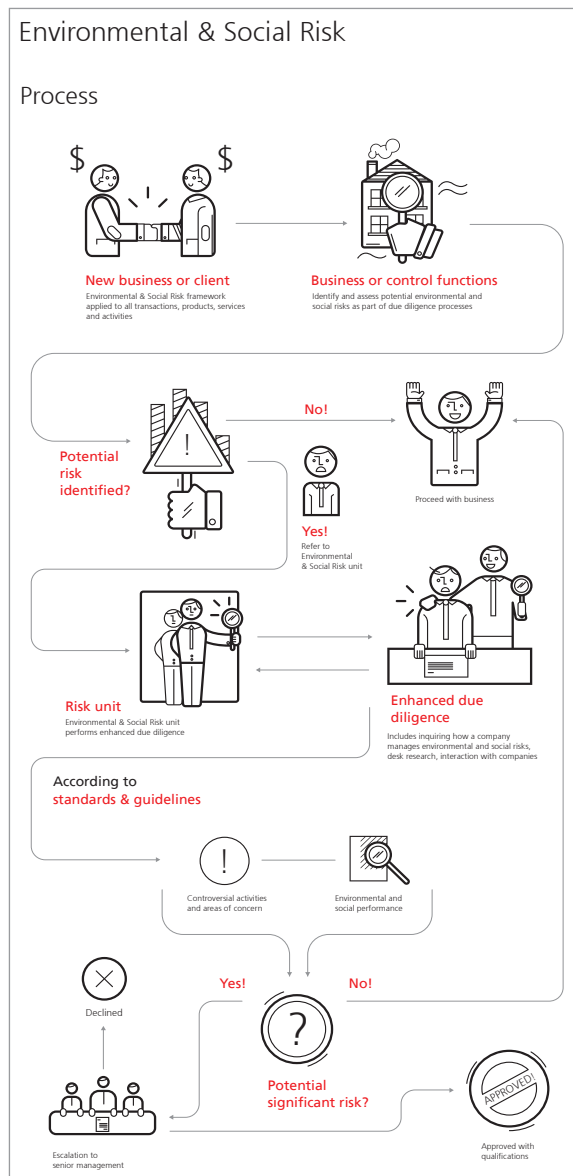
We view the proper management of our firm's own environmental footprint and our supply chain as important proof points for how we do business in a sustainable manner. This is equally true of our comprehensive management of environmental and social risks (ESR). Our in-house environmental management, our responsible supply chain management, and our ESR standards and management are aligned with the UBS and Society program and enforced firm-wide.

- › [Environmental and social risks](#)
- › [Our climate change commitment](#)
- › [In-house environmental management](#)
- › [Responsible supply chain management](#)

# Environmental and social risks

We have established comprehensive rules and procedures to prevent or manage environmental and social risks (ESR) for our clients and our firm. Our comprehensive ESR standards are aligned with the UBS and Society program, they govern client and supplier relationships and are enforced firm-wide.

› [Comprehensive information on our environmental and social risk policy framework](#)



Our rules apply to our transactions, products, services and activities.

In concrete terms:

- Potential clients are assessed for environmental and social risks associated with their business activities as part of UBS's know-your-client compliance processes.
- Environmental and social risks are identified and assessed as part of transaction due diligence processes.
- New financial products and services are reviewed before their launch in order to assess their compatibility and consistency with UBS's environmental and human rights standards.
- Our operational activities and employees, or contractors working on UBS premises, are assessed for compliance with relevant environmental, health and safety, and labor rights regulations.
- Environmental and social risks are assessed when selecting and dealing with suppliers.
- We regularly review sensitive sectors and activities prone to bearing environmental and social risks, at portfolio level.



# Our standards

- ≡ Controversial Activities: Where UBS will not do business
- ≡ Areas of Concern - Where UBS will only do business under stringent criteria

## Controversial Activities: Where UBS will not do business

UBS will not knowingly provide financial or advisory services to corporate clients whose primary business activity, or where the proposed transaction, is associated with severe environmental or social damage to or through use of:



**endangered species of wild flora** and fauna listed in Appendix 1 of the [Convention on International Trade in Endangered Species \(CITES\)](#)



**high-conservation-value forests** as defined by the six categories of the [Forest Stewardship Council \(FSC\)](#)



**uncontrolled and / or illegal use of fire for land clearance**



**illegal logging, including the purchase of illegally harvested timber** (logs or roundwood)



**wetlands** on the [Ramsar](#) List of Wetlands of International Importance



**world heritage sites** as classified by the [United Nations Educational, Scientific and Cultural Organization \(UNESCO\)](#)



**child labor** as defined by the [International Labor Organization's](#) Conventions 138 (minimum age) and 182 (worst forms)



**forced labor** as defined by the [International Labor Organization's](#) Convention 29



**indigenous peoples' rights** as defined by the [International Finance Corporation's](#) Performance Standard 7

The above standards also apply when UBS purchases goods or services from suppliers.



# Areas of Concern - Where UBS will only do business under stringent criteria

Specific guidelines and escalation criteria apply to transactions with corporate clients engaged in areas of concern. These include **soft commodities** (palm oil, soy and timber), **power generation** (coal-fired power plants, large dams and nuclear power) and **extractives** (hydraulic fracturing, oil sands, arctic drilling, coal mining, precious metals, and diamonds).

Transactions in these areas trigger an enhanced due diligence and approval process. In addition to the assessment of regulatory compliance, adherence to UBS's controversial activities standards, past and present environmental and human rights performance, as well as concerns of stakeholder groups, these transactions require an assessment of the criteria as set out in the [UBS ESR Policy Framework](#).

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## Controversial weapons

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UBS does not directly or indirectly finance the development, production or purchase of controversial weapons of such companies determined to fall within the "Swiss Federal Act on War Materials".

*On the topic of cluster munitions and anti-personnel mines:*

UBS does not provide credit facilities to nor conduct capital market transactions for companies that are involved in the development, production or purchase of cluster munitions and anti-personnel mines. UBS does not include securities of affected companies in its actively-managed retail and institutional funds and in discretionary mandates. UBS draws upon external expertise to decide whether a company is subject to the restrictions imposed by Swiss law.

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## Case study: Our contribution to "zero net deforestation" in soft commodity supply chains

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**Why are soft commodities such a hot topic?** It is estimated that more than 50% of tropical deforestation is due to the production of palm oil, soy, timber and beef. Deforestation and forest degradation can cause biodiversity to decline. Deforestation is, in fact, second only to the energy sector as a source of global greenhouse gas emissions and accounts for up to 20% of global emissions. Furthermore, as millions of people rely directly on forests, deforestation continues to cause severe societal challenges, sometimes leading to violent conflict.

What is our commitment? The magnitude of these impacts have led a group of international banks, among which UBS, to endorse the Soft Commodities Compact of the Banking Environment Initiative, which seeks to align banking standards with consumer goods companies that are committed to support the transformation of soft commodity supply chains and achieve zero net deforestation by 2020.

In addition, we are a member of the Roundtable on Sustainable Palm Oil (RSPO) and also joined their Complaints Panel. This is a contribution to further enhance transparency and accountability of the sector and the RSPO.

What are our policy standards? Transactions related to soft commodities trigger an enhanced due diligence and approval process. The objective of this process is to ascertain that operations of clients active in the soft commodities business are sustainable. To that effect UBS requires companies producing palm oil, soy or timber in markets at high risk of tropical deforestation to be publicly committed to achieving full certification of their production, by 2020, against the standards of recognized sustainability schemes, such as the RSPO, the Roundtable on Responsible Soy (RTRS), and the Forest Stewardship Council (FSC).

**How do we execute our standards?** Before doing business with any company involved in soft commodity production or trading, our experts for environmental and social risk inquire how a company manages environmental and social challenges in its operations, as required by UBS's standards for soft commodity production. Depending on the client and the type of transaction that UBS is confronted with, such as lending, trade finance, underwriting or advisory mandates, due diligence may involve desk research and interaction with the companies, external experts, as well as global and local non-governmental organizations. Depending on the results, this can lead to a variety of actions, from requiring the client to certify its production or trading processes against the standards of relevant sustainability schemes, to declining to do business with the client.

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## Case study: Non-compliance with the standards of the Roundtable of Sustainable Palm Oil

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**Why is palm oil such a hot topic?** It is estimated that more than 50% of tropical deforestation is due to the production of palm oil, soy, timber and beef. Deforestation and forest degradation can cause biodiversity to decline. Deforestation is, in fact, second only to the energy sector as a source of global greenhouse gas emissions and accounts for up to 20% of global emissions. Furthermore, as millions of people rely directly on forests, deforestation continues to cause severe societal problems, sometimes leading to violent conflict.

**What do we do?** Before doing business with any company involved in palm oil production or trading, our experts for environmental and social risk inquire how a company manages environmental and social challenges in its palm oil operations, as required by UBS's standards for palm oil production. Depending on the client and the type of transaction that UBS is confronted with, for example lending, trade finance, underwriting or investment banking advisory mandates, due diligence may involve desk research and interaction with the companies, external experts, as well as global and local non-governmental organizations. Depending on the results, this can lead to a variety of actions, from requesting the client to certify its production or trading processes against the standards of the Roundtable on Sustainable Palm Oil (RSPO) to declining to do business with the client.

**How does our ESR approach impact a particular case?** UBS negotiated the commencement of a relationship with a corporate client whose activities also included the palm oil business. At that point the corporate entity was not a member of the Roundtable on Sustainable Palm Oil, which is a requirement under the respective UBS standard. UBS therefore agreed to a conditional onboarding of the corporate entity under the condition that it adhered to the RSPO within a predefined time period. After the agreed period had passed without the client taking the necessary steps, UBS exited the relationship.

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## Case study: Enhanced climate change and environmental disclosure in deal documents

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

**What do we do?** We have in place a comprehensive climate change strategy focused on risk management, investments, financing, research and our own operations. Our key commitments include:

- Support renewable energy and clean tech transactions;
- Only support transactions of companies operating coal-fired power plants if they have a strategy to reduce coal exposure or adhere to the strict greenhouse gas emission standards recommended by leading international agencies;
- Not to support certain coal mining companies and to significantly limit lending and capital raisings provided to the sector;
- Secure 100% of our electricity from renewable sources by 2020, thereby reducing our own greenhouse gas footprint by 75% compared to 2004 levels.

**How does our ESR approach impact a particular case?** UBS acted as a lead bookrunner in a bond issue of a steel company. After the review of the deal documentation, our ESR unit concluded that in the risk section of the deal prospectus, there was insufficient disclosure of risks emanating from future climate change and other environmental regulation. The ESR unit interacted with the client and the legal advisors and proposed an alternative wording for the respective section to address potential liability risks. In its efforts, UBS was joined by other banks involved in the bond issuance. The client agreed to change the wording accordingly.

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## Case study: Interaction with third party entities to improve standards of client in the agribusiness sector

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**Why is agriculture such a hot topic?** Meeting the needs of a growing population, providing greater food and energy security, increasing woodland coverage and offering better environmental protection are important demands for agriculture globally.

**What do we do?** Key areas within our Environmental and Social Risk Policy Framework are directly related to agriculture. These include our standards pertaining to world heritage sites, wetlands, endangered species of wild flora and fauna, high conservation value forests, and illegal fire – as well as our standards pertaining to soft commodities (palm oil, soy, timber).

**How does our ESR approach impact a particular case?** A corporate client was exposed to a number of controversies in the agribusiness sector. To address these issues our ESR unit recommended to the client to establish a relationship with a third party organization specialized in this area. The client, the third party organization and the ESR unit have since launched a process to systematically address the issues raised. This will be accompanied by a detailed program and a time bound plan to address concerns of the various stakeholders involved.

# Climate change



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

How can we actively contribute to the economy producing fewer greenhouse gas emissions? And how can we support our clients to handle the changes that will arise from this? As a leading global financial services provider, we focus our climate change strategy on risk management, investments, financing, research and our own operations.

› [More on our commitment regarding climate change](#) 📄

# In-house environmental management



Our environmental program was introduced in the 1970s, and since 1999, we have managed the program through an Environmental Management System in accordance with ISO 14001. In addition, our greenhouse gas (GHG) emissions data is externally verified on the basis of ISO 14064 standards.

We constantly strive to reduce our GHG emissions, our waste production, energy and paper consumption and water usage.

- › [In-house environmental management data](#)
- › [Certificate of Voluntary Climate Protection and Energy Efficiency](#) 
- ≍ [GHG emissions and energy consumption](#)
- ≍ [Renewable energy](#)
- ≍ [Offsetting CO<sub>2</sub> emissions](#)
- ≍ [Paper, water and waste](#)



# GHG emissions and energy consumption

We achieve our strong performance by adopting energy efficiency measures and increasing the proportion of renewable energy. Emissions - such as from business travel by air - that cannot be reduced by other means are offset.

## GHG emissions

In 2015, we further reduced UBS's GHG emissions by 6.7%, or 6.6% per full-time employee, year on year, which means a total reduction of 53% from baseline year 2004. We have thus surpassed our original target of a 50% reduction of GHG emissions by 2016.

## Energy consumption

In 2015, we reduced our energy consumption by more than 13% compared with 2012, thus outperforming our target of a 10% reduction by 2016. One of the key drivers for this achievement is our Group-wide real estate strategy, which includes:

- consolidating work space in larger and more energy-efficient buildings with alternative workplace concepts, resulting in a smaller, less energy-intense real estate footprint of our operations;
- investing in energy-efficient infrastructure, such as obtaining green building certifications (Leadership in Energy and Environmental Design or similar) for our flagship buildings and
- implementing established energy reduction measures, such as optimizing heating, air-conditioning and lighting controls in the buildings we occupy.

[Back to top](#)

# Renewable energy

In 2015, we purchased 54% of UBS's worldwide electricity consumption from renewable sources. Since 2007 in Switzerland and 2012 in Germany, we have been sourcing 100% of our electricity needs from renewable sources, mainly hydropower. In the UK, we purchased 91 GWh of electricity from renewable sources, which is more than 85% of our consumption. And, as a member of RE 100, we have committed to securing 100% of our electricity from renewable sources by 2020, thereby reducing our own GHG footprint by 75% compared to 2004 levels.

[Back to top](#)

# Offsetting CO2 emissions

In an effort to minimize our CO2 emissions in business travel, we encourage our employees to choose alternatives to air travel, such as high-speed rail, and to use video-conferencing technology instead of travelling. Since 2007, we have been offsetting all our CO2 emissions from business air travel. Projects we selected meet the requirements of the Gold Standard for voluntary emissions reductions.

[Back to top](#)

# Paper, water and waste

In 2015, all U.S. branch locations and major offices made the transition to Forest Stewardship Council (FSC) certified paper, ensuring the majority of copy paper used in the U.S. is sourced from responsibly managed forest. Globally 83.6% of all paper consumption was from recycled or FSC certified sources. The continued implementation of bin-less offices in many larger locations has helped us reduce the waste per employee by 12% since 2012, and exceed our 5% reduction target set for 2016. By the end of 2015, our waste recycling ratio decreased slightly to 53%, from 54% in 2012 - mainly due to a sharper than expected reduction of waste recycling volumes.

We reduced our water consumption by 16%, compared with 2012, reaching our 2016 target ahead of schedule.

[Back to top](#)

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## Case study: Reducing Energy Consumption and Optimizing Energy Efficiency

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In Basel (Switzerland), a major renovation of a building resulted in a reduction of electricity consumption by more than 40%. This was achieved by investing in a highly efficient cooling system, an efficient ventilation, LED lighting system and a change to a low temperature heating system. The overall electricity consumption was reduced from 3,000,000 kWh to 1,800,000 kWh which resulted in cost savings of CHF 180,000 CHF per annum. The building's refurbishment included the installation of a 60 kWp photovoltaic plant on the roof which allows to charge the electric cars of our clients with solar power.

In the Americas, several initiatives were undertaken to reduce energy consumption and optimize energy efficiency at key locations. These projects resulted in significant energy and cost savings throughout the region. The UBS site in Weehawken, New Jersey retrofitted multiple floors and spaces with LED lighting fixtures to reduce the site's electricity consumption. The site also upgraded existing computer room air conditioning units, switching from 7.5 ton units to 3 ton units. The new units are smaller, more energy efficient, and use eco-friendly R-407C refrigerant, a sustainable alternative to conventional, ozone-depleting substances. In total, these projects are expected to save USD 411,814 and 3,276,690 kWh annually. In addition to these projects, the site is currently pursuing LEED Existing Building certification, the preeminent standard for sustainable building operations and maintenance.

The UBS Data Center in Connecticut replaced 2,132 traditional lighting fixtures in 2015 with LED technology and improved the lighting control system's energy efficiency by installing motion sensors to reduce the amount of time lights remain unnecessarily turned on. To diminish the impact of the North and South Data Halls, which consume a majority of the facility's energy, the site installed temperature sensors within data racks to reduce static pressure and yield greater temperature control, energy efficiency, and cost savings. After officially commissioning the Data Halls in Q3 2015, the system reported a 71% energy consumption reduction from previous levels. The estimated annual savings for these projects total USD 418,533 and 1,955,648 kWh.

Projects to reduce energy consumption at the UBS Americas Headquarters in New York City are underway as well. On the 12th floor of 1285 Avenue of the Americas, newly installed LED lighting fixtures and an upgraded lighting control system are expected to save USD 11,752 and 63,039 kWh annually.

