

The Environment

We regard environmental management as an important characteristic of good business practice.



Environmental Policy

It is the aim of this Policy that in all our business dealings we act in an environmentally responsible manner.

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Our Performance

We annually report on our environmental performance and on future priorities. This includes key performance indicators based on international reporting standards.

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Environmental Management System

In accordance with UBS's environmental policy, our environmental management system ensures a process of continual improvement as well as compliance with legal regulations and voluntary commitments.

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Market Opportunities

We offer a variety of socially responsible investment products and services to our environmentally and socially engaged clients.

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Risk Management

We seek to consider environmental risks in all our businesses, especially in lending, investment banking, advisory and research, and in our own investments.

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In-House Operations

We actively seek ways to reduce our direct environmental impact on air, soil and water from in-house operations, with a primary focus on reducing greenhouse gas emissions.

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Communications & Training

We invest in know-how and integrate environmental considerations into internal communications and training.

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Validation by Société Générale de Surveillance AG

"We have verified the correctness of the statements in the 2006 Environmental Report of UBS AG and, where necessary, have requested that proof be presented. We hereby confirm that the report has been prepared with the necessary care, that its contents are correct with regard to environmental performance, that it describes the essential aspects of the Environmental Management System at UBS AG and that it reflects the actual practices and procedures at UBS AG.

We have also conducted a third party verification of the CO₂ emissions in the years 2004, 2005 and 2006 against the principles of ISO 14064-I (2006). In our opinion, the reported CO₂ emissions are fair, accurate, transparent and free from material errors or misstatements and meet the materiality threshold."

Elvira Bieri, Dr. Erhard Hug and Dr. Jochen Gross

Zurich, February / April 2007

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Addressing Climate Change

UBS acknowledges that climate change represents one of the most significant environmental challenges of our times. It will have wide-ranging effects on ecosystems, on societies and on economies worldwide. Business will be shaping innovative strategies in response to new regulations as well as emerging market risks and opportunities. So, how are we responding?

Reducing our direct impact

Although our direct contribution to climate change as a financial institution is rather small compared to other industries, UBS considers the efficient and sustainable management of energy and the reduction of its CO₂ emissions to be an important aspect of our corporate responsibility. The Group Executive Board decided in February 2006 to set a group-wide CO₂ emission reduction target of 40% below 2004 levels by 2012. We seek to achieve this target by increasing in-house energy efficiency whenever possible, by purchasing more green energy, and by offsetting emissions, including those caused by our business-related air travel.

We have started to roll out ambitious programs to help us achieve this target. As an immediate measure, we decided to offset all CO₂ emissions that resulted from our entire 2006 business air travel, i.e. over 100,000 tons of CO₂, representing about a quarter of our total CO₂ emissions. Offsetting means that we indirectly neutralize our business air travel emissions by investing in third party projects that reduce an equivalent amount of greenhouse gas emissions. We selected four projects in Brazil, Russia, India, and China, on the basis of their adherence to international quality standards, of their additional environmental and social benefits, and of their geographical proximity with important emerging markets. We purchased offsets from the following projects: in Brazil, local farmer cooperatives built small scale hydro power plants in an isolated region of the State of Rio Grande do Sul; in northwest Russia, a wood producer replaced coal boilers with a biomass heating plant fueled by locally available wood waste; in Andhra Pradesh, India, a sugar cane factory captures methane from its waste waters and uses it as biofuel for clean power generation; in the Shandong Province of China, 15 wind turbines were built, thereby providing a cleaner source of energy in a region dominated by coal power production. All four projects also boast significant social benefits such as local jobs, education, health and rural empowerment.

In parallel, we also continued our efforts to improve in-house energy efficiency and green energy purchasing. Some examples of measures taken in 2006 to that effect were:

- UBS signed a new agreement in Zurich, under which all the electricity supply for our buildings there now comes from renewable sources (roughly 100 GWh per year). As a result, more than three quarters of the total energy we consume in Switzerland now comes from renewable energy sources and district heating.
- In Stamford, Connecticut, the location of one of our main trading floors and one of our largest buildings globally, we are beginning to see the benefits of a major retrofitting project that included infrastructure upgrades and improved energy monitoring. Our 2006 electricity consumption decreased by 5% despite significant business growth and higher occupancy density. The estimated annual energy saving of 2.3 GWh lowered costs by over USD 270,000 and cut indirect CO₂ emissions by 740 metric tons. Additionally, the measures helped reduce the building's draw on the local electricity grid, helping to mitigate some of the increased demand in the city of Stamford itself.
- A new functionality for PC workstations was introduced in Switzerland. Called Wake on LAN, this functionality allows PCs to be 'shut off' after work, and be 'woken up' for software upgrades during the night. It was rolled out for over 30,000 workstations and notebooks in Switzerland in 2006, and is expected to result in annual power savings of 8 GWh, worth CHF 1 million.

Combined with our air travel offsetting, such measures allowed us to reduce our CO₂ emissions by 19% compared to 2004, an important step toward achieving our 40% target by 2012.

Engaging investors and markets

UBS is a founding member of the Carbon Disclosure Project. It collaborates with other institutional investors by writing to the largest quoted companies in the world asking for information concerning their greenhouse gas emissions. The project asks companies to identify the business implications of their exposure to climate-related risks and explain what they are doing to address these risks. In 2006, 87% of responding companies flagged climate change as posing commercial risks or opportunities to their business, but less than half of them said they had implemented emission reduction programs.

At the end of January 2007, Wealth Management Research published a report examining the scientific, technological, and economic effects of climate change. Its authors argue that climate change will have far-reaching implications for the global economy and the worldwide investment climate, and conclude that measures to combat global warming will increasingly influence people's behavior, the risk profiles of certain industries, and prospects for investment. The analysis suggests that products and processes that improve energy efficiency, as well as the development of renewable or low-CO2 energy sources, have great potential to slow climate change. UBS Investment Bank's SRI research team also continues to see climate change as a critical risk issue for firms, markets and investors. The UBS Climate Change conference of 2005 was followed by a further climate change event in February 2006 with Professor Sir David King, Chief Scientific Adviser to the UK government, once again the keynote speaker. Later in the year the annual SRI conference focused on "Water Scarcity – the defining crisis of the 21st century", extending the team's consideration of climate change-related issues to some of its physical effects. The UK government's Stern Review on the economics of climate change noted that the impact of climate change would be felt most strongly by changes in water availability around the world.

UBS trades carbon financial instruments on behalf of clients and is a member of the Intercontinental Exchange (ICE), an electronic marketplace for energy and emissions trading in conjunction with the European Climate Exchange (ECX).

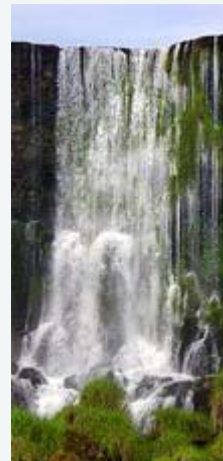
Offsetting Projects

Cooperatives Small Hydro Power Project in Rio Grande do Sul, Brazil

The project comprises three small hydro power plants in an isolated and non-interconnected region in the State of Rio Grande do Sul in South Brazil. In general, a large untapped potential for development of small hydro power especially in remote regions exists still in Brazil, e.g. due to restricted availability of long-term finance for this investment-intensive technology. Project developers have relied on carbon credits to improve the financial situation of the project on a long-term basis and thus facilitate access to investment capital.

