

Corporate responsibility

Site Map

Corporate responsibility



At UBS, corporate responsibility means ‘doing the right thing’ - both now and in the future.

This applies to our responsibility as an organization and our behavior as individuals. It also means that our products and services support our clients in addressing today’s societal challenges and achieving their (financial) goals at the same time.

We understand that to be taken seriously as a responsible corporate citizen takes time, and that a solid track record is crucial.

How we do business



Our principles and standards clearly define how we want to do things. These apply to all aspects of our business and the ways in which we engage with our stakeholders. We expect all our employees to adhere to them.

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

- › Sustainability at UBS
- › Chairman’s interview on corporate responsibility
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How we support our clients



Our clients are increasingly concerned about societal challenges. They want to use their resources for the benefit and advancement of individuals, communities and societies around the globe. As a global firm, and the world’s largest wealth manager, we are in a unique position to support them in this. Being their trusted financial advisor, we recognize this responsibility and take it seriously. Our products and services allow us to help clients make a real difference.

- › UBS and Society
- › Sustainable products & services
- › Philanthropy
- › Suitability

How we support our communities



We actively engage with communities around the globe. Our aim is to overcome disadvantages by supporting education and entrepreneurship through a combination of targeted funding and the commitment and skills of our employees. Working hand in hand with our partners gives us a better understanding of the needs and requirements of the communities we do business in. Based on this, we can deliver long-term, sustainable and measurable benefits to these communities.

- › The “how” and “what” of UBS community investment
- › Impact measurement
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News

How we do business



Our principles and standards clearly define how we want to do things. These apply to all aspects of our business and the ways in which we engage with our stakeholders. We expect all our employees to adhere to them. As global firm we recognize our responsibility to lead the debate on important societal topics, contribute to the setting of standards and collaboration in and beyond our industry. Living up to our principles and standards contributes to the wider societal goal of sustainable development.



Chairman's interview

UBS's Chairman highlights the importance of corporate culture, CR and sustainability 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](#)



Protecting people and planet

Corporate responsibility in our own firm comprises taking care of employees and looking after the environment as well as our supply chain and accessibility to our facilities.

[› More](#)



Our employees

As a global firm, our employees' drive, skill, insight and experience are key to meeting our clients' needs and growing our businesses.

[› More](#)



Governance

Corporate responsibility is enshrined in the standards and guidelines, which serve as the framework for our business conduct, in our markets, regions and business divisions.

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Sustainability at UBS

For the past three 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 2014 materiality assessment, which was again undertaken on behalf of the Corporate Culture and Responsibility Committee. The 2014 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, prevention of fraud and manipulation, client protection, compliance, risk behavior, and corporate governance and culture.

The 2014 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 "responsible investing" and "controversial activities financing". Both relate directly to our key corporate responsibility and sustainability achievements in 2014, the launch of "UBS and Society", a cross-divisional initiative encompassing all our activities and capabilities in sustainable investing and philanthropy, as well as our firm's community interaction, and the publication of our environmental & social risk framework, which embodies our strict standards with regard to key societal topics, notably climate change, deforestation, biodiversity and human rights.

In 2015, we will focus our efforts on both preventing potential harm and on how best to deliver societal benefits through our products and services. As regards the latter, we will also actively work to reducing some of the barriers that restrict the mainstreaming of sustainable investing, including also of a regulatory nature. With this in mind, we have established a system to monitor regulatory and soft law changes relating to sustainability and corporate responsibility and we will continue to contribute regularly to the public and political discourse around sustainability and corporate responsibility topics, both in Switzerland and elsewhere.

› [Achievements 2014 \(Information center\)](#)

› [Objectives 2015 \(Information center\)](#)

Actively advancing corporate responsibility & sustainability worldwide

Sustainability & Corporate Responsibility	Human rights	Environment & climate	Transparency & reporting	Other
UN Environment Programme Finance Initiative (UNEP FI - member since 1992)	Thun Group of Banks (founding participant in 2011 and convener)	CDP (founding signatory in 2002 of the Carbon Disclosure Project)	Global Reporting Initiative (user of GRI G4)	Wolfsberg Group (founding member in 2000)
Principles for Responsible Investment (PRI - AM signatory since 2009)	UNEP FI work / research on human rights (participant in project)	Banking Environment Initiative's and Consumer Goods Forum's Soft Commodities Compact (member since 2013)	SASB (Sustainability Accounting Standards Board, member of board of directors since 2013)	European Venture Philanthropy Association (EVPA - member since 2007)
UN Global Compact (signatory since 2000)	LBMA Responsible Gold Guidance (founding member of LBMA in 1987)	Roundtable on Sustainable Palm Oil (RSPO - member since 2012)	ISO 14064 certified GHG Emissions	Global Apprenticeships Network (GAN - member since 2013)
Global Compact Network Switzerland	University of Zurich Competence Center for Human Rights (UZHR - member of advisory board)	Zurich Energy Model (founding member in 1987)		
Global Impact Investing Network (GIIN - member since 2011)	Swiss Center of Expertise in Human Rights (SCHR - member of advisory board)	Swiss Energy and Climate Summit (Premium Partner since 2013)		
Sustainable Finance Geneva (member since 2012)		ISO 14001 certified Environmental Management System		
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)				

Chairman's interview on corporate responsibility



Axel A. Weber

Christian Leitz (Secretary, UBS Corporate Culture and Responsibility Committee): Let me start with a very direct and broad question: How important is corporate responsibility and sustainability to UBS. And how do you see your role as Chair of the Corporate Culture and Responsibility Committee and the role of the committee itself?

Axel A. Weber (Chairman of UBS and Chair of the UBS Corporate Culture and Responsibility Committee): Let me be very direct and clear from the start: Corporate responsibility and sustainability is of crucial importance to UBS today. And it will be even more important in future.

As Chairman of UBS and the Corporate Culture and Responsibility Committee, I see it as my duty to understand the scope and scale of societal challenges. Together with my fellow board members and of course our CEO Sergio Ermotti we consider the immediate and long-term effects of these challenges. We look at how they may impact the firm, our clients, and other stakeholders, and what action we may need to take in response. As you know, challenges abound - be it how to maintain functioning infrastructures, or the impact of climate change and demographic shifts.

Our industry has played, and continues to play an important role in fostering growth and prosperity and, as a consequence, societal change. Acting responsibly, achieving a positive societal change - through our own activities as well as through the products, services and advice that we offer to our clients - that's one of our key roles.

And let's not forget that the expectations of our stakeholders have grown in this regard, and continue to do so. More and more of our clients are expressing an interest in sustainable investing. Clients are at the core of what we do, providing them with products that meet their needs. So staying ahead of the game and offering clients what they want also makes very good business sense.

CL: Corporate culture has come under fire in recent years. What are your views about this and its importance to UBS?

AAW: I am convinced that a strong, sustainable and ethical corporate culture is crucial to achieving long-term success.

It has been shown time and again that firms with a strong, productive culture reap many benefits. Such firms achieve superior financial performance, have more satisfied clients, and provide a more rewarding place for employees to work. And they also tend to experience fewer negative incidents.

Unfortunately, corporate culture in the financial sector has become associated with negative events. This is regrettable, but I can assure you that we are focused fully on ensuring

there is no repetition of the unacceptable behavior seen in the past. However, our focus must not, and is not limited to this alone. We aim to foster a culture where responsible behavior is deeply imbedded in our long-term thinking.

This focus on thinking and acting responsibly and sustainably is clearly expressed in our Principles and Behaviors. Most importantly, when we do business we must not simply ask ourselves whether it is allowed, we must also ask whether what we are doing exemplifies our key behaviors, such as integrity. If it doesn't we shouldn't be doing it.

To demonstrate the importance we attach to our principles and behaviors we have embedded them across key HR processes. And last but not least we have recently renamed our Board committee in order to reflect the importance of corporate culture and make it clear that oversight of it is provided at the highest level of our firm.

Living up to our principles and behaviors will give us a competitive advantage. In short, if we do business in the right way, we will not only be a better business, we will be an even more successful one.

CL: 2015 marks 15 years of UBS's participation in the UN Global Compact. Where do you see UBS today as regards the core areas of the Compact such as protecting the environment and respecting human rights?

AAW: UBS was among the first companies to sign the Compact in 2000, which today is the world's largest corporate responsibility initiative. And we are doing an excellent job in living up to our commitments. Let me give you some examples.

As regards the environmental area of the Compact, in 2014, we were recognized as industry leaders in the Dow Jones Sustainability Indices which is an important external recognition of our strong performance. Furthermore we are the only Swiss bank on the list of best performers of the CDP for our efforts in reducing carbon emissions and mitigating the business risks of climate change.

We are also an active member of the Thun Group of Banks. The Group's discussion paper on banking and human rights has set a benchmark helping to guide banks as they map and analyze their potential adverse impacts in relation to human rights. And key elements of the paper are already reflected in our policies and guidelines, notably our Environmental & Human Rights Policy and our Environmental & Social Risk Framework.

And the Wolfsberg Group, which, like the Thun Group we were a founding member of, continues its work in the important area of combating financial crime.

CL: Looking at 2014, what would be your highlights as Chair of the Corporate Culture and Responsibility Committee?

AAW: I would point to three achievements in particular.

First and foremost, we launched "UBS and Society" last year. "UBS and Society" is a cross-divisional initiative encompassing all our activities and capabilities in sustainable investing and philanthropy, as well as our firm's community interaction. The initiative supports the development of our dedicated, industry-leading platform designed to provide our clients with comprehensive research, advisory and product capabilities in sustainable investments and philanthropy.

The second major achievement I have already referred to, the publication of our environmental & social risk framework. This embodies our strict standards with regard to key societal topics, notably climate change, deforestation, biodiversity and human rights.

Last but not least, as I mentioned at the start, one of the Corporate Culture and Responsibility Committee's roles is to monitor societal developments and trends, assess their potential relevance to our firm and our clients and, where necessary, decide on required actions. With this in mind, last year we established a system to monitor regulatory and soft law changes relating to sustainability and corporate responsibility.

CL: Looking ahead, what are the main opportunities and challenges for UBS in relation to corporate responsibility

and sustainability over the next 3-5 years?

AAW: Well, the examples I highlighted for 2014 provide an excellent indicator of the opportunities and challenges we will see becoming even more important over the next few years.

We will focus our efforts on how best to deliver societal benefits through our products and services while, at the same time, preventing potential harm. This will require us to continue with our rigorous approach towards the management of environmental and human rights risks.

We are already actively engaged with many other organizations and initiatives that contribute to tackling societal challenges. We contribute regularly to the public and political discourse around sustainability and corporate responsibility topics, both here in Switzerland and elsewhere. And we will continue to enhance our position as thought leaders in the area of corporate responsibility and sustainability.

As I said at the start of this interview, corporate responsibility and sustainability is of crucial importance to UBS today, and will be even more important in future. I believe that our continued work in this area means that we will be even better positioned to provide an industry leading and integrated range of sustainable investing products and services for our clients while, at the same time, delivering on our wider commitments as a good corporate citizen. And, ultimately, we aim to make sustainability the every-day standard throughout our firm.

Corporate Culture and Responsibility Committee

The Corporate Culture and Responsibility Committee supports the BoD in fulfilling its duty to safeguard and advance the Group's reputation for responsible and sustainable conduct. It reviews and assesses stakeholder concerns and expectations to the societal performance of UBS, and recommends appropriate actions to the BoD.

The majority of the Corporate Culture and Responsibility Committee members must be independent. The CCRC is comprised of following members of the BoD. The CCRC is advised and supported by a number of senior business representatives.



Axel A. Weber
Chairman of the Board of Directors / Chairperson of the Corporate Culture and Responsibility Committee / Chairperson of the Governance and Nominating Committee

Year of initial election to UBS Group AG: 2014
Year of initial election to UBS AG: 2012

[› Curriculum Vitae: Axel A. Weber](#)



Reto Francioni
Member of the Corporate Culture and Responsibility Committee / member of the Human Resources and Compensation Committee

Year of initial election to UBS Group AG: 2014
Year of initial election to UBS AG: 2013

[› Curriculum Vitae: Reto Francioni](#)



William G. Parrett
Chairperson of the Audit Committee / member of the Corporate Culture and Responsibility Committee

Year of initial election to UBS Group AG: 2014
Year of initial election to UBS AG: 2008

[› Curriculum Vitae: William G. Parrett](#)



Joseph Yam
Member of the Corporate Culture and Responsibility Committee / member of the Risk Committee

Year of initial election to UBS Group AG: 2014
Year of initial election to UBS AG: 2011

[› Curriculum Vitae: Joseph Yam](#)

Permanent guests

- Sergio P. Ermotti, Chief Executive Officer
- Caroline Anstey, Global Head UBS and Society

The Committee operates under the Corporate Culture and Responsibility Committee Charter as described in the Organization Regulations.

Download

[› Organization Regulations of UBS Group AG and UBS AG](#)

Axel A. Weber



German, born 8 March 1957

Functions at UBS Group AG

Chairman of the Board of Directors / Chairperson of the Corporate Culture and Responsibility Committee / Chairperson of the Governance and Nominating Committee

Year of initial election to UBS Group AG: 2014

Professional history and education

Axel A. Weber was elected to the Board of Directors (BoD) of UBS AG at the 2012 AGM and of UBS Group AG in November 2014. He is Chairman of the BoD of both UBS AG and UBS Group AG. He has chaired the Governance and Nominating Committee since 2012 and became Chairperson of the Corporate Culture and Responsibility Committee in 2013. Mr. Weber was president of the German Bundesbank between 2004 and 2011, during which time he also served as a member of the Governing Council of the European Central Bank, a member of the Board of Directors of the Bank for International Settlements, German governor of the International Monetary Fund, and as a member of the G7 and G20 Ministers and Governors. He was a member of the steering committees of the European Systemic Risk Board in 2011 and the Financial Stability Board from 2010 to 2011. On leave from the University of Cologne from 2004 to 2012, he was a visiting professor at the University of Chicago Booth School of Business from 2011 to 2012. From 2002 to 2004, Mr. Weber served as a member of the German Council of Economic Experts. He was a professor of international economics and Director of the Center for Financial Research at the University of Cologne from 2001 to 2004, and a professor of monetary economics and Director of the Center for Financial Studies at the Goethe University in Frankfurt am Main from 1998 to 2001. From 1994 to 1998, he was a professor of economic theory at the University of Bonn. Mr. Weber holds a PhD in economics from the University of Siegen, where he also received his habilitation. He graduated with a master's degree in economics at the University of Constance and holds honorary doctorates from the universities of Duisburg-Essen and Constance.

Other activities and functions

- Board member of the Swiss Bankers Association
- Board member of the Swiss Finance Council
- Chairman of the DIW Berlin Board of Trustees
- Board member of the Institute of International Finance
- Board member of the International Monetary Conference
- Board member of the Financial Services Professional Board, Kuala Lumpur
- Member of the Group of Thirty, Washington, DC
- Member of the Board of Trustees of Avenir Suisse
- Member of the IMD Foundation Board, Lausanne
- Member of the European Financial Services Roundtable
- Member of the European Banking Group
- Advisory Board member of the Department of Economics at the University of Zurich
- Advisory Board member Zukunft Finanzplatz
- Member of the International Advisory Panel, Monetary Authority of Singapore

Reto Francioni



Swiss, born 18 August 1955

Functions at UBS Group AG

Member of the Corporate Culture and Responsibility Committee / member of the Human Resources and Compensation Committee / member of the Risk Committee Nominating Committee

Year of initial election to UBS Group AG: 2014

Professional history and education

Reto Francioni was elected to the BoD of UBS AG at the 2013 AGM and of UBS Group AG in November 2014. He has been a member of the Corporate Culture and Responsibility Committee since 2013, the Human Resources and Compensation Committee since 2014 and the Risk Committee since 2015. He was CEO of Deutsche Börse AG from 2005 to 2015. Since 2006, he has been a professor of applied capital markets theory at the University of Basel. From 2002 to 2005, he was Chairman of the Supervisory Board and President of the SWX Group, Zurich. Mr. Francioni was co-CEO and Spokesman for the Board of Directors of Consors AG, Nuremberg, from 2000 to 2002. Between 1993 and 2000, he held various management positions at Deutsche Börse AG, including that of Deputy CEO from 1999 to 2000. From 1992 to 1993, he served in the corporate finance division of Hoffmann-La Roche, Basel. Prior to this, he was on the executive board of Association Tripartite Bourses for several years and worked, from 1985 to 1988, for the former Credit Suisse, holding positions in the equity sales and legal departments. He started his professional career in 1981 in the commerce division of Union Bank of Switzerland. Mr. Francioni completed his studies in law in 1981 and his PhD in 1987 at the University of Zurich.

Other activities and functions

- Board member of Francioni AG
- Board member Swiss International Air Lines

William G. Parrett



American (US), born 4 June 1945

Functions at UBS Group AG

Chairperson of the Audit Committee / member of the Corporate Culture and Responsibility Committee / member of the Human Resources and Compensation Committee

Year of initial election to UBS Group AG: 2014

Professional history and education

William G. Parrett was elected to the BoD of UBS AG at the October 2008 Extraordinary General Meeting and of UBS Group AG in November 2014. He has chaired the Audit Committee since 2009, has been a member of the Corporate Culture and Responsibility Committee since 2012 and the Human Resources and Compensation Committee since 2015. Mr. Parrett served his entire career with Deloitte Touche Tohmatsu. He was CEO from 2003 until his retirement in 2007. Between 1999 and 2003, he was a Managing Partner of Deloitte & Touche USA LLP and served on Deloitte's Global Executive Committee between 1999 and 2007. Mr. Parrett founded Deloitte's US National Financial Services Industry Group in 1995 and its Global Financial Services Industry Group in 1997, both of which he led as Chairman. In his 40 years of experience in professional services, Mr. Parrett served public, private, governmental, and state-owned clients worldwide. Mr. Parrett has a bachelor's degree in accounting from St. Francis College, New York, and is a certified public accountant.

Other activities and functions

- Board member of the Eastman Kodak Company (chairman of audit committee)
- Board member of the Blackstone Group LP (chairman of audit committee and chairman of the conflicts committee)
- Board member of Thermo Fisher Scientific Inc. (chairman of audit committee)
- Board member of IGATE Corporation
- Member of the Committee on Capital Markets Regulation
- Member of the Carnegie Hall Board of Trustees
- Past Chairman of the Board of the United States Council for International Business
- Past Chairman of United Way Worldwide

Joseph Yam



Chinese and Hong Kong citizen, born 9 September 1948

Functions at UBS Group AG

Member of the Corporate Culture and Responsibility Committee / member of the Risk Committee

Year of initial election to UBS Group AG: 2014

Professional history and education

Joseph Yam was elected to the BoD of UBS AG at the 2011 AGM and of UBS Group AG in November 2014. He has been a member of the Corporate Culture and Responsibility Committee and the Risk Committee since 2011. He is Executive Vice President of the China Society for Finance and Banking and in that capacity has served as an advisor to the People's Bank of China since 2009. Mr. Yam was instrumental in the establishment of the Hong Kong Monetary Authority and served as Chief Executive from 1993 until his retirement in 2009. He began his career in Hong Kong as a statistician in 1971 and served the public for over 38 years. During his service, he occupied several positions such as Director of the Office of the Exchange Fund from 1991, Deputy Secretary for Monetary Affairs from 1985 and Principal Assistant Secretary for Monetary Affairs from 1982. Mr. Yam graduated from the University of Hong Kong in 1970 with first class honors in social sciences. He holds honorary doctorate degrees and professorships from a number of universities in Hong Kong and overseas.

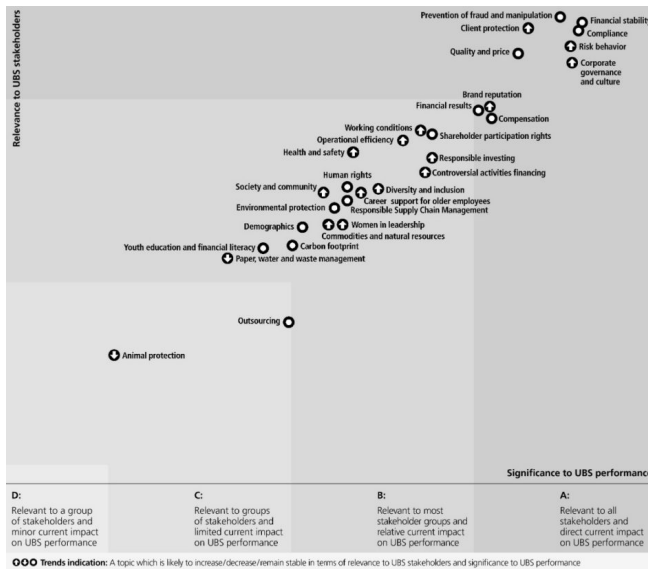
Other activities and functions

- Board member of Johnson Electric Holdings Limited
- Board member of UnionPay International Co., Ltd.
- Board member of The Community Chest of Hong Kong
- International Advisory Council member of China Investment Corporation
- Distinguished Research Fellow at the Institute of Global Economics and Finance at the Chinese University of Hong Kong

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.

Initiative (GRI) to find out which topics are of relevance to our stakeholders.



In 2014, we developed an online survey as part of our materiality assessment to better understand the views of our stakeholders. Stakeholders were invited to give direct feedback on a range of different topics. The results of the survey then became an important component of the UBS 2014 materiality matrix. In total we received about 1,000 replies from around the globe.

The following topics received the highest relevance scoring in the 2014 materiality assessment:

- Prevention of fraud and manipulation (sub-topics: rigid anti-manipulation measures, crime detection processes)
- Financial stability (capital strength, reduction of risk-weighted assets, strong equity capitalization)
- Client protection (data confidentiality, transparency, fair pricing schemes, easy-to-understand products, clear terms and conditions)
- Compliance (compliance with laws, rules and regulations, integrity of the financial system)

- › [More on the materiality assessment process \(Information center\)](#)
- › [More on the topics of relevance to UBS](#)

Our stakeholders

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 2014, we engaged with experts and stakeholders on a range of topics. These included discussions on impact investing and philanthropy, human rights, the reduction of our environmental footprint, climate change and coal (notably MTR coal mining (Mountaintop Removal) in the Appalachian region of the US) as well as food speculation.

- › [More \(Information center\)](#)

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 constitutes a 2014 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 will update this Matrix on a regular basis.