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# Responsible supply chain management

Environmental and social standards are firmly embedded in our sourcing and procurement activities

Our responsible supply chain management (RSCM) principles embed UBS's ethics and values in our interactions with our suppliers, contractors and service partners. We apply an RSCM framework to identify, assess and monitor supplier practices with regard to human and labor rights, the environment, health and safety, and anti-corruption principles. In 2015, remediation measures were requested for 44% of suppliers of newly-sourced goods or services with potentially high impacts to improve their adherence to UBS's RSCM standards.

› [More on our responsible supply chain management](#)

# Governance

We have firmly embedded responsibility for setting our firm's values and standards at the highest level, ensuring that we meet our obligations to our stakeholders and our firm's corporate responsibility and sustainability agenda.

› [UBS and Society governance](#) 📄

Our highest governance body with regard to corporate responsibility and sustainability is the Board of Directors' Corporate Culture and Responsibility Committee (CCRC).

All Board of Directors (BoD) committees monitor our business performance in the context of creating sustainable value. The CCRC supports the BoD in its duties to safeguard and advance the Group's reputation for responsible and sustainable conduct and also reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of its corporate culture. The CCRC reviews the strategic direction taken by UBS on corporate responsibility and sustainability, as well as the implementation of our commitments in these areas.

Our Chairman of the BoD and our Group CEO play key roles in safeguarding our reputation and ensuring that we communicate effectively with all our stakeholders.

› [Corporate Culture and Responsibility Committee](#)

› [Board of Directors and sustainability](#)

## Policies and guidelines

### Code of Conduct and Ethics

The Code of Conduct and Ethics (Code), the document that sets out the principles and standards for our firm, clearly emphasizes that these principles and standards apply to all aspects of our business and the way we engage with our stakeholders. The Code aims to foster an ethical culture where responsible behavior becomes second nature and it leaves no doubt that everyone at UBS is expected to adhere to it. The Code incorporates all components of our UBS and Society program.

› [www.ubs.com/code](http://www.ubs.com/code)

### UBS and Society policy

The scope, principles and responsibilities and structure of UBS and Society are set out in more detail in our UBS and Society policy, which governs UBS's interaction with society and the environment.

› [UBS and Society policy](#) 📄

## Community Affairs

A set of global Guidelines are in place which set out UBS's Community Affairs activities. They seek to ensure a coherent and consistent approach to Community Affairs globally. They outline 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 organizations made by UBS.

› [Access more policies and guidelines in our information center](#)

How we  
support our  
clients



# How we support our clients



Our clients increasingly care about societal issues and want financial advice as well as the right products in order to use their resources to address them. Many of our clients look to us for support in this regard, and – as a global firm and the world’s largest wealth manager – we are well placed to provide it. We have, in fact, made it our goal to include sustainability in every client conversation.

- ≈ Sustainable investments
- ≈ Philanthropy

# Sustainable investments

**Sustainability is expressed through impact-focused, long-term thinking and acting. We help private and institutional customers consider not only potential financial returns, but also potential environmental and social impacts when making their financial decisions.** We understand impacts to mean both risks and business opportunities. Accordingly, we give attention to sustainability in all business processes, from analysis and risk management to advisory and investment activities.

- ⌵ [Overview](#)
- ⌵ [Investment advisory & products](#)
- ⌵ [Research](#)
- ⌵ [Corporate and private banking clients financing and advisory](#)

# Overview

As of 31 December 2015, sustainable investments increased to CHF 934 billion from CHF 577 billion at the end of 2014, representing 35% of our total invested assets compared with 21% in 2014. While this increase is primarily attributable to reporting process enhancements for norm-based screening investments (controversial weapons exclusions) and Asset Management's responsible property investment strategy, invested assets also generally increased in our other sustainable investment classes. Major increases in absolute terms were observed among our institutional clients, in particular for screened mandates.

We are committed to testing and applying novel financial solutions across our firm. Examples in 2015 include:

- Wealth Management Americas acted as distributor for the World Bank's first market-linked green bonds for investors in the US
- Wealth Management sponsored a social investment fund in the UK that enables sophisticated investors to invest in a tax efficient way in social enterprises that are helping to tackle poverty.
- Wealth Management launched a UBS investment mandate for Swiss charitable foundations
- Chief Investment Office Wealth Management (CIO) published a series of reports on SI
- Asset Management won a cutting edge mandate to craft a global impact equities portfolio with measurable social impact and partnering with leading edge academics on a multi-year R&D effort to develop scientifically based and easy to understand social impact metrics
- Asset Management developed a leading-edge database of fundamental sustainability data at the company and industry group level that is used alongside valuation data from our analysts to rank the investment universe on both fundamental and sustainability attractiveness
- Asset Management launched the world's first ESG Fixed Income ETF
- Personal & Corporate Banking launched an environmental bonus to support corporate clients when upgrading to more environmentally-friendly commercial vehicles

## Investment advisory & products

We define sustainable investing (SI) as a set of investment strategies (exclusion; integration; impact investing) that incorporate material environmental, social and governance (ESG) considerations into investment decisions. SI strategies usually seek to reach one or several of the following objectives: i) align investments with personal values; ii) reduce portfolio risk / return characteristics; and iii) achieve a positive environmental or social impact alongside financial returns.

Our wealth management businesses and Asset Management offer SI products and services for wealth management and institutional clients. Our teams provide thought leadership, advice and sustainable portfolio management, such as mandate solutions and separately managed accounts. We also offer impact investing products and arrange platforms, roundtables and networking events for our clients to exchange ideas and gather know-how. UBS Portfolio Screening Services are mainly offered to ultra high net worth clients to align their portfolios with their values by assessing portfolios along specific sustainability criteria.

In 2015, we launched an investment mandate solution with SI focus for our Swiss core affluent and high net worth clients. UBS Investment Management Mandate Switzerland with SI focus is built favoring investment instruments with a high sustainability rating. The investment strategy it follows is in line with the UBS House View and is thereby focusing on financial performance as well as considering environmental, social and governance factors.

Asset Management offers a range of SI funds that combine material sustainability factors with a rigorous fundamental investment process. We apply the concept of shared value, according to which companies pursue sustainability practices and not only create value for the shareholder, but also for a wider range of stakeholders. Our investment themes include renewable energy, environmental stewardship, social integration, healthcare, resource efficiency, and demographics. We also manage seven exchange-traded funds that track MSCI's Socially Responsible Equity Indices (MSCI SRI).

› For more information on responsible investments in Asset Management

› For more information on our sustainable investments



## Research

In response to increasing client demand for integrating sustainability issues into fundamental investment analysis and advisory processes, we research the impact of ESG issues on various sectors and companies. Our specialized teams regularly publish research on topics that will shape our future, including climate change, energy efficiency, resource scarcity and demographics. Our experience and sector knowledge help us determine what is material by raising questions about the effects of environmental, social and governance issues on the competitive landscape in the global sectors we cover, as well as about how companies are affected in relative terms.

In 2015, our Chief Investment Office Wealth Management (CIO) published a series of reports on SI commencing in March, with an overarching publication on the topic “Adding value(s) to investing”. In it, CIO set out the why, what and how of SI, highlighting reasons and motivations to become involved in it, presenting three SI strategies, and advising on how to implement them in portfolios. Following on from this, CIO also published a report focused on integration and exclusion which also set out to dispel a common myth that SI must lead to financial underperformance.

CIO regularly translates key societal and environmental concerns into investment themes as part of its Longer Term Investments series and Wealth Management’s global Research-based Advice (RbA). One important example in 2015 was oncology, with the investment theme identifying companies that develop new treatments for cancer. Wealth Management also raised USD 340 million for the initial close of a UBS oncology impact investing collaboration with MPM Capital.

More broadly, in 2015, RbA featured Performance Plus, which signifies our conviction that success cannot be measured by financial performance alone, but in tandem with performance with regard to the environment, good governance and other key components that make up sustainability and resilience.

For our sustainability-specific strategies in Asset Management, we have developed a leading-edge database of fundamental sustainability data at the company and industry group level that is used alongside valuation data from our analysts to rank the investment universe on both fundamental and sustainability attractiveness.

## Corporate and private banking clients financing and advisory

We provide capital raising and strategic advisory services globally to companies offering products that make a positive contribution to climate change mitigation and adaptation, including those in the solar, wind, hydro, energy efficiency, waste and biofuels, and transport sectors.

For clients that contribute to climate change mitigation and adaptation, the Investment Bank provided equity or debt capital market services in 2015 (total deal value CHF 10 billion) or acted as financial advisor (total deal value CHF 35 billion).

In Switzerland, we support corporate and private banking clients in their energy-saving efforts. As promoted by the Swiss Energy Agency's SME model, clients benefit from the agency's 'energy check-up for small and medium-sized enterprises (SME) at reduced costs and are granted UBS cash premiums for committing to an energy reduction plan within the scheme. Until end of 2014, the Swiss Energy Agency recorded double the target for UBS SME in their overall energy savings which is equivalent to the energy consumption of approximately 400 single-family homes. UBS clients have saved more than 1,800 t/CO2 per annum by end of 2014. In addition, the UBS environmental bonus, launched in 2015, supports corporate clients when upgrading to more environmentally-friendly commercial vehicles. Swiss private clients continue to benefit from the UBS "eco" mortgage when building energy-efficient homes. Our commitment as financial partner in the energy transition in Switzerland continues by our sponsorship of the Swiss Energy and Climate Summit.

> [More about reporting on climate change-related financing & advisory activities](#)

## Case study: Crafting a global impact equities portfolio with measureable social impact

In 2014, Asset Management's Sustainable Investors Team was introduced to a large European fiduciary manager who had a specific request on behalf of one of their major pension fund clients. They wanted to create a bespoke global equities portfolio that seeks to generate strong financial performance and report on the social impact of four categories: climate change, water, health and food security. The request reflects the increasing interest from institutional investors in impact measurement of global equities.

Asset Management successfully responded to this exciting request – with the result that, in 2015 it won a very competitive and cutting-edge mandate with a large Dutch pension fund to craft a global impact equities portfolio with measureable social impact. As this has not been done before, Asset Management is partnering with leading-edge academics on a multi-year research and development effort to develop scientifically based and easy-to-understand social impact metrics that inform on how the portfolio is contributing to solving important social themes, while minimizing the negative impact on the environment and society. Once developed and vetted, these social impact metrics will help influence UBS investment strategies.

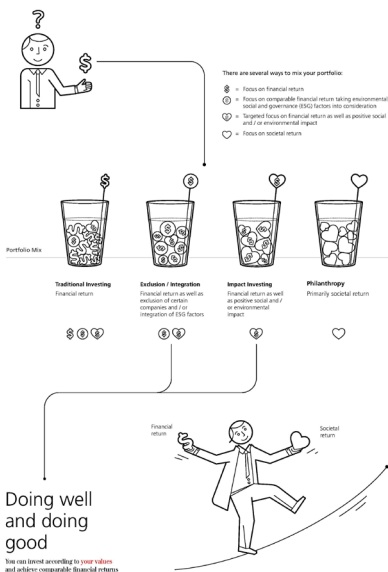
## Sustainable Investing at UBS



### Sustainable Investing

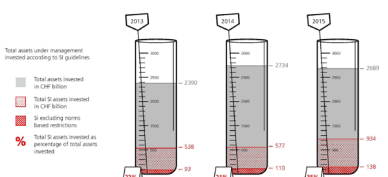
Does my portfolio reflect my values?

What are my options to invest?



### Facts and Figures

on Sustainable Investments (SI)



# Philanthropy



**As one of the first banks engaging in philanthropy, our commitment goes back many years. It is a commitment that is continually reaffirmed, reinforced and expanded.**

We have decided to strengthen and grow our capacity and capabilities in the field of philanthropy to better support our clients in achieving their philanthropic aspirations through innovative solutions. Building on our track record and experience, we have established a global team of in-house experts offering a one-stop professional approach to all aspects of philanthropy, strategic charitable giving and values-based investing. We support clients as they develop their own philanthropic approach by offering them access to a wide range of sustainable philanthropic engagement options across regions and sectors.

The 2015 UBS Global Philanthropy Forum drew a record 150 clients and prospects to St. Moritz, Switzerland for two days of interactive discussion and exchange around the theme “Daring to innovate”. Many of the Forum discussions centered on the phase of “convulsive change” that the world is currently undergoing.

Wealth Management Americas Philanthropic Services convened a one-day client discussion on innovation in the field of autism. The event brought together 30 accomplished experts and families impacted by autism who have the means to make a difference.

## **UBS Optimus Foundation**

**We are unique in the financial industry because we have a foundation with the philanthropic expertise and offering to help clients achieve their philanthropic goals.**

The UBS Optimus Foundation is business-minded in its approach to philanthropy and assesses projects with the same rigor that UBS applies to traditional financial investments. Even the best concepts need the right guidance, and Optimus never assumes a project will work just because it seems like the obvious solution. The foundation challenges assumptions rigorously, and only a very few live up to its tough standards. Optimus looks for projects where it can add value and that can be scaled to make a fundamental difference to the maximum number of children’s lives.

Clients see the benefits of our brand of entrepreneurial philanthropy. Optimus’s start-up mentality means it can act fast and adapt swiftly, yet it has global coverage and is backed by the resources and expertise of UBS. It means that the foundation challenges conventional wisdom and learns from failure. And it means the foundation is able to identify



scalable, transformative projects with proven track records and the greatest potential for sustainable results. In short, Optimus gets more of the money to where it can do the most good. The foundation monitors projects and measures results so it can demonstrate to clients exactly where their money goes and what it achieves. And 100% of clients' donations will go to projects that benefit children because UBS covers all of the Foundation's administrative costs.

2015 was an outstanding year for the UBS Optimus Foundation. Donations rose to an all-time high of CHF 57 million despite the challenging economic environment. This included a UBS contribution of CHF 11 million which multiplied donations from clients and employees. This allowed us to approve more than CHF 60 million in grants to our partners who are working to improve the lives and futures of children around the globe.

› [Read more on philanthropy](#)

› [Read more on the UBS Optimus Foundations](#)

› [Brand Campaign – Will I be remembered?](#)

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## Case study: The UBS Optimus Foundation- transformative, scalable, and sustainable programs that improve lives

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The UBS Optimus Foundation (Optimus) looks for projects where it can add value and that can be scaled to make a fundamental and sustainable difference to the maximum number of children's lives. Among its many successes in 2015 one in particular stands out. Its partner Last Mile Health (LMH) ensures access to quality primary health services for those living in remote communities in Liberia. LMH's workers are members of the communities they serve. They bring critical health services to the doorsteps of people living in the world's hardest to reach places.

The success of LMH's model has been recognized by the Liberian Government and, in December 2015, the Liberian Ministry of Health approved the National Community Health Services Policy and the National Community Health Services Strategic Plan. The scaling up of LMH's model paved the way for Liberia's first National Community Health Worker (CHW) program, which was launched in January 2016. This is a major milestone and will strengthen the national health system significantly, bringing hitherto unavailable healthcare to well over one million Liberians. This sea-change in national health policy didn't happen by chance. Since 2013, LMH has supported the Liberian Ministry of Health in vision-setting and technical design, acting as an advocate for the highest standards of health care supported with evidence from its pilot program in Konobo. It helped organize the meetings, workshops, and planning sessions that were needed to finalize the policy and strategic plan.

For the first time there will now be high professional standards for CHWs in Liberia. In addition to establishing the core principles of a national CHW Program, the final policy includes core elements critical to CHW success, including payment, supervision by clinical supervisors, community engagement and surveillance, reproductive, maternal and neonatal health, and other health services including HIV and TB treatment and advice. And, in addition to bringing basic medical care to remote populations, LMH's capabilities also proved vital in containing the recent Ebola outbreak in Liberia. Optimus was among the first global organizations to directly fund Ebola treatment and prevention efforts as part of a comprehensive medical response. This meant that in the areas where it funded Ebola-related interventions, the outbreak was contained and provided hope to other areas that the outbreak could be halted. In recognition of these efforts in tackling the outbreak both LMH and the Optimus were honored in the Clinton Global Citizen Awards 2015.

How we  
support our  
communities



# Community Affairs



At UBS we know that our long-term success depends on the health and prosperity of our local communities. Our global community investment program focuses on developing skills through support for education and entrepreneurship. We achieve impact through a combination of strategic funding and employee volunteering.

# Our Global Approach

We have two global themes for our community investment: education and entrepreneurship. These were selected because they align with our core business.