Social and environmental benefits

Small hydropower is an indigenous and clean source of energy which is highly beneficial for regional development of remote regions by creating a more reliable energy supply. Construction of the project has provided jobs to more than 100 people in each hydropower plant. Furthermore, the three cooperatives involved in the project have set up a range of social programs in order to share carbon benefits with the local population, such as environmental education programs involving more than 600 children in schools around the hydropower plants, native seeds distribution and reforestation of degraded areas, supporting an Agricultural Cooperatives Regional Centre, and an open visitation program for students and teachers.



Wind Power Project in Qingdao, China



The project consists of the implementation of 15 wind turbine generators with a total installed generation capacity of approx. 16 MW. The power generated by the wind park (approx. 30 GWh per year) is fed into the regional grid. In absence of the project CO₂e emissions would have occurred by supplying the regional electricity demand from coal power plants. The project was made financially viable by generating additional revenue from the emission reduction certificates.

Social and environmental benefits

The project provides important additional environmental benefits. It improves the overall health conditions by reducing the emissions of pollutants such as SO₂, NO₂ and NO_x that would be released by the power generation industry in absence of the project. The project transfers technology and contributes significantly to stimulating growth of the national wind power industry. Regarding the social benefits of the project, local employment opportunities were created during the implementation and operation.

Biopower from Sugar Plant in Andhra Pradesh, India

Waste water from Sugar Plants has a high organic content which requires treatment before discharge. In India, this treatment usually takes place in a system of open lagoons where organics decompose in the open air, releasing large volumes of the potent greenhouse gas methane. The project has used the expected revenues from sales of carbon credits to implement a superior technological solution, which captures the methane in an anaerobic digester and uses it as a biofuel for clean power generation, which is then fed into the Hyderabad grid.

Social and environmental benefits

The project contributes to energy efficiency by tapping the valuable energetic potential contained in a waste product. Besides the conversion of methane to bioenergy, organic residue from the project process can be used as a Bio-Compost that displaces inorganic fertilisers. The project can serve as a flagship example for adoption of such innovative measures in similar companies. The project proponent is aware of the company's environmental and social responsibilities and well known for its work for the community. It has for example established a foundation actively involved in education, health, hygiene and rural empowerment, set up a number of educational institutes at primary, secondary and professional levels, a mobile medical unit covering about 25 villages as well as Rural Entrepreneurship and Employment Generation Institutes.



Biomass Heating in Onega, Russia



A small town in northwest Russia has so far been heated by an outdated coal plant with bad working conditions. A socially responsible local wood producer has taken initiative to close down coal boilers and replace them by a modern biomass heating plant. The project uses locally available wood wastes - e.g. sawdust - from a FSC (Forest Stewardship Council) certified sustainable source. Wood wastes would otherwise be dumped in the vast lands around the saw mill. The project thus avoids methane emissions from wood waste deposits as well as CO₂ emissions from transport and combustion of coal. The project viability was ensured by generating additional revenue from the emission reduction certificates.

Social and environmental benefits

The biomass heating plant substantially benefits the local community. It improves the reliability of heat supply, health and quality of life for 12,000 people, including schools and an orphanage. It is a flagship project that demonstrates the large potential for use of waste wood energy for district heating in northwest Russia.

Environmental Policy

It is the aim of this Policy that in all our business dealings we act in an environmentally responsible manner.



It defines principles and responsibilities for managing environmental issues, and aims to contribute over the long term to UBS shareholder value by seeking to ensure that:

- UBS identifies and manages environmental risks;
- UBS pursues environmentally-friendly opportunities in the financial market;
- UBS's environmental performance improves continuously

UBS's environmental policy, established in 1993, was last revised by the Group Executive Board in September 2005.

- [Download "UBS Environmental Policy"](#) 

Our Performance

We annually report on our environmental performance and on future priorities. This includes key performance indicators based on international reporting standards.



History

Our commitment to the environment goes back to the 1970s.

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Our achievements in 2006

This section describes our achievements against 2006 Group Priorities.

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Our Priorities for 2007

The Group Executive Board annually defines Group Priorities.

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Environmental Performance Indicators (EPI)

Every year, we provide a detailed description of our environmental performance using key performance indicators which allow for annual comparisons. They are based on industry standards such as the Global Reporting Initiative (GRI).



EPI - Management System

The management indicators provide an overview of our environmental management system.

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EPI - Socially Responsible Investments

Invested assets subject to environmental and social screening.

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EPI - In-House Operations

Every year, we analyze our environmental and CO2 footprints.

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History

Our commitment to the environment goes back to the 1970s.

Key milestones of the last four decades:

2006	UBS decided in February to set a group-wide carbon emission reduction target of 40% below 2004 levels by 2012 UBS offset all CO2 emissions that resulted from our entire 2006 business air travel.
2005	UBS successfully passed the second ISO 14001 re-certification covering banking business and in-house operations worldwide
2004	UBS's environmental policy was revised by the Group Executive Board The Investment Bank created an SRI team within Equity Research
2003	ISO 14001 surveillance audit confirmed successful integration of Wealth Management USA (formerly PaineWebber) into UBS's environmental management system
2002	ISO 14001 re-certification covering banking activities and in-house operations worldwide
2001	UBS was included in the FTSE4Good Indexes and the Dow Jones STOXX Sustainability Indexes for the first time
2000	UBS became the leading bank and topped the financial sector as a whole for firms included in the Dow Jones Sustainability Group Indexes (DJSI)
1999	UBS was certified according to the international standard for environmental management systems, ISO 14001 , covering banking activities world-wide and in-house operations in Switzerland Environmental criteria were integrated into UBS's risk and policy framework
1998	New organization and environmental policy at UBS
1997	Launch of Eco-Performance-Portfolio Funds Co-operation on the "Environmental Management in Financial Institutions" guidelines, published by the Swiss Bankers Association (SBA)
1996	Launch of environmental equity analysis for investment advisory services "Environmental management for building construction projects" brochure was published
1995	Purchasing guidelines for office ecology were released Environmental training functional unit was established
1994	Environmental credit assessment procedure for Swiss corporate clients First environmental report
1993	First environmental policy
1992	Signatory to the UNEP bank declaration Signatory to the Charter for Sustainable Development of the International Chamber of Commerce ICC First in-house ecology analyses
1991	Environmental strategy First environmental performance evaluations of in-house operations in Zurich
1989	The first formal energy guidelines
1978	The first energy unit

Our achievements in 2006

The section describes our achievements with regard to the 2006 Environmental Group Priorities.



Pass 2006 ISO 14001 surveillance audit

- UBS successfully passed the annual surveillance audit of its environmental management system. The auditors from SGS Société Générale de Surveillance confirmed that a well-performing environmental management system is in place – integrated in the normal organization, and suitable to manage environmental risks and to improve environmental performance on a continual basis.

Review scope of UBS's environmental policy framework.

- UBS's environmental policy framework has a history going back to 1994, when environmental credit assessment procedures were first introduced for Swiss corporate clients. Since then, the framework was continuously expanded in depth and scope to cover products and services potentially prone to environmental risk, especially in lending and investment banking.
- Nevertheless in 2006 we reviewed our environmental policy framework in light of recent industry-wide initiatives such as the Equator Principles, a set of voluntary guidelines for determining, assessing and managing environmental and social risks in project finance.
- The review concluded that UBS has a robust policy framework in place and confirmed our decision not to sign up to the Equator Principles. However, the review also revealed that refining our tools providing on the environmental and social risks prevalent in certain high risk sectors would be beneficial to our overall risk management. This conclusion of the review has led to the formulation of a 2007 Group Priority.

Review UBS's existing strategy towards the various segments of Socially Responsible Investment products and services.