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, crossbusiness 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

Protecting people and planet



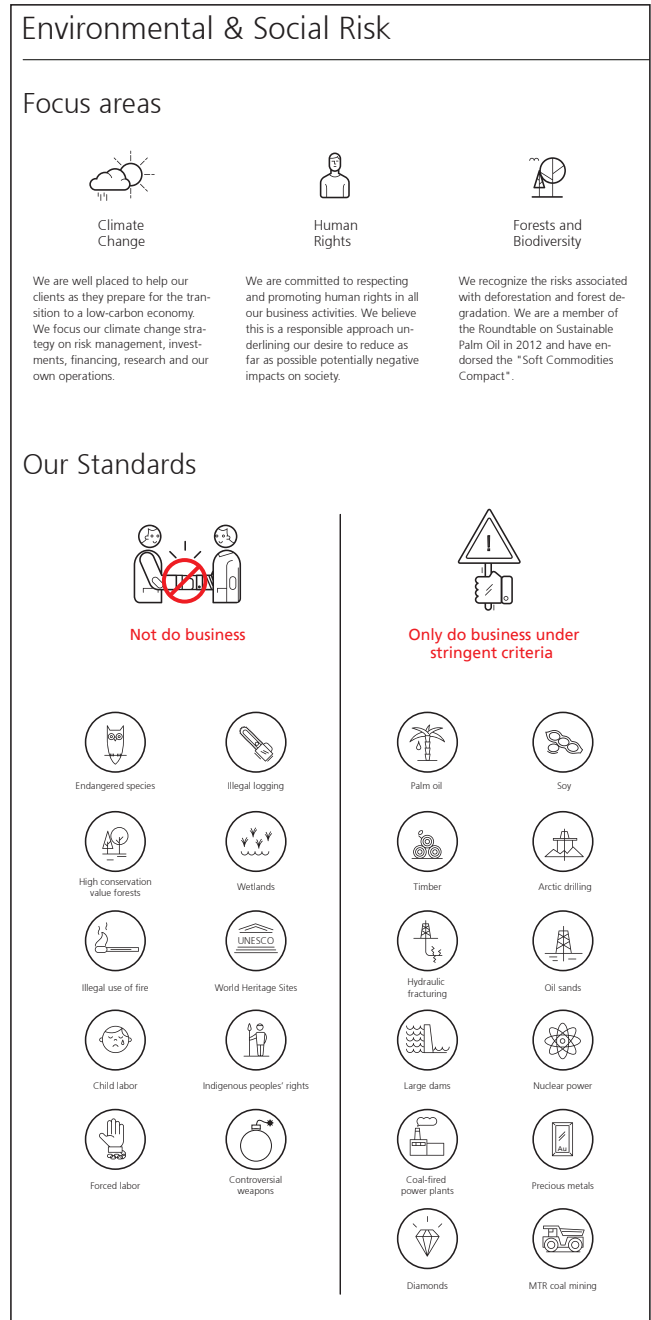
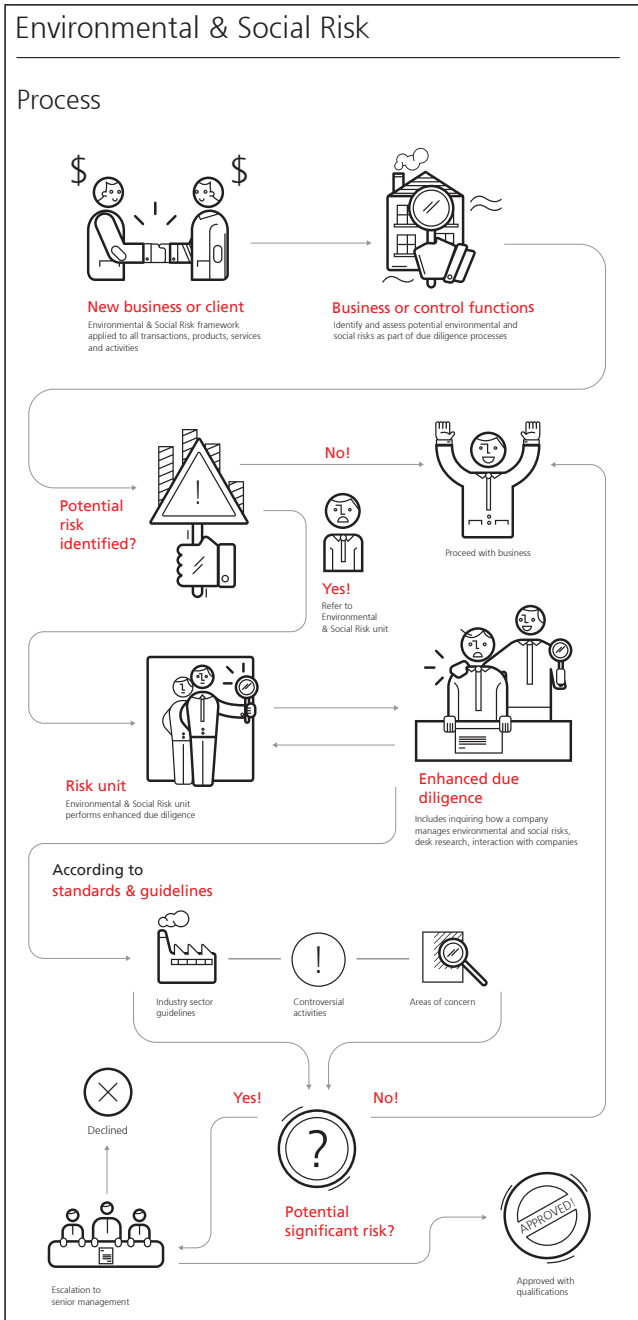
Corporate responsibility in our own firm comprises not only taking care of employees and looking after the environment but also our supply chain and accessibility to our facilities (from cash machine to website). Wherever possible we include the views of employees, suppliers and clients in this approach.

- › Environmental and social risks
- › Our climate change commitment
- › In-house environmental management
- › Responsible supply chain management
- › Combating financial crime

Environmental and social risks

We have established comprehensive rules and procedures to prevent or manage environmental and social risks for our clients and our firm.

› [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.
- 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 principles.
- Environmental and social risks are assessed when selecting and dealing with suppliers.
- 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.
- 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](#) link information text
- Areas of Concern - [Where UBS will only do business under stringent criteria](#) link information text
- Controversial weapons [link information text](#)

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

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 such as 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, mountaintop removal coal-mining, precious metals and diamonds). Enhanced due diligence includes an assessment of the company's regulatory compliance, past and present environmental performance records, as well as concerns from stakeholder groups.

An enhanced due diligence and approval process is triggered for areas in which we will only provide financial services under stringent, pre-established guidelines. Such areas include

Soft Commodities



- **Palm Oil production:** Companies must also be a member of the Roundtable on Sustainable Palm Oil (RSPO), and not subject to any unresolved public criticism from the RSPO. Companies must further have some level of mill or plantation certification and be publicly committed to achieving full certification by 2020 (evidence must be available).
- **Soy:** Companies producing soy in markets at high risk of tropical deforestation, unless the client is a member of the Round Table on Responsible Soy (RTRS) in good standing, and actively seeks to achieve full certification of its production by 2020
- **Timber:** Companies producing timber in markets at high risk of tropical deforestation, unless the client actively seeks to achieve full certification of its production by 2020 according to the Forest Stewardship Council (FSC) or a national scheme endorsed against the 2010 Programme for the Endorsement of Forest Certification (PEFC) meta standard for timber products

Extractives



- **Mountaintop removal** as a coal extraction method (read the [UBS statement on mountaintop removal coal mining](#))
- **Hydraulic fracturing** as a method for oil and gas exploration and production
- Development of **oil sands**
- **oil and gas exploration and development in the Arctic**
- **Extraction and trade of precious metals**
- **Mining and trade of rough diamonds**, unless certified to the [Kimberley Process](#)

UBS statement on mountaintop removal coal mining

09 Nov 2010, 08:00 Corporate Responsibility

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

To support the consistent identification and assessment of these impacts across the firm, UBS developed an internal metals and mining industry sector guideline in 2009. The guideline provides an overview of key environmental and social issues that arise in the various life cycles of the sector, and summarize industry standards in dealing with them. The results of these assessments are factored into the overall due diligence process and may result in UBS deciding to decline a mandate. UBS does not, however, exclude a transaction with a company simply because the latter is active in the mining sector.

Mountain top removal (MTR) mining

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

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

Energy production



- **Coal-Fired Power Plants:** Companies involved in the construction of new or upgrading existing coal-fired power plants (CFPP)
- **Nuclear power:** Companies / projects involved in the construction of new or upgrading existing nuclear power plants
- **Large dams:** Companies / projects involved in the construction of large dams that do not conform to recommendations made by the World Commission on Dams (WCD)

Controversial weapons

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". Specifically, UBS does not provide credit facilities to, or 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.

Case study: Palm oil production

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.

Encouraging a palm oil producer to certify their production process

If a company does not fully meet our standards, we may engage with the company to encourage them to change their practices prior to being onboarded as a UBS client. For example, in the case of palm oil company owned by a Wealth Management client to which UBS considered granting a loan, UBS requested the company to first become a member of RSPO and commit to the required certification under the RSPO framework. After the client committed to adhere to UBS's standards, progress was closely monitored and positive developments led UBS to continue the business relationship.

Enforcing our standards

In contrast, when a company does not commit to adhere to UBS's standards, UBS may decline to participate in a transaction. For example, in the context of an investment banking buy-side mandate, a palm oil company wanted to buy palm oil assets and asked UBS to act as an advisor for the transaction. However, our environmental and social due diligence showed that the prospective client was in breach of our standards. It was alleged they used child and forced labor on some of their plantations in Asia and Africa. Additional allegations involved violation of indigenous peoples' rights as well as damage to forests. In addition, the company was not seeking community consent for new plantations. As the company was not able to sufficiently refute the allegations, UBS decided not to pursue this transaction.

Climate change



Financial institutions are increasingly playing an active role in the transition to a low-carbon economy, and we are determined to support our clients in preparing for success in an increasingly carbon-constrained world. UBS has been included in “The A List: The CDP Climate Performance Leadership Index 2014” for its actions to reduce carbon emissions and mitigate the business risks of climate change. As a leading global financial services provider, we focus our climate change strategy on risk management, investments, financing, research and our own operations.

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?

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



UBS joins RE100 initiative to use only power from renewable sources

Zurich 15 Sep 2015, 09:00 Media Releases Global UBS News Corporate Responsibility

UBS commits to 100% renewable electricity and reducing its greenhouse gas footprint by 75% by 2020

Zurich, 15 September 2015 – UBS supports the transition to a low-carbon economy by joining RE100, a global initiative to get the world’s most influential companies to use only renewable power. The firm has committed to sourcing 100% of its electricity from renewable sources by 2020. This will reduce its greenhouse gas footprint by 75% by 2020 compared with 2004 levels.

UBS is well positioned to achieve this goal. In the last 10 years, it has substantially reduced its global greenhouse gas footprint by more than 50%. In Switzerland, Germany and the UK the firm already buys 100% of electricity from renewable sources. In addition, UBS has increased energy efficiency by more than 30% since 2000 in its home market of Switzerland.

“With our commitment to renewable energy our goal is to take a leadership role and help create demand for renewable energy across the globe,” says Caroline Anstey, Global Head UBS and Society, a cross-divisional program launched in 2014 which combines activities in sustainable investing and philanthropy, UBS’s environmental and social policies, and the firm’s community engagement. “Reducing our own footprint is a key commitment within our climate change strategy, which also focuses on investments, financing, research and risk management.”

Partnership with RE100

RE100 was launched by The Climate Group in partnership with CDP. These international non-profit organizations collaborate with companies and investors in the transition to a low-carbon economy. The initiative aims to encourage multinational companies to make a global 100% renewable commitment with a clear timeframe for reaching their goal.

“UBS has been an early mover in its industry applying environmental standards and ambitious targets to mitigate climate change. Joining RE100 and setting a goal to be 100 per cent powered by renewable energy by 2020 is a win-win – as well as showing clear leadership, it makes sound business sense,” says Mark Kenber, CEO of The Climate Group.

How UBS supports its clients

UBS also supports its clients as they mitigate and adapt to climate change and provides research, investment ideas and investment opportunities to the field of climate change, renewable energy and sustainable real estate. UBS also seeks to protect its clients and its own assets from climate change risks and provides financing to companies who support climate change mitigation and adaptation.

Links

www.ubs.com/climate

www.ubs.com/responsibility

Our climate change commitment

For more information on UBS’s climate change commitment and achievements in 2014, please refer to the Annual Report 2014, pages 324-325.

UBS energy efficiency examples

Region	Message
Switzerland	<p>UBS has increased energy efficiency by more than 30% since 2000. Various building projects have been or will be contributing to further increase energy efficiency or reduce greenhouse gas emissions:</p> <ul style="list-style-type: none"> – Refurbishment of headquarter Bahnhofstrasse 45 in Zurich (2015-2018): the project target LEED Platinum certification – Refurbishment of Aeschenvorstadt in Basel (2014): Reduction of energy consumption by 40% and new photovoltaic plant on the roof – New building Europaallee in Zurich (2013): Certified according to Swiss low-energy standard Minergie – Refurbishment of Davos branch (2013): Switch from fossil-fuel heating system to renewable energy (geo-thermal heat pump) – Refurbishment of Renens buildings (2013): new geo-thermal heat pump, reduction of CO₂-emissions by 85% <p>Since 2007 in Switzerland, we have been sourcing 100% of our electricity needs from renewable sources, mainly hydropower.</p>

Region	Message
Europe (UK, Germany)	<p>The new building 5 Broadgate in London will become our new principal office and trading building when fully occupied in 2016. The sustainable design is aiming to achieve highest internationally recognised certifications: BREEAM Excellent for base building, LEED Platinum for internal fit-out. The local carbon footprint will be reduced by 65% compared to existing buildings at Broadgate.</p> <p>Since 2013 in the UK, we have been sourcing 100% of our electricity needs from renewable sources, mainly wind power.</p> <p>Since 2012 in Germany, we have been sourcing 100% of our electricity needs from renewable sources, mainly hydropower.</p> <p>In 2010, UBS Deutschland AG moved to the new Opernturm in Frankfurt. It was one of the first new-build office high-rises to receive LEED certification in gold for sustainable, resource-efficient and eco-friendly construction</p>
Americas (USA, Brazil, Mexico)	<p>UBS has obtained 9 distinct LEED certifications in 5 buildings across the region and occupies space in additional 32 buildings that have achieved LEED certification.</p> <p>In 2015, two floors at the Nashville Business Solution Center were LEED Platinum certified by the U.S. Green Building Council.</p> <p>In 2014, the new UBS Welcome Center at 1285 Avenue of the Americas in New York received the LEED Platinum Certification, the highest level possible for its sustainable, energy-efficient, and environmentally friendly design.</p> <p>Since 2008 in the US, we have sourced more than 285 GWh of renewable electricity, mainly from wind power.</p>
APAC (Hong Kong, India, Singapore, Taiwan)	<p>In 2015, UBS has three ongoing projects in the region that target LEED or similar local certification.</p> <p>In 2014, UBS Taipei has been awarded a LEED Gold certificate in recognition of its green office standards.</p> <p>In 2013, UBS Singapore won the HRM Awards for Best Environmental Practices.</p> <p>In 2012, UBS received the Bronze Award at the Hong Kong Awards for Environmental Excellence.</p>

About UBS and Society

UBS and Society is a cross-divisional, umbrella platform designed to harness the powerful combination of our firm's global capabilities, our activities in sustainable investing and philanthropy, our environmental and social policies, and our community interaction. We want to maximize our performance to generate long-term, sustainable and measurable benefits for our clients and our communities.

About RE100

RE100 is a global initiative to engage, support and showcase influential companies committed to using 100% renewable power. RE100 shares the compelling business case for renewables, while working with others to address barriers to wide-scale adoption and to develop transparent reporting mechanisms for companies. By massively increasing private sector demand for renewable power, RE100 will accelerate the transformation of the global energy market, enabling the transition to a prosperous low-carbon future. RE100 is led by [The Climate Group](#) in partnership with [CDP](#), and is supported by the [We Mean Business](#) coalition.

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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. We were the first bank to obtain ISO 14001 certification for our Group-wide environmental management system.

We constantly strive to reduce our Greenhouse gas (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

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 2014, we continued to reduce UBS's GHG emissions and are now at 51% below the levels of baseline year 2004. Measures taken in 2014 included the replacement of a fossil heating system in a major building in Switzerland with a geothermal heat pump, reducing the building's annual GHG emissions by more than 500 metric tons. We also sold a self-operated gas power house (producing heat and cold for UBS, other office buildings and a residential area) to a local utility company to facilitate the upcoming switch to renewable energy, reducing our GHG footprint by more than 3,000 metric tons p.a.

Energy consumption

Since 2012, we reduced our energy consumption by more than 9%, thus approaching 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.

Renewable energy

We are reducing our use of carbon-intensive energy by replacing fossil-fuelled heating infrastructure where feasible. In 2014, we purchased 50% of our 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.

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.

Paper, water and waste

Despite our efforts to reduce paper consumption, we only achieved a 1% reduction in paper consumption per FTE since 2012 due to increasing documentation sent to clients. We increased the proportion of office paper from Forest Stewardship Council (FSC), or recycled sources, to 62% in 2014, reaching our target two years ahead of time.

The continued implementation of bin-less offices in many larger locations has helped us reduce the waste per employee by 8% since 2012, and exceed our 5% reduction target set for 2016. By the end of 2014, our waste recycling ratio improved to 55%, from 54% in 2012 - a step in the right direction towards reaching our target of 60% by 2016

We reduced our water consumption by 12%, compared with 2012, reaching our 2016 target ahead of schedule.

Case study: Putting environmental targets into practice

In Switzerland, the replacement of fossil fuel heating with a geothermal heating system in a building in Renens led to an 85% reduction in CO2 emissions. How did UBS achieve this? Around 400 employees work in the building, which used to have a gas heating system. The building's refurbishment included the installation of a heat pump to minimize the use of gas. In addition, the exterior lighting system was refurbished with a highly efficient LED lighting system. The geothermal heating system and more efficient chillers resulted in a reduction of gas and electricity consumption of 1,850,000 kWh and 115,000 kWh, respectively. At the same time, it is expected to save approximately CHF 170,000 in energy costs annually.

A sustainable, energy-efficient, and environmentally friendly environment; that's what recently earned the **UBS Welcome Center in New York City** the prestigious Platinum LEED Certification, the highest level possible. So what does it take to achieve LEED Platinum certification? For example, the center has highly efficient plumbing and lighting and, during construction, over 85% of waste material was recycled or salvaged. Interiors and furniture contain over 23% of recycled content, and over 30% of materials used in the center were manufactured or extracted locally.

Projects to reduce energy consumption at the **UBS site in Weehawken, New Jersey** are underway. On the 9th floor of 1000 Harbor Blvd new lighting is expected to save USD 25,000 in energy costs annually. And two new high-efficiency and environmentally friendly chillers are expected to produce annual energy savings of 685,268 kWh.

Responsible supply chain management

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

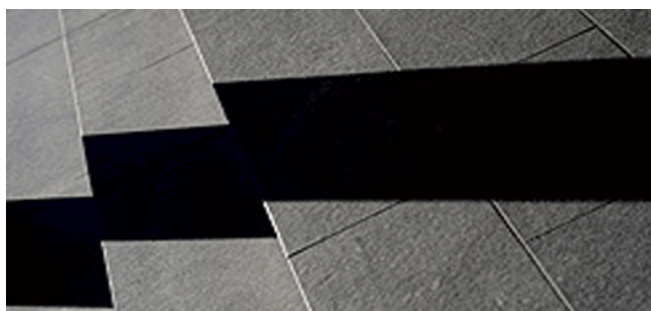
Our responsible supply chain management (RSCM) framework is based on identifying, assessing and monitoring supplier practices in the areas of human and labor rights, the environment, health and safety and anti-corruption, in line with our commitment to the UN Global Compact and the UBS Environmental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

In 2014, our sourcing and procurement services units were transferred to Chain IQ, a newly-founded company that will continue to apply UBS's unchanged RSCM framework and processes. In the new setting, 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. In 2014, remediation measures were requested for 56% of suppliers of newly sourced goods or services with potentially high impacts to improve their adherence with UBS's RSCM standards.

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

Combating financial crime

We take a rigorous risk-based approach in our commitment to combatting 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, corruption and sanctions risks associated with our business against our control framework, and take actions to further mitigate that risk. In 2014, our business divisions completed a global anti-bribery & anti-corruption (ABC) risk assessment. The methodology identifies an inherent risk score, control coverage assessment and residual risk rating for each line of business. The risk assessment identified follow up actions for each business division but did not identify any significant incidence of non-compliance with our anti-corruption policies. The ABC risk assessment is now an annual process, undertaken by our financial crime function globally.

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 2014 through its annual forum and regional reach-out meetings with banks globally. It continues to work on guidance papers in key areas of AML and, in 2014, it issued such a guidance paper on mobile and internet payment services.

› [More](#)

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](#)

Diversity and Inclusion

We believe that companies with diverse workforces and inclusive work environments excel in understanding and serving clients. 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 2014, our employees worked in 893 offices, spoke more than 130 languages and were citizens of 147 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](#)

Performance and compensation

Our performance- and development-oriented culture is based on integrity, collaborating across the firm and challenging the status quo to develop better solutions for our clients and colleagues. Our principles of client focus, excellence and sustainable performance are the basis for all our endeavors, helping us focus on key opportunities to create value for our stakeholders. To promote sustainable performance, we must attract and recruit talented individuals, support their ongoing development and leverage their skills to meet our clients' evolving needs. We strive to be as forward-looking as possible when planning our talent requirements. Regular talent reviews enable us to understand our employees' capabilities, potential and ambitions, and to fill any gaps by developing or recruiting talent at all levels. Our integrated approach links our recruitment, diversity, learning, mobility, performance management, talent review, compensation and succession practices to foster a high-performance and development-focused culture.

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

Health and safety

Health and safety are integral parts of our corporate responsibility. At UBS, we aim to create a work and business environment that safeguards the health and safety of employees, business partners or clients. A safe and healthy work environment supports employees in performing their jobs in a productive and efficient manner. 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 under consultation of the "Access for all" foundation (www.access-for-all.ch) in Switzerland to fit the requirements for a AA rating for accessibility (WCAG). All 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.

Working at UBS



We want to create superior value for our clients, employees and shareholders. Of course our business strategy, structure and leadership play a huge role in achieving and maintaining success over the long term, but having a truly global presence, superior talent and an unrivalled client franchise are also major factors.

To achieve our goals, we strive for excellence in all we do, and this starts with our employees. We make it a priority to hire highly talented individuals at all stages of their careers, help them develop and grow, and empower them to apply their unique skills to benefit our clients and our company.

As a result, more than 60,000 employees come together every day to use their energy, expertise, ideas and experiences to help clients and colleagues achieve their goals. Our policies and management practices help build and sustain a diverse and inclusive work environment and make our collaborative, performance-oriented culture even stronger.

For a taste of our culture and what makes UBS unique, watch “[Why UBS](#)” or click on one of the links below to look deeper into UBS as a workplace.

Find out more

- › [About our employees](#)
- › [Recruiting new talent](#)
- › [Our performance culture](#)
- › [Our diverse and inclusive culture](#)

Our employees are UBS

We are in a service-oriented business, which makes our employees (individually and corporately) crucial to our success. We strive to be a good employer, investing in our employees and continuously improving how we manage our global workforce so we can attract, develop and retain highly qualified people.

All of our businesses seek to hire and retain a broad and diverse range of employees, and we strive to continually strengthen our inclusive work environment. We’re committed to equal employment opportunity and we believe that having the right people, in the right roles, at the right time, is a key factor in excelling now while building strength for the future.

A mobile workforce builds relationships across businesses, regions and cultures and helps us use our employees’ skills more effectively. It also enables us to better meet our clients’ needs. We therefore support our employees in changing roles within the firm, whether these changes are within the same business division or region, or beyond.

Talent reviews are a regular part of our people management process. We want to have a good grasp of our employees’ capabilities and potential. This way, we can plan to fill any gaps in our workforce through education, job changes or hiring. And, linking our recruiting, diversity, training, performance, compensation and succession planning processes helps us build a high performance workforce that will support our ongoing success.

Our workforce at a glance¹

We have 60,155 employees (calculated on a full-time equivalent/FTE basis). This number includes apprentices in Switzerland on three-year limited contracts who receive equivalent benefits to permanent employees.

- We employed an additional 1,365 people (FTE) through third parties on short-term contracts to fill positions on an interim basis.
- Our employees are in Switzerland (36%), Americas (35%), Europe, Middle East and Africa (17%), Asia Pacific (12%)
- 23,669 (38%) of our employees are women, 38,116 (62%) are men - a total of 61,785 (on a headcount basis)
- Switzerland is our largest cross-border importer of employees; Germany is our largest cross-border exporter
- Our workforce spans four generations; the average age is 41
- The average length of employment at UBS is 9.2 years
- 48% of employees in Switzerland have been here 10+ years
- Our employees work in 893 UBS offices in 56 countries
- They speak more than 130 languages and are citizens of 147 countries
- 1,063 employees changed business divisions; 421 changed region in 2014
- Employee turnover was 13.4% (down from 15% in 2013)
- Employee-initiated turnover was 8.5% (down 0.2% from 2013)

¹ On / as of 12/31/14

Personnel by region

Personnel by region	As of			% change from
	31.12.14	31.12.13	31.12.12	
Full-time equivalents	31,12.14	31,12.13	31,12.12	31,12.13
Americas	20,951	21,317	21,995	(2)
of which: USA	19,715	20,037	20,832	(2)
Asia Pacific	7,385	7,116	7,426	4
Europe, Middle East and Africa	10,254	10,052	10,829	2
of which: UK	5,425	5,595	6,459	(6)
of which: Rest of Europe	4,663	4,303	4,202	8
of which: Middle East and Africa	166	152	167	8
Switzerland	21,564	21,720	22,378	(1)
Total	60,155	60,205	62,628	0

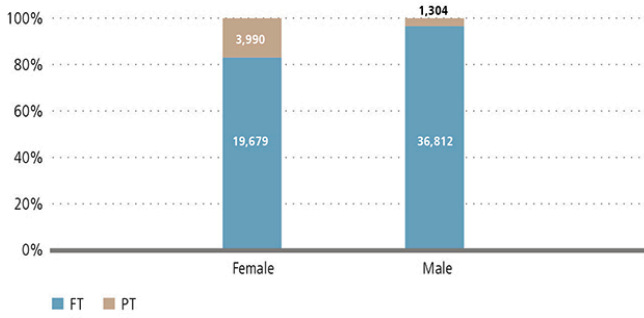
Personnel by business division

Personnel by business division and Corporate Center	As of			% change from
	31.12.14	31.12.13	31.12.12	
Full-time equivalents	31,12.14	31,12.13	31,12.12	31,12.13
Wealth Management	16,760	16,414	16,210	2
Wealth Management Americas	16,134	16,344	16,094	(1)
Retail & Corporate	9,200	9,468	10,156	(9)
Global Asset Management	3,817	3,729	3,781	2
Investment Bank	11,794	11,615	13,595	2
Corporate Center	2,450	2,640	2,792	(7)
of which: Core Functions	970	1,055	488	(8)
of which: Non-core and Legacy Portfolio	1,480	1,585	2,304	(7)
Total	60,155	60,205	62,628	0
of which: Corporate Center – Core Functions personnel (before allocations) ¹	23,627	23,860	25,351	(1)

¹ Comparative figures in this table may differ from those originally published in quarterly and annual reports due to adjustments following organizational changes.