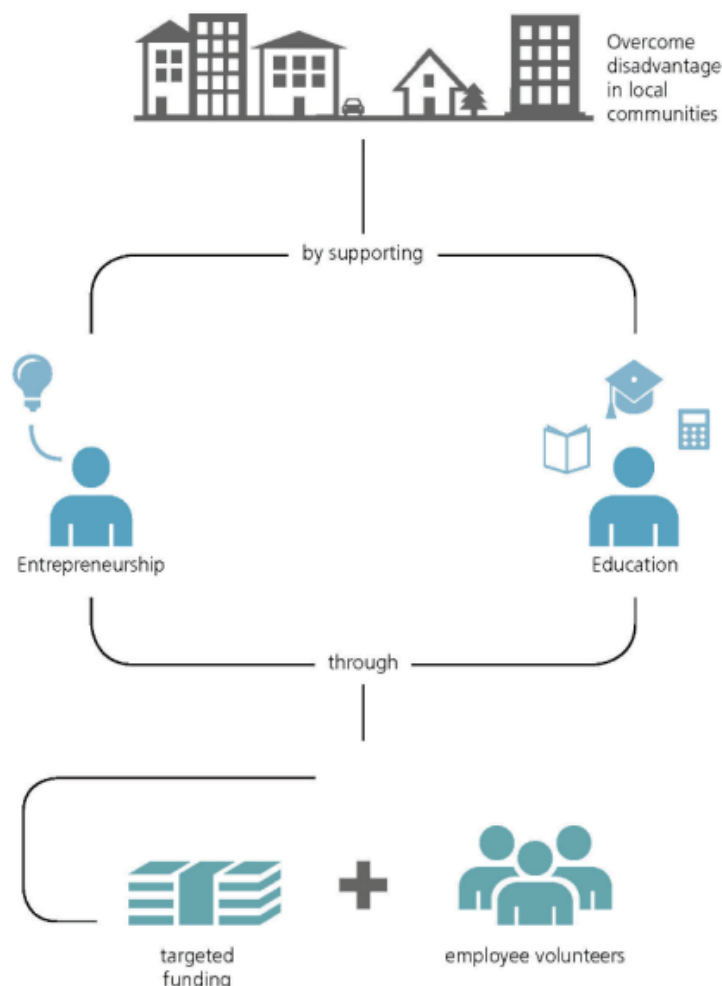
Our approach is founded on building sustainable and successful partnerships with non-profit organizations and social enterprises. We achieve impact through a combination of strategic funding and employee volunteering. UBS employees are key to the success of our community program. By providing diverse opportunities for our employees to volunteer their time and skills in support of our community partners, we seek to maximize our impact.

## Global Community Affairs

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### Our Global Approach

Our longstanding global program of community investment focuses on developing skills through support for education and entrepreneurship. We achieve impact through a combination of strategic funding and employee volunteering.



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### Achievements in 2015

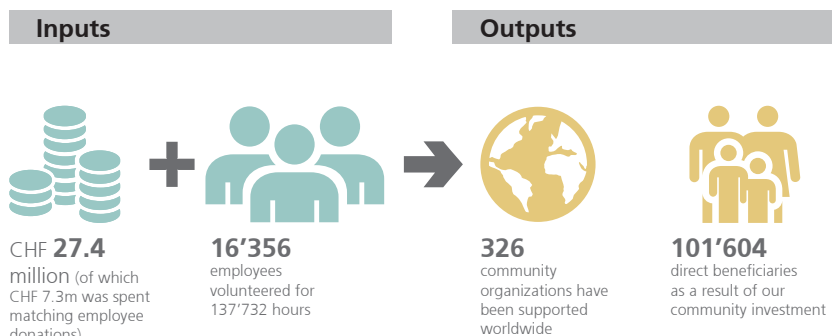
In 2015, we strengthened our global program and strategic focus on education and entrepreneurship through the development of existing and new partnerships in our local communities. In 2015, UBS made direct cash contributions totaling CHF 27.4 million. 91% of UBS's Community Affairs grants were made in the areas of education and entrepreneurship.

Additionally, UBS contributed a total of CHF 37.5m to its affiliated foundations in Switzerland, to the UBS Optimus Foundation and to the UBS Anniversary Education Initiative.

We encourage employee participation by offering up to two working days a year to engage in volunteering efforts. In 2015, 16,359 employees spent 137,732 hours volunteering. This represents 27% of our workforce engaged, an increase of 26% compared to 2014. For the fourth consecutive year, we granted UBS Global Employee Volunteer Awards to employees who had demonstrated outstanding volunteering commitment.

Our contributions have continued to provide substantial benefits to people and projects around the world.

## Community Affairs Investment in 2015



Additionally, UBS contributed a total of CHF 37.5 million to its affiliated foundations in Switzerland, to the UBS Optimus Foundation and to the UBS Anniversary Education Institution.

## 2015 Highlights

Our global program benefits thousands of young people and entrepreneurs in all of the regions in which we operate. Examples of our investments are shown below.

- **Americas:** UBS Americas launched two major initiatives in 2015: Project Entrepreneur, a three-year partnership with Rent the Runway Foundation to grow the pipeline of female founders who are building economically impactful companies; and The TalentED Project, a three-year partnership with Tennessee College Access and Success Network and Discovery Education to help increase the number of low-income, first-generation students getting to and through competitive four-year colleges.
- **EMEA:** We helped launch the Stepping Stones Fund with the City of London Corporation's charity, City Bridge Trust to provide targeted support to social enterprises seeking to increase their impact through social investment. UBS employee volunteers helped assess, coach and then select the grant winners. The first round of funding saw 17 organizations share over GBP 700,000 to improve their social outcomes with the aim of reaching thousands of beneficiaries. We have now launched the second round of funding, with UBS providing both financial support and employee volunteering.
- **Switzerland:** UBS continues to support longstanding charity partner Young Enterprise Switzerland's Company program. More than 4,000 young students founded and ran real-life companies for a year. UBS supports the national final with volunteers and financial means. UBS has also strongly increased engagement for social entrepreneurs in the country by providing mentoring and supporting respective platforms.
- **Asia Pacific:** UBS partnered with Yayasan Emmanuel in Indonesia to support international school teachers to raise the capacity of local elementary school teaching up to international standards. The program engages teachers in a process of experiential learning and reflection, ultimately benefiting school pupils by improving teacher quality.

## Measuring our impact

Using the principles of the London Benchmarking Group's model, we are enhancing our focus on measuring the impact of our community investment globally. In 2015, UBS supported over 100,000 people across our education and entrepreneurship programs. We work with young people globally to help increase their educational attainment, and to acquire workplace skills. Also, we work with entrepreneurs to help them build and scale social businesses which have social impact at the heart of their business model.

In 2015 we sought to enhance our measurement of community impact by piloting a global framework to measure, not just the number of beneficiaries, but also how our support has benefitted them. From our pilot, 5,541 beneficiaries have had their lives transformed as a result of UBS's support. This represents 7% of the number of beneficiaries where the depth of impact was reported. Feedback from the pilot will help us to expand and enhance our reporting mechanisms to assess the depth of impact in future years.

# Switzerland

## Our social commitment in Switzerland



Environment, education and societal issues

UBS employees make a commitment to the community

[Find out more](#)



Doing good together

Our partners for a strong Switzerland

[Find out more](#)



Education as a cornerstone of a strong society

The UBS Education Initiative

[Find out more](#)



A secure future for all

UBS Foundation for Social Issues and Education

[Find out more](#)



A reliable partner for more than 50 years

UBS Culture Foundation

[Find out more](#)

At UBS we know that our long-term success depends on the health and prosperity of our local communities. Our global community investment program focuses on developing skills through support for education and entrepreneurship. We achieve impact through a combination of strategic funding and employee volunteering.

## Contact

### **Curdin Duschletta**

Head Community Affairs & Foundations

› [Send an email](#)



# UBS employee commitment

UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, a donation program and grants support and empower people, projects and organizations in the areas of education and entrepreneurship as well as the environment, societal issues and culture. Our goal is to make an active contribution to shaping the future of Switzerland as a strong business location.

[UBS Employee Volunteering](#) | [UBS Employee Donations](#) | [A Helping Hand from UBS Employees](#)



## UBS Employee Volunteering

As one of the biggest employers in Switzerland, UBS feels that it has a particular obligation to local communities. We encourage our employees to get involved actively and, together with the firm, fulfill their societal responsibilities. To this end, every year we offer all employees in Switzerland the opportunity to take part in over 100 charitable activities covering every part of the country. UBS provides two paid workdays per year for participation in these activities.

### The focus is on four areas and employee:

#### Environment

Together with organisations such as Swiss Parks Network, the Swiss Foundation for Landscape Conservation and the Swiss Hiking Federation, UBS organizes various volunteering opportunities. Employees from all over Switzerland help to build dry stone walls, clear footpaths and care for meadows and woodland edges.

#### Societal issues

Day trips with retirement home residents, a day of work in a workshop for disabled people or an assignment with paraplegic youngsters: UBS employees join forces with various organizations dedicated to helping disadvantaged people. This results in exciting encounters, through which both sides benefit from insights into the different ways people live.

#### Education

Numerous UBS employees work as mentors and support schoolchildren with learning difficulties for a year. Working as a mentor not only requires a great deal of patience and empathy but also takes up a considerable amount of personal time. Volunteers are rewarded with children who overcome their initial difficulties step by step and who for the most part are able to improve their school performance at school.

## Entrepreneurship

How does a company work? How can I recognize the correlation of economic circumstances and events? During volunteer assignments in schools, UBS employees familiarize schoolchildren with the subject of business, for example during the Schmidheiny Foundation's "Business Weeks."

### UBS employees are involved with the following organizations, among others:

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#### Bildungswerkstatt Bergwald

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

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

> [www.bergwald.ch](http://www.bergwald.ch)

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#### Ernst Schmidheiny Foundation

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Schule plus Wirtschaft

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

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

> [www.esst.ch](http://www.esst.ch)

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#### Jurapark Aargau

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Jurapark Aargau is a park of national importance and stands out due to its beautiful landscapes, rich biodiversity and significant cultural assets. Among its most important natural treasures are sparse pine forest, bright slopes covered in orchids, rocky steppe and vineyards. Jurapark is dedicated to preserving and enhancing these valuable habitats and their diversity of species.

As part of its volunteer program UBS Employee Volunteering, UBS carries out employee assignments in Jurapark Aargau, thereby supporting the preservation of the park's unique landscape.

> [www.jurapark-aargau.ch](http://www.jurapark-aargau.ch)

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#### Naturama Aargau

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

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

> [www.naturama.ch](http://www.naturama.ch)

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## Gantrisch Wildlife Park

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Gantrisch Wildlife Park is famous for its extensive moorland landscapes, alpine meadows, large areas of forest and the Sense-Schwarzwasser riverscape with its impressive canyons. The care and preservation of these valuable habitats and their biodiversity is one of the key aims of Gantrisch Wildlife Park.

UBS supports the preservation of the park's unique landscape through volunteer assignments by its employees.

› [www.gantrisch.ch](http://www.gantrisch.ch)

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## Züriwerk Foundation

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

UBS employees regularly perform social work for Züriwerk, working together with the handicapped in production locations.

› [www.zueriwerk.ch](http://www.zueriwerk.ch)

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## The Swiss Foundation for Landscape Conservation

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

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

› [www.sl-fp.ch](http://www.sl-fp.ch)

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## Young Enterprise Switzerland

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



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

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

› [www.young-enterprise.ch](http://www.young-enterprise.ch)

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## **UBS Employee Donations**

UBS Employee Donations is a program that benefits ten Swiss charitable organizations per year. All employees who work in Switzerland can support these selected charitable organizations through donations. UBS matches donations of up to CHF 3,500 per person, per year.

When choosing projects, UBS attaches importance to contributing to a broad range of charitable activities at home and abroad. These range from supporting poor families in Switzerland and the support of educational projects in countries in the developing world. The careful vetting of organizations ensures that employees' donations are used effectively and efficiently.

UBS also works with the Swiss Red Cross and the UBS Optimus Foundation Emergency Rapid Response Fund. In the event of disasters, the two partners make it possible for UBS employees to donate quickly and without unnecessary bureaucracy.



### **A Helping Hand from UBS Employees**

“A Helping Hand from UBS Employees” is a politically neutral and non-denominational organization that was founded around 40 years ago under the initiative of UBS employees. The organization supports projects that improve the quality of life of many people in Switzerland who have physical, mental or multiple disabilities. UBS employees and retirees support the organization through membership contributions and monetary donations. The organization’s board, made up of committed UBS employees, meets to determine the support of projects at regular intervals. The board members work as volunteers. UBS provides the required infrastructure, assumes the administrative costs and matches all donations as well as annual membership contributions. This means that the carefully selected projects benefit from donations and contributions in their entirety. Furthermore, efficient processes ensure that financial support goes directly and without unnecessary bureaucracy to the recipients.

#### **Examples of projects that have been supported by “A Helping Hand from UBS Employees.”**

##### **Foundation Swiss School for Guide Dogs for the Blind**

The East Switzerland Foundation School for Guide Dogs for the Blind (OBS) makes a major contribution to helping blind and visually impaired people tackle everyday life by carefully training guide dogs. “A Helping Hand from UBS Employees” donated part of the training costs of guide dog “Sambo” and supported his entire training program.

##### **Sailability.ch**

The organization Sailability.ch helps people with special needs in Switzerland to enjoy the sport of sailing. The organization maintains several sailing dinghies on Lake Constance that can be used by people with a disability. “A Helping Hand from UBS Employees” supports this project and financed two crew lifts for sailability.ch to make boarding easier for people with impaired mobility.

# Our partnerships in Switzerland



## Sustainable outcomes through long-term partnerships

UBS supports organizations and projects that make a contribution to the welfare of society in Switzerland. The firm focuses on the areas of education and entrepreneurship. UBS aims to maintain long-term partnerships when providing support in order to ensure outcomes are sustainable. In this way, a close and cooperative partnership is built up between charitable organizations and UBS that can do long-lasting good.

### UBS works with the following organizations, among others:

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#### Bildungswerkstatt Bergwald



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

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

> [www.bergwald.ch](http://www.bergwald.ch)

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#### Ernst Schmidheiny Foundation



Schule plus Wirtschaft

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

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

> [www.esst.ch](http://www.esst.ch)

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## Naturama Aargau

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

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

> [www.naturama.ch](http://www.naturama.ch)

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## Philias Foundation

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

> [www.philias.org](http://www.philias.org)

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## Swiss Red Cross

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

## The Swiss Foundation for Landscape Conservation

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

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

> [www.sl-fp.ch](http://www.sl-fp.ch)

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## Züriwerk Foundation

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

UBS employees regularly perform social work for Züriwerk, working together with the handicapped in production locations.

> [www.zueriwerk.ch](http://www.zueriwerk.ch)

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## Young Enterprise Switzerland

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



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

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

> [www.young-enterprise.ch](http://www.young-enterprise.ch)



# Americas

## Our social commitment in the Americas



### Program Overview

“With the challenges we face in today’s world, I believe we have a tremendous opportunity to dedicate resources, time and energy to making a positive impact in towns and cities across the Americas.”

- Bob McCann, Chairman Americas

[Learn more](#)



### UBS NextGen Leaders

UBS NextGen Leaders, our signature Americas education initiative, aims to empower high-potential, lower-income, first-generation college-goers with the skills, knowledge and experience to succeed in college and beyond.

[Learn more](#)



### UBS Elevating Entrepreneurs

Elevating Entrepreneurs is philanthropic portfolio of partnerships and programs committed to bringing the right resources, to the right entrepreneurs, to help spur economic growth.

[Learn more](#)



### UBS Community Corps

For our strategic initiatives to be successful, we need a strong foundation of service from which to build. UBS Community Corps introduces a new way forward for volunteering in the Americas that enables our people to serve their communities in ways that are meaningful to them.

[Learn more](#)

As one of the leading financial services companies in the world, we spend countless hours each day enabling clients to create lives that are meaningful to them. Our goal is to do the same for our communities through our global focus areas of entrepreneurship and education. UBS Community Affairs & Corporate Responsibility, Americas is dedicated to providing under-resourced, high-potential individuals with access, advice and education to help develop more enterprising communities. This is achieved through signature philanthropic initiatives, strategic partnerships, employee volunteering and local giving.

### Contact us

[Community Affairs & Corporate Responsibility, Americas](#)

# Program Overview

## Overview

Today's philanthropic landscape is evolving more rapidly than ever before, and the need for strong corporate citizens has never been greater. At UBS, we understand this and are committed to establishing strong partnerships and initiatives to tackle the opportunities ahead. It starts with a simple belief that every dollar and volunteer hour matters. With that in mind, we have a clear vision for the future – to help build stronger communities where everyone has the opportunity to fulfill their potential and achieve financial independence.

## Our Strategic Focus Areas: Entrepreneurship and Education

In all of our efforts, we focus on what we do best—advising and guiding our clients. As one of the leading financial services companies in the world, we spend countless hours enabling clients to create lives that are meaningful to them. Our goal is to do the same for our communities through our global focus areas of entrepreneurship and education. UBS Community Affairs & Corporate Responsibility, Americas is dedicated to providing under-resourced, high-potential individuals with access, advice and education to help develop more enterprising communities. This is achieved through signature philanthropic initiatives, strategic partnerships, employee volunteering and local giving.

## Our programs



### UBS Elevating Entrepreneurs

A philanthropic portfolio of partnerships and programs committed to bringing the right resources, to the right entrepreneurs, to help spur economic growth.



### UBS NextGen Leaders

Our signature Americas education initiative, which aims to empower high-potential, lower-income, first-generation college-goers with the skills, knowledge and experience to succeed in college and beyond.



### UBS Community Corps

For our strategic initiatives to be successful, we need a strong foundation of service from which to build. UBS Community Corps introduces a new way forward for volunteering in the Americas that enables our people to serve their communities in ways that are meaningful to them.

To view the Community Affairs & Corporate Responsibility, Americas downloadable Fact Sheet, click [here](#).

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## Financial contributions:

In the Americas, we donated \$15 million to nonprofit organizations in 2014.\* Globally, the firm contributed CHF 27.2 million over the same period.

\*UBS Annual Report 2014

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## Additional Services:

In addition to UBS Community Affairs & Corporate Responsibility, UBS Americas makes an impact through:

### UBS Client Philanthropic Services

Client Philanthropic Services provides subject matter expertise, thought leadership, advice, products and solutions that help our clients make a positive change through their giving and philanthropic interests.