- UBS's Business Groups have strong expertise in incorporating environmental and social aspects into their research and advisory activities.
- Our Global Asset Management business offers a wide range of SRI products to both private and institutional investors. Depending on the region, different SRI approaches apply, reaching from positive screens in Europe (mainly Switzerland) and Japan, negative screens in the US, and engagement in the UK. Thematic products such as the UBS Global Innovators Fund and the Climate Change Certificate have recently gained considerable attention.
- In the Investment Bank, UBS has a well-established SRI research team that produces original research and hosts conferences on timely topics. Business activities of the Investment Bank relating to climate change include trading carbon financial instruments on behalf of clients and structuring solutions to help clients manage their exposure to emissions markets.
- Within Global Wealth Management & Business Banking, the key focus of activities in the last two years has been making client advisors aware of SRI-related issues. In 2006, senior executive management decided to fully integrate SRI into the UBS Client Experience framework.

Implement UBS's CO2 strategy

- The Group Executive Board decided in February 2006 to set a group-wide CO2 emission reduction target of 40% below 2004 levels by 2012. We seek to achieve this target by increasing in-house energy efficiency whenever possible, by purchasing more green energy, and by offsetting emissions. We have started to roll out ambitious programs to help us achieve this target. As an immediate measure, we decided to offset all CO2 emissions that resulted from our entire 2006 business air travel, i.e. over 100,000 tons of CO2, representing about one quarter of our total CO2 emissions. Combined with energy efficiency and green energy measures, this air travel offsetting has allowed us to reduce our CO2 emissions by 19% compared to 2004, an important step toward achieving our 40% target by 2012.

Further promote environmental awareness of UBS employees worldwide

- Significant specialized training and awareness raising was conducted in all Business Groups (3,466 employees trained in 2006).

Our Priorities for 2007

The Group Executive Board annually defines Group Environmental Priorities, in line with our Environmental Policy and with the ISO 14001 requirement to demonstrate continual improvement of our environmental management system.

- Pass 2007 ISO 14001 surveillance audit
- Develop and test sector guidelines for assistance and guidance when doing business with clients in environmentally and socially sensitive industry sectors
- Continue to implement measures (offset air travel, renewable energy, energy efficiency) towards achieving group-wide CO₂ emission reduction target of 40% below 2004 levels by 2012
- Start implementation of 2009 targets for paper and waste.

Waste per FTE	-10% below 2006 level
Waste recycling ratio	70%
Paper consumption per FTE	-5% below 2006 level
% of recycled paper	20%
% of client publications with FSC label	30%

- Develop and test group-wide guidelines to further incorporate environmental and social issues into procurement.
- Enhance awareness of UBS employees about our environmental policy and objectives.

Environmental Performance Indicators Management System

The management indicators provide an overview of our environmental management system at Group level.

Investing in know-how and relevant expertise is essential to improve environmental performance. It is training that enables us to achieve our environmental goals and the desired impact on value drivers in our various business areas. Audits play an important role in the necessary controls and in defining new measures.

Environmental Management indicators

		For the year ended			% change from
		31.12.06	31.12.05	31.12.04	31.12.05
Full-time equivalent, except where indicated	GRI ¹	31,12,06	31,12,05	31,12,04	31,12,05
Personnel financial businesses²		78,140	69,569	67,407	12
In specialized environmental units ³		30	25	22	18
Environmental awareness raising					
Employees trained	F5	2,489	2,251	1,664	11
Training time (hours)	F5	1,498	1,124	2,124	23
Specialized environmental training					
Employees trained	F5	977	1010	602	(3)
Training time (hours)	F5	1,758	2,066	1,932	(15)
External environmental audits⁴					
Employees audited	F6	30	147	11	(80)
Auditing time (days)	F6	6	17	2	(67)
Internal environmental audits⁵					
Employees audited	F6	154	216	148	(29)
Auditing time (days)	F6	44	39	29	13

1 Global Reporting Initiative (see also www.globalreporting.org). F stands for the environmental performance indicators defined in the GRI Financial Services Supplement

2 All employment figures represent the state as of 31 December 2006.

3 2006: 25 UBS and 5 external employees (FTE)

4 Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2004 and 2006. The more comprehensive re-certification audit was done in 2005.

5 Audits/reviews carried out by specialized environmental units. The implementation of environmental risk policies is also audited by Group Internal Audit.

Environmental Performance Indicators Socially Responsible Investments

Invested assets subject to environmental and social screening.

SRI invested assets, at CHF 73.82 billion on 31 December 2006, were up 46% from a year earlier. This growth rate is higher than UBS's overall invested assets, up 13%. SRI invested assets now represent 2.47% of UBS's invested assets.

SRI invested assets	GRI ¹	For the year ended			% change from
		31.12.06	31.12.05	31.12.04	31.12.05
CHF billion, except where indicated		31.12.06	31.12.05	31.12.04	31.12.05
UBS		2,989	2,652	2,217	13
Socially Responsible Investments based on					
Positive criteria	F9	1.84	1.05	0.78	34
Engagement	F9	55.81	38.90	31.60	23
Exclusion criteria	F9	16.17	10.73	7.32	47
Total SRI assets	F9	73.82	50.68	39.70	28
Proportion of invested assets (%) ²		2.47%	1.91%	1.79%	

Performance of UBS's SRI Funds (%)					
Absolute performance Eco Performance ³		10.82	21.79	4.66	
Absolute performance Global Innovators ⁴		21.72	24.36	18.34	

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

2 Total socially responsible investments / invested assets.

3 Eco Performance = UBS (Lux) Equity Fund-Eco Performance B.

4 Global Innovators = UBS (Lux) Equity Fund Global Innovators B

Positive criteria: applies to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society.

Engagement: investors enter into a dialogue with boards or management of companies with the aim of influencing corporate behavior and policies, if appropriate, in relation to environmental, social or ethical issues.

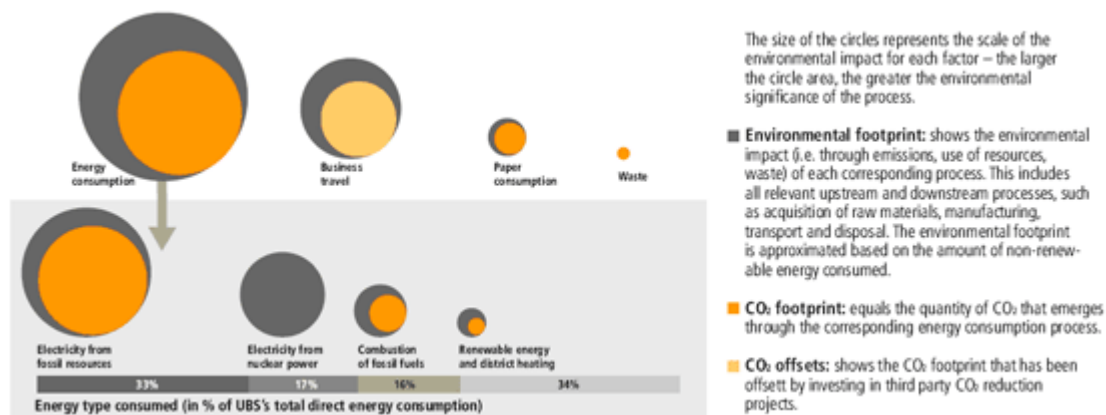
Exclusion criteria: companies or sectors are excluded based on environmental, social or ethical criteria, e.g. companies involved in weapons, tobacco, gambling, or with high negative environmental impacts.

Environmental Performance Indicators - In-House Operations

Every year, we analyze our environmental and CO₂ footprints.

The graph below shows the relative environmental and CO₂ footprints of our energy consumption, business travel, paper consumption and waste. It also breaks down our energy consumption according to source, and displays their related environmental and CO₂ footprints. This shows that the type of energy mix we purchase has a strong influence on our overall environmental and CO₂ footprint.