Full-time and part-time employees

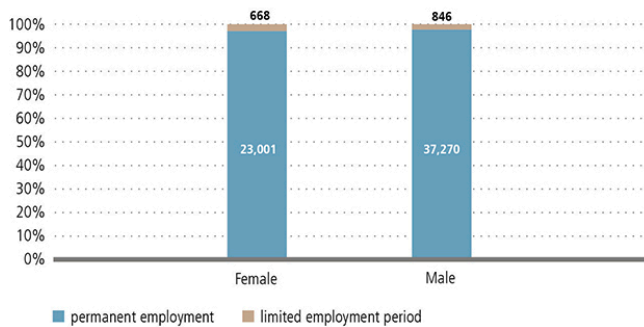
Personnel (full- and parttime employees)¹



¹ By headcount as of 31.12.14. Calculated on the basis that a person (working full time or part time) is considered one headcount. This accounts for the total UBS end-2014 employee number of 61,785, which excludes staff from UBS Card Center, Hotel Seepark Thun, Wolfsberg and Hotel Widder.

Personnel by terms of employment

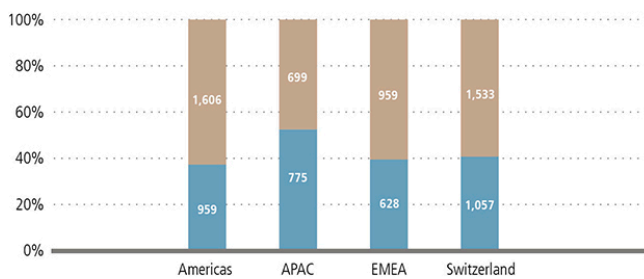
Personnel (by employment terms)¹



¹ By headcount as of 31.12.14. Calculated on the basis that a person (working full time or part time) is considered one headcount. This accounts for the total UBS end-2014 employee number of 61,785. A total of 1,357 Swiss apprentices are included in the "limited employment period" population, as their contracts are established for a three-year period.

External hires and turnover

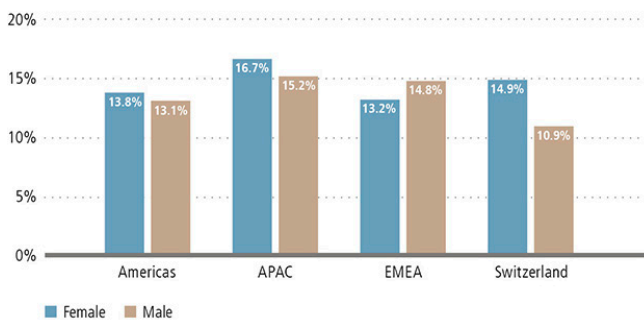
Personnel hired externally in 2014¹



¹ By headcount as of 31.12.14.

Personnel (turnover)

Personnel turnover in 2014



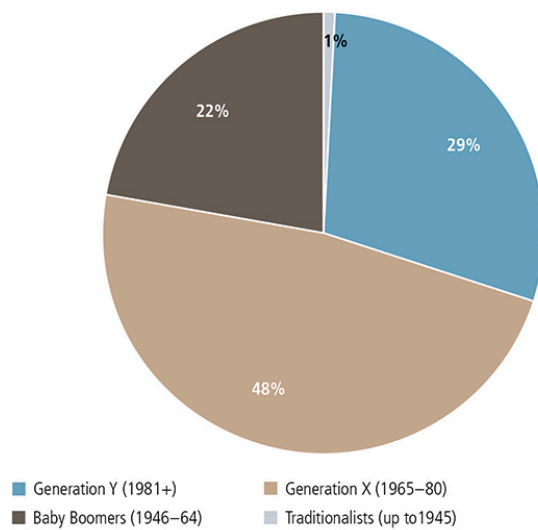
Personnel (nationality)

Employee nationality at a glance (2014)



Personnel (age)

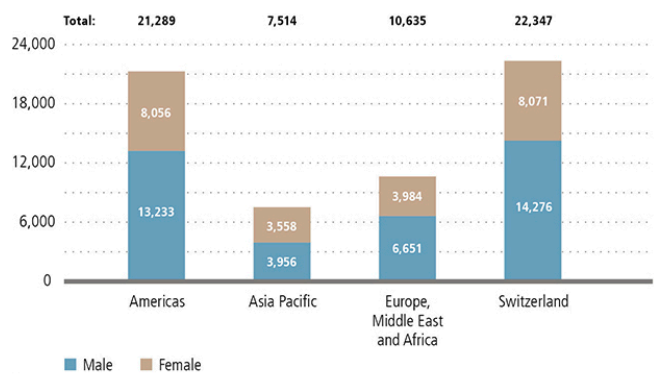
UBS personnel by generation



Personnel (men / women by region)

Gender distribution by geographical region¹

Headcount as of 31.12.14



¹ Calculated on the basis that a person (working full time or part time) is considered one headcount in this graph only. Looking at subregional data, the Americas consists of the USA at 20,009 and the rest of the Americas at 1,280. EMEA consists of the UK at 5,587, the rest of Europe at 4,857 and Middle East and Africa at 191. This accounts for the total UBS employee number of 61,785 as of 31 December 2014, which excludes staff from UBS Card Center, Hotel Seepark Thun, Wolfsberg and Widder Hotel.

Personnel (men / women by category)

Gender distribution by employee category¹

Headcount as of 31.12.14	Officers (Director and above)		Officers (other officers)		Employees		Total	
	Number	%	Number	%	Number	%	Number	%
Male	18,170	78	12,224	61	7,722	42	38,116	62
Female	5,166	22	7,912	39	10,591	58	23,669	38
Total	23,336	100	20,136	100	18,313	100	61,785	100

¹ Calculated on the basis that a person (working full time or part time) is considered one headcount (in this table only). This accounts for the total UBS employee number of 61,785 as of 31 December 2014, which excludes staff from UBS Card Center, Hotel Seepark Thun, Wolfsberg and Hotel Widder.

Recruiting new talent

People join UBS from a wide range of professional and academic backgrounds. While our first priority is to support our existing employees' career goals, we actively recruit the best available people to fill gaps and grow our core businesses.

We recruit talented people for open roles across the firm. It's essential for us to recruit highly effective wealth management professionals; last year, we hired 416 client advisors in Wealth Management and 451 financial advisors in Wealth Management Americas. In total, there were 8,216 external hires across the firm in 2014.

In the past year, we have significantly increased our online marketing and recruiting activities. We built a strong presence on networking and recruiting giant [LinkedIn](#) and increased our careers-related content on social media channels such as [Facebook](#), [Twitter](#) and [Google+](#). We also launched the [UBS Careers Blog](#). A short video - [Why UBS](#) - highlights our workplace culture and other elements that help us stand out among our peers.

Special emphasis on young talent

Every year, UBS offers training programs to more than 2,000 young people, including apprentices, students and university graduates, many of whom remain with the firm. We invest a lot of time and resource in cultivating, hiring and training young people because they bring new perspectives and skills to our global teams and are a source of entry-level talent. In 2014, we hired 476 university graduates into one of our undergraduate or MBA training programs, along with 991 interns.

Last year, we launched an educational program for pre-university students in Singapore to commemorate our [50th year in the region](#). The **UBS Singapore Youth Academy** will admit 50-70 students for the 2015 program and 120 in 2016. Its goal is to help students better understand finance and encourage them to explore financial services careers.

Our **Emerging Talent Program**, a special, limited-edition summer internship within the [UBS Education Initiative](#), recruits students early in their university careers. In 2014 (the program's final year), 72 students from 46 universities participated in a hands-on program that immersed them in solving business challenges for their sponsoring business areas.

In **Switzerland**, we recruited 192 trainees into our All-round Traineeship Program for Swiss high school graduates. We also hired a total of 313 apprentices. This was the second year that we hired additional apprentices in conjunction with the UBS Education Initiative. As part of our commitment youth education, we joined the [Global Apprenticeships Network](#) in March 2014. As a member of this global business leaders network, we will benefit from sharing best practices in the design and implementation of work-based training, apprenticeships and on-the-job training programs.

Catch the [social buzz](#) around UBS careers, [meet our people](#) and follow the [UBS Careers Blog](#) on our [Careers](#) site.

An honors student among employers in 2014

- Working Mother magazine named us among the top 100 US companies for our leadership in establishing policies, programs and a corporate culture that supports working mothers.
- We are in the global top 40 in Universum's 2014 World's Most Attractive Employers list.
- UBS is #3 overall, and the #1 financial services firm in Switzerland, among business grads and experienced professionals in Universum's 2014 Ideal Employer surveys.
- In Asia Pacific, UBS earned the Hays Award for Employer of Choice, among other honors.
- See [ubs.com/awards](#) for more information on our employer rankings



Awards

The numerous awards we have received recognise our success in building and strengthening our client relationships and our commitment to our employees and the communities in which we live and work.



More about our awards:

- > [UBS Group](#)
- > [Wealth Management](#)
- > [UBS Switzerland](#)
- > [Investment Banking](#)
- > [Asset Management](#)
- > [UBS as an employer](#)
- > [Community Investment](#)

Our performance culture

Culture is a critical component of our strategy, because companies with strong, productive cultures outperform those without. For the past several years, we have focused on the basics of culture-building: communicating our vision and strategy, embedding our keys to success in our daily work and management processes, and focusing on initiatives that will help ensure sustainable performance.

We have a unique culture, and we're well on the way to making it a winning one. Sustainability requires consistency, so how we accomplish our goals is as important as what we achieve. We therefore have integrated our expectations regarding behavior into all of our business and HR practices, from leadership training and business processes to recruiting and performance evaluation practices.

A key component of our culture change has been to stress accountability and good leadership at all levels. Especially now, our leaders must be transformational, positively impacting how our employees work together and how we manage our businesses. In September 2014 we outlined explicit expectations for excellent leadership in a concept we call The UBS House View on Leadership. Closely correlating to the firm's principles and behaviors, we ask our leaders to champion these qualities as individuals and as team heads, and to reflect them in their hiring, development and promotion decisions. They're also being embedded into promotion, hiring and development decisions in 2015.

Managing our people

Good performance management processes are essential to our long-term success; they improve team and business performance, enable individuals to advance in their careers, and, ultimately, enable the firm to successfully deliver its strategy. Our global performance management framework centers on employee-manager conversations, and it closely links performance, behavior, achievements and compensation.

Read more about our culture as it relates to diversity and inclusion

Our diverse and inclusive culture

In a world where demographic changes are accelerating, where our clients are becoming increasingly diverse and where the traditional talent pool is shrinking, diversity and inclusion support our business strategy and help prepare us for the future.

Diversity and inclusion are not just feel-good corporate buzz words. Our experience has shown that they have a positive impact on our business results:

- **Enhanced client focus and effectiveness:** Diverse teams better understand and relate to clients' needs, building trust through their inclusive approach to doing business.

- **High-quality employees:** An inclusive work environment is a magnet for high-quality people, helping us attract and retain diverse talent and engage them to perform at their best.
- **Improved decision-making:** We are aiming for diversity of thought, opinion and experience. This sort of diversity leads to better decision making, thought leadership, innovation and agile thinking, while helping us avoid institutional blindness.

Sustaining diversity requires us to focus on making our work environment more inclusive. In 2015, we'll continue implementing our global strategy for increasing diversity and inclusion throughout the company, complemented by divisional and regional initiatives.

We know that good leadership is the key to maximizing the benefits of diverse teams. We therefore provide training to help managers become more inclusive leaders, particularly around decisions about roles, assignments, working arrangements, promotions and performance evaluations. We also provide a foundation through our global HR policies and processes to help ensure a non-discriminating, harassment-free workplace with equal opportunities for all employees.

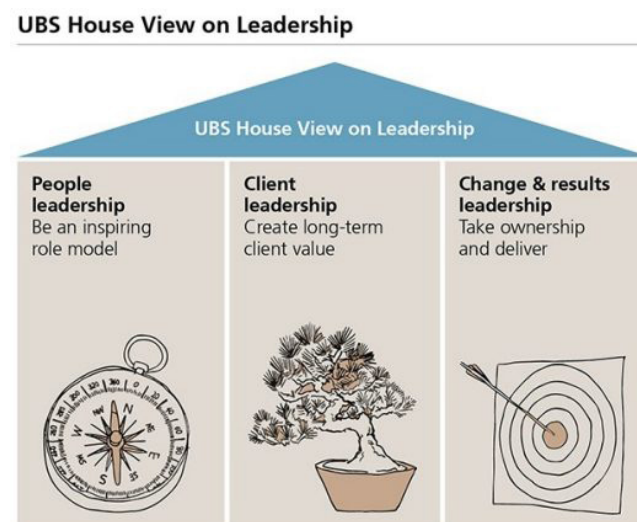
› See our [Diversity and Inclusion](#) page for more information.

The importance of employee networks

Our employee networks are key change agents, partnering with other stakeholders to deliver on our strategy. In 2014, 16,672 employees across UBS were members of 27 employee networks. These inclusive groups, representing elements such as gender, culture, life stage and sexual orientation, build cross-business relationships and support an open workplace.

- See our [employee networks](#) page for more information

UBS House View on Leadership



Employee development



Learning and development are key parts of our talent management process. Our firm-wide course offerings include senior leadership development, business education and practical training for employees at all levels.

All of our education activities are closely linked to our overarching people management framework. This helps ensure that:

- our businesses achieve their goals
- we develop a group of future leaders in all business divisions
- our employees build their skills in line with business requirements and their personal career plans
- we address all relevant regulatory and compliance requirements
- we provide information, training and development opportunities that support us in meeting future demands and challenges

Education is also a powerful vehicle for culture change, and in 2014, we put special emphasis on equipping our senior leadership to be change agents. The most visible example was our Senior Leadership Experience - a two-part program for the firm's top 250 leaders that really drove home the links among business strategy, effective leadership and the firm's pillars, principles and behaviors. Participants came away with a clear understanding of what it takes to win in our industry, as well as the tools to engage their teams and build on our momentum.

We invest in training programs for all employees, with a particular focus on client-facing staff in our wealth management businesses. Initiatives like the Master in Wealth Management by UBS and Rochester-Bern Executive Program help ensure our client advisors can provide superior investment advice and solutions to our clients. And, in the US, our Wealth Planning Analyst program uses a three-year job rotation to develop a new generation of advisors. These programs complement long-running initiatives like the Wealth Management Diploma, which is required for all client advisors in UBS Wealth Management.

All of our employees can access a large number of development and learning activities related to their jobs. Our eLearning portfolio contains more than 5,000 courses

on topics such as communication skills, management and leadership, financial markets and IT. We also have a lot of specialized modules on risk, finance and compliance topics to help employees be effective in their roles and within evolving business and regulatory environments.

In 2014, our permanent employees participated in approximately 757,000 development activities. This was an average of 12.3 training sessions per employee or 2.4 training days. The total includes more than 579,000 sessions on topics like money laundering prevention, supervision, fraud awareness and information security. These sessions are valuable learning experiences for everyone, and they help us meet our regulatory commitments. In most cases they are mandatory for defined groups of employees, including external staff working in those areas.

Lifelong learning

Global demographic changes mean that many people are working longer, and they're doing so in a rapidly changing work environment. As a result, ongoing training and personal development are more important than ever. We have always invested in training for experienced employees, but in early 2013 we launched a targeted "lifelong learning" initiative especially for employees in Switzerland who are at least 45 years old. We expanded the program last year to include career planning sessions, training in office tools and applications, languages, social media, networking and multi-generational collaboration. More than 800 employees participated in at least one lifelong learning event during 2014.

› [Seethe 2014 Annual Review for more information on our wealth management education initiatives](#)

› [The UBS Education Initiative](#)

› [UBS Institute of Economics in Society at the University of Zurich](#)

› [Average training days \(by division\)](#)

› [Average training days \(by gender\)](#)

› [Average training days \(by rank group\)](#)

Our commitment to employees



We are dedicated to being an attractive, responsible and supportive employer. All of our employees are offered a market-competitive suite of benefits that include insurance, pension, retirement and time off. Our benefits are designed to enhance employees' work experience and help them manage their professional and personal interests.

In many cases, our benefits go beyond what is required by local law or market practice. For example, we support flexible working arrangements in our major locations. Employees in Switzerland can request Time Flex options such as teleworking, part-time or job-sharing arrangements, or they can begin partial retirement starting at 58. Similarly, our HR policies in the UK and US highlight the various part-time, flexible, job-sharing and home-working opportunities that may be appropriate for employees whose roles are amenable to flexible working conditions. We also encourage employees to participate in their communities by offering up to two working days a year to engage in volunteering efforts.

Our culture, workplace atmosphere, benefits and employee assistance efforts all work together to help us attract and retain high-quality staff.

Find out more

› [Employee assistance](#)

› [Employee relations](#)

Employee assistance

UBS strives to maintain an appropriate, safe working environment based on good business practices and consideration of our employees' wellbeing.

We are committed to providing a supportive work environment for employees at all stages of their careers and personal lives. For example, our HR policies seek to ensure that employees can take sufficient parental leave after the birth or adoption of a child and continue their careers at UBS upon their return. As with many employee benefits, parental leave entitlement is governed by local legislation, and it varies by country. UBS meets the statutory parental leave requirements in all locations, and in most locations we exceed them.

In addition to formal parental leave policies, we also support new parents and working families in a variety of informal ways. For example, we actively support "maternity coaching" in the UK to help expectant and new mothers plan their leaves and successfully reintegrate back into our

workforce upon their return. We also encourage flexible working arrangements as a way to help new mothers, in particular, transition back into their roles. Additionally, active employee networks in the US and the UK focus on the well-being of families - parents, guardians, children, care-givers, partners, etc. These efforts combine to help our employees manage evolving responsibilities in their work and personal lives.

In addition to HR policies and local practices, we offer comprehensive employee assistance programs in our larger locations, including the UK, US, Switzerland, Hong Kong, Singapore and Japan. Our offerings include support and counseling for stress, illness, personal conflict, finances, bereavement, mental health, performance and elder care. In addition, employees in a number of our locations can access company-provided or subsidized health services, child care and fitness options.

Having a supportive work environment is especially important in changing market conditions, where business areas may need to be restructured. Redeployment and outplacement initiatives in every region provide assistance to affected employees. For example:

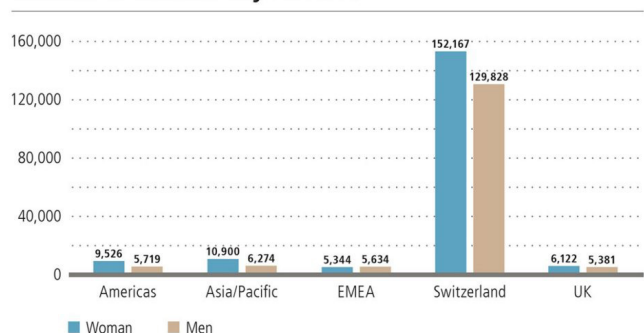
In the US: We offer career transition support, severance pay and health benefits to eligible employees.

In Switzerland: Our COACH program helps individuals (Director level and higher) find new roles in UBS or outside the firm. Employees below Director level are part of a social plan that handles redundancies, internal hiring, job transfers and severance.

We have a longstanding commitment to the well-being of all our employees, as noted in our Code of Business Conduct and Ethics. Our guidelines stress the importance of a good physical infrastructure and a work environment that promotes the health and safety of employees and external staff. As part of this, we track accident and illness rates, especially in countries such as Switzerland where this data is required by local insurance practices. In 2014, 49,779 work days were recorded in our self-service HR tool as having been impacted by accidents, with 336,911 impacted by illness. This amounted to an average of five work days per employee.

› [See our Employee Networks page for more information about our supportive employee groups](#)

Number of sickness days in 2014



Employee relations

As part of being a responsible employer, we maintain an open dialogue with all of our employee representation groups in Europe. We also provide clear avenues for employees to raise concerns or grievances, and we take their feedback seriously.

The UBS Employee Forum for Europe was established in 2002, with representatives from 14 countries across Europe (including Switzerland, France, Germany and the UK). It facilitates open discussion on European issues that may affect our regional performance, prospects or operations. Local groups discuss health and safety, workplace conditions, pensions, collective redundancies and other topics. For example:

In Switzerland, Employee Representation Committee members meet with senior management for annual salary negotiations and represent employee interests on specific topics.

The UK Employee Forum focuses on economic, financial and social activities that may affect UK employees.

The UBS Employee Forum for Europe, which covers all employees and assignees in those 14 countries, represents approximately 52% of our global workforce.

Resolving workplace issues

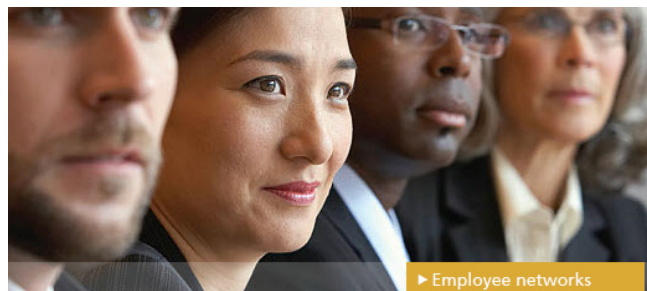
Workplace issues sometimes arise, and we have established processes in each region to deal with work-related grievances or complaints. We try to resolve issues quickly, and in many cases they can be resolved informally.

Employees who are concerned about a work-related matter are encouraged to speak with their direct line manager or an HR representative. We also ask employees to promptly report any conduct by colleagues, consultants, clients or service providers that may be a breach of laws, regulations, rules, policies or procedures.

Our internal policies prohibit anyone from taking adverse action against an employee placing a complaint in good faith. We have a global Whistleblowing Policy and established procedures (including a telephone hotline) for submitting, investigating and handling concerns and complaints. Background information is available online and is referenced in our employee handbooks, and our global whistleblowing web page enables employees to easily (and anonymously) raise concerns.

Diversity & Inclusion

We are committed to strengthening and sustaining our diverse workforce and inclusive work environment



We believe that companies with diverse workforces and inclusive work environments excel in understanding and serving clients. 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. This experience enables our employees to have stronger skills, better understanding and more institutional knowledge about our clients' needs and how to meet them.

Our workforce is truly global. We have 893 offices in 56 countries, and our employees, who together speak more than 130 languages, are citizens of 147 countries. In 2014, the average age of our employees was 41 years and the average length of employment within the firm was 9.2 years. In Switzerland, more than 48% of employees have worked at UBS for more than 10 years.

Our human resource policies and processes have global coverage and outline our commitment to a non-discriminating, harassment-free workplace, offering equal opportunities. We are committed to building the skills of our existing employees while hiring the best available talent, as required, to sustain and grow our core business. As part of this goal, we seek to strengthen and sustain an inclusive work environment that encourages all employees' development and enhances client relationships. Understanding and appreciating differences in age, behaviour, attitude, motivation and working styles builds stronger teams that are better able to serve our clients.

› [More information about our employees and some statistics of our workforce](#)

Employee networks

In 2014, approximately 16,600 employees across UBS were members of 27 employee networks. These networks, representing affinities such as gender, culture, life stage or sexual orientation, help build relationships across our businesses and an open climate where employees feel their values are welcomed in a professional capacity. Our global network guidelines enable employees to set up or join employee networks/affinity groups in all our operating regions.

Additionally, our human resource policies and processes have global coverage and outline our commitment to a non-discriminating, harassment-free workplace and equal opportunities for all employees.