### UBS Bank USA Community Development Group

UBS Bank USA (BUSU) is a \$40 billion-plus FDIC-insured bank that invests locally through loans, investments, donations and services targeted to benefit low and moderate income individuals, families and underserved communities.



# UBS Community Corps

## Overview

For our strategic initiatives to be successful, we need a strong foundation of service from which to build. UBS Community Corps enables Americas employees to serve their communities in ways that are meaningful to them.

In 2014 in the Americas, approximately 3,500 employees spent more than 29,500 hours volunteering. Globally, over 12,400 UBS employees volunteered 103,500 hours in the community over this period.

UBS Community Corps is anchored by our annual:



## Season of Service (SoS)

Each year we galvanize employees across the Americas to serve in their communities during our Season of Service campaign. Running from June through August, this program allows us to bring the UBS Community Corps together en masse and make a difference in local markets. UBS encourages participation by recognizing employees and their contributions via social media, internal channels and through friendly competition.

In addition to our annual SoS, UBS employees can stay involved in service throughout the year by leveraging:



## Employee Volunteer Grants

In an effort to encourage active participation year-round, individuals and employee groups who come together to volunteer in the community are eligible to request a grant in support of their service.



## Skills-based Volunteering Partnerships

We target partnerships that engage our employees and their skills in consistent and meaningful ways. Such partnerships include: Good Shepherd Services, American Corporate Partners, iMentor, Junior Achievement, and Citizen Schools.



## Paid Time Off to Volunteer

Employees are encouraged to volunteer whenever it works best for them – even if during the workday. This program allows eligible employees to take up to two days off per year to pursue volunteer activities with approved 501(c)(3) organizations.

UBS also offers matching gifts for all full-time employees to support their interests in the community.

# APAC

## Our social commitment in Asia Pacific



### Program Overview

UBS has a strong tradition of volunteerism in Asia Pacific

[Find out more](#)



### Employee Engagement

UBS has long term partnerships with 60 community groups across 13 locations

[Find out more](#)



### CSR in APAC brochure

Our employee and community affairs programs in Asia Pacific focus on educational and entrepreneurship projects

Our employee and community affairs programs in Asia Pacific focus on educational and entrepreneurship projects across the 13 locations where we operate in the region.

UBS has a strong tradition of volunteerism in Asia Pacific. In 2013, over 3,000 employees in the region volunteered almost 28,000 hours. Our employees in the region participate in activities such as matched-giving schemes, direct cash donations to selected organizations, employee volunteering, and disaster relief efforts. Beyond philanthropic contributions, we provide our partners with in-kind support such as skill-based volunteering, pro-bono assistance and donations of equipment and resources.

UBS has long term partnerships with 60 community groups across the region, with the aim of contributing to the well-being of these communities.

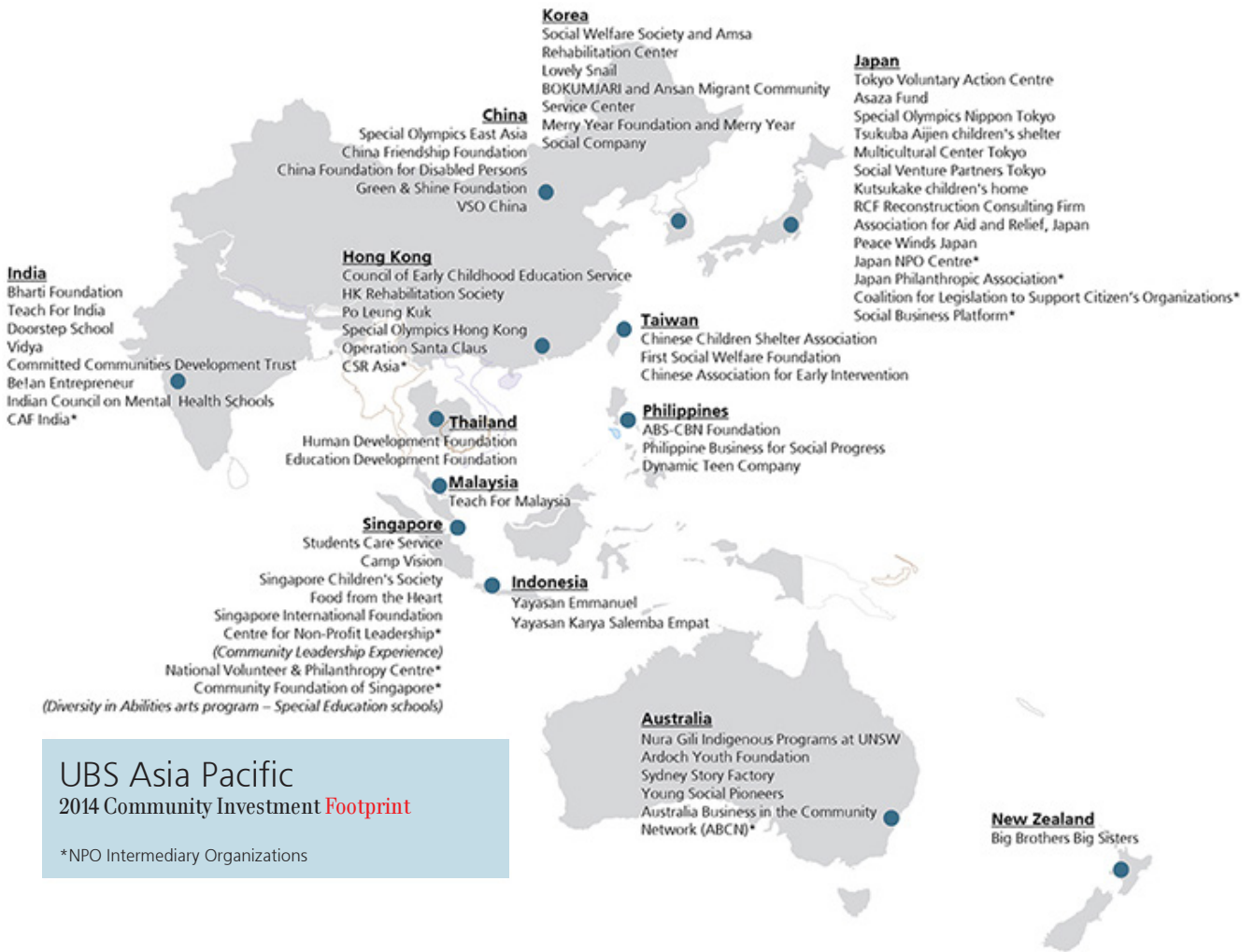
### Contact

#### **Leona Tan**

Regional Community Affairs,  
Diversity & Inclusion Advisor,  
APAC

[Send an email](#)

# Program Overview



UBS has 60 community partners across 13 countries where UBS does business in the Asia Pacific region.



# Employee engagement

UBS has a strong tradition of volunteerism in APAC. In 2013, 44% of APAC staff volunteered, which was double the global average. In total, our region volunteered almost 28,000 hours across various Community Affairs projects. Across the region, UBS employees continue to volunteer in a diverse variety of both skill-based and grassroots programs. Clients and family members are also often invited to join in.



## Key highlights:

- In 2014, the UBS Finance Academy program in Sydney marked its 12th anniversary, and over the years has provided more than 550 public school students with first-hand insight into the world of finance and exposure to UBS. Over the course of the program, students were provided with the opportunity to listen to, and interact with, key industry figures. Students also gained practical knowledge of financial markets through “day in the life” presentations, merger and acquisition case studies and a field trip to both UBS’s live trading floor and CNBC’s filming studio.
- In 2013, during the Regional Volunteer Experience, volunteers from across Asia Pacific travelled to Japan and joined local volunteers to work together on the Team Tohoku program in the remote north-eastern community of Kamaishi City, aimed at helping the community get back on its feet following the 2011 tsunami. In June 2014, UBS and its local NGO partner RCF signed a three-way declaration with Kamaishi underscoring their joint commitment to continue activities aimed at revitalizing the city.
- In its third year, Singapore’s Diversity in Abilities arts program, targeted at bringing visual and performing arts to children in special education, was awarded Singapore’s National Arts Council Patron of the Arts Award 2013. More than 140 children have been trained by renowned local and regional artists, culminating in stage productions and art exhibitions featuring Singapore’s Minister of Education.
- Po Leung Kuk (PLK), founded in 1878, has evolved into a diversified group offering a wide-range of social services for disenfranchised groups in the community. It currently runs over 260 units in Hong Kong, providing welfare, educational, recreational and cultural services to the community. UBS supports Po Leung Kuk through the Children’s Development Program (CDP) and Baby College (BC) where UBS employees provide extra-curricular kindergarten to secondary level English and Putonghua courses for children from low income families.

# EMEA

## Our social commitment in EMEA



“Helping people reach their potential”

“UBS EMEA employees share their time and skills with their local communities. In 2015, this amounted to over 21,000 hours” Ulrich Koerner, President UBS EMEA



We support Education and Entrepreneurship because this is where we can make the biggest difference

Last year thousands of young people in London improved their educational attainment and employability skills with our support.

[Find out more](#)



3,808 UBS EMEA employees volunteered in the community last year.

“I was predicted a C but my Spanish language mentor said don’t settle for that – so I decided to go for an A – and he said why not an A\* – and that’s what I got!”

[Find out more](#)



UBS has received many awards for its community program.

UBS’s Hakan Habip was recognised as one of Trukey’s first ‘100 Changemakers’ by the prestigious Sabanci Foundation for his support for UBS partner charity BKD Science Heroes.

[Find out more](#)

For over 30 years, UBS has worked to overcome disadvantage in our local communities by supporting education and entrepreneurship. In EMEA we do this by funding a small number of long-term community partners, and through the commitment and skills of our people who contributed over 20,000 hours to the community in 2015.

### Contact

#### Nick Wright

Head of Community Affairs and Corporate Responsibility EMEA

[Send an email](#)

# Program overview

We aim to overcome disadvantage by supporting education and entrepreneurship in our local communities, through funding and the commitment and skills of our people.

## **Why Education and Entrepreneurship?**

We focus on Education and Entrepreneurship because these are the issues where UBS can make the most impact.

Our aim is to increase the number of people in our local communities who have the right qualifications, employability and enterprise skills, confidence and aspirations to reach their potential.

Thousands of UBS employees each year share their workplace and enterprise skills with people in our local communities and many hundreds of young people from our local communities come in to UBS to learn about the careers available to them through workshops, work experience and internships.

## **There are two main components to our strategic program:**

### **Funding**

UBS works to transform the lives of people in our local communities, through long-term community partnerships that strive to make sustainable impact. UBS supports non-profits, charitable organizations as well as social enterprises.

### **Volunteering**

UBS employees are given two days paid leave to give their time and skills to charitable and community organizations.

In addition, UBS supports our employees' personal donations by matching donations to approved charitable organizations in their home locations.

[Find out more about our EMEA program](#)

# EMEA highlights

Across EMEA, UBS works with a range of community partners, with the common aim of giving people the skills and confidence they need to achieve their potential.

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## UK - The Bridge Academy

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In the UK, we partner The Bridge Academy - a school for 11-18 year olds - in one of the most disadvantaged areas of London. The partnership started with a £1 million donation from UBS, which was matched by a valued Wealth Management client.

UBS is 100 percent engaged in the life of The Bridge Academy. Since 2003, 4,500 employees have volunteered nearly 50,000 hours of their time and UBS employees, clients and suppliers have donated more than £1 million. The range of support is enormous. Five UBS Managing Directors are governors of the Academy; every senior student has the opportunity to be matched with a UBS mentor; hundreds of volunteers support workshops and placements that develop work-related learning skills; over 100 employees are involved in subject-specific activity from Maths mentors to Spanish language partners; and, each week, 30 employees go to the Bridge before work to help with essential literacy and numeracy.

“The partnership with UBS attracted me to the Bridge and is one of the reasons I want to attend Sixth Form there. They invest time in the student. The funding is great, but it’s the UBS volunteers that have made the biggest impact on me. People from the Bridge will come back to work at UBS.” Ife Grillo, Year 12 student.

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## Israel - The Sky is the Limit

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The Sky is the Limit aims to transform at-risk youth into socially involved citizens, by developing their sense of self-worth and ensuring an ability and desire to account for their future and communities. In the course of UBS’s support, the children The Sky is the Limit works with have founded projects to instigate community change. One group identified a community need for healthy youth recreation and initiated a youth movie theater in their local community center.

UBS has supported the enterprise, not just through funding but also through a mentoring and counselling program. In addition, UBS offers in-kind support where possible such as allowing The Sky is the Limit to hold board meetings at UBS offices four times a year.

“The team that is mentoring us is very devoted, dedicated and wants nothing but our success.”  
Moriah Ben Ami, CEO, The Sky is the Limit

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## South Africa – Maths Centre

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Maths Centre is a not-for-profit educational organization that strives to improve maths, science and technology education in South Africa by equipping teachers and learners with maths materials and training.

UBS has been supporting the Maths Centre since 2001. For over a decade we have been funding workshops and accredited training for students and teachers in disadvantaged townships. Fundraising by employees supplements UBS’s contributions.

Currently UBS is providing funding towards the development and accredited qualification of 20 teachers working in six schools and eight early childhood development centers supporting 500 children each year. As a result of our donation, learners and teachers will benefit from in-classroom assessment and training, workshops and ongoing progression monitoring which will lead to an accredited qualification.

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## Poland - Krakow Business Starter

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Krakow Business Starter is a training program for young entrepreneurs that UBS founded in 2013. Each year, 25 students and graduates from Krakow universities participate in workshops created and presented by UBS employees, Academic Business Incubator (AIP) Krakow and business practitioners. The workshops are intended to develop each participant’s entrepreneurial skills and assist them in setting up their first company.

UBS volunteers assist students in creating a business plan and present workshops to help build their communication, networking, presentation and IT skills. Incubation and mentoring is offered to the best 10 start-ups chosen by the organizers. After six months, one to three start-ups are selected and given a grant of 10,000 PLN.



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## Italy - I Dolci del Paradiso

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From a meeting with an existing charity partner conducted over tasty pastries, UBS came to learn of pastry production at our partner's therapeutic center for drug addicts. We learnt the pastry making fostered creativity and facilitated recovery and rehabilitation.

UBS was inspired to support the partner to develop and launch a social enterprise with funding and skills and expertise such as business planning, project management, HR, marketing and communications support. After over half a year of planning and preparation, in December 2012 the initiative was officially launched at an internal UBS event with guests from the therapeutic center serving cakes to all of our employees.

Today I Dolci del Paradiso is a self-financing work integration social enterprise (WISE) selling its products through an online shop, showroom and catering services. I Dolci del Paradiso pastries are served in UBS Italia client meeting rooms every day.

# Employee volunteering

In 2015 in EMEA, 3,808 UBS employees volunteered in the local community.

Here is what it means to them and our community partners in their own words:

### Teach First

UBS volunteer Janet Wigglesworth has been coaching Teach First teachers for a number of years, providing individual support and guidance as they train and teach specifically in schools in low-income communities.

Teach First teacher Jessica first met Janet at a Teach First 'speed dating' event matching teachers and volunteer coaches. The two clicked and Janet began coaching Jessica. Janet supported Jessica to transition to a new leadership role.

Through the coaching sessions, Jessica noticed an improvement. One of Jessica's long-term goals is to be head teacher one day. The coaching sessions facilitate development of goals like Jessica's.

"When I received an email from Community Affairs regarding the Teach First initiative the concept immediately appealed to me...Over the past few years I have coached five teachers, all with different objectives and challenges...It made me realize how critical they are as role models to help inspire young people to reach their potential."

"I recently became head of the department and am focusing on what I want to achieve during the sessions. It's useful having someone who knows about management and getting people to buy into ideas."

### Bridge Academy Work Experience

Every year, UBS hosts Bridge Academy students for work experience in various departments of the business. Hosting a Bridge Academy students for work experience placements gives Nick Denton the opportunity to align his values within his work and a chance to create a culture of volunteering within his team.

"I am generally always inspired to bring in youngsters; I like the idea of having people in and giving them a chance to experience work. The students asked lots of questions which kept us on our toes and stopped us making assumptions about the way that we work. It's always nice to have fresh ideas."

# External recognition

UBS's Community Affairs program has an outstanding reputation and has received numerous awards:

- Ten Dragon Awards including the Lord Mayor's 25th Anniversary Award 2012, for the company that has made more impact in the community in London than any other in the last 25 years
- Three Business in the Community (BITC) Awards for Excellence including Employee volunteering Award Winner 2013
- Two Better Society Awards: Partnership with a National Charity (2016) and Commitment to the Community - National Company (2015)
- National CSR Award in 2016 for Best Community Development
- Two Corporate Engagement Awards: Most effective long-term programme (Gold) and Best educational programme (Silver)
- UBS in Poland received an award for the "Top Corporate Social Responsibility (CSR) Initiative of the Year 2013" at the Poland Outsourcing and Shared Services Awards
- UBS in Italy was awarded the Best Newcomer in the 2011 BITC European Employee Volunteering Awards
- UK Prime Minister's Big Society Award 2011

"UBS's partnership with the Bridge Academy has created invaluable opportunities for the Academy's pupils, their local community, and for UBS's staff. It has been and continues to be a leading example of what business-community partnerships can achieve, and I congratulate everyone involved."

The Rt Hon David Cameron MP, UK Prime Minister

# Awards & recognition

## **Government's Volunteering Award 2015**

Awarded by the Japanese Ministry of Health, Labor & Welfare for UBS's exemplary service to the Japanese community

## **The Corporate Engagement Awards 2015 – Most effective long-term programme (Gold) and Best educational programme (Silver)**

Awarded for our UK Community program, and especially our partnership with the Bridge Academy.