Environmental and CO₂ footprints



In 2006, UBS's sustained growth led to significant increases in electricity consumption (+6%) and business travel (+24%). Pursuant to our climate change strategy, we decided to mitigate this trend by purchasing more renewable energy, and by offsetting our air travel. The percentage of renewable energy we source rose from 23% in 2005, to 34% in 2006. Combined with the purchasing of offsets, this cleaner energy mix enabled us to decrease our total CO₂ footprint by 21% compared with 2005, and by 19% compared to 2004, an important step towards achieving our 40% target by 2012.

The quantity of paper we consume and waste we produce has remained relatively stable in recent years. This is the result of a string of measures that have been implemented in the various regions over time. In order to keep this momentum we have decided to set 2009 group wide targets for paper and waste.

Environmental indicators per FTE

	Unit	2006	2005	2004
Total direct and intermediate energy	kWh/FTE	12,736	12,925	13,095
Total indirect energy	kWh/FTE	23,974	26,024	24,699
Total business travel	Pkm/FTE	12,544	10,659	9,617
Total paper consumption	kg/FTE	188	197	198
Total waste	kg/FTE	303	325	363
Total water consumption	m ³ /FTE	26.0	26.0	25.9
Total environmental footprint	kWh/FTE	38,148	41,129	38,868
CO₂ footprint	t/FTE	3.93	5.24	5.27

Legend: kWh = kilowatt hour; Pkm = person kilometer; kg = kilogram; m³ = cubic meter; t = ton

Environmental indicators¹

	GRI ³	2006 ²			2005 ²	2004 ²
		Absolute normalized ⁴	Data quality ⁵	Trend ⁶	Absolute normalized ⁴	Absolute normalized ⁴
Total direct and intermediate energy consumption⁷		951 GWh	***	→	918 GWh	895 GWh
Total direct energy consumption⁸	EN3	154 GWh	***	↘	169 GWh	203 GWh
natural gas		85.5%	***	→	86.0%	84.3%
heating oil		11.8%	***	↗	11.0%	11.4%
fuels (petrol, diesel, gas)		2.7%	***	↘	3.0%	4.3%
renewable energy (solar power, etc.)		0.03%	***	↑	0.02%	0.02%
Total intermediate energy purchased⁹	EN4	797 GWh	***	↗	749 GWh	692 GWh
electricity from gas-fired power stations		13.2%	***	↘	14.3%	15.5%
electricity from oil-fired power stations		4.5%	***	→	4.3%	4.4%
electricity from coal-fired power stations		21.7%	**	→	22.9%	23.8%
electricity from nuclear power stations		20.5%	***	↓	29.9%	24.9%
electricity from hydroelectric power stations		21.4%	***	↑	12.1%	16.3%
electricity from biomass and waste power stations		0.5%	**	→	0.5%	0.5%
electricity from wind power stations		2.0%	***	↑	1.3%	1.6%
electricity from other renewable resources		10.3%	***	↑	9.3%	8.0%
district heating		6.0%	**	↗	5.4%	5.1%
Total indirect energy consumption¹⁰	EN4	1,790 GWh	***	→	1,849 GWh	1,689 GWh
Total business travel	EN29	936 m Pkm	***	↑	757 m Pkm	658 m Pkm
rail travel ¹¹		4.1%	**	↗	3.7%	5.0%
road travel ¹¹		0.6%	**	↘	0.7%	0.8%
air travel		95.3%	***	→	95.6%	94.2%
Number of flights (segments)		402,629	***	↑	358,992	323,467
Total paper consumption	EN1	14,013 t	***	→	14,020 t	13,551 t
post-consumer recycled	EN2	6.2%	***	↓	7.1%	8.1%
new fibers ECF + TCF ¹²		93.8%	***	→	92.9%	91.9%
new fibers chlorine bleached		0.0%	***	→	0.0%	0.0%
Total waste	EN22	22,631 t	***	→	23,073 t	24,852 t
valuable materials separated and recycled		58.2%	***	↓	64.8%	64.4%
incinerated		12.7%	***	↑	9.3%	8.0%
landfilled		29.1%	**	↗	25.9%	27.6%
Total water consumption	EN8	1.94 m m³	**	→	1.84 m ³	1.77 m ³
Total environmental footprint¹³		2,848 GWh	**	→	2,922 GWh	2,658 GWh
Total CO₂ footprint¹⁴		293,169 t	***	↓	372,184 t	360,502 t
Total direct CO ₂ (GHG scope 1) ¹⁵	EN16	31,519 t	***	↘	34,556 t	41,858 t
Total indirect CO ₂ (GHG scope 2) ¹⁵	EN16	230,015 t	**	→	225,854 t	219,727 t
Total other indirect CO ₂ (GHG scope 3) ¹⁵	EN17	132,635 t	***	↑	111,773 t	98,918 t
Total CO ₂ e offsets (business air travel) ¹⁶		101,000 t	***	↑	-	-

Legend: GWh = gigawatt hour; Pkm = person kilometer; t = ton; m³ = cubic meter; m = million

¹ All figures are based on the level of knowledge as of January 2007. ² Reporting period: 2006 (1 July 2005–30 June 2006), 2005 (1 July 2004–30 June 2005), 2004 (1 July 2003–30 June 2004)
³ Global Reporting Initiative (see also www.globalreporting.org). EN stands for the Environmental Performance Indicators as defined in the GRI. ⁴ Non-significant discrepancies from 100% are possible due to roundings. ⁵ Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty (confidence level 95%): up to 5% – ***, up to 15% – **, up to 30% – *. Uncertainty is the likely difference between a reported value and a real value. ⁶ Trend: at a ***/*/* data quality, the respective trend is stable (→) if the variance equals 5/10/15%, low decreasing/increasing (↘/↗) if it equals 10/20/30% and decreasing/increasing if the variance is bigger than 10/20/30% (↓/↑). ⁷ Refers to energy consumed within the operational boundaries of UBS. ⁸ Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels). ⁹ Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating). ¹⁰ Refers to primary energy, which is consumed to produce the electricity and district heating consumed by UBS. ¹¹ Rail and road travel: Switzerland only. ¹² Paper produced from new fibers, which is ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free) bleached. ¹³ Shows the environmental impact (through emissions, use of resources, waste) by a process including all relevant upstream and downstream processes. The environmental footprint is approximated using the equivalent of non-renewable energy consumed. ¹⁴ CO₂ footprint equals total CO₂ emissions (GHG scope 1, 2 and 3) minus CO₂e offsets. ¹⁵ Refers to ISO 14064 and the "GHG (greenhouse gas) protocol initiative" (www.ghgprotocol.org), the international standards for CO₂ reporting: direct CO₂ (Scope 1) accounts for direct CO₂ emissions by UBS; indirect CO₂ (Scope 2) accounts for indirect CO₂ emissions associated with the generation of imported/purchased electricity, heat or steam; other indirect CO₂ (Scope 3) accounts for indirect CO₂ emissions associated with business travel, paper consumption and waste disposal. ¹⁶ Offsets from third-party GHG reduction projects measured in CO₂e equivalents (CO₂e). These offsets neutralize CO₂ emissions from our business air travel.

Verification by SGS Société Générale de Surveillance SA

"We have verified the correctness of the statements in the 2006 Environmental Report of UBS AG and, where necessary, have requested that proof be presented. We hereby confirm that the report has been prepared with the necessary care, that its contents are correct with regard to environmental performance, that it describes the essential aspects of the environmental management system at UBS AG and that it reflects the actual practices and procedures at UBS AG.