All Bar None APAC

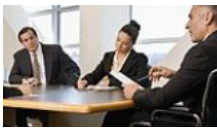
In APAC there is one employee network that represents the interests of all of the diversity groups. This is known as All Bar None within the region.



Multi-cultural network

The multi-cultural network appeals to employees of different heritages who are interested in growing professionally through training and development, career management and networking opportunities.

[› More](#)



disAbility network

Employees interested in any area of disability awareness, may wish to join the disAbility awareness network, which was established with the aim of attracting and harnessing the talents of people with disabilities.

[› More](#)



Pride networks

The pride networks built a platform for employees who are interested in creating and sustaining an LGBT friendly environment where people are comfortable being open and honest about their sexual orientation, gender expression or gender identity.

[› More](#)



Family networks

UBS family networks aim to make resources available to employees to improve their well being and the well being of their families. By families we mean parents, step-parents, children, siblings, partners, careers or any other family roles.

[› More](#)



Women's networks

UBS women's networks around the globe are open to all employees. They provide networking, mentoring and leadership opportunities that encourage professional and personal development.

[› More](#)

History of UBS More than 150 years of interesting stories



In 2012, UBS celebrated its 150th anniversary

This important milestone in our long history served to demonstrate our firm's established place in the evolution of the modern global banking sector and our pivotal position as part of the Swiss banking tradition.

In two interactive media you can learn more about the history of UBS:

Discover the historical development of our predecessor banks – and key historical milestones:

[› UBS and contemporary history](#)

Explore the heritage of the more than 300 banks, which form today's UBS

[› Roots of UBS](#)

Shaping the future – UBS Annual Review 2014

A look back on some of UBS's many achievements in 2014 and how we're shaping the firm for the benefit of our clients, shareholders, and the wider community. This year's Annual Review – Shaping the future – features some of the young talents in our graduate and apprenticeship programs as well as a range of interesting articles and key facts and figures. We hope you enjoy reading our Annual Review 2014 and learning more about what we're doing to shape a successful future for the firm and our many stakeholders.



Downloads

› [Annual Review 2014](#) 📄

› [Annual Review 2014 \(e-paper\)](#)

Annual Review 2014 on your iPad



The Annual Review 2014 will be available at the beginning of April 2015 in an iPad version at UBS Newsstand / Annual Review.

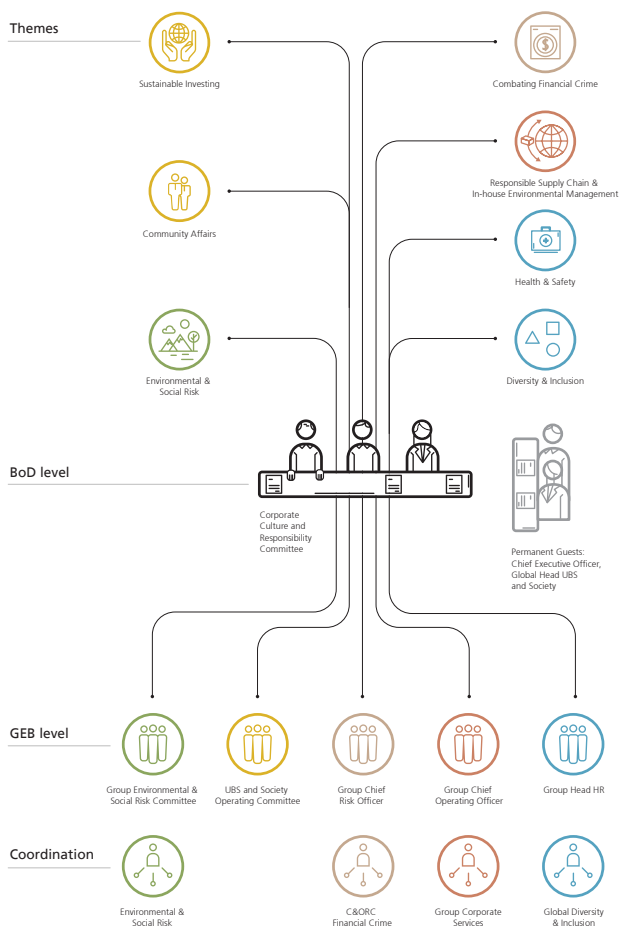
› [Download iPad App](#)

Governance

Our Board of Directors is responsible for setting our firm's values and standards and ensuring that we meet our obligations to our stakeholders.

› CR governance at UBS 

Corporate Responsibility Governance



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

All Board of Directors committees monitor our business performance in the context of creating sustainable value. The Corporate Culture and Responsibility Committee focuses specifically on assessing how we meet our stakeholders' expectations with regard to corporate responsibility. It also monitors and reviews our policies and regulations as well as the implementation of our stated commitments from a corporate responsibility perspective.

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

- › [Foundational document: Code of Conduct and Ethics](#)
- › [Diversity and Inclusion](#)
- › [Environmental and human rights policy](#)
- › [Combating financial crime](#)
- › [Whistleblowing protection](#)
- › [Community Affairs](#)
- › [Training and raising awareness](#)

Foundational document: Code of Conduct and Ethics

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

Diversity and Inclusion

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

› www.ubs.com/diversity

Environmental and human rights policy

UBS is committed to acting in a responsible manner in all its business dealings and to promote sustainable business activities. The policy defines principles and responsibilities for managing environmental and human rights issues.

› [UBS Environmental and human rights policy](#) 

Combating financial crime

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

› [More](#)

Whistleblowing protection

UBS encourages all employees to promptly report any concerns, possible ethical breaches or conduct by other employees, consultants, clients, or 3rd party service providers and which constitutes a breach of law, regulations, rules, and other legal requirements or applicable UBS code of conduct and policies, or of any ethical code or professional standard; without fear of retaliation for having reported any such concerns. All employees have easy access to anonymized, free, internal or external mechanisms for reporting said concerns or breaches.

Community Affairs

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

[› More](#)

Training and raising awareness

We apprise our employees about our values and standards on topics and challenges pertaining to corporate responsibility. 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.

[› Data on training and raising awareness](#)

How we support our clients



Our clients are increasingly concerned about societal challenges. They want to use their resources for the benefit and advancement of individuals, communities and societies around the globe. As a global firm, and the world's largest wealth manager, we are in a unique position to support them in this. Being their trusted financial advisor, we recognize this responsibility and take it seriously. Our products and services allow us to help clients make a real difference.

UBS and Society

Integrating societal and financial performance for the benefit of our clients, our communities and our firm

What we do

For a long time, we have been helping clients to invest along sustainable and responsible criteria. In 2014, we launched UBS and Society - a cross-divisional umbrella initiative that covers all our activities and capabilities in sustainable investing and philanthropy, as well as our firm's community interaction. The purpose of this initiative is to support the development of our dedicated, industry-leading platform that delivers comprehensive research, advisory and product capabilities in sustainable investments and philanthropy. We want to do this holistically, channeling a growing portion of investable client assets through innovative financial mechanisms to address societal challenges and make societal performance part of every client conversation.

To us, sustainability in banking means both seizing opportunities and managing risk. As our sustainable investment offering grows and our focus is shifting from 'doing no harm' to 'doing good,' we must also align our client and supplier relationships with our strict environmental and social risk management standards. Our Environmental and Social Risk Management Framework clearly demonstrates our approach to environmental and social risk and our strict standards with regard to such topics as climate change, deforestation, biodiversity and human rights.

Why we do it

We want to ingrain a culture of long-term thinking and action throughout the firm. Our success is to be sustainable for our clients, shareholders and employees as well as for the communities, in which we live and work. Focusing on sustainability is both the key to the future and makes good business sense. We are aware of our clients' growing interest in societal issues and their wish to use their resources for the benefit and advancement of individuals, communities and societies around the world. As a global firm, and the world's largest wealth manager, we are in a unique position to help them address these concerns. We recognize this responsibility and we take it seriously. We also embrace our duty to lead the debate on important societal topics - within our industry and beyond - thus contributing to the wider goal of sustainable development.

How we are different

With our compelling UBS and Society initiative we aim to integrate societal and financial performance for the maximum and mutual benefit of our clients and our firm as well as to generate a long-term, sustainable and measurable positive impact on our local communities. Appointed in 2014, the global head of the initiative is already driving forward the common strategic direction for the initiative across our business. Ultimately, we aim to make sustainability the every-day standard throughout our firm.

How we do it

It is through the lens of sustainability that we have created some of the world's most innovative products, such as the first impact investing fund focused on small and mid-sized enterprises (SMEs) in developing countries, or the first clean energy infrastructure fund in Switzerland. Together with our comprehensive environmental and social risk framework, these products drive change for the better. In 2014, we received the coveted CommunityMark award in the UK - a critical recognition for our community investment activities in the UK as well as our global corporate responsibility approach.

What we have done

To date, 21% of our total invested assets are already invested along sustainable investment criteria. We have integrated environmental and social considerations across all business divisions into our advisory, research, investment, finance and ownership processes. Our shelf of products ranges from sustainable portfolio management across environmental, social and governance (ESG) research to sustainable investment funds, combining established and innovative approaches.

In 2013, we launched the Impact Investing SME Focus Fund – the largest privately funded vehicle of its kind, which invests in emerging markets sectors and businesses that drive social or environmental change. In 2014, we further expanded our impact investing offering. Impact investing also provides an excellent example of how we combine investment opportunities with thought leadership. Represented by our firm's Group CEO, UBS forms part of the World Economic Forum's Mainstreaming Impact Investing initiative to promote impact investing globally and engage in ground-breaking research. In 2014, the group published a key report to help potential investors navigate the different approaches on offer and identify opportunities. It also offers industry guidance on building capabilities and attracting top talent, as the market is becoming increasingly sophisticated and mature. In 2014, we also contributed to the G8 Taskforce report on Social Impact Investment, which calls on global governments to modernize their fiduciary duty concepts, and on trustees to take account of impact investing.

We continue to spearhead thinking on sustainable investing. Already in 2013, UBS Research Focus had highlighted the approach while, in December 2014, sustainable investing was featured in CIO Year Ahead.

UBS is also at the forefront of the development of social finance instruments. In 2014, UBS Optimus Foundation partnered with Children's Investment Fund Foundation (CIFF) to launch the first Development Impact Bond (DIB) as a proof of concept in the education sector and beyond. In the UK we developed two social investment vehicles: the UBS-supported Young Academy investment fund, which is part of the Young Foundation's education incubator, and -

in partnership with CAN Invest - a new social investment loan fund aimed at accelerating positive early intervention impact on communities and individuals in the boroughs of East London.

As a global bank, we are particularly well positioned to act as an intermediary between capital and investment and to offer our clients investments, which combine a financial and societal purpose. We will continue to expand our capabilities in order to provide our clients with an industry-leading and integrated range of sustainable investing products and services, which will enable them to continue to invest with societal goals in their minds.

Video from UBS Senior Leadership Experience event (September 2015): Caroline Anstey, Head of UBS and Society, explains why UBS and Society is important to the firm



Products & services

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.

Investment advisory

Sustainability and philanthropy are part of our advisory process. We define sustainable investing as a set of investment strategies (impact investing; exclusion; integration) that incorporate environmental, social and governance (ESG) considerations into investment decisions. Sustainable Investing strategies seek to fulfill at least one of the following goals: achieve a positive environmental or social impact, align investments with an investor's personal values, or improve portfolio risk and return characteristics by better understanding how sustainability factors impact the value of securities. Applying a client's defined personal criteria may exclude certain activities and assets from a portfolio, such as tobacco, alcohol, weapons; ESG integration uses the analysis of ESG factors for portfolio

decisions; and impact investing includes a variety of structures such as microfinance or tailored lending or private equity.

Investment products

We launched our first sustainability fund in 1997. Our investment themes include energy efficiency, environment, social and health systems as well as demographics. In 2009 UBS signed the Principles for Responsible Investment (PRI), an investor initiative in partnership with UNEP Finance Initiative and UN Global Compact. These provide a voluntary framework for investors to take into account environmental, social and governance issues in their decision-making and ownership practices and to align their objectives with the broader societal objectives.

As of 31 December 2014, sustainable investments increased to a total CHF 586 billion, representing 21.4% of our total invested assets. While invested assets in all our sustainable investment classes increased throughout 2014, the proportion of sustainable investments declined from 22.8% in 2013, due to stronger increase in our total invested asset base. Major increases were observed among our institutional clients in particular for screened mandates and for funds subject to the Asset Management responsible property investment strategy.

More information on sustainable investing in Wealth Management



More than financial returns.

Sustainable investing is an investment preference that aims to generate market rate risk-adjusted return and positive impact by considering social and environmental factors in addition to pure financial considerations. At UBS we see that our clients increasingly want to use their wealth to drive positive change in society. Investing sustainably is a powerful and effective way to achieve this without having to compromise your financial return. Considering social and environmental factors into your investment position means incorporating your personal values, the factors which you consider are imperative for a better world which is why we call this investment preference Values-Based Investing.

More information on responsible investments in Asset Management



As a responsible investor, you expect us to take into account environmental, social and governance (ESG) factors wherever appropriate. At UBS Asset Management we are committed to acting as responsible investors on your behalf.

Our ESG approach

Across each of our diverse investment areas, we have established a general approach to environmental and social factors and to corporate governance.

- › [ESG overview](#)
- › [Global Governance Principles](#)
- › [UBS Group policy on anti-personnel mines and cluster munitions](#)
- › [Climate change: A risk to the global middle class](#)

Sustainable funds and strategies (SRI)

Our Sustainable Equities team offers a range of broad and thematic SRI funds.

- › [View SRI funds \(ex US\)](#)

Welcome to UBS Fund Gate

As one of the world's leading asset managers, we offer both individual and comprehensive investment solutions. Every day, our global network of investment specialists work to ensure the success of your investments.

With more than 60 years of experience and expertise in developing and handling investment funds, UBS is the market leader in Switzerland and one of the leading global asset managers. UBS Funds are the proprietary funds of UBS Asset Management and are available in the following countries.

Please select your country of residence		Other countries
Austria	Italy	Spain
Finland	Liechtenstein	Sweden
France	Luxembourg	Switzerland
Germany	Netherlands	United Kingdom
Hungary	Norway	(offshore funds)
Iceland	Portugal	

Source for all data and charts (if not indicated otherwise): UBS Asset Management
No responsibility is taken for the correctness of the information provided above.

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[Privacy Policy](#)

- › [View US funds](#)

Signatory to the Principles for Responsible Investment

UBS Asset Management is a signatory to the Principles for Responsible Investment (PRI) and a number of other key responsible investment initiatives.

- › [More about PRI](#)

PRI

In 2009, UBS Asset Management became an Investment Manager signatory to the Principles for Responsible Investment (PRI). This global investor initiative is designed to provide a framework for better integration of ESG issues into mainstream investment practice.

We recognize the impact the Principles are having on the dynamics of the industry and the increasing focus of our clients and their consultants on this important aspect of their investments.

- › [How we are implementing the Principles](#)
- › [Latest PRI reporting](#)

Our Sustainable Equities team offers a range of broad and thematic SRI funds.

- › [View SRI funds \(ex US\)](#)
- › [View US funds](#)

UBS's own commitment

UBS is firmly committed to corporate responsibility and actively strives to understand, assess, weigh and address the concerns and expectations of the firm's stakeholders.

- › [UBS corporate responsibility](#)

Specific information

UK Stewardship Code

In July 2010, the Financial Reporting Council (FRC) published its UK Stewardship Code with the aim of enhancing 'the quality of engagement between institutional investors and companies to help improve long-term returns to shareholders and the efficient exercise of governance responsibilities'.

UBS Asset Management is strongly supportive of this new Code. We pride ourselves in putting clients at the heart of everything we do and it is clearly in their best interests for us to exercise our stewardship responsibilities.

- › [Our response to the UK Stewardship Code](#)

Important legal information

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This website is a marketing communication. Any market or investment views expressed are not intended to be investment research. **The website has not been prepared in line with the FSA requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.**

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UBS does not give investment advice or recommendations in respect of its product range.

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Investment performance

The past is not a guide to the future performance of an investment. The value of investments may fall as well as rise and investors may not get back the amount invested. Changes in rates of foreign exchange may cause the value of investment to go up or down.

Tax

The levels of and reliefs from taxation may change. Tax reliefs referred to are those currently available and their value depends on the circumstances of the individual investor. Although an investment held within an ISA may be free of further tax to the investor, the fund itself may have incurred other forms of taxation.

Risk Warnings:

- The annual management fees of the funds featured on this website may be charged wholly or partly to the capital of the fund. Where this is the case, whilst it will increase the fund's yield, it will cause erosion of the capital value and affect the performance of the fund.
- The yield on income funds may vary and you should contact UBS or your financial adviser to obtain up to date figures.
- Some UBS funds may invest in emerging markets, this involves a high degree of risk and should be seen as long term in nature.
- Smaller companies funds may invest in companies which may be less liquid than larger companies and subsequent price swings may be greater as a result.
- Some funds may use derivatives as part of their investment process. Such instruments are inherently volatile and the fund could be potentially exposed to additional risks and costs.

No offer

Nothing on the UBS website should be construed as a solicitation or offer, or recommendation, to acquire or dispose of any investment or to engage in any other transaction.

No warranty

The information and opinions contained on the UBS website is provided without any warranty of any kind, either express or implied.

Limitations of liability

In no event, including (without limitation) negligence, will UBS be liable for any loss or damage of any kind, including (without limitation) any direct, special indirect or consequential damages, even if expressly advised of the possibility of such damages, arising out of or in connection with the access of, use of, performance of, browsing in or linking to other sites from the UBS website.

Material interests

The UBS Group and/or its directors, officers and employees may have or have had interests or positions or traded or acted as market makers in relevant securities. Furthermore, such entities or persons may have or have had a relationship with or may provide or have provided corporate finance or other services to or serve or have served as directors of relevant companies.

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Telephone calls

Telephone calls to UBS Asset Management may be recorded for your protection.

Data protection

Information provided by you will be held in confidence by UBS Asset Management Funds Ltd and its properly appointed agents and will not be passed on to other product or service companies. Your information may be used to send you information on other products and services offered by UBS Asset Management, a division and subsidiary of UBS AG. If you prefer not to receive such information please contact UBS Asset Management. The use of your personal information is governed by the Data Protection Act 1998.

Jurisdiction

All of the material on this UBS website is directed only at UK residents and is not to be regarded as an offer to buy or sell, or the solicitation of any offer to buy or sell securities in any other jurisdiction other than the United Kingdom.

Legal and regulatory information

UBS Asset Management Funds Ltd is the ISA manager and markets unit trust and OEIC products on behalf of UBS Asset Management. The investment manager is UBS Asset Management (UK) Ltd. Both are registered in England, subsidiaries of UBS AG and are authorised and regulated by the Financial Services Authority. The registered office of UBS Asset Management is 21 Lombard Street, London, EC3V 9AH.

[› Accept](#)

[› Reject](#)

Voting Records and Statistics

In the year to 31 December 2014, UBS Asset Management gave instructions to vote on 74,655 separate resolutions at 7,325 company meetings. The following [table](#) indicates how these votes were split regionally.

[› UK Voting Record](#)

[› US mutual funds voting record](#)

[› Canada mutual funds voting record](#)

[› Australian voting record](#)

[› Annual corporate governance review \(Global ex US version\)](#)

[› Annual corporate governance review \(US version\)](#)

[› Responsible Property Investment](#)



Impact investing

More and more clients do not solely want to invest according to their values but also actively tackle social or environmental challenges through their investments. UBS therefore offers targeted investments in companies, institutions and funds, which have a social or environmental business purpose and achieve financial return at the same time.

In 2013, we launched the Impact Investing SME Focus Fund - the largest privately funded vehicle of its kind, which invests in emerging markets sectors and businesses that drive social or environmental change. In 2014, we further expanded our impact investing offering. We launched an impact investment platform that intends to take private equity stakes in inclusive financial institutions across Asia and Latin America (in collaboration with a third-party provider specialized in developing markets).

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 effect environmental, social and governance issues are having on the competitive landscape for the global sectors we cover, as well as about how companies are affected in relative terms.

Corporate and private clients financing and advisory

UBS provides 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.

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

In Switzerland, we help SMEs to save energy and launched a new offering to support SMEs when upgrading utility vehicles to the new EU 6 Norm. We also support retail clients when undertaking energy-efficient renovations as part of our climate change commitment.

Voting rights



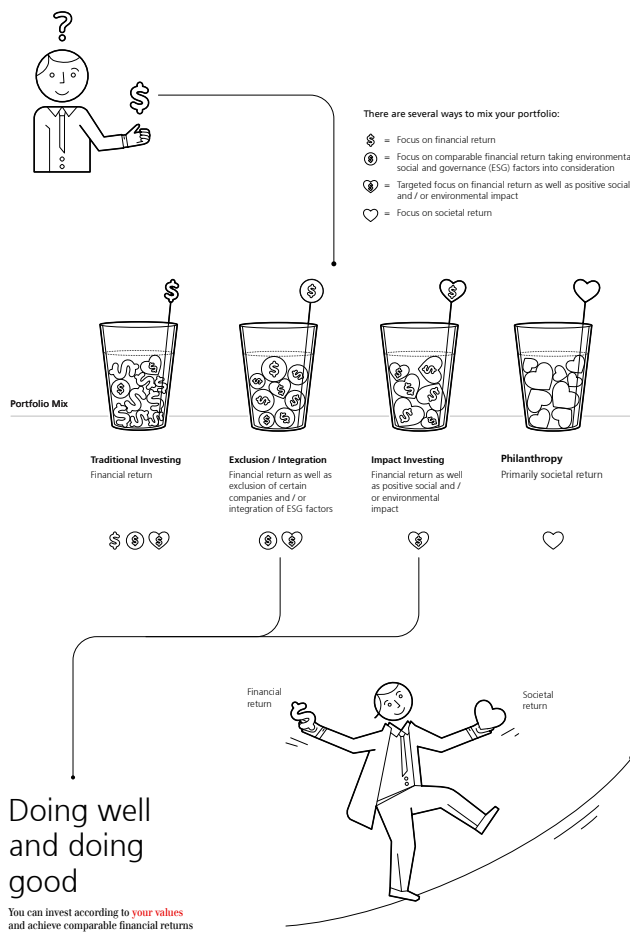
We believe that voting rights have economic value and should be treated accordingly. Where Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. In 2014, we voted on more than 74,600 individual resolutions at 7,325 shareholder meetings. We take an active approach to corporate governance and we integrate it in our investment process. We are an active member of a number of collaborative shareholder bodies.

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. 45% of invested assets for which UBS Voice is offered are covered by this service.

Sustainable Investing

Does my portfolio reflect my values?

What are my options to invest?



venture between UBS Realty Inc and Mitsubishi Corporation. Following a large scale renovation of the property undertaken with sustainability in mind, the revamped center reopened for business in March 2011. The renovations cost 530 million yen, of which approximately 15% was invested to ensure the center's sustainability.

What makes the Narupark center a green shopping experience? Converting from existing incandescent lighting to LED lighting reduced energy consumption while simultaneously reducing energy and maintenance costs. The installation of solar panels on the wall of the building enabled the property to further reduce energy consumption. There is a rooftop garden, wall greenery and, in a first for any Japanese shopping center, locals have the opportunity to rent the center's vegetable garden, which is under year-round cultivation.

Indeed, engagement with the local community is one of the central pillars of the Narupark strategy. Panels installed in the center display the power generated by the solar panels and also the resulting CO2 elimination on a day-to-day basis.

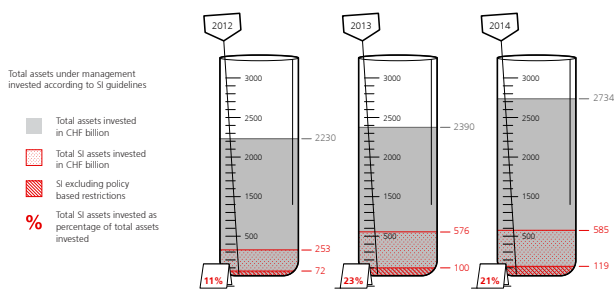
The figures speak for themselves. Since the renovation, the center has reduced its electricity consumption by 22%. CO2 emissions are down 20%, mainly due to efficient air-conditioning equipment and lighting. Overall, there has been a 6% reduction in energy costs despite electricity price hike during the period.