## **Better Society Awards 2015 - Commitment to Local Community Award: National Company**

An award for a company that has actively aided and engaged with its local communities, looking beyond financial contributions to how resources have been deployed to create long-lasting impact.

## **Business in the Community (BITC) CommunityMark award 2014 - 2017**

The UK's highest award for businesses that demonstrate how they maximize positive and minimize negative community impacts

## **BITC - London Employee Volunteering Business of the Year 2013 and 2014**

Recognizes the dedication, leadership and positive contributions of volunteers in the local community

## **Big Tick Award for Education 2014, reaccredited 2015**

Awarded for our close partnership with the Bridge Academy. This program was especially noted for its significant and focused impact

## **"Top Corporate Social Responsibility (CSR) Initiative of the Year 2013" award**

(at the Poland Outsourcing and Shared Services Awards)

For UBS's Poland operations

## **Singapore's National Arts Council Patron of the Arts Award 2013**

For UBS Singapore's Diversity in Abilities arts program, targeted at bringing visual and performing arts to children in special education

## **Business in the Community Responsible Business Award - London and South East Volunteering Company of the Year, 2013**

In recognition of the efforts of our 2,000 UK employee volunteers

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

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

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

For UBS and its Bridge Academy partnership

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

In the "Digital media - employees" category

## **Lord Mayor's Dragon Award for Community Partnership, 2010, UK**

Community organization, Hidden Art, received this award, recognizing their long-standing partnership with UBS.

## **Business in the Community's Awards for Excellence, 2010, UK**

Awarded three "Big Ticks" as follows:

- In the "Building Stronger Communities" category for our impact in Hackney, over the last 20 years;
- Our work with The Bridge Academy to build an outstanding education-business partnership; and
- Project Shoreditch - a partnership with East London Business Alliance, UBS, Linklaters, British Land and Hammerson (formerly including Deutsche Bank) which aims to support the regeneration of Shoreditch through employee volunteering.

## **Employee Volunteer of the Year Awards, East London Business Alliance 2010**

For 12 consecutive years, our employees have received awards for their volunteer work in East London.

# Info center

- ⌵ How we do business
- ⌵ Governance
- ⌵ Key Policies and Guidelines
- ⌵ External Commitments and Memberships
- ⌵ Combating financial crime
- ⌵ Our Employees
- ⌵ Sustainability Disclosure 2015
- ⌵ Our stakeholders
- ⌵ Ratings and recognitions
- ⌵ Training and raising awareness
- ⌵ Sustainable performance and compensation
- ⌵ History of corporate responsibility at UBS
- ⌵ Environment and human rights
- ⌵ How we support our clients
- ⌵ Our sustainable products and services
- ⌵ Suitability
- ⌵ Voting rights



# How we do business

## Governance

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### Board of Directors and sustainability

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

All BoD committees have responsibilities and authorities of direct relevance to our goal of creating sustainable value. The Governance and Nominating Committee, for instance, addresses all relevant corporate governance issues affecting the UBS Group. The Compensation Committee supports the BoD in its duties to set guidelines on compensation and benefits and evaluates the effectiveness of pay for performance across the firm. While the Risk Committee reviews and proposes to the BoD the guiding principles and framework for risk management and control (including risk appetite, delegation of risk authorities and major risk limits) relative to UBS's operations and recommend any required changes to that framework.

The [Corporate Culture and Responsibility Committee \(CCRC\)](#) shoulders the main undertaking for corporate culture, responsibility and sustainability. As set out in its charter, the CCRC supports the Board in its duties to safeguard and advance the Group's reputation for responsible and sustainable conduct. Its function is forward-looking in that it monitors and reviews societal trends and transformational developments and assesses their potential relevance for the Group. The CCRC's function also encompasses the monitoring of the current state and implementation of the programs and initiatives within the Group pertaining to corporate culture and corporate responsibility. For the UBS and Society platform, the CCRC defines the strategic direction and goals.

Senior-level committees in charge of key aspects of corporate responsibility and sustainability include the UBS and Society Operating Committee, which we established in 2015 to oversee and coordinate the execution of the UBS and Society program. The Committee is chaired by the Wealth Management and Asia Pacific Presidents, who are also the GEB sponsors of the program.

The Global Environmental & Social Risk Committee, also at GEB level, defines the environmental and social risk (ESR) framework and independent controls that align UBS's ESR appetite with the UBS and Society program. It is chaired by the Group Chief Risk Officer, who is responsible for the development and implementation of principles and appropriate independent control frameworks for ESR within UBS.

The GEB oversees our efforts to combat [money laundering, corruption and terrorist financing](#). These efforts are led by a dedicated financial crime team of anti-money laundering (AML) compliance experts. Also overseen by the GEB is our approach to [diversity and inclusion](#). We have a global head of diversity and inclusion to drive a group-wide strategy complemented by divisional and regional initiatives.

## Key Policies and Guidelines

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### Code of Conduct and Ethics

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The "Code of 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.

[www.ubs.com/code](http://www.ubs.com/code)

### UBS and Society Policy

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The UBS and Society policy defines principles and responsibilities for embedding sustainability systematically across all relevant business and for implementing the ethical standards defined in the Code of Conduct and Ethics that govern UBS's interaction with society and the environment.

› [UBS and Society policy](#) 

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## Combating financial crime

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We have developed extensive policies intended to prevent, detect and report money laundering, corruption and terrorist financing. These policies seek to protect the firm and our reputation from those who may be intending to use UBS to legitimize illicit assets. Anti-corruption policies and procedures are in place in all business divisions, which aim to prevent bribery occurring throughout our operations. These policies are derived from the standards that are set out in the Group Policy Against Corruption and the Group Policy on Gifts and Business Entertainment.

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## Community Affairs

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A set of global Guidelines are in place which set out UBS's Community Affairs activities. They seek to ensure a coherent and consistent approach to Community Affairs globally. They outline 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 organizations made by UBS.

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## Whistle-blowing protection

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UBS encourages all employees to immediately report any potential violations to their line manager or local compliance officer. Employees can also report them confidentially to the Legal or Compliance & Operational Risk Control teams, using whistle-blowing procedures. UBS will never punish or reprimand anyone who reports these kinds of breaches or violations in good faith. And UBS expects its line managers to escalate and report any violations of laws, rules, regulations, policies, professional standards and the principles of the Code of Conduct and Ethics. All employees have easy access to anonymized, free, internal or external mechanisms for reporting potential violations.

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## Modern Slavery Act 2015 - Holding Statement

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UBS welcomes the UK's implementation of the Modern Slavery Act 2015 (the "**Act**") as an important step towards the prevention of modern slavery. UBS will comply with the requirements of the Act by publishing a statement in 2017 setting out the steps it has taken to ensure that modern slavery is not occurring in its supply chain or own organization.

We aim to ensure that our social and environmental values are being followed throughout the supply chain. Since 2008 a firm-wide set of guidelines provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labour rights, the environmental protection and corruption. A central component of these guidelines is the UBS Responsible Supply Chain Standard to which our direct suppliers are bound by contract. UBS requires its suppliers to apply the same standards in the relationships with their suppliers.

UBS applies an Environmental and Social Risk ("**ESR**") Policy Framework to identify and manage potential adverse impacts to human rights, as well as the associated risks our clients' and our own assets are exposed to. ESR is deeply rooted in UBS's culture, governs client and supplier relationships and applies firm-wide to all activities. It meets the highest industry standards as vetted by external auditors and recognized by environmental, social, governance ratings. It is integrated in management practices and control principles and overseen at the most senior level of UBS.

# External Commitments and Memberships

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Actively advancing corporate responsibility & sustainability worldwide

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## Sustainability & Corporate Responsibility

- [UN Environment Programme Finance Initiative](#) (UNEP FI – member since 1992)
- [Principles for Responsible Investment](#) (PRI – AM signatory since 2009)
- [Swiss Sustainable Finance](#) (members since 2015)
- [UN Global Compact](#) (signatory since 2000)
- [Global Compact Network Switzerland](#)
- [Global Impact Investing Network](#) (GIIN – member since 2011)
- [Sustainable Finance Geneva](#) (member since 2012)
- [Association for Environmental Management and Sustainability in Financial Institutions](#) (VfU member since 1996)
- [Swiss Better Gold Association](#) (member since 2014)
- [Business in the Community](#) (founding member)
- [Institute of Business Ethics](#) (IBE – subscriber since 1987)
- [Conference Board](#)
- [USSIF](#) (member since 2015)
- [CSFI](#) (member since 2015)

## Human rights

- [Thun Group of Banks](#) (founding participant in 2011 and convener)
- [UNEP FI work / research on human rights](#) (participant in project)
- [LBMA Responsible Gold Guidance](#) (founding member of LBMA in 1987)
- [University of Zurich Competence Center for Human Rights](#) (UZHR – member of advisory board)
- [Swiss Center of Expertise in Human Rights](#) (SCHR – member of advisory board)

## Environment & climate

- [CDP](#) (founding signatory in 2002 of the Carbon Disclosure Project)
- Banking Environment Initiative's and Consumer Goods Forum's [Soft Commodities Compact](#) (member since 2013)
- [Roundtable on Sustainable Palm Oil](#) (RSPO – member since 2012)
- [Zurich Energy Model](#) (founding member in 1987)
- [Swiss Energy and Climate Summit](#) (Premium Partner since 2013)
- [RE100](#) (member since 2015)
- ISO 14001 certified Environmental Management System

## Transparency & reporting

- Global Reporting Initiative (user of GRI G4)
- [SASB](#) (Sustainability Accounting Standards Board, member of board of directors since 2013)
- ISO 14064 certified GHG Emissions

## Other

- [Wolfsberg Group](#) (founding member in 2000)
- [European Venture Philanthropy Association](#) (EVPA – member since 2007)
- [Global Apprenticeships Network](#) (GAN – member since 2013)

# Combating financial crime

We take a rigorous risk-based approach in our commitment to combating money laundering, corruption and terrorist financing. We are also committed to complying with sanctions laws.

Our policies and procedures are designed to detect and mitigate financial crime-related risks. We adhere to strict know-your-client rules and use advanced technology to help identify suspicious transaction patterns. If suspicious activities are discovered, they are promptly escalated to independent control units and external authorities, as required by law. We assess annually the money laundering, bribery and corruption and sanctions risks associated with all our business operations against our control framework, and take actions to further mitigate that risk.

We are a founding member of the Wolfsberg Group, an association of global banks that aims to develop financial services industry standards for policies on preventing money laundering and terrorist financing, and on know-your-client principles.

Together with the other members of the Group we work closely with the Financial Action Task Force (FATF), an inter-governmental body that helps develop national and international policies on preventing money laundering and terrorist financing through consultation with the private sector. The Wolfsberg Group continued to influence anti-money laundering (AML) in 2015 through its annual forum and regional reach-out meetings with banks globally. It continues to work on guidance papers in key areas of AML.

# Our Employees

Our employees' drive, skill, insight and experience are key to meeting our clients' needs and growing our businesses.

› [More on our employees and career opportunities at UBS](#)

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## Diversity and Inclusion

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Our global workforce is already diverse in many aspects; we consider this a competitive strength. We are committed to further increasing our diversity and ensuring an inclusive workplace, because both are key to achieving our goals. Diversity is both a cultural and a business imperative. In all our businesses, we seek to hire and retain a broad range of talent with diversity in race, gender, business experience, perspective, ethnicity, nationality, religion, age, abilities, education, and sexual orientation. Our workforce is truly global. At the end of 2015, our employees worked in 897 offices in 54 countries, spoke more than 130 languages and were citizens of 135 countries. Our human resource policies and processes have global coverage and outline our commitment to a non-discriminating, harassment-free workplace with equal opportunities for all employees.

› [More on Diversity & Inclusion](#)

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## Performance and compensation

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We know that personal accountability, effective performance management and sound compensation practices are critical for our success as a firm. We therefore strive to ensure that our performance management practices are robust and centered on elements that impact our long-term profitability and our culture: namely, performance and behavior. At the beginning of every year, the firm's business goals are translated into individual performance and behavior goals, strengthening the alignment between corporate and employee priorities. Employees and managers are also encouraged to discuss achievements, development and career goals throughout the year. This feedback enables employees to achieve challenging goals, to be effective in their roles and to grow in their careers while helping managers support employees in reaching their full potential.

› [More on how we promote sustainable performance](#)

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## Health and safety

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Our Code of Conduct and Ethics is the basis for the policies, guidelines and procedures that help us manage our workforce. It includes a commitment to support the health and safety of employees and external staff. A safe and healthy work environment supports employees in performing their jobs in a productive and efficient manner. Our activities are based on the following principles:

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

› [Read the full UBS statement on health and safety](#) 

# Accessibility

We aim to ensure that our facilities are accessible to everyone regardless of disability, capability or technology. We are continuously optimizing our websites to fit the requirements for a AA rating for accessibility (WCAG). 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. Employee networks within UBS promote thinking and actions that to encourage people to focus on ability, not disability.

## Sustainability Disclosure 2015

### Sustainability reporting

**UBS strives to report openly and transparently about the firm's corporate responsibility & sustainability approach and activities both via the UBS and Society section in the UBS annual report and, in more detail, on the UBS and Society website. Additional relevant information is provided in the employees section in the annual report and on the UBS employees website.**

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

UBS's reporting has been reviewed by Ernst & Young Ltd (EY) against the GRI Sustainability Reporting Guidelines. The content has been prepared **in accordance with the comprehensive option of GRI G4** as evidenced in the EY assurance report.

### Reports

- Download "[UBS and Society](#)" section in UBS annual report 2015
- Download "[Our Employees](#)" section in UBS annual report 2015

	Corporate responsibility	Environmental reports	Our employees	CR online report
<b>2014</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2013</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2012</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2011</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2010</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2009</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2008</b>	<a href="#">PDF</a>		<a href="#">PDF</a>	<a href="#">PDF</a>
<b>2007</b>	<a href="#">PDF</a>	<a href="#">PDF</a>	<a href="#">PDF</a>	
<b>2006</b>	<a href="#">PDF</a>	<a href="#">PDF</a>	<a href="#">PDF</a>	
<b>2005</b>	<a href="#">PDF</a>	<a href="#">PDF</a>	<a href="#">PDF</a>	
<b>2004</b>	<a href="#">PDF</a>	<a href="#">PDF</a>		
<b>2003</b>	<a href="#">PDF</a>	<a href="#">PDF</a> <a href="#">PDF</a>		
<b>2002</b>	<a href="#">PDF</a>	<a href="#">PDF</a>		
<b>2001</b>	<a href="#">PDF</a>	<a href="#">PDF</a>		
<b>2000</b>		<a href="#">PDF</a>		
<b>1999/2000</b>		<a href="#">PDF</a>		
<b>1998/1999</b>		<a href="#">PDF</a>		

### EY Assurance Statement

› [Read more](#)

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## UN Global Compact COP

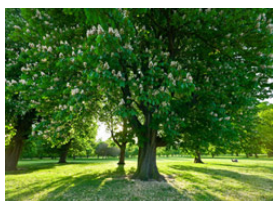
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[› See more](#) 

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## Submission to the CDP climate change questionnaire

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Climate change represents one of the most significant challenges of our time.

UBS is a founding member of the CDP that works to transform the way the world does business to prevent climate change and protect our natural resources. The CDP requests information on greenhouse gas emissions, energy use and the risks and opportunities from climate change from thousands of the world's largest companies. UBS annually responds to the CDP's information request.

[› UBS - CDP Information Request](#) 

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## ISO 14001 certification

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

In 1999, UBS was the first bank to obtain ISO 14001 certification for its worldwide environmental management system. The management system covers the entire scope of UBS's products, services and in-house operations which may give rise to an environmental impact. It is audited annually and re-certified every three years by Société Générale de Surveillance (SGS). These comprehensive audits verify that appropriate policies and processes are in place to manage environmental issues, and that they are executed in day-to-day practice.

In 2015 UBS successfully passed the ISO 14001 surveillance audit on its environmental management system.

- [› 2014 - 2017, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide](#) 
- [› 2011 - 2014, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide](#) 
- [› 2008 - 2011, ISO 14001 Certificate. Scope: Banking Business and In-house Operations worldwide](#) 
- [› 2005 - 2008, ISO 14001 Certificate. Scope: Banking Business and Inhouse operations worldwide](#) 
- [› 2002 - 2005, ISO 14001 Certificate. Scope: Corporate Services outside Switzerland](#) 
- [› 2002 - 2005, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland](#) 
- [› 1999 - 2002, ISO 14001 Certificate. Scope: Banking Business worldwide and Corporate Services in Switzerland](#) 
- [› Environmental management indicators \(incl. number of audit days\)](#) 

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## Global Reporting Initiative (GRI) Content Index

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The content index refers to the 2013 Global Reporting Initiative (GRI) Guidelines 'G4' and the Financial Services Sector Supplements which form together a voluntary reporting framework that provides guidance on how organizations can disclose their sustainability performance.

UBS's reporting has been reviewed by Ernst & Young Ltd (EY) against the GRI Sustainability Reporting Guidelines. The content has been prepared **in accordance with the comprehensive option of GRI G4** as evidenced in the EY assurance report. The assurance by EY covered **all items** of the GRI Content Index.