We have also conducted a third party verification of the CO₂ emissions in the years 2004, 2005 and 2006 against the principles of ISO 14064-1 (2006). In our opinion, the reported CO₂ emissions are fair, accurate, transparent and free from material errors or misstatements and meet the materiality threshold."

Elvira Bieri, Dr. Erhard Hug and Dr. Jochen Gross, Zurich, February 2007

Environmental Management System

In accordance with UBS's environmental policy, our environmental management system ensures a process of continual improvement as well as compliance with legal regulations and voluntary commitments.



The case for an EMS

Our Environmental Policy aims to contribute over the long term to UBS shareholder value.

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Environmental Organization

The Group Executive Board nominates a Group Environmental Representative to guide the environmental strategy.

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Environmental Management Cycle

Our Management Cycle is based on the methodology known as Plan-Do-Check-Act.

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In May 1999, UBS received certification according to the ISO 14001 environmental standard. This made UBS the first financial institution in the world to have its environmental management system in banking operations certified according to ISO 14001 on a worldwide basis.

In 2002 and 2005, UBS successfully passed the ISO 14001 re-certification audits. They were performed by SGS Société Générale de Surveillance SA and now cover banking activities and in-house operations worldwide.

The case for an environmental management system

UBS regards sustainable development as a fundamental aspect of sound business management, and our environmental management system aims to contribute over the long term to UBS shareholder value.



Competence and responsibility

We believe that our competence in environmental management as well as the seriousness with which we take our responsibilities -- both to society and the environment -- enhances our reputation of being a responsible corporate citizen.

Our environmental reporting shows how UBS's environmental commitment in the individual business areas affects its market value and highlights in particular the effect of the "environmental factor" on different value drivers

Invested assets / Net new money

UBS's competence in the analysis of environmental and social factors can be an important element when competing for new mandates in the asset and wealth management businesses and is also a factor in retaining existing portfolios.

Impaired loans / Reduced provisioning requirements

Paying constant attention to the environmental risks involved in lending and investment banking can help lower the need for subsequent provisions.

Cost / income ratio

Investments in in-house ecology increase eco-efficiency. As well as improving environmental performance by using fewer resources and lowering emissions, they can also reduce the company's costs.

Environmental Organization



The Group Executive Board nominates a Group Environmental Representative to guide UBS's environmental strategy and raise relevant environmental concerns with the Corporate Responsibility Committee. This function is currently held by Marco Suter, Executive Vice-Chairman of UBS and Chairman of the Corporate Responsibility Committee. He is supported by the Group Environmental Policy unit, ensuring a coherent and consistent approach to environmental management across UBS.

The Business Group Environmental Representatives act as sponsor for environmental initiatives and are responsible for the implementation of UBS's environmental policy within the Business Groups. They are supported by coordinators who assist them in overseeing measures implemented by the Business Group's environmental units or related functions.

Investment Bank

Risk management: the Environmental Risk Group works with the relevant business and control functions to assess risks, determine any mitigating measures and direct further due diligence, as required, so that the relevant senior business committee may fully consider the potential environmental risk in the course of its review of a transaction and/or client.

Market opportunities: the Investment Bank offers clients a range of environmental products and services. The SRI Research team produces original sell-side equity research and regularly holds conferences and webcasts on timely SRI topics and the equities division have developed indexes and structured products linked to climate change and alternative energy. As an active participant in the emissions trading markets, the Investment Bank provides solutions for clients in the carbon trading area and the fixed income division and investment banking department provide a range of financing and advisory services to renewable energy companies

In-house ecology: the Global Ecology unit establishes and maintains the environmental management system in terms of in-house ecology at major locations outside Switzerland, across all Business Groups.

Global Asset Management

Risk management: the Environment Coordinator works with the relevant business and control functions to maintain risk awareness and a framework of risk identification and assessment with regard to potential environmental exposure.

Market opportunities: the Socially Responsible Investments (SRI) unit conducts research and analysis on investment risks and opportunities arising from social, environmental and corporate governance challenges. This research is both employed within the portfolio of UBS SRI products, as a further input for financial analysis and as a basis for dialogue with companies on social, environmental and governance risks.

Global Wealth Management & Business Banking

Risk management: Ecofact AG, a consultancy, is the Competence Center Environmental Risk for Wealth Management & Business Banking. Services of this unit cover the development of risk assessment procedures, training of employees, in-depth assessments of transactions involving significant environmental risk and the maintenance of the environmental management system dealing with risk issues. In Wealth Management USA the Risk Control unit implements the environmental risk control system and assesses environmental risks in collaboration with ECOFACT.

Market opportunities: the Business Area Advisory & Sales Management Global WM&BB take the lead on initiatives to explore and exploit environmental market opportunities. Its current focus lies on an extended offering of socially responsible investment products to clients in booking center Switzerland.

In-house ecology: the Environmental Management unit is in charge of in-house ecology in Switzerland across all Business Groups.

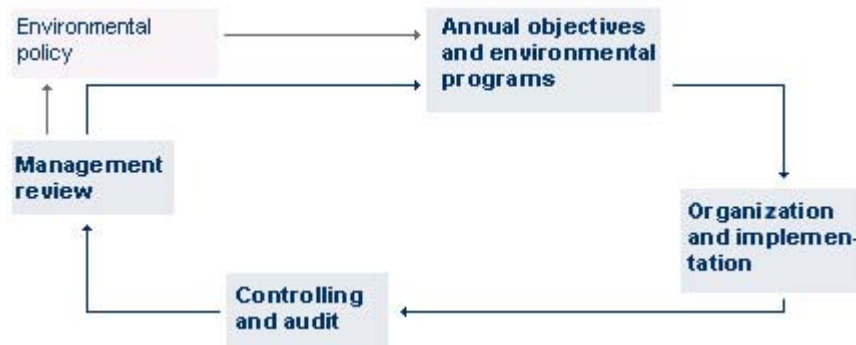
Education & Development: this function is responsible for environmental awareness raising.

Corporate Center

In-house ecology: The IT Infrastructure Office for Environmental Management coordinates the environmental initiatives for IT infrastructure worldwide, which include environmental assessments in procurement processes, energy efficiency during operation, and electronic waste management at the end of the lifecycle. Group Real Estate sets world-wide energy efficiency standards in the fields of building operation and energy-relevant building components and coordinates reporting of energy efficiency measures.

Environmental Management Cycle

Our management cycle is based on the methodology known as Plan-Do-Check-Act.



Annual objectives - Plan

The Group Executive Board is responsible for approving the annual Environmental Group Priorities. In-line with these priorities the Business Group Environmental Representatives submit annual objectives to the appropriate Business Group committees.

The annual objective-setting process is based upon the analysis of the environmental impact of bank products (as applied to environmental, banking and reputation risks), the environmental performance evaluation of in-house operations (i.e. analysis of the most important energy and materials flows) and the monitoring of compliance with legal and other requirements.

Organization and implementation - Do

The Business Group Environmental Representatives are responsible for the implementation of the environmental policy within his or her Business Group. They ensure that appropriate resources are allocated within their Business Group to manage environmental issues arising in risk control, in product development and distribution, and in logistics and infrastructure.

Controlling and audits - Check

UBS has been tracking comprehensive quantitative indicators since 1999 to help measure, monitor and improve the performance of its environmental management.

The annual external and internal environmental audits relating to banking activities and in-house operations are of special significance. Their results provide an important basis for the evaluation of the environmental management system and planning for future programs.