Case study: UBS and the transition to a low-carbon economy

By signing the Kyoto protocol, Switzerland made an international commitment to achieve a 20% reduction in its domestic greenhouse gas emissions by 2020 compared with their level in 1990. In addition, the Federal Government's energy strategy 2050 calls for a step-by-step withdrawal from the use of nuclear energy and fosters renewable energy. Taking this challenging environment into account, UBS's climate change strategy supports clients in the transition towards a low-carbon economy. This strategy includes UBS's two-year commitment as a Prime Partner to the Swiss Energy and Climate Summit, which exists to facilitate dialog about energy transition in Switzerland between the worlds of business, politics and science. UBS also supports Swiss clients in raising capital to finance the energy transition. Billions of francs are needed to finance the energy transition in Switzerland. Over half of Swiss electricity production is derived from hydropower and it is part of the federal government's energy strategy to further expand it. Capital for energy transition has to come from the market, and banks have a part to play in this. For instance, UBS supported Nant de Drance SA, owned by Alpiq, SBB, IWB and FMV, to raise capital for the construction and operation of a 900 MW pumped-storage power plant located in Finhaut, Switzerland. UBS acted as Joint Bookrunner in a CHF 550m inaugural bond issued in 2013 as well as Joint Bookrunner in a consequential second issuance of CHF 300m in June 2014. The plant is located in an underground cavern and has been designed to meet peak-time demand and level out the effects of fluctuating electricity production from renewable energy sources. Total investment costs are estimated to be CHF 1.9bn and commissioning is scheduled for 2017.

Facts and Figures

on Sustainable Investments (SI)



Case study: A green shopping center contributing to climate change mitigation

UBS Global Real Estate teams pursue a responsible property investment strategy (RPI). Their success is reflected in ratings like the 2014 Global Real Estate Sustainability Benchmark, where they received "green star" awards for eight out of the 13 funds they submitted.

Given that the building sector accounts for up to 30% of all energy-related greenhouse gas emissions, UBS has the potential to significantly contribute to climate change mitigation in this area. So how does UBS implement its RPI strategy? A good example is Narupark, a neighborhood shopping center in Nagoya, Japan, managed by a joint

Case study: Sustainable investing reports

Adding value(s) to investing (March 2015)

Can investors do well, while doing good? Increasingly, the answer appears to be: yes. Sustainable investing (SI) is establishing itself as a field in the financial landscape. Whether investors are drawn to SI by a desire to align their portfolios with their values, to achieve a positive impact on society or the environment, or to improve portfolio performance, the set available of investment solutions growing. A report published by the Chief Investment Office (CIO) of UBS helps investors navigate this evolving landscape.

› [US version of the report](#)

› [Global version of the report](#)

› [Chief Investment Office \(CIO\) of UBS](#)

To integrate or to exclude (July 2015)

Do you want to sleep well at night, make a difference, and invest in a smart way? If so, the answer can be found in "To integrate or to exclude", CIO's latest report on Sustainable Investing (SI). This is the second report to be published on Sustainable Investing (SI) following "Adding value(s) to investing" launched in March: Integration and Exclusion, two main approaches to SI, are in focus.

› [US version of the report](#)

› [Global version of the report](#)

Case study: Sustainable Investing and Philanthropy

Our wealth management businesses and Asset Management offer sustainable investment products and philanthropy services for wealth management and institutional clients. What is this all about? Let's look at three examples of how our teams provide thought leadership, advice, and sustainable portfolio management to our clients.

To offer sustainable portfolio management the UBS Wealth Management CIO has established a robust conceptual framework. It defines sustainable investing as a set of investment strategies (impact investing; exclusion; integration) that 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/return characteristics by better understanding how sustainability factors impact the value of securities. Applying a client's defined personal criteria may exclude certain activities and assets from a portfolio, such as tobacco, alcohol, weapons; ESG integration uses the analysis of ESG factors for portfolio decisions; and impact investing includes a variety of structures such as microfinance or tailored lending or private equity.

Since foundations typically follow a charitable mission, they have a special interest in aligning their investments with their values. Thus, we launched a dedicated Investment Mandate with focus on Sustainable Investments as well as on income generation for Swiss charitable foundations. It offers portfolio management following ESG integration and exclusion strategies.

In the philanthropy sector, our work is centered on using our

convening power to bring clients together, foster collaboration and thus help bring projects to a scale where they could have a positive effect on society. A great platform to enable this was the 2014 UBS Global Philanthropy Forum, which was devoted to the subject "Scaling up: building on success and maximizing impact". It brought together around 120 clients and prospects from 20 different countries that gathered in St. Moritz, Switzerland. The impressive line-up of speakers and guests for which the Forum has become renowned included former UN Secretary General Kofi Annan, ex-President of Mexico Vicente Fox and world-famous musician Daniel Barenboim. Roundtable discussions and Venture Lab sessions provided opportunities for participants to exchange knowledge and experiences and receive feedback to their social initiatives in small groups.

› [Sustainable Investing at UBS](#)

Philanthropy



We help clients to reach sound decisions about their philanthropic ambitions. This can include everything from deciding how and where to give, to finding the best local partner for their philanthropic work, defining the optimal positioning niche for their foundation, creating a structure for social investment or re-aligning their foundation strategy.

In 2014, UBS Optimus Foundation partnered with Children's Investment Fund Foundation (CIFF) to launch the first Development Impact Bond (DIB) as a proof of concept in the education sector and beyond. In the UK we developed two social investment vehicles: the UBS-supported Young Academy investment fund, which is part of the Young Foundation's education incubator, and - in partnership with CAN Invest - a new social investment loan fund aimed at accelerating positive early intervention impact on communities and individuals in the boroughs of East London.

We also released several research publications which touch on philanthropy, among them an UBS Investor Watch publication titled "Doing well at doing good: Why there is more to giving than checkbook philanthropy."

[Read more on philanthropy](#)

How we help



We offer a number of different solutions no matter at what stage of a philanthropic journey you find yourself. Some philanthropists seek direct involvement with their beneficiaries. Others prefer to remain behind the scenes. Whatever your motives, needs and expectations, our structured and tested advisory approach will ensure that your philanthropy is personal and rewarding.

Strategic advisory: We help you to reach sound decisions about your philanthropic ambitions in private advisory sessions. This can include everything from deciding how and where to give, to finding partners for your philanthropic work, defining the optimal positioning niche for your foundation, creating a structure for social investment or re-aligning your foundation strategy.

Exchanging knowledge and best practice: UBS Philanthropy Advisory also offers you access to the best philanthropic thinking through dedicated research and offers a global network of platforms in multiple languages where philanthropists can meet to exchange ideas.

Giving opportunities: Through the UBS Optimus Foundation, established in 1999, you are connected to a world-class grant-making team who select only the most innovative and impactful projects which help improve the lives of children across the globe, making effective philanthropy easy.

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

UBS Optimus Foundation

We believe hope is a priceless commodity. By working together, the UBS Optimus Foundation, our partners and our donors support projects that improve the lives of children facing adversity, so they grow up with more hope for the future.



About the Foundation



We are an expert grant-making foundation established by UBS in 1999. We work to break down the barriers that prevent children from reaching their full potential.

[› Vision and mission](#)

[› Organization](#)

Supporting children worldwide



We work with leading organizations to fund and implement innovative projects which improve the health, education and protection of children. We support projects in places where children face adversity.

[› Showcase projects](#)

[› Project and Grant areas](#)

[› All projects](#)

Stories of hope



When you become a donor through the UBS Optimus Foundation, you make a lasting difference to children's lives. Children from our projects have stories of hope to tell from all over the world.

[› Watch the "stories of hope"](#)

Donate now



It feels good knowing you're making a difference to a child's life.

When you donate to the UBS Optimus Foundation, you have the reassurance that it will make a positive, tangible and lasting impact.

[› Become a donor](#)

Suitability of products and services

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

In nearly all countries this expectation has been turned into a legal or regulatory requirement for banks acting as financial advisers. Most jurisdictions also require the systematic assessment and documentation of the suitability of products (including third-party products) and services.

To meet both client expectations and regulatory requirements, UBS has established comprehensive rules for the suitability of products and services. These rules ensure that the assets in the customer portfolio are aligned with the customer's defined risk profile, and the customer is advised in line with his/her needs (Client Suitability). In addition, the rules ensure that the product documentation contains appropriate and easily understood information on the product characteristics, the target audience and the settings in which the product is used, as well as a balanced representation of the opportunities and risks (Product Suitability).

[› More \(Information-center\)](#)

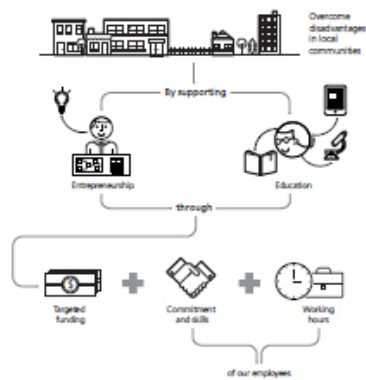
How we support our communities



We actively engage with communities around the globe. Our aim is to overcome disadvantages by supporting education and entrepreneurship through a combination of targeted funding and the commitment and skills of our employees. Working hand in hand with our partners gives us a better understanding of the needs and requirements of the communities we do business in. Based on this, we can deliver long-term, sustainable and measurable benefits to these communities.

Community Investment

Focus



Volunteer work in 2014

12'428 employees worked for 103'500 hours — the equivalent of 11 YEARS and almost 10 months for societal projects

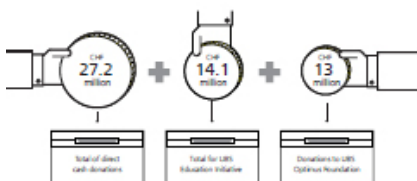


DBS offers 2 work days for volunteering efforts.



And search substantiating engagement with the DBS Global Employee Volunteer Award.

Donations in 2014



The “how” and “what” of UBS community investment



Globally we focus on education and entrepreneurship, both of which align to our business and resonate with employees and stakeholders.

In 2014, UBS and its affiliated foundations made direct cash contributions totaling CHF 27.2 million. Our support focused predominantly on UBS's key themes of education and entrepreneurship. Additionally, we invested CHF 14.1 million in the [UBS Education Initiative](#), which was launched in 2012. In 2014, UBS contributed CHF 13 million to the UBS Optimus Foundation, which leveraged more than CHF 40 million from clients and partners.

We engage far beyond just financial support - our direct cash donations, community investment program, matched-giving schemes and disaster relief efforts are complemented by a comprehensive range of volunteering opportunities for our employees. We encourage employee participation by offering up to two working days a year to engage in volunteering efforts. In 2014, 12,428 employees spent 103,500 hours volunteering, an increase of 17% and 14%, respectively compared to 2013. For the third consecutive year, we granted the 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, as demonstrated by the key examples below.

Selected examples of UBS's community investment

- Education

Bridge Academy



Our EMEA flagship partner, the Bridge Academy, which is located in an area of extreme deprivation in London, received its first set of A level results in August - 65% of its students secured places at universities including Cambridge, Manchester, Nottingham and Bath. This represents a notable achievement for both the school and the UBS volunteers who supported the students.

- Shareholders / investors

Elevating Entrepreneurs

Elevating Entrepreneurs is committed to working with small businesses and early-stage enterprises in the United States to help them create jobs and strengthen local economies. Through the initiative, UBS provides entrepreneurs with high-impact business mentoring, access to capital and education and training to support their continued growth and success.

For the seventh year running, we partnered with Young Enterprise Switzerland (YES) in their company program. More than 160 real-life businesses, entirely set up and run by groups of high-school students, worked hard throughout the year to qualify for the big finale in Zurich. The learning experience was supported by mentors, teachers and YES. UBS was part of the national jury and awarded the company with the most innovative product with a prize. The winners could later present their business case at a UBS event and thoroughly impressed some of our corporate clients with their drive and passion.

- Disaster relief / regeneration

Kamaishi Community Regeneration Project

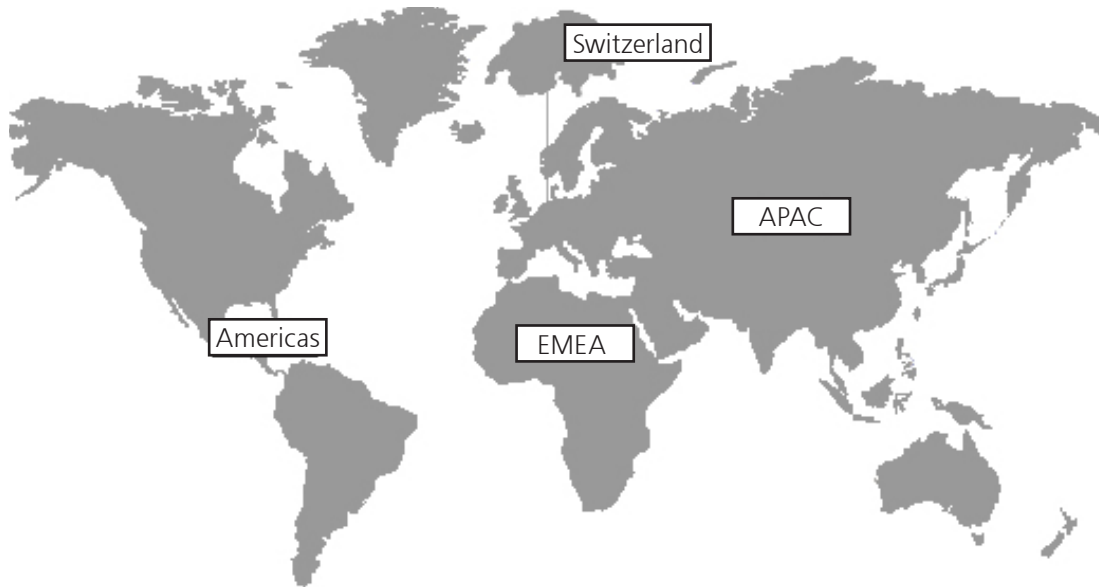
We continued our long-term commitment to the Kamaishi region in Japan by financing Phase 3 of the Kamaishi Community Regeneration Project, which focuses on sustainability and regeneration. 53,000 Citizens from Kamaishi City and Yamada Town, coastal communities in Iwate Prefecture, are expected to benefit in areas of job and income generation, temporary and long-term recovery housing, capacity building among the local civil society and non-profit organizations, psychological care and education, and risk reduction and disaster preparedness for the future. This is a response to the changing needs of the local community from the phase of survival and restoration to regeneration.

Impact measurement



Understanding where we make an impact helps us evaluate and focus our program. We have expanded the measurement of the impact of our Community Affairs activities across all regions using the London Benchmarking Group model. In 2013, we measured our impact across the globe. UBS supported over 75'000 people across both 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 businesses.

What we do in the regions



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

Building stronger communities through education and entrepreneurship

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

Our social commitment in Switzerland



“Social commitment has a long history at UBS.”

In addition to donations through the bank or one of its grant foundations, we encourage our employees to get involved in a wide range of charitable projects

CEO UBS Switzerland

UBS and its employees are involved in numerous projects that benefit the community in Switzerland. Our volunteering, 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.






Contact

Curdin Duschletta
Head Community Affairs & Foundations

[> Send an email](#)

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News

-  **New UBS report highlights the high cost of climate change to global middle class**
11 Jan 2016, 07:00 News article | Tags: Corporate Responsibility, Media Releases Global, Media Releases Americas, Media Releases APAC, Media Releases EMEA, Media Releases Switzerland
-  **Sustainable Investing: Can you do well by doing good?**
13 Nov 2015, 07:00 News article | Tags: Corporate Responsibility
-  **Start of renovation of UBS's head office and opening of a new, temporary branch**
05 Oct 2015, 08:30 News article | Tags: Media Releases Switzerland, Corporate Responsibility, UBS News
-  **UBS Optimus Foundation and partners honored for tackling Ebola**
128 Sep 2015, 13:30 News article | Tags: Media Releases, Media Releases Americas, Media Releases APAC, Media Releases EMEA, Media Releases Global, Media Releases Switzerland, UBS News, Corporate Responsibility
-  **UBS Announces The TalentED Project to Drive College Success**
18 Sep 2015, 21:00 News article | Tags: Media Releases Americas, Corporate Responsibility

[> Archive](#)

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](#) |



Environment, education and societal issues

UBS employees make a commitment to the community

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.

Contact

Curdin Duschletta
Head Community Affairs & Foundations

[> Send an email](#)

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:

- 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

- Ernst Schmidheiny Foundation

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



Schule plus Wirtschaft

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

> www.esst.ch

- Jurapark Aargau

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

- Naturama Aargau

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



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

> www.naturama.ch

- Gantrisch Wildlife Park

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

- Züriwerk Foundation

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



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.zueriwerk.ch

- The Swiss Foundation for Landscape Conservation

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



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

> www.sl-fp.ch

- Young Enterprise Switzerland

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

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



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

> www.young-enterprise.ch



UBS Employee 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.

Contact

Curdin Duschletta
Head Community Affairs &
Foundations

> [Send an email](#)



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.

Contact

Curdin Duschletta

Head Community Affairs & Foundations

[> Send an email](#)

Our partnerships in Switzerland



Doing good together

Our partners for a strong 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.

Contact

Curdin Duschletta
Head Community Affairs & Foundations

[> Send an email](#)

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

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Schule plus Wirtschaft

> www.esst.ch

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> www.naturama.ch

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- Philiass Foundation



Philiass 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.philiass.org

Philiass 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

- Swiss Red Cross

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



- The Swiss Foundation for Landscape Conservation

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



> www.sl-fp.ch

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> www.zueriwerk.ch

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> www.young-enterprise.ch

Education Initiative

UBS Foundation for Social Issues and Education

UBS Culture Foundation

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,
President Americas

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

[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](#).

- 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

- 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 (BUSA) 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.

Our social commitment in Asia Pacific



“UBS APAC shows exceptional commitment to the well-being of local communities. In 2013, 44% of APAC staff volunteered, which was double the global average. In total, our region volunteered almost 28,000 hours.”

Chi-Won Yoon,
CEO Asia Pacific

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.

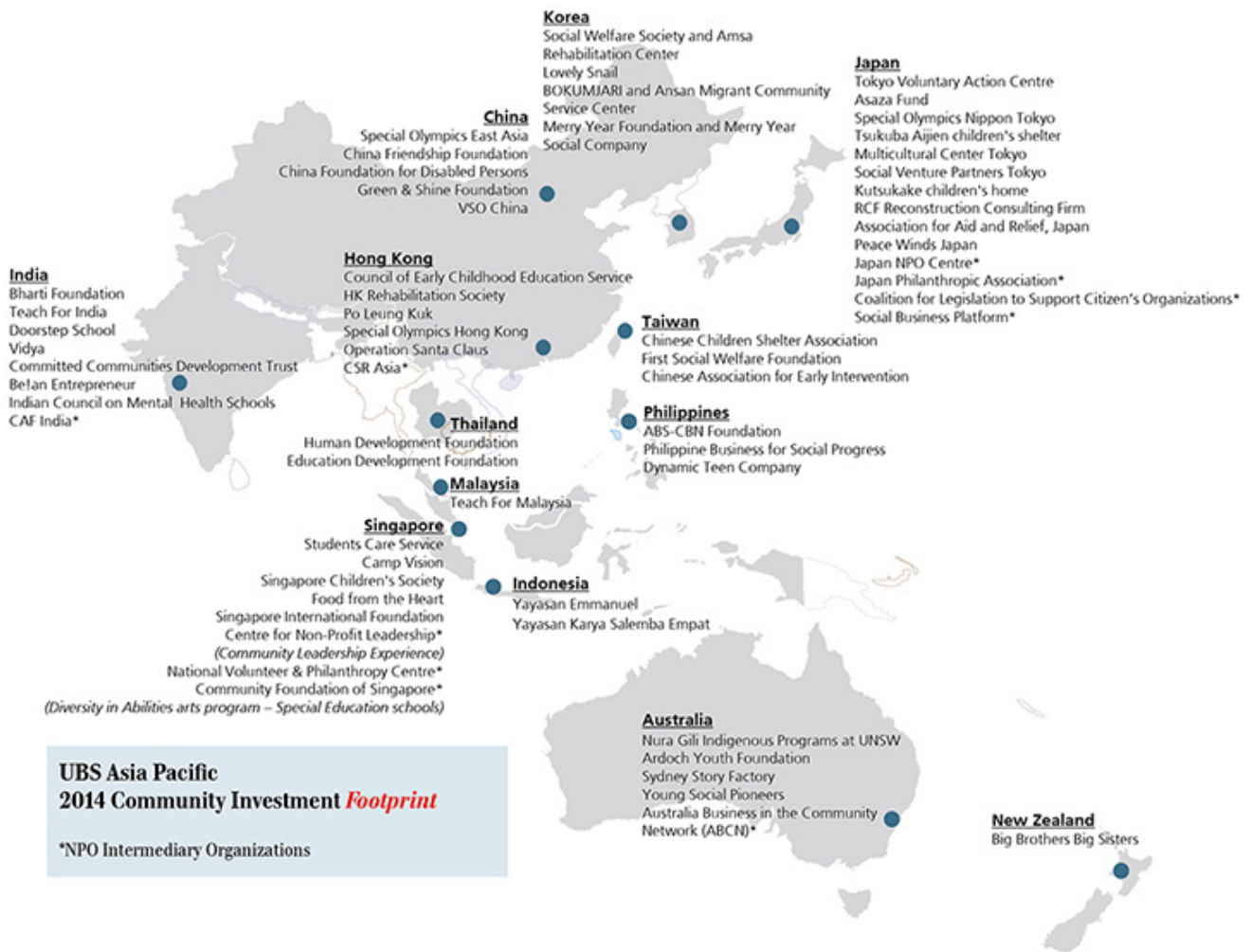
Contact

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.

Our social commitment in EMEA



“Helping people reach their potential”

“UBS EMEA employees share their time and skills with their local communities. In 2013, this amounted to over 20,000 hours”

Ulrich Körner,
CEO UBS EMEA

For over 25 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 2014.

Contact

Nick Wright

Head of Community Affairs and
Corporate Responsibility EMEA

[> Send an email](#)

Program overview



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

Last year over 45,000 young people in London improved their educational attainment and employability skills with our support.

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. In 2014, UBS matched over CHF 600,000 of employee donations in EMEA to organizations ranging from The Bridge Academy in Hackney, London to Ashoka in Israel.

[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.

- UK - The Bridge Academy

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, more than 4,000 employees have volunteered over 40,000 hours of their time and UBS employees, clients and suppliers have donated more than £1 million. The range of support is enormous. Six UBS Managing Directors are governors of the Academy; every senior student has 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 11 student.

- Israel - The Sky is the Limit

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

- South Africa – Maths Centre

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.

- UK - The Bridge Academy

Krakov 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.

- Italy - I Dolci del Paradiso

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



3,080 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 a A* – and that's what I got!"

In 2013 in EMEA, 2,400 UBS employees volunteered in the local community.

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

Teach First

UBS Volunteer Janet Wigglesworth has been coaching Teach First teachers over the past few 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 4 years ago at a Teach First 'speed dating' event matching teachers and volunteer coaches. The two clicked and Janet began coaching Jessica. Janet is now supporting Jessica through a new leadership role.

Through the coaching sessions, Jessica has 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 summer, a group of 6th form students from the Bridge Academy apply for a work experience placement at UBS. Hosting Bridge Academy student, Pamo Eguruze for a work experience placement gave Andrew Wedderburn the opportunity to align his values within his work and a chance to create a culture of volunteering within his team.

When the 2012 Year 10 work experience ended, Pamo and Andrew kept in touch via email. Even though Andrew relocated to the States, he invited Pamo back for another work experience to be supervised by Joe, a graduate trainee on his London team.

Pamo is now a Year 12 student at the Bridge Academy and plans to go to university to study Accounting or Economics.

“I saw the programme as a way to give young people the opportunity to get their foot in the door, with a long term focus on having them educated on career choices out there.”

“Work experience increased my understanding of what happens in the bank. I came back because I enjoyed it the first time and it has increased my knowledge and skills.”

External recognition



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

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 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 & recognitions



Business in the Community (BITC) CommunityMark award 2014

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

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

For UBS and its Bridge Academy partnership

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

For UBS and its Bridge Academy partnership

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

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

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

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

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

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

Awarded three "Big Ticks" as follows:

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

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

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

Arts & Business Sustained Partnership Award, 2009, UK

Recognised for our long-standing partnership with The Circus Space in London.

Business in the Community Award for Excellence, 2009, UK

Awarded an Example of Excellence in the "Power in Partnership" category for Project Shoreditch, a collaboration between East London Business Alliance (ELBA), Deutsche Bank, Linklaters, UBS and the Shoreditch Trust.