[› GRI Content Index](#) 

[› EY Assurance statement](#) 

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## Direct economic value generated and distributed

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Indicators	CHFm
Total operating income	30,605
Tax expense / (benefit)	(898)
Personnel expenses	15,981
Dividends paid on UBS shares	2,760
Community investments	64.9 (incl. UBS Education Initiative, Optimus and Switzerland Foundation)
Procurement of products and services	9,900



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## GRI-based materiality assessment

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### Materiality assessment process

Annually, we conduct a materiality assessment to collate the views of our stakeholders to a wide range of topics. Based on the Global Reporting Initiative, the assessment is managed by a firm-wide, cross-regional team of experts who, by virtue of their roles at UBS, deal with stakeholder expectations every day. In addition, we also regularly invite stakeholders to directly share their views, be it – as was the case in 2014, via an online survey open to all, or via a survey targeting particular groups. In 2015, we tasked a student organization to survey students on their expectations regarding the banking sector. In what we believe to be the largest survey of its kind ever undertaken for a bank, students in seven countries across all continents were asked to prioritize a wide range of topics.

As in previous years, the overall result of the analysis was reviewed by the Corporate Culture and Responsibility Committee. It also becomes part of the decision-making processes of this Board of Directors committee with a particular focus on those topics that were assessed as very relevant or have considerably increased their relevance since last year.

### Results 2015

For the GRI G4 materiality assessment the GRI indicators were mapped with the materiality matrix and rated material/ immaterial (decision factors were: significance to stakeholders and impact on sustainable performance). We have identified the following material aspects:

Economic Performance  
Indirect Economic Impacts  
Materials  
Energy  
Emissions  
Effluents and Waste  
Transport  
Supplier Environmental Assessment  
Employment  
Labor/Management Relations  
Occupational Health and Safety  
Training and Education  
Diversity and Equal Opportunities  
Equal Remuneration for Women and Men  
Supplier Assessment for Labor Practices  
Labor Practice Grievance Mechanisms  
Non-Discrimination  
Supplier Human Rights Assessment  
Anti-Corruption  
Public Policy  
Anti-competitive Behavior  
Compliance  
Supplier Assessment for Impacts on Society  
Grievance Mechanisms for Impacts on Society  
Product and Service Labeling  
Marketing Communications  
Customer Privacy  
Product Portfolio  
Audit  
Active Ownership

All material aspects are relevant to all entities consolidated within UBS. Information describing any relevant impacts of the aspects outside UBS is provided as part of the description of the respective GRI indicator/aspects.

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## Objectives and achievements

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› [See more](#)  section in UBS annual report 2015

# Our stakeholders

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## Clients

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**Clients are at the center of our activities. We are committed to building and sustaining relationships with clients based on trust and integrity. Regular dialogue with clients and their feedback ensures that we understand their expectations.**

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

Sustainability topics are considered in client interactions across UBS globally. In 2015, we talked with UBS Wealth Management clients about sustainable investing and philanthropy at venues such as the UBS Global Philanthropy Forum. The Forum drew a record 150 clients and prospects to St. Moritz, Switzerland for two days of interactive discussion and exchange around the theme "Daring to innovate". Wealth Management Americas Philanthropic Services convened a one-day client discussion on innovation in the field of autism. The event brought together 30 accomplished experts and families impacted by autism who have the means to make a difference.

For additional topics of relevance to clients see [www.ubs.com](http://www.ubs.com)

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## Shareholders / investors

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**Our senior management and the Investor Relations team regularly communicate with the investment community to ensure accurate and timely distribution of our financial results and latest developments.**

We believe that our financial disclosures rank amongst the best in the industry and that we are a recognized leader in disclosures in several areas, including capital and strategy. In 2015, we continued to improve efficiency and reduce our Non-core and Legacy Portfolio, improved our leverage ratio and maintained the best fully applied Basel III CET1 ratio in our peer group. Further, our Group net profit for the year rose by 80% to CHF 6.2 billion. Our achievements in 2015 enabled us to deliver attractive returns to our shareholders. Over the past two years, we have undertaken a series of measures to improve the resolvability of the Group in response to TBTF requirements in Switzerland and other countries in which the Group operates.

We also used individual meetings and discussions with shareholder groups focused on sustainability to discuss topics such as compliance, corporate culture, climate change. Such direct dialog with our shareholders helps us with improving our services and with addressing the expectations of our stakeholders.

Find out more about topics of relevance to shareholders: [www.ubs.com/investors](http://www.ubs.com/investors)

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## Employees

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**Our employees are the link between us and our clients, so we do a lot to make sure our employees are well informed and engaged as partners in the firm's long-term success.**

As a global company, we inform employees about our strategy and policies, as well as things like goal-setting, new technologies and required training. We also highlight community efforts such our work with lower-income, first generation college-goers in the US through UBS NextGen Leaders. We communicate through a number of news and information channels such as the intranet, Connections (our internal social network), UBS TV, and interactive help/information sites such as "goto/HR".

We also interact directly with employees through personal meetings, emails, all-staff sessions and the firm's Quality Feedback. In 2015, employees attended a number of town halls and small group meetings to discuss relevant issues directly with senior management. For example, regular "Ask the CEO" events allowed employees in every region to discuss issues like the firm's strategy.

Every other year, we survey all employees globally. We're interested in their views on whether we're living up to our principles and behaviors, effectively communicating our strategy and providing a positive and empowering work environment. We inform employees of the results and use them to continuously improve. Complementing this is a smaller survey that we conduct several times a year with a representative sample of employees. This "tracker" survey focuses on communication and engagement topics and allows us to measure our progress between the larger all-employee surveys.

In 2015, we supported 30 employee networks globally, with around 17,500 members. Our networks help employees build cross-business relationships and support an open workplace. The Women's Business Network, for instance, is a group of more than 2,300 UBS employees in Switzerland that supports women's personal and professional development through networking, mentoring and education.

Find out more about topics of interest to employees and potential employees: [www.ubs.com/employees](http://www.ubs.com/employees)

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## Governments and regulators

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**Financial market stability is largely dependent on the overall regulatory and political environment and the conduct of the firms within the sector. We actively participate in political discussions to share our expertise surrounding proposed regulatory and supervisory changes including corporate responsibility-related issues such as culture and conduct, and sustainability issues.**

In 2015, discussions regarding the future regulatory framework for financial institutions continued to figure prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments, regulators and supervisory bodies. Topics included the recovery and resolution planning, loss absorbing capacity (i.e. bail-in debt) to support resolution of global systemically important financial institutions, further changes to the prudential framework for banks, and market and product reforms including the Volcker Rule, OTC Derivative Reforms, US FATCA/OECD Exchange of Information and the EU Markets in Financial Instruments Directive and Regulation (MIFID/R).

With regard to corporate responsibility & sustainability issues we actively participated in discussions with government bodies. A pertinent example was our efforts pertaining to the Paris Climate Change conference in November 2015. In advance of the conference, UBS signed the World Economic Forum's open letter from CEOs to world leaders urging climate action and the European Financial Services Round Table's statement in support of a strong, ambitious response to climate change. In our home country Switzerland, we continue to actively contribute to pertinent sustainability discussions with various government bodies.

For more information on regulatory topics see UBS's [quarterly reports](#) or [annual report](#)

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## Politicians and political parties

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

Support of the Swiss militia system

UBS appreciates the important role of political parties in the Swiss democratic system, which is the foundation of state, politics and society in Switzerland. Swiss citizens actively and voluntarily engage in political institutions at all three levels of the Swiss state (federal, cantonal, local) as public officials (e.g. members of parliament, members of commissions, executive mandates), while they continue to pursue other professional activities. This arrangement – citizens taking on public tasks and mandates on a part-time basis – is referred to as militia system.

In Switzerland, political parties do not receive state funding, and members of parliament in Switzerland are (usually) not professional politicians. It is for this reason that UBS views the support of the militia system as a crucial component of its societal responsibility in its home market Switzerland. In recognition of the vital function of Switzerland's political parties, UBS provided a total of CHF 1.6 million to political parties in 2015 as a contribution to their operational costs (provided they commit to free competition and the market economy). Financial contributions are calculated based on the number of parliamentary seats the respective party holds at federal and cantonal level. Swiss parties are eligible to apply for a financial contribution if they either form a parliamentary group in the federal parliament or are represented in at least one cantonal government. Financial contributions to parties are granted without any conditions attached. UBS views its contribution to political parties in Switzerland as a long-term commitment, which is, however, subject to regular reviews. UBS complies with legal requirements on disclosing political donations, as applicable in the relevant jurisdiction. However, UBS does not provide financial support to political parties outside Switzerland. In the US, eligible employees may make financial contributions through a federal Political Action Committee (PAC), the UBS Americas Fund for Better Government. The PAC then makes contributions to federal candidates. These contributions do therefore not constitute political donations by UBS.

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

UBS expressly supports the political involvement of its employees. About 300 employees currently hold political office at federal, cantonal and local level. If necessary employees may spend a certain amount of their working time on their public duties. UBS organizes an annual "Political Forum" at which senior management and political office holders discuss topics of relevance to UBS in Switzerland.

For more information on governmental topics pertaining to Switzerland see [www.ubs.com/gga](http://www.ubs.com/gga)

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## Peers

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

UBS is a founding member of the Wolfsberg Group, an association of global banks, which aims to develop financial services industry standards regarding anti money laundering, know-your-client and counter-terrorist financing policies. Meeting regularly, the Wolfsberg Group also works closely with the Financial Action Task Force, an inter-governmental body that helps to develop international and national policies to combat money laundering and terrorist financing in consultation with the private sector.

In October 2013, we co-launched the Thun Group of Banks' discussion paper on banking and human rights, which aims to support banks in mapping and analyzing their potentially adverse impacts on human rights, and also looks at related risks, including reputational, legal, operational and financial risks. The paper was very positively received and the Thun Group has continued its discussions since, both in regular calls and in annual meetings 2014 and 2015 at the UBS Conference Center in Thun, Switzerland.

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

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## Communities

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**We know that our long-term success depends on the health and prosperity of the communities in which we operate. Our longstanding global program of community investment focuses on addressing real need by developing skills through our support for education and entrepreneurship. We achieve impact through a combination of strategic funding and employee volunteering.**

Our approach is founded on building sustainable and successful partnerships with non-profit organizations and social enterprises to ensure we make a lasting impact. We engage beyond just financial support – UBS employees are key to the success of our community program. By providing diverse opportunities for our employees to volunteer their time and skills in support of our community partners, we seek to align our community program with our core business. We encourage employees to support our local communities by:

- Facilitating employee volunteering with local charitable partners
- Offering employees up to two days a year to volunteer
- Matching fundraising endeavors and employee donations to charities

For further information and data of relevance to the communities we do business in, see [www.ubs.com/community](http://www.ubs.com/community)

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## Suppliers

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**In 2015 UBS spent CHF 9.9 billion on a broad range of products and services.**

A large proportion of this expenditure comprises real estate, outsourcing, IT as well as consultancy and legal fees. Our sourcing and procurement services are provided by an external company, Chain IQ, which applies UBS's responsible supply chain management (RSCM) framework and processes. The experienced procurement and sourcing specialists at Chain IQ perform supplier due diligence and establish remediation measures, supported by a centralized team of experts within UBS.

We aim to ensure that our social and environmental values are being followed throughout the supply chain. Since 2008 a firm-wide guideline provides systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environmental protection and corruption. A central component of this guideline is the UBS Responsible Supply Chain Standard to which our direct suppliers are bound by contract. UBS expects its suppliers to apply the same standards in the relationships with their suppliers.

For further information on our responsible supply chain management, see [www.ubs.com/rscm](http://www.ubs.com/rscm)

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## Rating and research agencies

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

In 2015, we provided detailed information on our sustainability performance to a range of agencies either in response to questionnaires or via meetings or calls (with environmental, social and governance analysts). Our UBS and Society website regularly serves as a key source of information for these agencies.

› [For further information on ratings and recognitions of UBS](#)

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## Non-governmental organizations

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

NGOs have long established themselves as the most critical “watchdogs” of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2015 discussions with NGOs focused on the subjects of human rights, climate change, and food speculation.

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## International organizations and initiatives

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

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

In 2015, UBS representatives participated in major corporate responsibility and sustainability events, including the Financing for Development conference in Addis Ababa and the Paris Climate Change Conference.

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## Media

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

Our media teams have established direct and long-term relations with media representatives across all our business regions and provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management (BoD and GEB-level) also regularly gives account to journalists, predominantly through interviews. In addition to the interviews at our firm’s major corporate events (i.e. quarterly and annual reporting and annual general meeting) senior management conducted many other interviews in 2015.

We also communicated with media representatives - through interviews or background talks - on a broad range of corporate responsibility or sustainability topics such as climate change, food speculation and environmental and social risks.

› [Further information on UBS media relations](#)

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# Ratings and recognitions

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## Dow Jones Sustainability Indices

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In 2015 our firm took over the leadership position in the Diversified Financials industry group of the Dow Jones Sustainability Indices (DJSI), the most widely recognized sustainability rating. The DJSI evaluates companies’ sustainability practices and recognizes the best performers. The Industry Group Leader report for UBS cites our support to clients and communities and our integration of societal and financial performance. It also pointed to our work to build UBS’s capital strength, improve efficiency and effectiveness, and strengthen risk management through our UBS and Society program.

› [www.sustainability-index.com](http://www.sustainability-index.com)

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## FTSE4Good Index Series

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UBS is a constituent of the FTSE4Good Index Series, an index designed to measure the performance of companies demonstrating strong environmental, social and governance (ESG) practices. UBS was given a Top Level ICB Supersector percentile rating of 90 percent out of a full 100 percent.

> [www.ftse4good.com](http://www.ftse4good.com)

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## oekom Corporate Rating

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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, recognizes industry leaders that have met industry-specific requirements.

> [oekom](http://oekom.com)

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## CDP

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With 100 disclosure points, we achieved a top result in the CDP Global Climate Change Report 2015 for our efforts in reducing carbon emissions and mitigating the business risks of climate change. The report was produced at the request of 822 investors, who represent 95 trillion USD in assets. CDP provides the only global system for companies and cities to measure, disclose, manage and share vital climate change-related information.

> [CDP](http://CDP)

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## Other recognitions 2015

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Asset Management's efforts in integrating environmental, social and governance issues into its investment practices have been recognized with strong results in the Principles for Responsible Investment's annual reporting and assessment process. Asset Management was awarded at least an A in half of the categories on which it was assessed, most notably achieving an A+ for the main category Overarching Approach. The Overarching Approach measures an organization's overall approach to responsible investment, including governance, responsible investment policy, objectives and targets, the resources allocated to responsible investment and the approach to collaboration on responsible investment and public policy-related issues.

Asset Management also improved on its strong 2014 ranking in the Global Real Estate Sustainability Benchmark (GRESB) report. In the 2015 GRESB report, the majority of Asset Management's participating real estate funds, managed by Global Real Estate, ranked in the first quartile of their respective peer groups and nine funds were awarded Green Star (top ranking) status.

**The UBS Optimus Foundation and its partner Last Mile Health were among a select group of organizations honored at the prestigious Clinton Global Citizen Awards 2015 for their work in tackling the recent Ebola outbreak in West Africa.**

# Training and raising awareness

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## Training and raising awareness

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**We actively engage in internal and external education and awareness-raising on corporate responsibility and sustainability topics and issues. Through induction, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments. General information is published on our intranet and on our UBS and Society internet site.**

In 2015, more than 49,000 employees received training on UBS and Society-related issues; 44,700 of them received general training and 4,500 participated in specialist training targeted at their respective areas of expertise and influence. In 2015, we developed a new mandatory conduct and culture training module, which includes a comprehensive section on UBS and Society. The training was rolled out to all employees in December 2015.

Throughout the year, we also continued training and raising the awareness of employees, embracing the Code of Conduct and Ethics. All employees have to confirm annually that they have read UBS's key documents and policies, including the Code. Employees were also informed of the firm's corporate responsibility and sustainability activities through other training and awareness-raising activities.

› [Management indicators \(including training numbers\)](#)

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## Combating financial crime

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

The Code also focuses on preventing the misuse of the financial system, including in relation to bribery. The specific anti-corruption standards of conduct that apply to all employees are also set out in the Group Policy Against Corruption. The policy sets out our zero-tolerance stance towards corruption and prohibits all forms of bribery by the firm and our employees, including so-called facilitation payments.

The business divisions regularly refresh their web-based training modules to address compliance issues, including anti-corruption standards. All Compliance & Operational Risk employees receive comprehensive mandatory training. Employees in specific areas also receive targeted training on client-related corruption, including the bank's own corruption risks in relation to intermediaries, gifts and entertainment, or when major new developments require additional training (e.g. UK Bribery Act).

# Sustainable performance and compensation

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## Sustainable performance and compensation

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We have consistently applied our compensation philosophy over the past five years to appropriately reward outstanding performance in order to attract, motivate and retain the very best talent. The approach we take to compensation supports the firm's commitment to **sustained longer-term profitability, a strong capital position, and aligns compensation with investors' interests.**

### **Total Reward Principles**

Our compensation philosophy is to align the interests of our employees with those of our clients and investors. Our Total Reward Principles underpin our approach to compensation by establishing a framework that balances performance with prudent risk taking. Furthermore, **our framework builds on our guiding principles of client focus, excellence and sustainable performance.**

Our compensation structure is aligned with our strategic priorities. Employees are encouraged to create sustainable value and profitability, and to build a strong client franchise. We reward behavior that helps to build and protect the firm's reputation. As such, **our approach to compensation has a strong focus on conduct as well as on sound risk and management practices.** We strive for excellence and sustainable performance in everything we do, and all employees are encouraged to achieve the highest standards of performance.