Management review - Act

The Business Group Environmental Representatives update their appropriate committees and the Group Environmental Representative via an annual Business Group management review. The Group Environmental Representative then updates the Group Executive Board via the annual ISO 14001 Management Review, informs on the degree of implementation of the environmental policy and on environmental audit results, and submits general environmental priorities. To keep the Group Executive Board up to date with developments in environmental performance throughout the year, environmental aspects are integrated in internal quarterly reporting processes.

Environmental Market Opportunities

UBS has strong expertise in incorporating environmental and social considerations into its research and advisory activities. We offer a broad range of investment products, produce original research, and trade emissions on behalf of clients.



Investment Products

UBS offers investment products to both private and institutional investors.

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Research

UBS has strong expertise in incorporating environmental and social aspects into its research activities.

Page 23



Emission markets

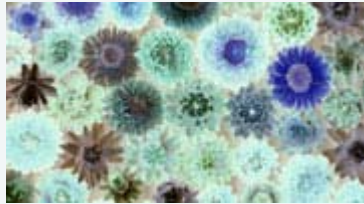
UBS is an active participant in the emissions trading markets.

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Investment Products

UBS offers several investment products and services related to social and environmental topics to both private and institutional investors.

Socially Responsible Investments (SRI)



In addition to financial considerations, SRI products put special focus on environmental, social, or ethical criteria. There are three main approaches:

Positive criteria: applies to the active selection of companies, focusing on how a company's strategies, processes and products impact its financial success, the environment and society.

Engagement: investors enter into a dialogue with boards or management of companies with the aim of influencing corporate behavior and policies, if appropriate, in relation to environmental, social or ethical issues.

Exclusion criteria: companies or sectors are excluded based on environmental, social or ethical criteria, e.g. companies involved in weapons, tobacco, gambling, or with high negative environmental impacts.

In Switzerland and Japan, we use an approach that actively selects the best performers in each industry on environmental and social criteria. The SRI equity product offering includes a Global fund, a European fund, a Japanese fund and a Global Innovators fund. The latter mainly invests in small companies with products that have significant potential in the areas of energy & mobility, water and demographics. The SRI funds use both our SRI and mainstream research platforms to construct a portfolio of leading SRI stocks.

- [UBS Social Responsibility Funds](#)

In the US, Global Asset Management manages various institutional accounts that exclude certain companies or sectors using "negative" screening criteria.

In the UK, Global Asset Management seeks to influence corporate responsibility and corporate governance performance of the companies it invests in. "Corporate Governance and Socially Responsible Investment Policies" were adopted in response to the UK Pension Fund Act, thereby including SRI criteria in its corporate governance activities.

- [UBS Global AM UK - Corporate Governance & SRI](#)

In addition to these 'traditional' Socially Responsible Investment solutions, UBS also offers a variety of structured products that take into account environmental and social topics, such as the UBS Climate Change Strategy Certificate, or the open-end index certificate which tracks the FTSE 4Good Europe 50 Index, or share baskets in new energy technology (Fuel Cell Basket III Certificate, PERLES on an UBS Renewable Energy Basket) and water (International Water Basket, European Water Certificate).

In 2006, UBS launched the world's first biofuel index – the UBS Diapason Global Biofuel Index and the world's first emissions index – the UBS World Emissions Index. Index-linked products offered by UBS allow clients to participate in the indices' performance.

- [UBS KeyInvest](#)

Finally, UBS's open architecture also allows clients to invest in SRI products from third party providers.

Case studies

2007 – UBS Climate Change Strategy Certificate

The UBS Climate Change Strategy Certificate, an actively managed basket of around 20-25 stocks, was launched in February 2007 from the cooperation of existing capabilities in the investment banking and asset management businesses. The certificate gives investors access to innovative companies that develop solutions to fight climate change. The investment areas are energy production (renewable energy and

cleaner energy) and energy efficiency (in buildings, in transport and in industrial processes and products).

2006 – Outstanding performance of UBS (Lux) Equity Fund Global Innovators

The Global Innovators Fund presents an outstanding track record of around 20% annual performance each year (net of fees) (2003-2006).

2006 - UBS Diapason Global Biofuel Index

UBS Investment Bank launched the world's first biofuel index, forming the basis for a range of structured products. The UBS Diapason Global Biofuel Index has a balanced weighting and reflects the key raw materials required to produce the main fuels, ethanol and biodiesel. <http://www.ubs.com/biofuel-index>

- [Biofuel Index](#)

2005 – UBS (Lux) Equity Fund – Global Innovators

In July 2005, Global Asset Management repositioned the former UBS (Lux) Equity Fund - Future Energy as the UBS (Lux) Equity Fund – Global Innovators. This innovative fund focuses on the various challenges the world faces in the twenty-first century, including energy and water shortages, continuing environmental damage and the demographic changes taking place in many industrialised countries. The fund's investment themes have been selected to correspond to these issues and comprise renewable energy, mobility, water and nutrition & healthcare. Investments are made in companies whose products and services make a contribution towards solving the key issues facing the world in the twenty-first century. Our SRI analysts select new, high-growth companies known as "innovators" which make a contribution towards sustainable development in accordance with the chosen investment themes.

2005 – UBS (Lux) Responsibility Fund – European Equity

In July 2005, Global Asset Management launched a new SRI fund, the UBS (Lux) Responsibility Fund - European Equity, and brought all SRI products under a unique fund umbrella called UBS Responsibility Funds. The new fund was launched in response to the results of two market surveys: In the first, a representative sample of private investors were interviewed. The results confirmed findings made in previous surveys, showing that while many investors express an awareness (35%) and an interest (25%) in SRI, few have actually taken the active step of buying these products. In the second, 70 institutional investors from various European countries as well as from the USA and Australia were surveyed. The responses showed that the market for SRI in this client segment is expected to grow moderately, and that 40% of the investors planned to increase their SRI investments in the next three years. In parallel to this launch, UBS is conducting an internal awareness campaign to increase the visibility of UBS's SRI fund offering with Wealth Management client advisors.

2004 – Engaging in SRI

In the UK, Global Asset Management considers some key SRI criteria when choosing investments for its clients. These criteria include the corporate environmental policy, management and reporting of the companies in which it might invest.

This approach to SRI is one of "focused engagement": companies are not screened on SRI grounds alone, rather Global Asset Management UK takes the opportunity as an investor to influence companies' policies and behavior. Global Asset Management has had several successes with individual companies but perhaps its largest engagement activity to date has been its involvement in the Carbon Disclosure Project. Through this, it collaborates with other institutional investors to write to the 500 largest quoted companies in the world asking for information concerning their greenhouse gas emissions. The project asks companies to identify the business implications of their exposure to climate-related risks and explain what they are doing to address these risks. In 2004, 45% of the 500 companies believed climate change represents a risk or an opportunity, with 65% of companies in high-impact sectors now measuring and reporting emissions.

Research

UBS has strong expertise in incorporating environmental and social aspects into its research activities.



Investment Bank – Sell-side research

Responding to steady demand from clients for SRI advice, the Investment Bank created in 2004 an SRI team within Equity Research. Among others, these sell-side analysts research areas of increasing or diminishing risk, working on quantifying the effects of social and environmental issues on companies' share prices. In Equity Research, identifying the material SRI issues presents challenges. We think three things help determine which environmental and social issues are

critical: what society sees as important; the nature of the competitive pressures facing firms in an industry; and how costs and benefits are (or will be) distributed between stakeholders.

Global Asset Management – Buy-side research

UBS has been offering financial products which meet SRI criteria for around ten years. A specialist SRI team has developed its own methods for selecting and monitoring relevant investments. The use/ inclusion of different rating agencies facilitates the research process, and the cooperation with an independent academic board of experts and additional experts gives strategic guidance on interesting investment themes and stock picks.