Caring Company Award 2008/09, Hong Kong

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

Swiss foundations

UBS Culture Foundation

UBS Foundation for Social Issues and Education

Information center

- ⌵ [How we do business](#)
- ⌵ [Governance](#)
- ⌵ [Sustainability Disclosure 2014](#)
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- ⌵ [Training and raising awareness](#)
- ⌵ [Sustainable performance and compensation](#)
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- ⌵ [How we support our clients:](#)
- ⌵ [Our sustainable products and services](#)
- ⌵ [Suitability](#)

How we do business

Governance

- Board of Directors and sustainability

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 Human Resources and Compensation Committee annually reviews our "Compensation and Benefits Principles" and proposes any amendments to the Board for approval. It also evaluates the effectiveness of pay for performance across the firm. The Risk Committee's function is to oversee and support the BoD in fulfilling its duty to supervise and set appropriate risk management and control principles.

The [Corporate Culture and Responsibility Committee \(CCRC\)](#) shoulders the main undertaking for corporate responsibility. As set out in its charter, the CCRC focuses specifically on assessing how we meet our stakeholders' expectations with regard to corporate responsibility. It also monitors and reviews our policies and regulations as well as the implementation of our stated commitments from a corporate responsibility perspective. For areas such as UBS and Society, environmental and human rights, or community investment, the Corporate Culture and Responsibility Committee even defines the strategic direction and goals.

Various senior-level committees are in charge of particular aspects of corporate responsibility and sustainability. They include the Global Environmental & Social Risk Committee, chaired by the Group Chief Risk Officer, who manages the development and implementation of principles and appropriate independent control frameworks related to environmental and social risks within UBS. This committee resolves transactional and policy matters relating to environmental and social risks and their associated reputational risks. Additionally, our Environmental & Human Rights Committee supervises the operational execution of UBS's Environmental and Human Rights Policy, which we revised at the beginning of 2014 to incorporate commitments made in the areas of climate change and human rights.

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](#). In 2014, we appointed a global head of diversity and inclusion to drive a group-wide strategy complemented by divisional and regional initiatives. Our [Community Affairs](#) activities are coordinated globally and overseen by the Corporate Culture and Responsibility Committee, while our initiatives are implemented regionally and based on local needs.

- CR reporting

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

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

UBS’s reporting 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. This assurance was conducted by EY.

- Reports

■ [Download “Corporate responsibility” section in UBS annual report 2014](#) 

■ [Download “Our Employees” section in UBS annual report 2014](#) 

	Corporate responsibility	Environmental reports	Our employees	CR online report
2013	PDF		PDF	PDF
2012	PDF		PDF	PDF
2011	PDF		PDF	PDF
2010	PDF		PDF	PDF
2009	PDF		PDF	PDF
2008	PDF		PDF	PDF
2007	PDF	PDF	PDF	
2006	PDF	PDF	PDF	
2005	PDF	PDF	PDF	
2004	PDF	PDF		
2003	PDF	PDF PDF		
2002	PDF	PDF		
2001	PDF	PDF		
2000		PDF		
1999/2000		PDF		
1998/1999		PDF		

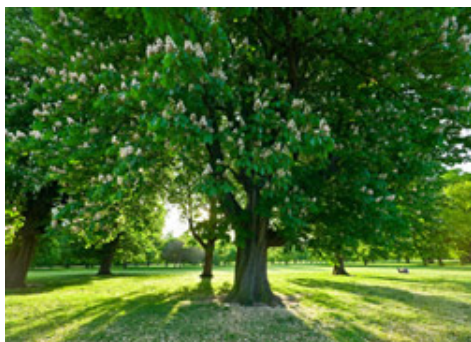
- EY Assurance Statement

> [Read more](#) 

- UN Global Compact COP

> [See more](#) 

- Submission to the CDP climate change questionnaire



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


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

> [UBS - CDP Information Request 2014](#) 

- ISO 14001 certification

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.


> [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](#) 

> [Environment management indicators \(incl. number of audit days\)](#)

- Global Reporting Initiative (GRI) Content Index

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](#) 

- Direct economic value generated and distributed

Indicators	CHFm
Total operating income	28,027
Tax expense / (benefit)	(1,180)
Personnel expenses	15,280
Dividends paid on UBS shares	938
Community investments	54.3 (incl. UBS Education Initiative)
Procurement of products and services	7,600

- GRI-based materiality

Materiality assessment process

Annually, we conduct a materiality assessment to collate the views of our stakeholders to a wide range of topics. In 2014 we conducted for the first time an online survey (from 6 October to 31 December) which allowed our stakeholders and targeted experts to directly provide their views. We received about 1,000 replies from around the globe. The survey gave participants the opportunity to assess a total of 30 topics according to their perceived relevance to our firm, and to also propose additional topics deemed to be relevant.

[> Overview of the online survey topics](#) 

The results of the online survey were subsequently verified by UBS experts and the overall result of this analysis incorporated in a materiality matrix. 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 2014

For the GRI G4 materiality assessment the GRI indicators were mapped with the [materiality matrix](#) and rated material/immateral (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.

- Corporate Responsibility objectives and achievements

[> See more](#) 

Our stakeholders

- Clients

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 2014, we talked with clients about values-based investing at venues such as the UBS Global Philanthropy Forum (on the theme of “scaling up: building on success and maximizing impact”), the APAC Family Legacy and Philanthropy Forum, the 2014 Young Successors Program conference “Passion to Action”, the Women’s Symposium, UBS Roundtables and the annual Private Wealth Management Conference dedicated to Sustainable Investing in the US.

For additional topics of relevance to clients see www.ubs.com

- Shareholders / investors

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

We believe that our financial disclosures rank amongst the best in the industry and that we are a recognized leader in disclosures in several areas, including capital and strategy. In 2014, we continued to reduce risk-weighted assets, improve our leverage ratio and maintain the best fully applied Basel III CET1 ratio in our peer group. Further, our Group net profit for the year rose by 9% to CHF 3.5 billion. Our achievements in 2014 enabled us to deliver attractive returns to our shareholders.

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

- Employees

Our employees’ drive, skill, insight and experience are fundamental to delivering superior services to our clients. We communicate with our employees every day to help ensure that they are well informed and engaged with management as key stakeholders for the firm’s long-term success.

UBS communicates with employees through a diversity of channels such as internet, intranet, UBS Connections (internal social network), UBStv, e-mail and interactive employee “help and information sites”. These channels are used to inform about the firm’s strategy, policies and processes, to raise awareness, or simply to share know-how, research and matters of broad interest. As an example of specific relevance to societal topics, extensive communication during UBS’s annual environmental month raises awareness about UBS’s environmental activities regarding issues such as climate change.

We interact directly with our employees and request feedback through personal meetings, emails, town halls and the Quality Feedback system. In 2014, employees attended town halls and small group meetings, directly or via UBS TV, and thus had the opportunity to discuss relevant issues directly with UBS’s senior management. An important example constituted “Ask the CEO” events, at which a large number of employees was able to discuss a broad range of topical issues such as the firm’s strategy.

On an alternate-year basis, we conduct a Group-wide survey to get employees' views on where we stand in relation to living up to our principles, achieving our strategy and providing a work environment where employees can succeed. We openly communicate the findings to our employees and use the results as a benchmark for continuous improvement.

Our employee networks are key change agents, partnering with other stakeholders to deliver on our strategy. In 2014, nearly 17,000 employees across UBS were members of 27 employee networks. These inclusive groups, representing elements such as gender, culture, life stage and sexual orientation, foster cross-business relationships and an open workplace. The Women's Business Network (WBN), for instance, is a group of more than 1,400 UBS employees in Switzerland committed to the personal and professional development of women at UBS. The WBN provides networking opportunities, mentoring support and leadership development.

The UBS Future Panels organize evening and lunch events involving senior management and external speakers featuring panel discussions on important trends.

All employees can access a broad range of development and learning opportunities related to their jobs. Our eLearning portfolio contains more than 5,100 courses on topics such as communication skills, management and leadership, financial markets and information technology. Specialized learning modules on risk, finance and compliance topics help employees work effectively in their roles and within evolving business and regulatory environments.

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

- Governments and regulators

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

In 2014, discussions regarding the future regulatory framework for financial institutions continued to figure prominently among the major topics of the intense dialogue between UBS senior management and specialized functions, governments and regulators. Topics included the specification of loss absorbing capacity (i.e. bail-in debt) to support resolution of global systemically important financial institutions as proposed by the Financial Stability Board and on-going market structure reforms including the Volcker Rule, OTC Derivative Reforms, US FATCA and the EU Markets in Financial Instruments Directive and Regulation (MIFID/R).

With regard to corporate responsibility issues we actively participated in discussions with government bodies. A key example is the meeting of the Thun Group of Banks at the UBS conference center in the Swiss town of Thun which, in June 2014, brought together a large group of diverse stakeholders, including representatives from various governments. We also support the work of key private sector groups such as the World Economic Forum through its "The Role of Financial Services in Society" project.

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

- Politicians and political parties

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

Support of the Swiss militia system

UBS values the important role of political parties in the Swiss political system, which is the foundation of state, politics and society in Switzerland. Swiss citizens engage voluntarily at all three levels of the Swiss state (federal, cantonal, local) both as public officials and in the country's parliaments, alongside their regular professions. Switzerland refers to this

arrangement - where representatives take on public tasks and mandates on a part-time basis - as militia system.

In Switzerland, political parties do not receive state funding while members of parliament in Switzerland are not professional politicians. It is for this important reason that UBS views the support of the militia system as a crucial component of its societal responsibility in its home market Switzerland. Recognizing the vital function of Switzerland's political parties, UBS provided a total of CHF 1.8 million to political parties in 2013 and 2014 as a contribution to their operational costs, providing they committed to competition and the market economy. Any financial contribution for a party is calculated on the basis of the number of parliamentary mandates it holds at federal and cantonal level. Swiss parties applying for a financial contribution must either form a parliamentary group in the federal parliament or be represented in at least one cantonal government. Any financial contribution is provided without additional conditions attached to it. UBS views its contribution to political parties in Switzerland as a long-term commitment (though subject to regular reviews).

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

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

UBS provides express support for the political commitments of its employees. Currently, more than 350 employees serve as political office holders at federal, cantonal and local level. If necessary employees are allowed to take a certain amount of working time to exercise their public function. UBS holds an annual "Political Forum" at which senior management and political office holders discuss topics of key relevance to the bank in Switzerland.

- Peers

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

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, notably in a meeting with a large group of diverse stakeholders (including supranational organizations, governments and civil society) in June 2014 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.

- Communities

We actively engage with our communities for example through our community investment program. The community investment program aims to overcome disadvantages in our local communities by supporting education and entrepreneurship through a combination of targeted funding and the commitment

and skills of our employees.

Our longstanding Community Affairs program aims to overcome disadvantage in our local communities through a combination of targeted funding and the commitment and skills of our employees. Globally, we focus on education and entrepreneurship, both of which align to our business and resonate with employees and stakeholders. We help people develop the skills and attainment they need to reach their potential and work with our communities to support local enterprises. Our approach is longterm and founded on building sustainable and successful partnerships with non-profit organizations and social enterprises to ensure that our contribution has a lasting impact. Proximity to our partners allows us to better understand the needs and requirements of our communities.

Furthermore, we expanded the measurement of the impact of our Community Affairs activities across all regions using the London Benchmarking Group model. Understanding where we make an impact helps us evaluate and focus our program. In 2013, we measured our impact across the globe. UBS supported over 75,000 people across both 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 businesses.

For further information and data of relevance to the communities we do business in, see www.ubs.com/community

- Suppliers

In 2014 UBS spent CHF 7.6 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. In 2014, our sourcing and procurement services units were transferred to Chain IQ, a newly-founded company that will continue to apply UBS's unchanged RSCM framework and processes. In the new setting, 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 additional information on our responsible supply chain management](#)

- Rating- and research agencies

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

In 2014, we provided detailed information on our sustainability performance to a range of agencies either in response to questionnaires or via meetings or calls (with environmental, social and governance analysts). Our corporate responsibility website regularly serves as a key source of information for these agencies.

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

- Non-governmental organizations

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

NGOs have long established themselves as the most critical “watchdogs” of companies, both scrutinizing and challenging how we address a broad range of environmental, social and human rights concerns. In 2014 discussions with NGOs focused on the subjects of human rights, mountaintop removal coal mining, food speculation and climate change, particularly in relation to coal. On the human rights topic NGOs actively participated in the stakeholder dialogue at the Thun Group of Banks’ meeting in June 2014.

- International organizations and initiatives

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

These memberships and commitments include the United Nations Global Compact, the Global Reporting Initiative, the United Nations Environment Program Finance Initiative, the 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 corporate responsibility approach and strategy.

In 2014, UBS representatives participated in major corporate responsibility events such as the [UN Forum on Business and Human Rights](#) in December.

> [For further information on our CR & sustainability memberships and external commitments](#)

- Media

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

Our media teams have established direct and long-term relations with media representatives across all our business regions and provide timely information on a wide range of global, regional and local topics of relevance to the firm. Senior management (BoD and GEB-level) also regularly gives account to journalists, predominantly through interviews. In addition to the interviews at our firm’s major corporate events (i.e. quarterly and annual reporting and annual general meeting) senior management conducted many other interviews in 2014.

We also communicated with media representatives - through interviews or background talks - on a broad range of corporate responsibility or sustainability topics such as human rights (Thun Group), food speculation and environmental and social risks.

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

Ratings and recognitions

- CDP



UBS has been included in "The A List: The CDP Climate Performance Leadership Index 2014" for its actions to reduce carbon emissions and mitigate the business risks of climate change. UBS is the only Swiss bank to appear on the list. The index presents 187 listed companies - out of a total of nearly 2,000 companies independently

assessed - identified as demonstrating a superior approach to climate change mitigation. It has been produced at the request of 767 investors, who represent more than a third of the world's invested capital, by CDP. The international not-for-profit organization provides the only global system for companies and cities to measure, disclose, manage and share vital climate change-related information.

> www.cdproject.net

- FTSE4Good Indizes

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 91 percent out of a full 100 percent.

> www.ftse4good.com

- oekom Corporate Rating

oekom research AG is one of the world's leading sustainability rating agencies and has actively helped to shape the market for sustainable investments since 1993. oekom research has awarded UBS corporate responsibility prime status, which, according to the oekom Corporate Rating, recognizes industry leaders that have met industry-specific requirements.

> oekom

- Dow Jones Sustainability Indizes

The Dow Jones Sustainability Indexes (DJSI) track the social, environmental and financial performance of companies in the Dow Jones Global Index. UBS has been recognized as one of the leaders in its industry group in the 2014 DJSI with a 97% ranking. This acknowledgement underscores UBS's comprehensive commitments and activities across the wide-ranging economic, environmental and social criteria of this Corporate Sustainability Assessment.

> www.sustainability-index.com

- Other recognitions 2014

We received the American Foreign Policy Association 2014 Corporate Social Responsibility award in acknowledgment of our firm's support of projects focusing on education and entrepreneurship in communities around the world. We were also awarded the CommunityMark accreditation, the UK's highest award for businesses that demonstrate how they maximize positive and minimize negative community impacts.

Training and raising awareness

- Training and raising awareness

We actively engage in internal and external education and awareness-raising on corporate responsibility topics and issues. Through induction, education and broader awareness-raising activities, we ensure that our employees 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 corporate responsibility website.

In 2014, we continued training and raising the awareness of employees, embracing the Code. 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 strategy and activities through other training and awareness-raising activities. Community Affairs engagement forms part of our key internal leadership programs, while skills-based employee volunteering further contributes towards staff development.

- Combating financial crime

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).

- Environment

Approximately 2,800 employees received training on environmental issues; 1,400 of them received general training on our environmental policy and programs and 1,400 participated in specialist training targeted at their respective areas of expertise and influence. Employee speaker sessions, exhibitions and lunchtime training sessions were delivered in all regions alongside specific technical training for the regional environmental teams

> [Environmental management indicators \(including training numbers\)](#)

- Sustainable performance and compensation

Overview

We strive to find the right balance of return for both our employees and our shareholders. We offer our employees competitive base salaries and variable performance awards that reflect their overall contributions. Our approach recognizes the need to compensate individuals for their performance within the context of market conditions, risk considerations, a fast-changing commercial environment and evolving regulatory requirements. We seek to encourage and reward behavior that contributes to the firm's long-term success.

Our compensation structures and programs are designed to be appropriately balanced between fixed and variable elements. We emphasize the variable component as an incentive to excel and to foster a performance-driven culture, while supporting appropriate and controlled risk-taking. Employee compensation is viewed within a total reward framework that takes into account base salaries, discretionary performance awards and benefits.

Our compensation framework is based on our Total Reward Principles, particularly in terms of integrating risk control and managing performance, as well as in specifying how we structure our compensation and performance award pool funding. The Principles reflect our long-standing focus on pay for performance, sustained profitability, risk awareness and sound governance.

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.

Our global performance management framework provides regular opportunities for employee-manager dialog and consistent assessment processes that link performance, behavior, demonstrated achievement and compensation. It enables employees to set clear performance and development goals, to be effective in their roles and to advance their careers. It also provides a platform for managers to support their employees in contributing their full potential towards the firm's success. In 2014, 100% of the employees eligible to participate in the firm's performance assessment processes were reviewed.

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.

We believe UBS has one of the most demanding performance award frameworks relative to its peers. This framework has remained broadly unchanged in 2014. We have built a robust compensation model premised on generating attractive and sustainable returns for shareholders. The firm's performance awards are designed to support this philosophy by emphasizing appropriate risk-taking and long-term performance, and by placing a substantial portion of compensation at risk. For instance, for 2014, we have over 5,000 employees with 54% of their performance award in deferred compensation that vests over two to five years.

Group Executive Board

The Human Resources and Compensation Committee (HRCC) reviews the performance of our Group CEO and other GEB members against the Group's performance targets. The GEB's performance awards are based on quantitative and qualitative performance Measures and consider performance of the individual and the Group overall.

- The Group CEO / GEB performance scorecard is based on a set of quantitative and qualitative measures, and provides a framework for a balanced assessment. Group level, business division, regional, functional and qualitative performance measures are included in combination, depending on the individual GEB member's remit.
- Compensation plan forfeiture provisions enable the firm to reduce the unvested deferred portion if the compensation plans' relevant performance conditions are not achieved.

This means

- the vesting of Equity Ownership Plan awards depends on both Group and divisional performance
- Deferred Contingent Capital Plan awards only vest in full if the firm delivers an adjusted profit before tax and our phase-in tier 1 capital ratio does not fall below 10%. The firm may, at its

discretion, elect to cancel any interest payments.

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 CRC members' letter of appointment; and (ii) have good knowledge of corporate responsibility and relevant political issues and such other experiences in order to perform their duties. The 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.

BoD members receive fixed fees for their services, 50% of which they must use to purchase blocked UBS shares. Alternatively, they may elect to purchase blocked UBS shares using 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 2014](#)

[> Objectives 2015](#)

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	<i>Merger of Union Bank of Switzerland and Swiss Bank Corporation to create UBS</i>
1999	Founding member of Wolfsberg Group First bank to obtain ISO 14001 certification for worldwide environmental management system in banking business and launch of Environmental Risk Policy in IB Establishment of UBS Optimus Foundation
2000	UBS among first 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	Wolfsberg Group Statement on Fight against Financing of Terrorism and AML Principles for Correspondent Banking Launch of group-wide Diversity initiative Founding signatory of CDP (originally known as Carbon Disclosure Project) Commencement of joint WM and IB Community Affairs programme in Chicago Expansion of in-house environmental program to Corporate Services outside Switzerland
2003	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) Institution of NGO communications & analysis function
2004	Establishment of SRI Equity Research in Investment Bank
2005	Establishment of coordination function for Community Affairs in Switzerland Setting up of UBS Tsunami Relief Fund UBS commences social reporting in Annual Report (section on employees)
2006	Introduction of Climate Change Strategy Adoption of UBS Statement on Human Rights Wolfsberg Group releases Investment Banking FAQs, Guidance for Mutual Funds and Pooled Vehicles, Correspondent Banking FAQs, and Guidance on the Risk Based Approach
2007	Establishment of SRI Research in Global WMBB Wolfsberg Group Statement against Corruption and Wolfsberg Group Statement on Transparency in International Payments First company-wide volunteering at Wealth Management US
2008	Introduction of group-wide Responsible Supply Chain Guideline Wolfsberg Group Revised PEP FAQs
2009	UBS applies Global Reporting Initiative (GRI) framework to its 2008 non-financial disclosure UBS's Sustainability Disclosure 2008 meets the requirements of level A+ of the GRI (continued in subsequent years) UBS Global Asset Management becomes a signatory to the Principles for Responsible Investment (PRI)
2010	Launch of UBS's new Code of Business Conduct & Ethics Publication of UBS Position on Controversial Activities
2011	Convener of Thun Group of Banks on banking of human rights Establishment of UBS Environmental & Social Risk Committee Awarded with UK Big Society Award (established by the UK Prime Minister)
2012	<i>UBS celebrates its 150th anniversary (see www.ubs.com/history)</i> Setting up of the UBS International Center of Economics in Society at the University of Zurich Global roll-out of the Investment Bank's ESG Analyzer

2013	Thun Group launches discussion paper on banking and human rights Renewal of Climate Change Strategy
2014	Introduction of UBS Environmental and Human Rights Policy Launch of "UBS and Society", a dedicated, industry-leading platform for sustainable investing & philanthropy Publication of UBS's comprehensive Environmental & Social Risk framework document UBS's Sustainability Disclosure 2013 meets the requirements of GRI G4 comprehensive

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

In-house environmental management - statistics

- Environmental targets and performance in our operations

Environmental targets and performance in our operations ¹								
	GRI ²	2014	Target 2016	Baseline	% change from baseline	Progress/Achievement ⁶	2013	2012
Total net greenhouse gas emissions (GHG footprint) in t CO ₂ e ³	EN15-17	177,695	-50%	360,501 ⁴	-50.7	On track	190,977	222,710
Energy consumption in GWh	EN3	700	-10%	774 ⁵	-9.6	On track	751	774
Share of renewable energy	EN3	48.9%	increase	23.9% ⁴	104.8	On track	47.9%	40.9%
GHG offsetting (business air travel) in t CO ₂ e	EN18	75,305	100%	0 ⁴	100	On track	72,612	73,024
Paper consumption in kg per FTE ⁷	EN1	121	-5%	122 ⁵	-0.8	Behind schedule	121	122
Share of recycled and FSC paper	EN2	61.8%	60%	55.8% ⁵	10.6	On track	57.6%	55.8%
Waste in kg per FTE ⁷	EN23	213	-5%	232 ⁵	-8.2	On track	214	232
Waste recycling ratio	EN23	54.7%	60%	53.9% ⁵	1.4	Behind schedule	55.3%	53.9%
Water consumption in m ³ ⁸	EN8	1.08	-5%	1.22 ⁵	-11.6	On track	1.09	1.22

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

¹ Detailed environmental indicators are available on the internet www.ubs.com/environment. Reporting period 2014 (1 July 2013 - 30 June 2014).