**Compensation for all employees is based on individual, team, business division and Group performance, within the context of the markets in which we operate.** The Total Reward Principles establish the framework for determining our performance award pool, and guide the allocation and appropriate delivery mechanisms of compensation to employees, including deferred compensation programs.



Our Total Reward Principles govern the compensation approach and processes across all locations and entities. The Total Reward Principles establish a framework for managing performance and integrating risk control. They also specify how we structure compensation and provide necessary funding for our performance award pool. **These principles and compensation framework apply to all employees globally, but may vary in certain locations due to local laws and regulations.**

### **Managing performance**

We have Group-wide ranks and country-specific salary ranges applicable to all employees, as well as a global role classification model. Human resource processes based on these global role profiles support clearly defined career paths and development plans for all employees.

At the beginning of every year, the firm's business goals are translated into **individual performance and behavior goals**, strengthening the alignment between corporate and employee priorities. Employees and managers are also encouraged to discuss achievements, development and career goals throughout the year. This feedback enables employees to achieve challenging goals, to be effective in their roles and to grow in their careers while helping managers support employees in reaching their full potential.

Our **year-end review process** measures not only what was achieved, but also how those results were achieved. Since 2013, we have specified the behaviors we expect and have embedded them into performance evaluations. In 2015, we introduced separate ratings for goals and behaviors to further emphasize the importance of integrity, collaboration and challenge in daily business activities, as well as transparency in our management and reward processes. Both goal and behavior ratings factor into development, reward and promotion decisions. In 2015, 99% of the employees eligible to participate received a year-end performance evaluation.

Objectives focusing on our key corporate responsibility and sustainability commitments are set for managers and employees in pertinent departments or units. Most notably, this would include managers and employees in UBS and Society, corporate responsibility, anti-money laundering, human resources, environmental, and community affairs functions.

### **Group Executive Board**

Group Executive Board (GEB) performance awards are at the discretion of the Board of Directors (BoD) based on the assessment of quantitative and qualitative performance measures and, in aggregate, subject to shareholder approval. The compensation for GEB members, including the Group CEO, is governed by a rigorous process with oversight by the Compensation Committee and the BoD.

Annual performance awards for the Group CEO and other GEB members are at the full discretion of the BoD and, in aggregate, subject to shareholder approval at the AGM. Our performance assessment is based on a balanced scorecard, which allows us to assess an individual's performance against a number of quantitative and qualitative key performance indicators (KPIs).

At least 80% of performance award is at risk of forfeiture.

Compensation plan forfeiture provisions enable the firm to reduce the unvested deferred portion if the compensation plans' relevant performance conditions are not achieved.

Our compensation framework contains a number of features designed to ensure that risk is appropriately managed with safeguards to limit inappropriate risk-taking:

- no upward leverage, such as multiplier factors. Potential realized pay cannot exceed the award granted (excluding potential share price appreciation, dividends and interest payments). The final deferred payout can be forfeited up to 100% in cases where performance conditions are not met or harmful acts provisions apply
- a balanced mix of shorter-term and longer-term performance awards with a focus on deferral
- a cap on the total GEB performance award pool of 2.5% of adjusted Group profit before tax
- individual caps on the proportion of fixed to variable pay for the Group CEO and other GEB members
- six-month notice period included in the employment contracts
- an evaluation of the risk control effectiveness and adherence of each GEB member as part of their individual qualitative assessment
- provisions that enable the firm to trigger forfeiture of some, or all, of the unvested deferred performance award if an employee commits certain harmful acts, or if the employment is terminated for cause

### **Board of Directors (BoD)**

As set out in the Organization Regulations of UBS, BoD committee members must have the necessary knowledge and experience to fulfill their respective functions. Performance and effectiveness of the Chairman, the Board as a whole and each BoD Committee are assessed annually, a process overseen by the Governance and Nominating Committee (GNC). All BoD committees perform a self-assessment of their activities and report back to the full BoD.

The Corporate Culture and Responsibility Committee and its members as a group, are expected to: (i) commit such time to the role as may be necessary for the proper discharge of their duties. An indication of the time expected for this purpose will be set out in each of the CCRC members' letter of appointment; and (ii) have good knowledge of corporate culture and responsibility and relevant political issues and such other experiences in order to perform their duties. The CCRC's chairman is expected to have good knowledge of the relevant committee's area of responsibility together with experiences that the Board considers desirable in the context of that committee's work.

Members of the Board of Directors (BoD) receive fixed fees for their services, 50% of which must be used to purchase blocked UBS shares. The members may elect to purchase blocked UBS shares using up to 100% of their fees. BoD members do not receive variable compensation. This reinforces their focus on long-term strategy, supervision and governance, and helps them remain independent of the firm's senior management. The Chairman, as a non-independent BoD member, receives a cash payment, UBS blocked shares and benefits.

› [Compensation report](#)

› [Achievements 2015](#)

› [Objectives 2016](#)

## History of corporate responsibility at UBS

### History of corporate responsibility at UBS

1954	Beginnings of Community Affairs at Wealth Management US
1962	Establishment of Union Bank of Switzerland's 100th anniversary foundation (since 1999: UBS Culture Foundation)
1971	Launch of "A Helping Hand from UBS Employees" (UBS Mitarbeiter helfen) in Switzerland
1972	Establishment of Swiss Bank Corporation's 100th anniversary foundation (since 1999: UBS Foundation for Social Issues and Education)
1978	Beginnings of Community Affairs in EMEA Establishment of first energy functional unit
1982	Co-founder member of Business in the Community in the UK
1988	First bank in Switzerland with the position of environmental officer
1989	First formal energy guidelines
1992	Among the first signatories of the UNEP bank declaration (UNEP FI)
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 Establishment of IB Community Affairs in Stamford (monetary and in-kind donations, and employee volunteering).
1998	Merger of Union Bank of Switzerland and Swiss Bank Corporation to create UBS
1999	Founding member of Wolfsberg Group First bank to obtain ISO 14001 certification for worldwide environmental management system in banking business and launch of Environmental Risk Policy in IB Establishment of UBS Optimus Foundation
2000	UBS among first 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, 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	<p>Wolfsberg Group Statement on Fight against Financing of Terrorism and AML Principles for Correspondent Banking</p> <p>Launch of group-wide Diversity initiative</p> <p>Founding signatory of CDP (originally known as Carbon Disclosure Project)</p> <p>Commencement of joint WM and IB Community Affairs programme in Chicago</p> <p>Expansion of in-house environmental program to Corporate Services outside Switzerland</p>
2003	<p>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)</p> <p>Institution of NGO communications &amp; analysis function</p>
2004	<p>Establishment of SRI Equity Research in Investment Bank</p>
2005	<p>Establishment of coordination function for Community Affairs in Switzerland</p> <p>Setting up of UBS Tsunami Relief Fund</p> <p>UBS commences social reporting in Annual Report (section on employees)</p>
2006	<p>Introduction of Climate Change Strategy</p> <p>Adoption of UBS Statement on Human Rights</p> <p>Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach</p>
2007	<p>Establishment of SRI Research in Global WMBB</p> <p>Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments</p> <p>First company-wide volunteering at Wealth Management US</p>
2008	<p>Introduction of group-wide Responsible Supply Chain Guideline</p> <p>Wolfsberg Group Revised PEP FAQs</p>
2009	<p>UBS applies Global Reporting Initiative (GRI) framework to its 2008 non-financial disclosure</p> <p>UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI (continued in subsequent years)</p> <p>UBS Global Asset Management becomes a signatory to the Principles for Responsible Investment (PRI)</p>
2010	<p>Launch of UBS's new Code of Business Conduct &amp; Ethics</p> <p>Publication of UBS Position on Controversial Activities</p>
2011	<p>Convener of Thun Group of Banks on banking of human rights</p> <p>Establishment of UBS Environmental &amp; Social Risk Committee</p> <p>Awarded with UK Big Society Award (established by the UK Prime Minister)</p>
2012	<p>UBS celebrates its 150th anniversary (see <a href="http://www.ubs.com/history">www.ubs.com/history</a>)</p> <p>Setting up of the UBS International Center of Economics in Society at the University of Zurich</p> <p>Global roll-out of the Investment Bank's ESG Analyzer</p>
2013	<p>Thun Group launches discussion paper on banking and human rights</p> <p>Renewal of Climate Change Strategy</p>
2014	<p>Introduction of UBS Environmental and Human Rights Policy</p> <p>Launch of "UBS and Society", a dedicated, industry-leading platform for sustainable investing &amp; philanthropy</p> <p>Publication of UBS's comprehensive Environmental &amp; Social Risk framework document</p> <p>UBS's Sustainability Disclosure 2013 meets the requirements of GRI G4 comprehensive</p>

› [For further information on the history of UBS](#)

# Environment and human rights

## In-house environmental management - statistics

### Environmental targets and performance in our operations

Environmental targets and performance in our operations <sup>1</sup>								
	GRI <sup>2</sup>	2015	Target 2016	Baseline	% change from baseline	Progress / Achievement <sup>8</sup>	2014	2013
Total net greenhouse gas emissions (GHG footprint) in t CO2e <sup>3</sup>	EN15-17	<b>169,006</b>	-50%	360,501 <sup>4</sup>	-53.1	On track	181,066 <sup>9</sup>	193,872 <sup>9</sup>
Energy consumption in GWh	EN3	<b>668</b>	-10%	774 <sup>5</sup>	-13.7	On track	707 <sup>9</sup>	758 <sup>9</sup>
Share of renewable electricity	EN3	<b>54.0%</b>	100% <sup>6</sup>	43.6% <sup>4</sup>	23.9	On track	52.0% <sup>9</sup>	51.6% <sup>9</sup>
GHG offsetting (business air travel) in t CO2e	EN18	<b>73,592</b>	100%	0 <sup>4</sup>	100	On track	75,305	72,612
Paper consumption in kg per FTE <sup>7</sup>	EN1	<b>119</b>	-5%	122 <sup>5</sup>	-2.3	Behind schedule	121	121
Share of recycled and FSC paper	EN2	<b>83.6%</b>	60%	55.8% <sup>5</sup>	49.7	On track	61.8%	57.6%
Waste in kg per FTE <sup>7</sup>	EN23	<b>203</b>	-5%	232 <sup>5</sup>	-12.3	On track	213	214
Waste recycling ratio	EN23	<b>52.8%</b>	60%	53.9% <sup>5</sup>	-2.0	Behind schedule	54.6% <sup>9</sup>	55.3%
Water consumption in m m3	EN8	<b>0.96</b>	-5%	1.22 <sup>5</sup>	-21.9	On track	1.08	1.09

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

1 Detailed environmental indicators are available on the internet [www.ubs.com/environment](http://www.ubs.com/environment). Reporting period 2015 (1 July 2014 - 30 June 2015).

2 Related to Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). EN stands for the environmental performance indicators as defined in the GRI.

3 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG offsets (gross GHG emissions include: direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam and other indirect GHG emissions associated with business travel, paper consumption and waste disposal).

4 Baseline year 2004

5 Baseline year 2012

6 Target year 2020

7 FTEs are calculated on an average basis including FTEs which were employed through third parties on short-term contracts.

8 Change in methodology (new: drinking water consumption only), 2013 and 2012 data restated accordingly.

9 2013 and 2014 data was restated due to updated consumption data of an additional co-location (colo) datacenter and minor changes in methodology.

### Environmental indicators

Environmental indicators <sup>1</sup>						
	2015	<sup>2</sup>		2014 <sup>2</sup>	2013 <sup>2</sup>	
	GRI <sup>3</sup>	Absolute normalized <sup>4</sup>	Data quality <sup>5</sup>	Trend <sup>6</sup>	Absolute normalized <sup>4</sup>	Absolute normalized <sup>4</sup>
Total direct and intermediate energy consumption <sup>7</sup>		<b>668 GWh</b>	***	Low decreasing	<b>707 GWh</b>	<b>758 GWh</b>
Total direct energy consumption <sup>8</sup>	<b>EN3</b>	<b>68 GWh</b>	**	Decreasing	<b>101 GWh</b>	<b>119 GWh</b>
natural gas		<b>85.2%</b>	**	Low Increasing	80.7%	77.7%
heating oil		<b>10.1%</b>	***	Decreasing	15.8%	16.3%
fuels (petrol, diesel, gas)		<b>4.6%</b>	***	Low Increasing	3.4%	5.9%
renewable energy (solar power, etc.)		<b>0.16%</b>	***	Increasing	0.13%	0.10%
<b>Total intermediate energy purchased <sup>9</sup></b>	<b>EN3</b>	<b>600 GWh</b>	***	Stable	<b>606 GWh</b>	<b>639 GWh</b>
electricity		<b>519 GWh</b>	***	Low decreasing	<b>548 GWh</b>	<b>575 GWh</b>
electricity from gas-fired power stations		<b>16.7%</b>	***	Low decreasing	17.7%	17.6%
electricity from oil-fired power stations		<b>2.9%</b>	***	Stable	3.0%	2.8%
electricity from coal-fired power stations		<b>16.0%</b>	***	Stable	16.2%	16.4%
electricity from nuclear power stations		<b>10.5%</b>	***	Low decreasing	11.2%	11.7%
electricity from hydroelectric power stations		<b>36.2%</b>	***	Low Increasing	33.4%	32.8%
electricity from other renewable resources		<b>17.8%</b>	***	Stable	18.5%	18.7%
heat (e.g. district heating)		<b>80 GWh</b>	**	Increasing	<b>58 GWh</b>	<b>64 GWh</b>
<b>Share of electricity from renewable sources</b>		<b>54%</b>	***	Stable	52%	52%

<b>Total business travel</b>	<b>EN30</b>	<b>672 m Pkm</b>	<b>***</b>	Stable	<b>684 m Pkm</b>	<b>658 m Pkm</b>
rail travel <sup>10</sup>		1.9%	**	Stable	1.8%	1.7%
road travel <sup>10</sup>		1.6%	***	Increasing	1.0%	1.1%
air travel		97.2%	***	Stable	97.1%	97.2%
<b>Number of flights (segments)</b>		<b>289,956</b>	<b>***</b>	Stable	<b>296,067</b>	<b>287,481</b>
<b>Total paper consumption</b>	<b>EN1</b>	<b>7,358 t</b>	<b>***</b>	Stable	<b>7,471 t</b>	<b>7,693 t</b>
post-consumer recycled	EN2	16.1%	***	Low decreasing	18.8%	18.7%
new fibers FSC <sup>11</sup>		67.5%	***	Increasing	42.9%	38.9%
new fibers ECF + TCF <sup>11</sup>		16.3%	***	Decreasing	38.0%	42.3%
new fibers chlorine bleached		0.17%	**	Low decreasing	0.20%	0.20%
<b>Total waste</b>	<b>EN23</b>	<b>12,546 t</b>	<b>***</b>	Stable	<b>13,136 t</b>	<b>13,626 t</b>
valuable materials separated and recycled		52.8%	***	Stable	54.6%	55.3%
incinerated		19.3%	***	Stable	19.8%	19.8%
landfilled		27.9%	**	Low Increasing	25.5%	24.8%
<b>Total water consumption</b>	<b>EN8</b>	<b>0.96 m m3</b>	<b>**</b>	Low decreasing	<b>1.08 m m3</b>	<b>1.09 m m3</b>
<b>Greenhouse Gas (GHG) Emissions in CO2e</b>						
Direct GHG emissions (Scope 1) <sup>12</sup>	EN15	13,340 t	***	Decreasing	18,053 t	22,621 t
Gross indirect GHG emissions (Gross Scope 2) <sup>12</sup>	EN16	179,082 t	***	Low decreasing	191,837 t	205,920 t
Gross other indirect GHG emissions (Gross Scope 3) <sup>12</sup>	EN17	101,374 t	***	Stable	96,710 t	94,318 t
<b>Total Gross GHG Emissions</b>		<b>293,797 t</b>	<b>***</b>	Stable	<b>306,600 t</b>	<b>322,858 t</b>
GHG reductions from renewable energy <sup>13</sup>		51,199 t	***	Stable	50,230 t	56,375 t
CO2e offsets (business air travel) <sup>14</sup>		73,592 t	***	Stable	75,305 t	72,612 t
<b>Total Net GHG Emissions (GHG Footprint)<sup>15</sup></b>		<b>169,006 t</b>	<b>***</b>	Low decreasing	<b>181,066 t</b>	<b>193,872 t</b>

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 2016. 2013 and 2014 data was restated due to updated consumption data of an additional co-location (colo) datacenter and minor changes in methodology.

2 Reporting period: 2015 (1 July 2014 – 30 June 2015), 2014 (1 July 2013 – 30 June 2014), 2013 (1 July 2012 – 30 June 2013)

3 Global Reporting Initiative (see also [www.globalreporting.org](http://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](http://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.

## Environmental indicators per full-time employee

Environmental indicators per full-time employee					
	Unit	2015	Trend	2014	2013
Direct and intermediate energy	kWh / FTE	10,827	Low decreasing	11,450	11,884
Business travel	Pkm / FTE	10,898	Stable	11,086	10,318
Paper consumption	kg / FTE	119	Stable	121	121
Waste	kg / FTE	203	Stable	213	214
Water consumption	m3 / FTE	15.5	Decreasing	17.5	17.1
CO <sub>2</sub> footprint	t / FTE	2.74	Low decreasing	2.93	3.04

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

Footnote: FTEs are calculated on an average basis including FTEs which were employed through third parties on short-term contracts.