Global Wealth Management & Business Banking – Secondary research

UBS Wealth Management Research (UBS WMR) enables active private investors to navigate today's daunting flood of global financial data. UBS WMR monitors and interprets information about virtually every traded asset class in order to provide sound advice to UBS Wealth Management & Business Banking clients. UBS WMR also publishes in-depth studies of emerging socioeconomic trends, analyzing their potential impact on investment markets.

Case studies

2007 – Research study addressing climate change

At the end of January 2007, Wealth Management Research published a report entitled 'Climate Change: beyond whether', that examines the scientific, technological, and economic effects of climate change. Its authors argue that climate change will have far-reaching implications for the global economy and the worldwide investment climate, and conclude that measures to combat global warming will increasingly influence people's behavior, the risk profiles of certain industries, and prospects for investment. The analysis suggests that products and processes that improve energy efficiency, as well as the development of renewable or low-CO2 energy sources, have great potential to slow climate change.

2006 – Water scarcity

In April 2006 the Investment Bank's Socially Responsible Investment Research team published a report examining the investment opportunities and risks raised by water scarcity. The study, entitled 'Fresh Water - Liquid Gold?', was prompted by the team's ongoing interest in the investment issues relating to climate-change-related risk and the steady flow of news relating to freshwater availability. The study argues that specialist equipment and services firms could take advantage of opportunities raised by water scarcity. In a later report, the team noted that substantial investment in water infrastructure is likely to be needed in the medium term, since it is estimated that only 20% of wastewater is currently being treated at secondary level. The team also noted that wastewater re-use has become more feasible in recent years owing to technology advances.

2005 – UBS hosts conference on climate change

The Investment Bank's Socially Responsible Investment (SRI) Research team hosted its first ever conference on climate change. Over 100 clients attended the day-long event at the London offices, which featured thought-provoking and informative presentations by both internal and external environment experts.

In an opening keynote speech Sir David King, chief scientific advisor to the UK government, addressed the science of climate change, exploring the question: 'What's really happening?'

There then followed a series of presentations on a variety of climate-related issues, including 'Why business

cannot ignore climate change' or 'Climate change risk: is it a significant threat to the oil business?'. The afternoon sessions focused on what it takes to make climate-change-related businesses viable. Companies at the cutting edge of innovation in this area spoke on solar power, carbon sequestration, biofuel and energy recovery from waste.

2004 – Why try to quantify the unquantifiable?

The Investment Bank's Socially Responsible Investment Research team views potential corporate social liabilities (unrecognized social and environmental costs) as just another claim on the business, alongside debt, equity and pension provisions. This makes it clear that social and environmental costs can compete with shareholders' equity, so they are value drivers.

This approach can be used in the context of the utility and cement industries to indicate that investment by firms in CO₂ emission reduction can also reduce costs, and risk, thereby enhancing profit in the medium term. This suggests that investment, by firms, in the reduction of social and environmental costs can enhance shareholder value.

Emissions Trading

UBS is an active participant in emissions trading markets and is a member of the Intercontinental Exchange (ICE), an electronic marketplace for energy and emissions trading in conjunction with the European Climate Exchange (ECX). In 'cap and trade' emissions markets, such as the EU Emissions Trading Scheme, companies are issued with permits that limit, or cap, their emissions. Companies who are able to reduce their emissions at a low cost have the ability to sell their unused permits to other companies requiring them, thereby creating an emissions allowances market, and ensuring that emission reductions are achieved in a cost-effective manner. Through the use of carbon financial instruments UBS is able to help clients manage their exposure to the emissions markets.

Case studies


2006 – UBS World Emissions Index

UBS has developed the World Emissions Index (UBS-WEMI), the first of its kind globally. Index-linked products offered by the Investment Bank allow clients to participate in the index's performance which is linked to tradable derivative instruments referencing emissions allowances.

[UBS World Emission Index](#)

Environmental Risk Management


We seek to consider environmental risks in all our businesses, especially in lending, investment banking, advisory and research, and in our own investments.



Risk Management in the Investment Bank

Environmental risk management policies and processes in the Investment Bank.

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Risk Management in Global WMBB

Environmental risk management policies and processes in Global Wealth Management & Business Banking.

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Risk Management in Global AM

Environmental risk management policies and processes in Global Asset Management.

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For UBS, it is key to identify, manage, or control environmental risks in our business transactions.

Environmental aspects can influence a client's earnings, assets or reputation. A corporate client polluting air or water might be fined and his production sites may require unexpected investments. Owners of real estate may find the worth of their assets reduced by exposure to natural hazards or contamination. Corporate clients may also incur liability or reputation risks if they are involved in illegal or controversial activities.

For UBS, a failure to identify, manage or control these environmental risks can manifest itself across a wide variety of risks inherent to our business activities, such as credit risks or liability risks. It is therefore UBS's policy to assess the environmental risks of all relevant transactions.

If a transaction poses substantial environmental risks, the bank can take several courses of action. It can adapt the terms of the loan contract, it may engage the client in a dialogue about possible remedial action, or it may decline the transaction altogether.

Risk Management in the Investment Bank



The Investment Bank Global Environmental Risk Guidelines are based on UBS AG's Environmental Policy. It is the aim of these guidelines that in all of our business dealings and operations we act in an environmentally responsible manner. They apply globally to all transactions, services and activities performed by the Investment Bank.

These guidelines are supported by an environmental risk framework that is integrated into the Investment Bank's due diligence and approval processes. Investment Bank staff identify potential environmental risks in the initial due diligence phase and alert the Business Group's Environmental Risk Group of significant potential risks. Assessments by lawyers and/or external consultants are routinely sought for certain sectors and products. The Environmental Risk Group works with the relevant business and control functions to assess the risks, determine any mitigating measures and direct further due diligence, as required, so that the relevant senior business committee may fully consider the potential environmental risk in the course of its review of the transaction and/or client. In 2006, 48 such internal assessments were carried out.

Case studies

2005 – Participation in an Initial Public Offering (IPO)

Environmental risks in the Oil & Gas sector are potentially significant and may involve air emissions, water and land pollution, transportation, facility decommissioning and site remediation, legal regulations (climate change – emissions restrictions and chemical regulations) and employee safety.

As part of its normal due diligence, UBS will carefully scrutinize a company examining its past and current performance concerning the environment. As part of the due diligence process we focused on identifying and characterizing potentially significant environmental, health and safety liabilities associated with the practices of the firm. Our due diligence confirmed the company has a solid environmental management program that is able to detect and manage its risks. In instances where there have been accidents or contamination, the company acted in a responsible manner and either cleaned up the facility themselves or hired the appropriate expertise to assist them. In addition, the company has made a commitment to developing renewable energy sources and has implemented programs that are focused on climate change, lower carbon energy, clean fuels, biodiversity, water and social investment. UBS' assessment of this company was confirmed when reviewing Innovest Strategic Value Advisors' research who rated the company AAA for environmental and social performance

2004 – Senior credit facility and co-manger for a bond for a chemical company

UBS was approached to issue a senior credit facility and act as co-manager for a high-yield bond offering for a chemical company.

Environmental risks in the chemical sector are potentially significant and may include soil and water contamination, use of raw materials, legal liabilities and general public opposition.

As part of its due diligence, UBS performed a Phase I and II evaluation of the counterparty. Phase I due diligence focused on identifying and characterizing significant potential environmental, health and safety liabilities associated with past and current practices at the facility or with off-site sources. Phase II environmental site assessments characterized the nature and extent of potential contamination and produced estimates of the costs of remediation. UBS made sure that reserves, including cash reserves, were established for remediation and potential liabilities.