² Related to Global Reporting Initiative (see also 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 Green: on track / amber: behind schedule

7 FTEs are calculated on an average basis including contractors.

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

- Environmental indicators

Environmental indicators ¹						
	2014 ²				2013 ²	2012 ²
	GRI ³	Absolute normalized ⁴	Data quality ⁵	Trend ⁶	Absolute normalized ⁴	Absolute normalized ⁴
Total direct and intermediate energy consumption⁷		700 GWh	***	Low decreasing	751 GWh	774 GWh
Total direct energy consumption⁸	EN3	101 GWh	**	Decreasing	119 GWh	112 GWh
natural gas		80.7%	**	Stable	77.7%	84.8%
heating oil		15.8%	***	Stable	16.3%	12.3%
fuels (petrol, diesel, gas)		3.4%	***	Decreasing	5.9%	2.9%
renewable energy (solar power, etc.)		0.13%	***	Increasing	0.10%	0.03%
Total intermediate energy purchased⁹	EN3	599 GWh	***	Low decreasing	632 GWh	662 GWh
electricity from gas-fired power stations		16.1%	**	Stable	15.9%	19.9%
electricity from oil-fired power stations		2.7%	***	Stable	2.6%	2.6%
electricity from coal-fired power stations		14.2%	**	Stable	14.4%	17.4%
electricity from nuclear power stations		9.8%	**	Stable	10.2%	12.2%
electricity from hydroelectric power stations		30.5%	***	Stable	29.8%	29.5%
electricity from other renewable resources		17.0%	***	Stable	17.0%	10.7%
district heating		9.7%	***	Stable	10.1%	7.6%
Share of renewable energy and district heating		49%	***	Stable	48%	41%
Total business travel	EN30	684 m Pkm	***	Stable	658 m Pkm	649 m Pkm
rail travel ¹⁰		1.8%	***	Stable	1.7%	1.7%
road travel ¹⁰		1.0%	**	Stable	1.1%	1.1%
air travel		97.1%	***	Stable	97.2%	97.2%
Number of flights (segments)		296,067	***	Stable	287,481	308,555

Total paper consumption	EN1	7,471 t	***	Stable	7,693 t	8,083 t
post-consumer recycled	EN2	18.8%	***	Stable	18.7%	21.1%
new fibers FSC ¹¹		42.9%	***	Increasing	38.9%	34.7%
new fibers ECF + TCF ¹¹		38.1%	***	Low decreasing	42.3%	43.9%
new fibers chlorine bleached		0.2%	**	Stable	0.2%	0.2%
Total waste	EN23	13,133 t	***	Stable	13,626 t	15,355 t
valuable materials separated and recycled		54.7%	***	Stable	55.3%	53.9%
incinerated		19.8%	***	Stable	19.8%	18.4%
landfilled		25.5%	**	Stable	24.8%	27.7%
Total water consumption	EN8	1.08 m m3	**	Stable	1.09 m m3	1.22 m m3
Greenhouse Gas (GHG) Emissions in CO2e						
Direct GHG emissions (Scope 1) ¹²	EN15	20,121 t	***	Low decreasing	24,122 t	21,838 t
Gross indirect GHG emissions (Gross Scope 2) ¹²	EN16	188,474 t	***	Stable	203,025 t	94,052 t
Gross other indirect GHG emissions (Gross Scope 3) ¹²	EN17	94,634 t	***	Stable	92,817 t	94,052 t
Total Gross GHG Emissions		303,229 t	***	Stable	319,964 t	330,943 t
GHG reductions from renewable energy ¹³		50,230 t	***	Stable	56,375 t	35,209 t
CO2e offsets (business air travel) ¹⁴		75,305 t	***	Stable	72,612 t	73,024 t
Total Net GHG Emissions (GHG Footprint) ¹⁵		177,695 t	***	Low decreasing	190,977 t	222,710 t

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

1 All figures are based on the level of knowledge as of January 2015.

2 Reporting period: 2014 (1 July 2013 - 30 June 2014), 2013 (1 July 2012 - 30 June 2013), 2012 (1 July 2011 - 30 June 2012)

3 Global Reporting Initiative (see also www.globalreporting.org). EN stands for the Environmental Performance Indicators as defined in the GRI.

4 Non-significant discrepancies from 100% are possible due to roundings.

5 Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5% - ***, up to 15% - **, up to 30% - *. Uncertainty is the likely difference between a reported value and a real value.

6 Trend: at a *** / ** / * data quality, the respective trend is stable (à) if the variance equals 5/10/15%, low decreasing/increasing (æ,â) if it equals 10 /20/30% and decreasing/increasing if the variance is bigger than 10/20/30% (â,â).

7 Refers to energy consumed within the operational boundaries of UBS.

8 Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels).

9 Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating).

10 Rail and road travel: Switzerland only.

11 Paper produced from new fibers. FSC stands for Forest Stewardship Council, ECF for Elementary Chlorine Free and TCF for Totally Chlorine Free.

12 Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" (www.ghgprotocol.org), the international standards for GHG reporting: scope 1 accounts for direct GHG emissions by UBS; gross scope 2 accounts for indirect GHG emissions associated with the generation of imported/purchased electricity (grid average emission factor), heat or steam; gross scope 3 accounts for other indirect GHG emissions associated with business travel, paper consumption and waste disposal.

13 GHG savings by consuming electricity from renewable sources

14 Offsets from third-party GHG reduction projects measured in CO2 equivalents (CO2e). These offsets neutralize GHG emission from our business air travel.

15 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and CO2e offsets.

- Environmental indicators per full-time employee

Environmental indicators per full-time employee					
	Unit	2014	Trend	2013	2012
Direct and intermediate energy	kWh / FTE	11,337	Stable	11,784	11,628
Business travel	Pkm / FTE	11,086	Low increasing	10,318	9,805
Paper consumption	kg / FTE	121	Stable	121	122
Waste	kg / FTE	213	Stable	214	232
Water consumption	m3 / FTE	17.5	Stable	17.1	18.5
CO2 footprint	t / FTE	2.88	Stable	3.00	3.36

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

- Environmental management indicators

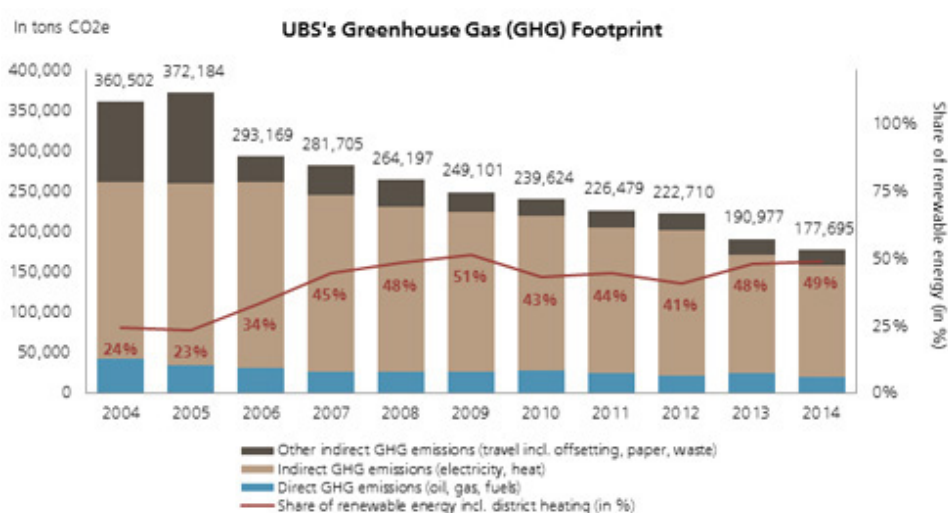
Environmental management indicators					
		For the year ended			%change from
<i>Full-time equivalent, except where indicated</i>	GRI ¹	31.12.14	31.12.13	31.12.12	31.12.13
Personnel financial businesses		60,155	60,205	62,628	(0)
Personnel in specialized environmental units/functions		27	34	31	(22)
Environmental awareness raising					
Employees trained	FS4	1,435	7,136	3,548	(80)
Specialized environmental training					
Employees trained	FS4	1,371	2,135	966	(36)
External environmental audits²					
Employees audited	FS9	116	58	63	100
Auditing time (days)	FS9	16	11	11	45
Internal environmental audits³					
Employees audited	FS9	93	160	249	(42)
Auditing time (days)	FS9	29	47	51	(39)

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

2 Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2012 and 2013. The more comprehensive Re-Certification Audit was done in 2014.

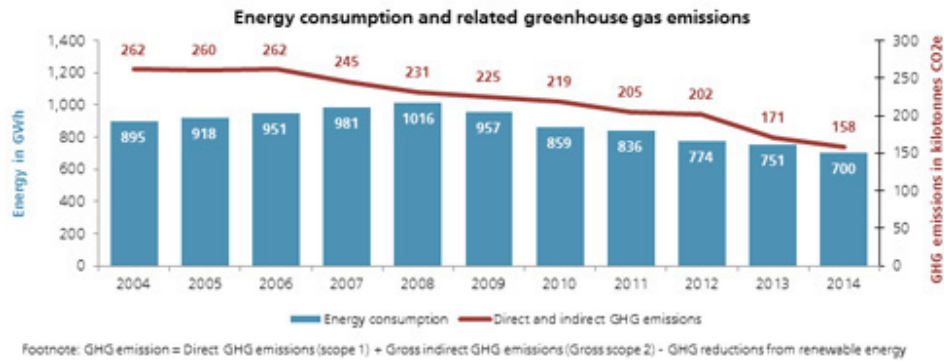
3 Audits / reviews carried out by specialized environmental units. The implementation of Environmental and Social Risk Policies is also audited by Group Internal Audit.

- Our Greenhouse Gas footprint



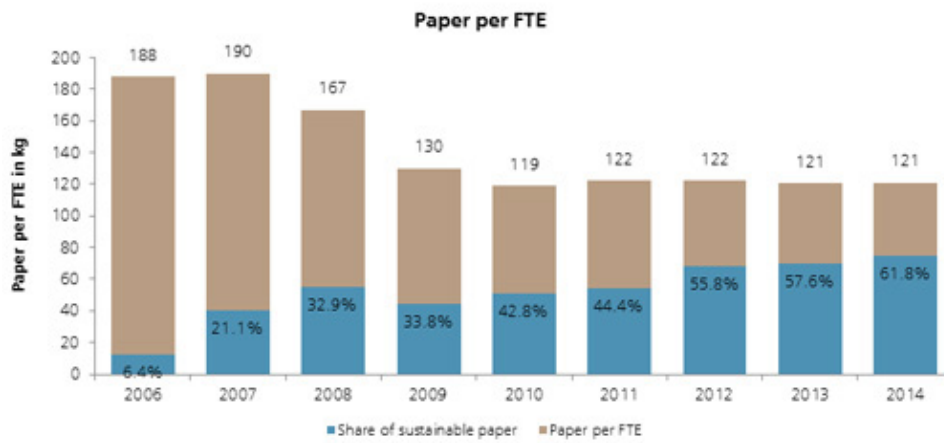
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- Energy consumption time series



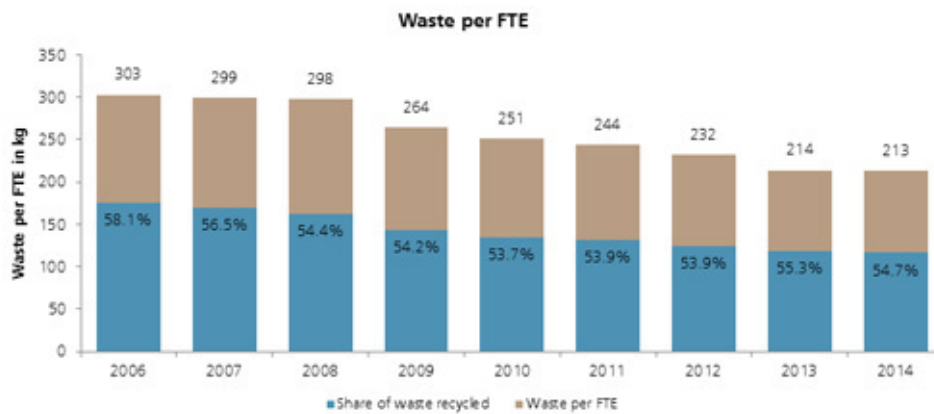
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- Paper consumption time series



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- Waste generation time series



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- Environmental and social risk assessments

Environmental and social risk assessments					
		For the year ended			% change from
	GRI ¹	31.12.14	31.12.13	31.12.12	31.12.13
Cases referred for assessment²	FS2	1,812	1,716	1,039	6
by region					
Americas	FS2	354	67	288	(4)
Asia Pacific	FS2	317	296	222	7
Europe, Middle East and Africa	FS2	297	373	225	(20)
Switzerland	FS2	844	680	304	24
by business division					
Wealth Management	FS2	291	298	157	(2)
Wealth Management Americas	FS2	21	46	5	(54)
Retail & Corporate	FS2	749	598	223	25
Global Asset Management	FS2	7	14	12	(50)
Investment Bank	FS2	654	657	533	(0)
Corporate Center ³	FS2	90	103	109	(13)
by sector					
Metals and mining	FS2	375	418	217	(10)
Oil and gas	FS2	357	239	136	49
Agribusiness ⁴	FS2	178	155	45	15
Utilities	FS2	89	95	38	(6)
Chemicals	FS2	56	67	29	(16)
Infrastructure	FS2	31	51	15	(39)
Other ⁵	FS2	726	691	559	5
by outcome					
Approved ⁶	FS2	1,560	1,465	812	6
approved with qualifications ⁷	FS2/FS3	186	197	171	(6)
rejected or not further pursued ⁸	FS2	56	54	56	4
pending ⁹	FS2	10	0	0	n/a

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

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

3 Relates to procurement / sourcing of products and services.

4 includes since 2013 e.g. forestry products, biofuels, food and beverage.

5 Include e.g. financial institutions, aerospace and defence, telecom, technology.

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 2013 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](#).

2014 changes and reporting

In 2014, our sourcing and procurement services units were transferred to Chain IQ, a newly-founded company that will continue to apply UBS's unchanged RSCM framework and processes. In the new set up, the RSCM framework is operated by experienced and specifically trained procurement and sourcing specialists (in 2014 176 such specialists were trained globally) and supported by internal and external experts.

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 biodegradability of products, adversely affecting people and the environment
- Unfair employment practices, e.g. low wages, excessive overtime, absence of occupational health & safety measures
- Risks for consumer health and safety, e.g. low indoor air quality, inappropriate warning signage
- Procurement and use of materials with a strongly negative environmental and/or social impact
- Insufficient management of subcontractors regarding sustainability aspects

In 2014, 134 suppliers have been classified as suppliers of newly sourced goods or services with potentially high impacts. 56% 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 90 suppliers with potential material risks were referred to a specialized environmental and social risk unit for enhanced due diligence. In 2014, 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 ¹					
			For the year ended		% change from
<i>CHF billion, except where indicated</i>	GRI ²	31.12.14	31.12.13	31.12.12	31.12.13
UBS total invested assets		2,734	2,390	2,230	14
UBS SI products and mandates					
positive criteria	FS11	2.62	2.18	1.60	20
positive criteria / RPI ³	FS11	43.57	39.00	32.15	12
exclusion criteria ⁴	FS11	68.60	56.09	35.68	22
policy based restrictions ⁵	FS11	466.52	444.62 ⁶	181.64	5
Third-party ⁷	FS11	4.34	3.70	2.66	17
Total Sustainable investments	FS11	585.65	545.60	253.73	7
Proportion of total invested assets (%) ⁸		21.42%	22.83%	11.38%	

1 All figures are based on the level of knowledge as of January 2015.

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

3 UBS Global Asset Management Responsible Property Investment strategy.

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

5 Assets subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions (includes all invested assets held in Global Asset Management actively managed discretionary segregated mandates and all actively managed funds (retail and institutional) held by

Global Asset Management, Wealth Management, Wealth Management Americas and Retail & Corporate).

6 Invested assets, subject to policy-based restrictions in 2013, have been restated.

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

8 Total SI / UBS's invested assets.

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 personal values, or improve portfolio risk/return characteristics.

Positive criteria Positive criteria apply to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society. This includes best-in-class, thematic investments or environmental, social and governance (ESG) integration.

Exclusion criteria one or several sectors are excluded based on environmental, social or ethical criteria, for example, companies involved in weapons, tobacco, gambling, or companies with high negative environmental impacts. This also includes faith-based investing consistent with principles and values of a particular religion.

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

In our Annual Report we report that in 2014 the Investment Bank supported 175 clients contribute to climate change mitigation and adaptation, either in equity or debt capital market transactions (total deal value CHF 17 billion) or as financial advisor (total deal value CHF 14 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. Using internal expertise from UBS's Global Asset Management Sustainable Equities team and external third party sources, we identified 175 such clients to which we provided capital market or financial advisory services in 2014. The activities of these clients 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

To meet both client expectations and regulatory requirements, Wealth Management (WM) and Retail & Corporate (R&C) have established a Suitability Framework. This framework is supported by the UBS Client Experience with its structured advisory process, followed by the implementation of agreed solutions and by the proper documentation of the steps taken during this process.

Suitability Framework

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

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

- Client Suitability*

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

- Product Suitability**

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

- Divisional Approach to Suitability

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

- Monitoring & Controls

Monitoring and controls for suitability follow a three tiered approach: the first level controls are conducted by origination under its Origination Control Framework, which is largely a set of controls designed to prevent/detect operational risks that arise in Origination and to ensure that residual risk corresponds to risk appetite. The second level controls are performed by Compliance & Operational Risk Control as a Global Key Control, 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.

- Monitoring & Controls

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.

Corporate Responsibility Objectives & Achievements 2014 and Corporate Responsibility Objectives 2015

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1. Corporate Responsibility Objectives & Achievements 2014

How we do business			
Materiality matrix topics	GRI	Objectives 2014	Achievements 2014
Financial stability & resilience / Financial results	EC	<p>Key performance targets:</p> <ul style="list-style-type: none"> • Reduce Basel III RWAs to CHF 200 billion by end 2017 (below CHF 215 billion by the end of 2015) • Reduce funded balance sheet: approximately CHF 300 billion by end of 2015 • Basel III common equity tier 1 ratio fully applied: 11.5% in 2013; 13% in 2014 • Cost / income ratio: 60-70% from 2015 • Return on equity: target of 15% for 2015 <p>(For more details see http://www.ubs.com/global/en/about_ubs/about_us/strategy.html)</p>	UBS is on track to meet or has already achieved most targets. The two exceptions are the cost / income ratio, which is above (91%) and return on equity, which is markedly below (7.0%) target.
Operational efficiency / Outsourcing / Financial results	EC	<p>Make structural changes that will lower operating costs substantially by 2015 (including, among others, lean front-to-back processes, a simplification of our product portfolio and production processes, more focused technology requirements, a reduced real estate footprint and the removal of excess layers of management). The efficiency program is expected to result in restructuring charges estimated to total CHF 3.3 billion over three years, but is expected to deliver incremental annual cost savings growing to CHF 3.4 billion by 2015, in addition to the savings of CHF 2 billion announced in 2011</p> <p>(For more details see http://www.ubs.com/global/en/about_ubs/about_us/strategy.html)</p>	UBS is on track to meet the revised target. We remain committed to our CHF1.4 billion net cost reduction target for end 2015 run-rate. CHF0.3 billion cost reduction achieved in 2014.
Environmental protection / Paper, water and waste management / Responsible supply chain management / Carbon footprint	EN	Pass 2014 ISO 14001 re-certification audit	ISO 14001 re-certification audit successfully passed
Environmental protection / Corporate governance & culture / Human rights / Responsible investing / Controversial activities financing	HR3, SO3, FS4	Develop web-based Corporate Responsibility training module and Corporate Responsibility video	Decision to incorporate sustainability into mandatory all staff training in 2015

Human rights	HR, FS. 4.12- 4.17	Organize and host Thun Group of banks meeting to advance discussions on banking and human rights	Thun Group meeting hosted in Thun in June 2014 with a large group of diverse stakeholders (including supra-national organizations, governments and civil society)
Youth education and financial literacy / Environmental protection / Corporate governance & culture / Responsible investing	Various	Establish program and roll out "UBS Future Panels" speaker series for employees	UBS Future Panel on millennials successfully executed. Further events planned for 2015
	Various	Accomplish transition from GRI (Global Reporting Initiative) G3.0 A+ to GRI G4 Comprehensive	Transition accomplished with 2013 reporting, which was reviewed by Ernst & Young Ltd (EY). EY were satisfied that UBS's sustainability disclosure had been prepared in accordance with the "comprehensive" option of the GRI Sustainability Reporting Guidelines G4.
Brand reputation / Corporate governance and culture	Various	Retain favorable position of UBS in key ESG ratings	Retain favorable position of UBS in key ESG ratings
Corporate governance & culture	Various	Increase the frequency of the UBS Corporate Responsibility Committee's meetings	Frequency increased to six meetings per year
Environmental protection / Carbon footprint / Paper, water and waste management	EN	<p>Execute 2016 greenhouse gas reduction target and operational environmental targets for energy, water, paper and waste</p> <ul style="list-style-type: none"> • Reduce energy by 10% below 2012 level • Reduce water consumption by 5% below 2012 level • Reduce paper consumption per FTE by 5% below 2012 level • Increase share of sustainable (FSC/ recycled) paper to 60% • Reduce waste per FTE by 5% below 2012 level • Increase waste recycling ratio to 60% 	<p>Progress was made in 2014 across all indicators towards achieving 2016 targets.</p> <ul style="list-style-type: none"> • Greenhouse gas emissions: An overall reduction of Greenhouse gas emissions of 52.7% from baseline year 2004, which means an early overachievement on our original climate change strategy target of a 50% reduction by 2016 • Energy efficiency: Electricity consumption down 5% year on year. This equals cost savings of approx. CHF 4m. The decrease was driven by a combination of efficiency measures and gradual contraction of real estate and data center initiatives. • Paper and waste targets: total paper consumption was flat year on year, share of sustainable paper now at 60% target. Total waste was also flat year on year, with the recycling ratio remaining below 60% target
Environmental protection	EN	Refine sustainable real estate and IT infrastructure strategy (incl. Green IT Vision)	Postponed to 2015 due to ongoing transformation of Group COO area.
Responsible supply chain management / Compliance	Various	Ensure continuous compliance with Responsible Supply Chain Management (RSCM) in light of Supply & Demand Management (SDM) transformation	Compliance confirmed by ISO 14001 re-certification audit

<p>Environmental protection / Human rights / Controversial activities financing / Commodities and natural resources / Risk behavior</p>		<p>Proactive management of emerging environmental and social risk (ESR)</p>	<p>Emerging ESR proactively managed through portfolio reviews, policy framework adjustments, and disclosure:</p> <ul style="list-style-type: none"> • UBS publicly disclosed its ESR framework • UBS endorsed the Banking Environment Initiative's & Consumer Goods Forum's 'Soft Commodities Compact'. In doing so, we commit to support the transformation of soft commodity supply chains by expecting producers to be fully certified according to applicable sustainability certification schemes, such as the Roundtable on Sustainable Palm Oil, by 2020' • In support of our Climate Change Strategy we assess transactions related to the construction of coal-fired power plants against technology used, energy efficiency and greenhouse gas emissions. • We started to estimate our firm's vulnerability to climate change risks using a scenario-based stress testing approach that considers direct impacts on UBS from severe weather events as well as from regional regulatory responses that affect the overall economy.
<p>Compliance / Risk behavior / Prevention of fraud and manipulation</p>	<p>SO2</p>	<ul style="list-style-type: none"> • Assess and strengthen the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force), particularly in regard to predicate offences, and FATCA (Foreign Account Tax Compliance Act) requirements • Manage those developments to ensure requirements are properly captured and adequate policy responses are provided 	<p>Jurisdictions continue to adapt their laws. Policies and processes have been duly aligned.</p>
<p>Compliance / Risk behavior / Prevention of fraud and manipulation</p>	<p>SO2</p>	<p>Continue active participation in the Wolfsberg Group, notably concerning:</p> <ul style="list-style-type: none"> • Working with the FATF (Financial Action Task Force) on implementation of their proposed enhancements • Lead the AML Risk Assessment Working Group to develop an industry-wide standard for conducting AML Risk Assessments • Active engagement on various working groups (i.e. Sanctions, Cross-Border, Insider Dealing, Market Abuse) 	<p>Guidance in the form of Frequently Asked Questions for AML risk assessment is in final draft due for publication in 2015.</p>

Operational efficiency / Corporate governance & culture / Career support for older employees	LA	Continue to offer programs in every UBS business region to provide social and transitional support to employees impacted by headcount reductions related to our ongoing cost reduction programs	<p>In addition to HR policies and local practices, we offer support and resources to employees impacted by headcount reductions.</p> <p>For all of our larger locations (i.e. UK, US, Switzerland, Hong Kong, Singapore and Japan), this includes severance pay/benefits, Employee Assistance Programs (EAP) and outplacement/career transition services. Our EAP offering provides access to information and resources, as well as counselling and support to assist individuals with a wide range of issues, including emotional and personal conflicts, mental health and stress.</p> <p>In Switzerland, we offer additional services such as COACH, which provides transition support services (e.g. interview training, job search assistance, etc.) to employees impacted by redundancy, and Social Counseling, which is a group of highly-skilled professionals that are available to investigate and assist in the resolution of sensitive workplace matters.</p>
Corporate governance & culture / Compensation	LA	<p>Continue to align the UBS compensation framework to changing market and regulatory frameworks, including but not limited to:</p> <ul style="list-style-type: none"> • Compensation elements linked to business performance • Longer deferral periods • Multi-year performance conditions on equity-based deferred compensation • A new loss-absorbing high-trigger deferred capital instrument • A reduction in the maximum amount of immediate cash paid as performance awards to individual employees 	UBS compensation framework adapted to market changes according to regulatory requirements.
Health & safety / Working conditions	LA6-8	<p>Health & safety review:</p> <ul style="list-style-type: none"> • Strengthen global accountability for H&S, further strengthen regional representation and penetration 	<ul style="list-style-type: none"> • We have both global and regional policies and guidelines in place, which emphasize our commitment to Health & Safety and often go beyond local legal requirements. UBS' commitment to Health & Safety is included in the UBS Code of Conduct and Business Ethics. • Plans are currently underway to launch a global webpage dedicated to the Health & Safety topic. • UBS activities are monitored by a Corporate Responsibility Committee (Board of Directors Committee) that regularly reviews UBS's Health & Safety processes to ensure best practices.