2013 and 2014 data was restated due to updated consumption data of an additional co-location (colo) datacenter and minor changes in methodology.

## Management indicators

Management indicators <sup>5</sup>					
		For the year ended			% change from
Full-time equivalent, except where indicated <sup>1</sup>	GRI2	<b>31.12.15</b>	31.12.14	31.12.13	31.12.14
<b>Personnel in financial businesses</b>		<b>60,099</b>	60,155	60,205	(0)
Personnel in specialized units/functions		<b>91</b>	27	34	243
<b>Awareness raising</b>					
Employees trained	FS4	<b>44,721</b>	1,435	7,136	3,016
<b>Specialized training</b>					
Employees trained	FS4	<b>4,533</b>	1,371	2,135	231
<b>External audits<sup>3</sup></b>					
Employees audited	FS9	<b>91</b>	116	58	(22)
Auditing time (days)	FS9	<b>15</b>	16	11	(9)
<b>Internal audits<sup>4</sup></b>					
Employees audited	FS9	<b>243</b>	93	160	161
Auditing time (days)	FS9	<b>194</b>	29	47	576

1 FTEs are calculated on an average basis including FTEs which were employed through third parties on short-term contracts.

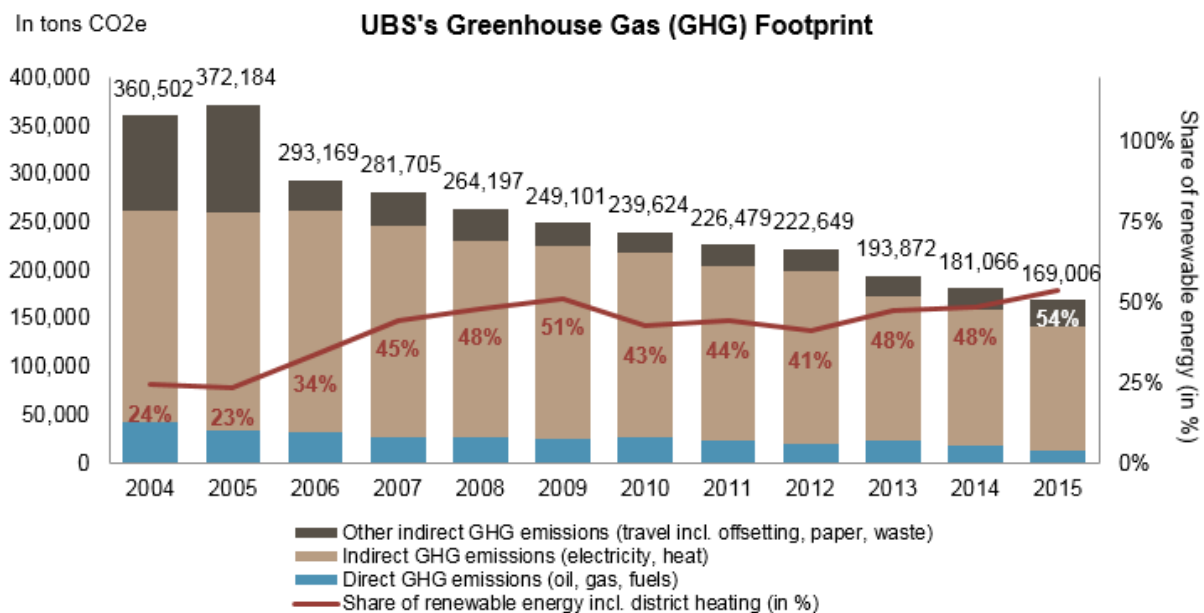
2 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)), FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement.

3 ISO 14001 and ISO 14064 audits conducted by SGS Société Générale de Surveillance SA. ISO 14001 surveillance audits took place in 2013 and 2015. The more comprehensive Re-Certification Audit was done in 2014.

4 Audits / reviews conducted by specialized internal units. The implementation of environmental and social risk policies is also audited by Group Internal Audit.

5 Since 2015 indicators cover the "UBS and Society" scope. Therefore, 2015 figures aren't comparable with previous years.

## Our Greenhouse Gas footprint

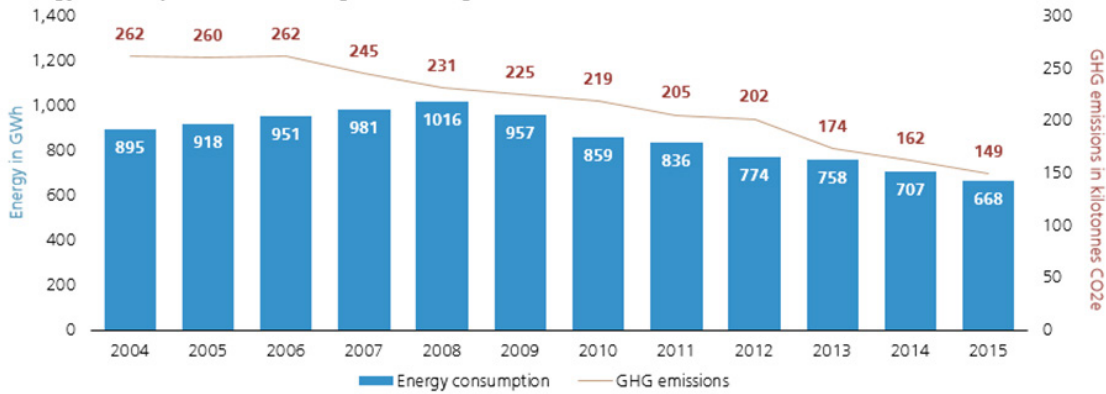


Note: 2012, 2013 and 2014 data was restated due to updated consumption data of an additional co-location (colo) datacenter and minor changes in methodology.

> [Please click here to enlarge the display of the picture above](#)

## Energy consumption time series

**Energy consumption and related greenhouse gas emissions**



Footnote: GHG emission = Direct GHG emissions (scope 1) + Gross indirect GHG emissions (Gross scope 2) - GHG reductions from renewable energy + GHG emissions from leased assets not included in scope 1 and 2. 2012, 2013 and 2014 data was restated due to updated consumption data of an additional collocation (colo) datacenter and minor changes in methodology.

> [Please click here to enlarge the display of the picture above](#)

## Paper consumption time series

**Paper per FTE**

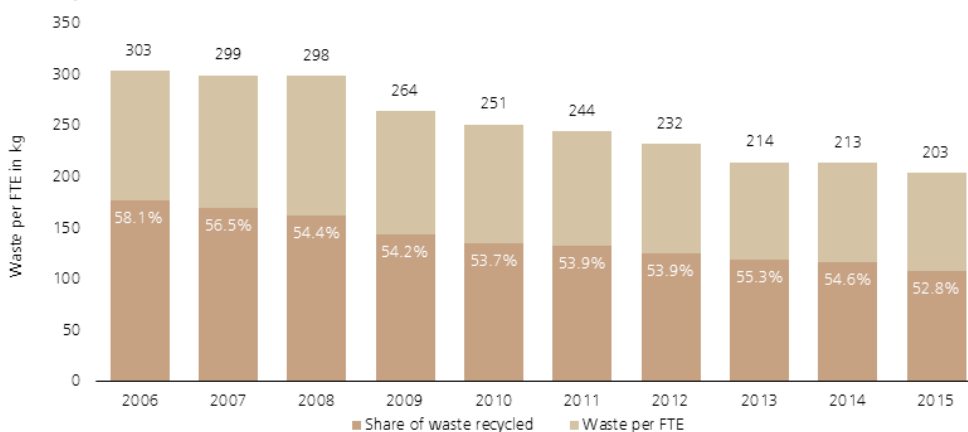


Footnote: FTEs are calculated on an average basis including FTEs which were employed through third parties on short-term contracts.

> [Please click here to enlarge the display of the picture above](#)

## Waste generation time series

**Waste per FTE**



Footnote: FTEs are calculated on an average basis including FTEs which were employed through third parties on short-term contracts.

> [Please click here to enlarge the display of the picture above](#)



Environmental and social risk assessments

Environmental and social risk assessments					
		For the year ended			% change from
	GRI 1	31.12.15	31.12.14	31.12.13	31.12.14
<b>Cases referred for assessment<sup>2</sup></b>	FS2	2,192	1,812	1,716	21
<b>by region</b>					
Americas	FS2	295	354	367	(17)
Asia Pacific	FS2	520	317	296	64
Europe, Middle East and Africa	FS2	257	297	373	(13)
Switzerland	FS2	1,120	844	680	33
<b>by business division</b>					
Wealth Management	FS2	396	291	298	36
Wealth Management Americas	FS2	20	21	46	(5)
Personal and Corporate Banking	FS2	980	749	598	31
Asset Management	FS2	0	7	14	(100)
Investment Bank	FS2	776	654	657	19
Corporate Center <sup>3</sup>	FS2	20	90	103	(78)
<b>by sector</b>					
Metals and mining	FS2	217	375	418	(42)
Oil and gas	FS2	235	357	239	(34)
Agribusines <sup>4</sup>	FS2	190	178	155	7
Utilities	FS2	147	89	95	65
Chemicals	FS2	64	56	67	14
Infrastructure	FS2	25	31	51	(19)
Other <sup>5</sup>	FS2	1,314	726	691	81
<b>by outcome</b>					
approved <sup>6</sup>	FS2	1,724	1,561	1,465	10
approved with qualifications <sup>7</sup>	FS2/FS3	371	187	197	98
rejected or not further pursued <sup>8</sup>	FS2	73	63	54	16
pending <sup>9</sup>	FS2	24	1	0	-

1 Global Reporting Initiative (see also [www.globalreporting.org](http://www.globalreporting.org)). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement.

2 Transactions and onboarding requests referred to the environmental and social risk (ESR) function.

3 Relates to procurement / sourcing of products and services.

4 Includes e.g. forestry products, biofuels, food and beverage.

5 Include e.g. financial institutions, aerospace and defence, telecom, technology, commodity trading (from 2015).

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

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

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

9 Decision pending. Pending cases 2014 have been closed and reallocated to the other outcome categories.

### Responsible Supply Chain Management



**We embed environmental and social standards into our sourcing and procurement activities. Our responsible supply chain management (RSCM) framework is based on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment, health and safety and anti-corruption, in line with our commitment to the UN Global Compact and the UBS Environmental and Human Rights Policy.**






#### **Committing suppliers to comply with our standards**

We aim to ensure that our social and environmental values are being followed throughout the supply chain. Since 2008 a firm-wide guideline has provided systematic assistance on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the

environmental protection and corruption. A central component of this guideline is the UBS Responsible Supply Chain Standard to which our direct suppliers are bound by contract. The standard defines our expectations towards suppliers and their subcontractors regarding legal compliance, environmental protection, 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 (documents)**

Responsible Supply Chain Standards in:

- > [German](#) 
- > [English](#) 
- > [French](#) 
- > [Italian](#) 
- > [Mandarin](#) 

#### **Identifying, assessing and monitoring high-impact suppliers**

We identify high-impact suppliers when establishing new contracts or renewals based on the suppliers' provision of goods and services that have either a substantial environmental and social impact or are sourced in markets with potentially high social risks. Such high-impact suppliers are requested to fulfill further requirements towards product and service provision and are assessed against the UBS Responsible Supply Chain Standard. If this assessment reveals any non-compliance with our standard, UBS defines and agrees, together with the supplier, on specific improvement measures which we monitor. Lack of improvement may lead to the termination of the supplier relationship. We also regularly screen active suppliers as part of our [environmental and social risk control processes](#).

The RSCM framework includes an impact assessment of newly sourced goods and services, which takes into account potential environmental and social impacts along the lifecycle of a product or a service, and all purchased goods and services are categorized accordingly.

Suppliers of potentially high-impact goods or services, are requested to conduct a self-assessment on their responsible management practices and to provide corresponding evidence. Actual and potential negative impacts that are considered in the impact assessment of purchased goods and services include:

- Adverse environmental impacts due to inefficient use of resources (e.g. water, energy, biomass) and emissions during the lifecycle of the product
- Hazardous substances, emissions, pollutants and limited recyclability of products, adversely affecting people and the environment
- Unfair employment practices, such as low wages, excessive overtime, absence of occupational health & safety measures
- Risks for consumer health and safety
- Procurement and use of materials with a strongly negative environmental and/or social impact
- Insufficient management of subcontractors regarding sustainability aspects

In 2015, 135 suppliers were classified as suppliers of newly sourced goods or services with potentially high impacts. 44% of these suppliers were considered as in need of improving their management practices. Specific remediation actions were agreed with all of them and the implementation progress has been closely monitored.

We also screened all our significant active suppliers for environmental and human rights issues and 20 suppliers with potential material risks were referred to a specialized environmental and social risk unit for enhanced due diligence. In 2015, no UBS supplier relationship was terminated as a result of RSCM assessments. This can partly be related to the fact that we assess the supplier's potential risks before signing a contract.

# How we support our clients

## Our sustainable products and services

### Sustainable investments

Sustainable investments <sup>1</sup>					
			For the year ended		% change from
CHF billion, except where indicated	GRI 2	31.12.15	31.12.14	31.12.13	31.12.14
<b>UBS total invested assets</b>		2,689	2,734	2,390	(2)
<b>Core SI products and mandates</b>					
Integration <sup>3</sup>	FS11	3.37	2.62	2.18	28
Integration / RPI <sup>4</sup>	FS11	49.06	34.66 <sup>5</sup>	30.70 <sup>5</sup>	42 <sup>10</sup>
Impact investing <sup>6</sup>	FS11	0.76			
Exclusionary screening <sup>7</sup>	FS11	79.20	68.60	56.09	15
Third-party <sup>8</sup>	FS11	6.06	4.34	3.70	40 <sup>10</sup>
<b>Norms-based screening<sup>9</sup></b>	FS11	795.07	466.52	444.62	70 <sup>10</sup>
<b>Total Sustainable investments</b>	FS11	933.53	576.73	537.30	62 <sup>10</sup>
SI proportion of total invested assets (%)	FS11	34.72	21.09	22.48	

1 All figures are based on the level of knowledge as of January 2016.

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

3 Applies to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society. This includes best-in-class, thematic investments or the systematic and explicit inclusion of environmental, social and governance (ESG) factors into traditional financial analysis.

4 UBS Asset Management Responsible Property Investment (RPI) strategy.

5 Invested assets, subject to RPI strategy in 2013 and 2014 were restated.

6 Impact investments are targeted investments with a financial return and a clear social and/or environmental return objective. No data available for 2013 and 2014.

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

8 SI products from third-party providers applying either integration and/or exclusionary screening.

9 Reporting scope expanded in 2015 to include all actively managed discretionary segregated mandates. Duplication with other SI categories were subtracted to avoid double counting.

10 Due to changes in reporting scopes, data comparability is limited.

#### Sustainable investing

Is an approach that seeks to incorporate environmental, social and/or governance considerations into investment decisions. SI strategies seek to achieve one or several of the following objectives: achieve a positive environmental or social impact, align investments with an investor's personal values, or improve portfolio risk and return characteristics.

#### Core SI products and mandates

Includes all SI products that involve a strict and diligent asset selection process including exclusions and/or different types of positive selection, such as best-in-class, thematic or ESG integration, and impact investing.

#### Norms-based screening

Includes all assets that are subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions (includes all actively managed discretionary segregated mandates and all actively managed retail and institutional funds).

### Calculating and reporting on climate change-related financing & advisory activities

For clients that contribute to climate change mitigation and adaptation, the Investment Bank provided equity or debt capital market services in 2015 (total deal value CHF 10 billion) or acted as financial advisor (total deal value CHF 35 billion).

The methodology behind these numbers consists first in identifying clients who, through the products and services they offer, work to mitigate the effects of global climate change and help to adapt to changing climate impacts. We use internal expertise from UBS's Asset Management Sustainable Equities team and external third party sources to identify these clients. Their activities span all industry sectors, including renewable energy generation and clean tech but also energy efficiency, waste management, transport, infrastructure renewal and development or water management. They reach from small-cap and pure play startups to large international and diversified companies.

We then aggregated total CHF deal value of all global capital market deals in which UBS acted as lead manager or bookrunner for these companies and aggregate total CHF value of deals where UBS acted as either buy-side or sell-side financial adviser. Note that the data represents all our transactions with these clients and not only to transactions that can be classified as directly climate-related.

# Suitability

For clients that contribute to climate change mitigation and adaptation, the Investment Bank provided equity or debt capital market services in 2015 (total deal value CHF 10 billion) or acted as financial advisor (total deal value CHF 35 billion).

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## Suitability Framework

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### Clients expect to be provided with products and services which are suitable for them

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

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

### Client Suitability\*

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

### Product Suitability\*\*

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

### Divisional Approach to Suitability

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

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## Monitoring & Controls

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

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## After-Sales Communications

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

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

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

# Voting rights

We believe that voting rights have economic value and should be treated accordingly. Where Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. In the 12-month period ended 31 December 2015, we voted on 87,348 individual resolutions at 8,654 shareholder meetings, for clients that provided us with voting discretion according to Asset Management’s corporate governance principles.

Since 2010, Asset Management in Switzerland has been offering UBS Voice, a service enabling holders of Swiss institutional funds to express voting preferences ahead of shareholder meetings of major Swiss corporations. This provides additional shareholder input into the voting decisions of the funds’ management company. 41% of invested assets for which UBS Voice is offered are covered by this service.

› [More on UBS Voice \(in German\)](#)