<p>Working conditions / Corporate governance & culture</p>	<p>LA10-11</p>	<p>Roll-out of targeted development programs for designated Key Talent populations to understanding, communicating, and implementing our strategy and identity, our values and our strategic principles</p>	<ul style="list-style-type: none"> • Senior Leadership Experience (SLE) conducted with- a two-part program for the firm's top leaders with a main focus on business strategy, effective leadership and the pillars, principles and behaviors. • Additional Key Talent programs delivered to foster UBS principles and behaviors, e.g. ED Accelerate, ASCENT.
<p>Risk behavior / Compliance / Prevention of fraud and manipulation / Corporate governance & culture</p>	<p>LA10-11</p>	<p>Intensify Risk & Compliance education for all employees, with separate modules for line managers, to raise risk awareness, further develop the UBS risk culture, promote newly defined UBS principles & behaviors, and to help protect the firm's exposure and reputation.</p>	<p>Material investment in mandatory training across all divisions/ regions:</p> <ul style="list-style-type: none"> • All staff training on Principles of Conduct and Supervision, focusing on the UBS Principles and Behaviors, the Code of Business Conduct & Ethics and the Principles of Good Supervision which set out UBS's expectations with regard to professional conduct and risk management • All staff training on Fraud Awareness helping people to understand their core responsibilities in dealing with fraud/ unethical behavior to protect our clients and the firm itself • Reference to the Principles and Behaviors embedded in all new mandatory trainings • Overall 700'000 mandatory trainings were completed by UBS staff world-wide including topics as Financial Crime Prevention, Environmental & Social and Reputational Risk as so on. <p>UBS could further foster principles & behaviors with various initiatives and major changes in the performance measurement process:</p> <ul style="list-style-type: none"> • Specific objective cluster around principles and behaviors added to the performance review process – employees encouraged to add one or more specific performance objectives that focused on delivery and/or improvement in the areas of client focus, excellence, sustainable performance, collaboration, challenge, integrity • Assessment within the year-end review regards performance against the behaviors by evaluating manager, other managers, peers and direct reports, CFE's (for KRTs) – clear guidance provided globally on the rating scale and the impact this assessment has on the overall performance rating
<p>Diversity & inclusion / working conditions</p>	<p>LA</p>	<p>Leverage the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to actively manage our key talent)</p>	<ul style="list-style-type: none"> • HR function has successfully implemented a new operating model to better support the business strategy with attracting and retaining the best people with right skills, a responsible mindset and diverse background for the right roles. • The integrated HR strategy has been reinforced with the subsequent implementation plan for 2015.

Corporate governance & culture / working conditions	LA	Improve our service delivery and client focus through the HR transformation program and our continued and disciplined approach to "running HR like a business" (HRT program running until 2015), and review the footprint of the HR organization	The new service model successfully implemented in large locations (i.e. Hong Kong, Singapore, Switzerland, the UK and the US). The small and mid-size countries will transition to the new service model in the course of 2014/ 2015 (2/3 rd of small and mid-sized countries are implemented, remaining countries are planned to be completed in 2015).
Working conditions	LA9	Increase relevance, quality, learning transfer and impact of Business University programs per business requirements	<ul style="list-style-type: none"> Continuously strong feedback above 80% on Business University programs from participants across all categories Select measurement of strategic learning initiatives, e.g. WM Master, WMA Teams Initiative, showing positive impact on achievement of business goals Increased alignment of offering to business needs created greater relevance

How we support our clients

Materiality matrix topics	GRI	Objectives 2014	Achievements 2014
Responsible investing / Society and community / Brand reputation	Various	Establish a dedicated, industry-leading platform offering comprehensive research, advisory and product capabilities in sustainable investments and philanthropy ("UBS and Society")	Establishment of UBS and Society platform under way. Important milestones in 2014 include the appointment of the Global Head, UBS and Society, the expansion of our impact investing offering, research on sustainable investing and the development of social finance instruments
Client protection / Quality and price / Compliance	SO, FS	Suitability: <ul style="list-style-type: none"> Continue and close the 2014 Legal & Compliance agenda on suitability („SUSTAIN 2014“ – Suitability Strategy and Implementation) according to action plan Manage suitability risks in response to emerging regulation such as MiFID II and FIDLEG 	<ul style="list-style-type: none"> All actions defined under the 2014 Legal & Compliance agenda on suitability („SUSTAIN 2014“ – Suitability Strategy and Implementation) have been successfully rolled-out and closed Regulatory developments are being closely monitored and, when necessary, existing suitability standards are being amended and/or specified
Quality and price	PR5	Quality Feedback: <ul style="list-style-type: none"> Continue to keep up awareness of importance of client and employee feedback in order to foster client focus and service excellence Make sure that all relevant client feedback is entered into the tool in order to increase quality of products and processes and to mitigate business risks 	<ul style="list-style-type: none"> Workshop with the regional Quality Feedback Managers to align them on the process and tool. Further to exchange best practices and to educate them on key topics to enable them to spread the information and to pro-actively support the business. Regular communication of best practices in the intranet. Enhancement of the Quality Feedback tool in order to increase user friendliness. Roll-out of client feedback tool in Germany
Society and community	FS7	UBS Optimus Foundation <ul style="list-style-type: none"> Assess opening of a Singapore office to expand the (client) reach of the UBS Optimus Foundation to South-East Asia Prepare for a new presence in the USA to expand the (client) reach of the UBS Optimus Foundation to the Americas 	<ul style="list-style-type: none"> Significant progress was in made in the further development of the Foundation's network by thoroughly assessing the regulatory framework in Singapore. In the USA the preparations were successfully completed and the launch of the offering is planned for February 2015.

How we support our communities			
Materiality matrix topics	GRI	Objectives 2014	Achievements 2014
Society and community / Responsible investing	EC7	<p>Taking Community Affairs to the next level:</p> <ul style="list-style-type: none"> • Further develop the Community Affairs agenda in line with the Initiative “UBS and Society” • Roll-out of impact measurement according to LBG standards to cover at least 80% of strategic Community Affairs projects across all regions • Further increase employee engagement in line with the strategic themes of Education and Entrepreneurship and measure its societal impact • Further intensify collaboration with clients and the Optimus Foundation 	<ul style="list-style-type: none"> • The Community Affairs agenda was developed on an ongoing basis. Programs were continued and new partnerships created. • Examples include the UBS NextGen Leaders program in the US, a \$10 Million, 5-year commitment to establish a new education platform for improving college success among under-resourced populations. • In APAC we entered the third phase of our community regeneration roadmap in Japan, linking disaster relief efforts with education. • Impact measurement of all strategic programs was rolled out. In 2013, UBS programs supported over 75'000 people. • For the third consecutive year, the firm organized the Global Employee Volunteer Awards, recognizing 65 individuals and teams across the globe for their outstanding engagement. • Also between June and October, a Global Employee Volunteer Awareness Campaign was organized, to increase awareness and motivate employees to engage in volunteering. The percentage of staff volunteering increased from 17% in 2013 to 21% in 2014. • The UK Donor-Advised Foundation is a UK registered charity that allows our clients to make donations to an account within the Foundation, on a tax-efficient basis. They can then request that grants are made to UK registered charities, including also UBS Optimus Foundation and Community Affairs partners. Launched in January 2014, the UK Donor-Advised Foundation has received donations of approximately £35 million.
Society and community / Youth education and financial literacy	EC7	<p>UBS Education Initiative</p> <ul style="list-style-type: none"> • Internationalize the Education Initiative, with a roll-out in EMEA and the launch a global project 	<ul style="list-style-type: none"> • Following a successful long-term partnership with Young Enterprise Switzerland, we now also entered into a partnership with Junior Achievement-Young Enterprise in EMEA. The JA-YE flagship Company program and entrepreneurial skills pass were rolled out to UK, Germany, France, Spain and Italy. • In APAC, considerations are being made whether a similar program could be launched.

2. Corporate Responsibility Objectives 2015

How we do business		
Materiality matrix topics	GRI	Objectives 2015
Financial stability / Financial results / Shareholder participation rights	EC	<p>Key performance targets:</p> <ul style="list-style-type: none"> Adjusted² return on tangible equity: around 10% in 2015 and > 15% from 2016 Basel III fully applied CET1 ratio: 13% and 10% post-stress Basel III RWA: <CHF 215 billion by 31.12.15 Basel III RWA: <CHF 200 billion by 31.12.17 Swiss SRB leverage ratio denominator of CHF 900 billion by 2016³ Adjusted⁴ cost / income ratio: 60–70%
Operational efficiency / Outsourcing / Financial results	EC	<p>Corporate Center cost reductions:</p> <ul style="list-style-type: none"> Corporate Center – Core Functions <ul style="list-style-type: none"> CHF 1.0 billion annual net cost reduction by year-end 2015^{5 6} Corporate Center – Non-core and Legacy Portfolio <ul style="list-style-type: none"> CHF 0.4 billion annual net cost reduction by year-end 2015⁷ CHF 0.7 billion additional annual net cost reduction after 2015^{8 9}
Corporate governance and culture / Compliance	Various	Revise Code of Conduct & Ethics reflecting various changes to content and tone of voice of the document. Publish revised Code (on www.ubs.com/code)
Human Rights	HR, FS. 4.12-4.17	Convene Thun Group meeting to consider latest developments pertaining to business and human rights
Corporate governance and culture	Various	Explore the option of integrated reporting
Corporate governance and culture / Brand reputation	4.18-4.21	Conduct 2015 UBS materiality assessment survey
Brand reputation		Intensify communications efforts on UBS's corporate responsibility / sustainability activities
Environmental protection / Risk behavior / Human rights / Controversial activities financing / Commodities and natural resources	FS	<p>Proactive management of emerging environmental and social risk (ESR):</p> <ul style="list-style-type: none"> Align ESR framework with UBS and Society initiative Execute climate change stress testing framework Execute firm-wide consolidation of ESR processes
Paper, water and waste management / Environmental protection / Carbon footprint	EN	<p>Execute 2016 operational environmental targets for energy, water, paper and waste</p> <ul style="list-style-type: none"> Reduce energy by 10% below 2012 level Reduce water consumption by 5% below 2012 level Reduce paper consumption per FTE by 5% below 2012 level Increase share of sustainable (FSC/recycled) paper to 60% Reduce waste per FTE by 5% below 2012 level Increase waste recycling ratio to 60%
Operational efficiency / Carbon footprint	EN	Establish new long-term objectives for building certifications, greenhouse gas emissions and renewable energy

Operational efficiency / Carbon footprint	EN	Establish Group Technology (GT) energy efficiency reporting of GT infrastructure, end-user projects and Power Usage Effectiveness (PUE) metric of key data centers
Responsible supply chain management	Various	Align ambition level of Responsible Supply Chain Management with UBS and Society initiative and execute across all sourcing activities
Environmental protection / Carbon footprint	FS, EC2	Execute climate change strategy communications plan (Environmental Month 2015 focus on "How we support clients")
Environmental protection / Corporate governance and culture / Risk behavior / Compliance	EN	Execute mandatory sustainability training
Environmental protection / Paper, water and waste management / Responsible supply chain management / Carbon footprint	EN	Pass 2014 ISO 14001surveillance audit
Brand reputation / Corporate governance and culture	Various	Retain favorable position of UBS in key ESG ratings
Compliance / Prevention of fraud and manipulation	SO2	Continue to enhance the UBS Group Policy Framework in response to emerging regulation, including FATF (Financial Action Task Force) changes regarding predicate offences.
Prevention of fraud and manipulation / Brand reputation	SO2	Continue active participation in the Wolfsberg Group, notably concerning: <ul style="list-style-type: none"> • Working with the FATF (Financial Action Task Force) • Active engagement on various Wolfsberg working groups (e.g. risk based approach for managing AML risks, anti-corruption)
Corporate governance and culture / Career support for older employees	LA	Continue to offer comprehensive programs in every UBS business region to provide social and transitional support to employees impacted by redundancy (e.g. restructuring reasons)
Health & safety / Working conditions / Corporate governance & culture	LA6-8	Maintaining global accountability for Health & Safety: <ul style="list-style-type: none"> • Ensure a work and business environment that supports the Health & Safety of our employees • Promote accountability around Health & Safety topic trough effective communication (e.g. implementation of new webpage) • Continue to monitor and optimize of UBS's Health & Safety processes in close collaboration with the Corporate Responsibility Committee
Compensation / Corporate governance and culture	LA	Reward: <ul style="list-style-type: none"> • Ensure sustainable UBS compensation framework and align to changing market and regulatory frameworks • Motivate performance through competitive and responsible reward practices
Risk behavior / Corporate governance and culture	LA	Group wide clear guidance on setting and personalizing risk objectives including principles and behaviors that are meaningful and relevant to their role

Working conditions / Diversity & inclusion / Demographics	LA	Human capital: <ul style="list-style-type: none"> • Leverage the talent agenda of our business, be it sourcing and hiring talent or developing and implementing an integrated talent strategy (to actively manage our key talent) • Align learning offerings with business needs, targeting the required audiences and of high quality and impact.
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² Please refer to the "Adjusted Results" section at the end of the [fourth-quarter 2014 results news release](#) for information on adjusted results.

³ Based on the rules applicable as of the announcement of the target (06.05.14).

⁴ Please refer to the "Adjusted Results" section at the end of the [fourth-quarter 2014 results news release](#) for information on adjusted results.

⁵ Measured by 2015 year-end exit rate versus full year 2013 adjusted operating expenses, net of changes in charges for provisions for litigation, regulatory and similar matters.

⁶ Measured net of foreign exchange movements and changes in regulatory demand of temporary nature.

⁷ Measured by 2015 year-end exit rate versus full year 2013 adjusted operating expenses, net of changes in charges for provisions for litigation, regulatory and similar matters.

⁸ Does not assume constant foreign currency translation rates.

⁹ Reduction in annual adjusted operating expenses versus full year 2013.

How we support our clients		
Materiality matrix topics	GRI	Objectives 2015
Responsible Investing / Society and community	FS	Make further progress in reaching the business opportunities related goals of UBS and Society, which are to: <ul style="list-style-type: none"> • Have a dedicated, industry-leading platform delivering comprehensive research, advisory and product capabilities on sustainable investments and philanthropy. • Use innovative financial mechanisms to channel a growing percentage of assets to address societal challenges. • Have a conversation with every client on societal performance.
Society and community / Youth education and financial literacy	FS7	UBS Optimus Foundation: <ul style="list-style-type: none"> • Grant CHF 3m in Early Childhood Development, CHF 6m in Education, CHF 5m in Health, CHF 3m in Child Protection, CHF 2m in Emergency Response and CHF 1m in China. These numbers do not include targeted and tailored client donations. • Open office in Singapore
Client protection / Quality and price / Risk behavior	SO, FS	Suitability: <ul style="list-style-type: none"> • Review and amend where necessary the existing Global Suitability Standards and initiate implementation in all WM and R&C locations • Manage suitability risks in response to emerging regulation such as MiFID II and FIDLEG • Conduct an independent risk assessment over how suitability risk is being managed and recommend remediating actions when gaps are identified.
Quality and price / Client protection	PR5	Client feedback: <ul style="list-style-type: none"> • Client feedback to become part of the certification of Client Advisors Retail Clients in order to raise their awareness and professionalism. • Participate in the UBS Switzerland Social Media initiatives to handle and answer client requests and intensify end-to-end client communication whenever quality enhancements of products, services and processes are achieved on the basis of direct client feedback

How we support our communities		
Materiality matrix topics	GRI	Objectives 2015
Society and community	EC7	Revamp Community Affairs in line with UBS and Society: <ul style="list-style-type: none"> • Increase business alignment • Strengthen global communication • Identify global and local metrics and targets
Youth education and financial literacy / Society and community	EC7	UBS Education Initiative <ul style="list-style-type: none"> • Further implementation of international program

Note to the GRI (Global Reporting Initiative) performance indicators:

EC - Economic

EN - Environment

FS – Financial Sector supplement

HR – Human Rights

LA – Labor

PR – Product responsibility

SO - Society

UBS Group AG / UBS AG – UN Global Compact Communication on Progress

1. Introduction

Detailed information relating to all Global Compact principles can be found in the “Corporate responsibility” and “Our employees” sections of the UBS Annual Report 2014 (Section 5: Corporate governance, responsibility and compensation, pages 315 – 337 see www.ubs.com/annualreport). This information together with additional detail pertaining to the Global Compact principles can be accessed on the UBS Corporate Responsibility website (www.ubs.com/responsibility).

2. UBS Sustainability Disclosure

For its 2014 reporting year, UBS commissioned Ernst & Young Ltd. (EY) to conduct an independent limited assurance of its GRI-based Sustainability Disclosure. Content of the sections “Corporate responsibility” and “Our employees” was reviewed by EY against the GRI Sustainability Reporting Guidelines. This content has been prepared in accordance with the comprehensive option of GRI G4 as evidenced in the EY assurance report. The assurance by EY also covered other relevant text and data, which is referenced in the GRI Content Index (www.ubs.com/gri). The contents of the index relate directly to the principles of the Global Compact (as set out in “Using the GRI G4 Guidelines to Communicate Progress on the UN Global Compact Principles”).

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

3.1 Statements on UBS’s commitment to the Global Compact and its principles

In our 2014 corporate responsibility reporting we demonstrate our commitment to the UN Global Compact in the context of our Chairman’s Interview on Corporate Responsibility (text below appears on http://www.ubs.com/global/en/about_ubs/corporate_responsibility/commitment_strategy/chairman_statement.html)

2015 marks 15 years of UBS’s participation in the UN Global Compact. Where do you see UBS today as regards the core areas of the Compact such as protecting the environment and respecting human rights?

UBS was among the first companies to sign the Compact in 2000, which today is the world’s largest corporate responsibility initiative. And we are doing an excellent job in living up to our commitments. Let me give you some examples. As regards the environmental area of the Compact, in 2014, we were recognized as industry leaders in the Dow Jones Sustainability Indices which is an important external recognition of our strong performance. Furthermore we are the only Swiss bank on the list of best performers of the CDP for our efforts in reducing carbon emissions and mitigating the business risks of climate change. We are also an active member of the Thun Group of Banks. The Group’s discussion paper on banking and human rights has set a benchmark helping to guide banks as they map and analyze their potential adverse impacts in relation to human rights. And key elements of the paper are already reflected in our policies and guidelines, notably our Environmental & Human Rights Policy and our Environmental & Social Risk Framework. And the Wolfsberg Group, which, like the Thun Group we were a founding member of, continues its work in the important area of combating financial crime.

3.2 Labor Standards

Our employees’ drive, skill, insight and experience are key to meeting our clients’ needs and growing our businesses. In light of this, we continually invest in our employees and work to further build our reputation as a leading employer. Our performance and development-oriented culture is based on integrity, collaborating across the firm and challenging the status quo to develop better solutions for our clients and colleagues. Our principles of client focus, excellence and sustainable performance are the basis for all our endeavors, helping us focus on key

opportunities to create value for our stakeholders.

Over the past two years, we have defined and communicated the specific behaviors we expect of our employees and have integrated them into our business and human resource practices. Integrity, collaboration and challenge are concepts that define what we stand for individually and characterize our daily interactions with clients and colleagues. During 2014, we embedded these behaviors into our business and human resources practices, from leadership skills building and business process simplification to our recruiting and performance management practices.

We do, however, recognize that workplace issues may sometimes arise. Therefore, we have processes in place in each region to deal with work-related grievances or complaints. We are committed to trying to resolve any employee grievance issues that arise in a timely and effective manner. In many cases, such concerns can be resolved on an informal basis, although more formal procedures are available if needed. The process for raising a concern is outlined in our employee handbooks or other appropriate local documentation.

3.3 Environment and human right

Our industry is playing an increasingly active role in addressing global issues such as the protection of human rights and the environment. Growing environmental and human rights concerns have resulted in a fast-changing regulatory and competitive landscape that affects our firm, our suppliers and our clients. In response to these emerging risks and opportunities, we are shaping appropriate commitments and solutions.

In 2014, we published a comprehensive document on our environmental and social (including human rights) risk policy framework to ensure that our stakeholders have a good understanding of our approach to environmental and social risk. We apply the environmental and social risk policy framework to all our activities. This helps us identify and manage potential adverse impacts on the environment and human rights, as well as the associated risks affecting our clients and our firm. We have set standards in product development, investments, financing and for supply chain management decisions.

As part of our due diligence process, we engage with clients and suppliers to better understand their processes and policies and to explore how any environmental and social risks may be mitigated. We avoid transactions, products, services, activities or suppliers if there are material environmental and social risks that cannot be properly assessed. We will not do business with a counterparty or an issuer who we judge is not addressing environmental or social issues in an appropriate and responsible manner. The foundation of UBS's environmental and social risk policy framework is established in the Code of Conduct and Ethics of UBS and the UBS Environmental and Human Rights Policy.

Our long-standing involvement in the UNEP Finance Initiative reflects our commitment to managing our environmental footprint. UBS's 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. At the time, we were the first bank to obtain ISO 14001 certification for our Group-wide environmental management system. In addition, our greenhouse gas emissions data is externally verified according to ISO 14064 standards. In 2014, we reduced our greenhouse gas footprint again, achieving a 51% reduction from baseline year 2004.

Climate change is one of the greatest challenges of our time. It will impact ecosystems, societies, and economies worldwide. 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. As a leading global financial services firm, we are well positioned to help our clients as they prepare for this transition. Our climate change strategy focuses on investments, financing, research and risk management, as well as our own operations.

As regards human rights, we co-launched the Thun Group of Banks' discussion paper on banking and human rights in October 2013. The paper 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, notably in a meeting with a large group of diverse stakeholders (including supranational organizations, governments and civil society) in June 2014 at the UBS Conference Center in Thun, Switzerland.

Last, but not least, our performance and success in the area of sustainability is reflected in the key external ratings and rankings we have achieved. Among other such ratings and rankings (including DJSI and FTSE4Good), we were also included in “The A List: The CDP Climate Performance Leadership Index 2014” for our actions toward reducing carbon emissions and mitigating the business risks of climate change.

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3.4 Anti-Corruption / Combating financial crime

We take a rigorous risk-based approach in our commitment to combating money laundering, corruption and terrorist financing. 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, corruption and sanctions risks associated with our business against our control framework, and take actions to further mitigate that risk.

UBS is 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. The Wolfsberg Group also works closely with the Financial Action Task Force, 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 AML in 2014 through its annual forum and regional reach-out meetings with banks globally. It continues to work on guidance papers in key areas of AML and, in 2014, it issued such a guidance paper on mobile and internet payment services.

2. Concluding comment

In 2014, we launched UBS and Society – a cross-divisional umbrella initiative that covers all our activities and capabilities in sustainable investing and philanthropy, as well as our firm’s community interaction. The purpose of this initiative is to support the development of our dedicated, industry-leading platform that delivers comprehensive research, advisory and product capabilities in sustainable investments and philanthropy. We want to do this holistically, channeling a growing portion of investable client assets through innovative financial mechanisms to address societal challenges and make societal performance part of every client conversation.

See www.ubs.com/sustainability for more information

Quality feedback management system

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

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

UBS strives to respond directly to each individual who provides feedback. Moreover, on significant topics and key developments, UBS also provides a collective response in its external reporting (Quarterly/Annual Report, Letter to the Shareholders). In 2014, key topics and developments included some targeted products and services: mostly the look & feel of the new UBS e-banking platform with numerous specific requests and suggestions for new or improvement of existing features - for example with regard to the list of most used beneficiaries or the sort order of accounts. Moreover, a substantial amount of client feedback related to the handling of payments processes in UBS e-banking.

Feedback from employees - quality tips and ideas or proposals - helps to foster creativity and innovation arising from their knowledge and experience in improving and updating products, processes and services.