Based upon the internal and external assessments, UBS concluded that it was comfortable engaging in a business relationship with the counterparty because it had provided the following warranties:

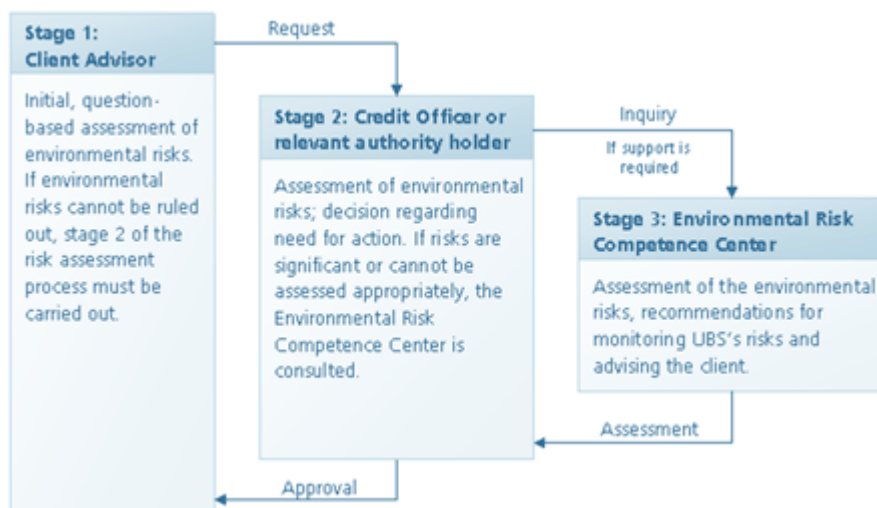
- the counterparty was complying with the requirements of the regulatory authorities;
- the counterparty created a reserve for historical environmental cleanup issues;
- the counterparty recognized future capital costs and budgeted for new wastewater technologies.

Risk Management in Global Wealth Management & Business Banking



The environmental risk policy of Global Wealth Management & Business Banking applies to all credit transactions of this Business Group. The policy ensures, firstly, that portfolios with significant exposure to environmental risk are identified and monitored. Secondly, the policy specifies a generic procedure for managing environmental risk in the credit process. The actual environmental assessment procedures are integrated into credit processes and tailored to client segments, transaction size and risk exposure.

In principle, environmental risks are assessed in a three-stage process. The responsible client advisor carries out a **first screening**, covering financial risks linked to environmental aspects such as compliance with environmental legislation, workplace safety, contaminated sites and natural hazards. If the risks cannot be fully ruled out during the first screening, a credit officer initiates a **second screening** and decides whether the risks identified are transparent enough for the credit decision to be taken. Transactions entailing significant environmental risk undergo a **third step**, a detailed environmental assessment – a service provided by the Business Group’s environmental risk unit. In 2006, 25 such detailed assessments took place.



If a transaction poses substantial environmental risks, the bank can take several courses of action. It can adapt the terms of the loan contract, it may engage the client in a dialogue about possible remedial action, or it may decline the transaction altogether.

Case studies

2005 – Shipment of wood from Central Africa to Europe

UBS applies its firm environmental policies in all transactions. Instructed by a client to effect a payment for a shipment of wood from Central Africa to Europe, the environmental credit risk procedures of Global WM&BB revealed that detailed environmental due diligence was required.

Global WM&BB's Environmental Risk Competence Center carried out the due diligence, including a dialogue with the client's senior management and independent forestry experts. The objective was to ensure that the wood was harvested under sustainable conditions and stemmed from legal sources.

The environmental due diligence confirmed that the client managed environmental and social aspects professionally. The client's business activities in the tropical forest were in accordance with international standards and best practice.

2004 – Convert an old watch factory into residential lofts

Environmental risks rarely block the granting of a loan as solutions can often be found that minimize risks for both the firm and clients as the case study below illustrates.

One of our clients was planning to convert an old watch factory into residential lofts and applied for a loan to do so.

While reviewing the file, the client's advisor at UBS became worried that the soil and the building itself might be contaminated as it had been a heavily used industrial site for decades. To make sure, UBS's environmental risk unit commissioned an expert to analyze whether the site was polluted or not. Soil samples were taken, drainage was inspected and interviews held with the watch factory's former employees.

The results showed that the site was not contaminated, making the risk -- both to the bank and client -- more transparent. The results will also aid the client in negotiating sales with future buyers of the lofts.

In short, the example above shows how environmental risk assessment not only contributes to sound management decisions in the context of any investment project but also substantially reduces risks for both UBS and its clients.

Risk Management in Global AM



The formal environmental risk matrix introduced in 2004 within Global Asset Management, which assesses the reputation and environmental risks that its investments might imply, is reviewed annually for applicability and comprehensiveness. It continues to form part of the environmental management system employed within the Business Group.

In-House Operations

We impact the environment in a number of ways. Our businesses consume electricity, employees travel for business purposes, they use paper and generate waste in the course of their work, and offices require heating and cooling systems.

Improving our use of these resources can enhance operating margins and environmental performance. Professional know-how and an efficient environmental management system allow UBS to use resources better and bring down costs:

- The level of environmental performance necessary to comply with regulatory requirements can be achieved as effectively and cost-efficiently as possible.
- Costs can be lowered simply by improving internal processes or implementing technical measures, such as adjusting the heating or air conditioning of a building.
- Reducing the Bank's impact on the environment can be achieved using intelligent engineering at no additional cost, for example in building services.



Energy Efficiency

UBS's improvement programs include investments in energy-efficient technology, and encouraging good housekeeping measures.

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Building Ecology

UBS aims to take environmental concerns into account in its construction projects in order to improve the sustainability of its buildings.

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Renewable Energy

UBS seeks to reduce its greenhouse gas emissions by improving the energy mix we purchase towards a higher proportion of renewable energy.

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Business Travel

UBS is constantly identifying ways to encourage use of environmentally friendly alternatives to air and road travel.

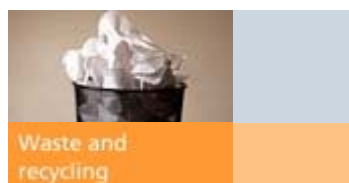
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Paper

Reducing consumption and encouraging the use of recycled paper results in many environmental benefits.

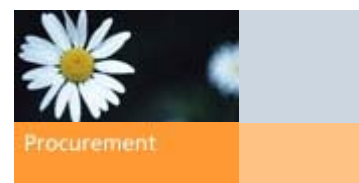
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Waste and recycling

Recycling initiatives help to encourage staff engagement in the ISO 14001 program.

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Procurement

UBS favors suppliers which can demonstrate good environmental and social performance.

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Energy Efficiency



Energy represents an important environmental impact area for UBS and is a major contributor to our overall greenhouse gas emissions. Energy efficiency measures are therefore an important component of our program towards achieving the group-wide CO₂ emission reduction target of 40% below 2004 levels by 2012. Our measures include investments in energy-efficient technology, and encouraging good housekeeping measures.

Case studies

2006 – PC Workstations 'Wake on Lan' in Switzerland

A new functionality for PC workstations was introduced in Switzerland. Called Wake on LAN, this functionality allows PCs to be 'shut off' after work, and be 'woken up' for software upgrades during the night. It was rolled out for over 30,000 workstations and notebooks in Switzerland in 2006, and is expected to result in annual power savings of 8 GWh, and worth CHF 1 million.

2006 – Retrofitting in Stamford, US

In Stamford, Connecticut, the location of one of our main trading floors and one of our largest buildings globally, we are beginning to see the benefits of a major retrofitting project that included infrastructure upgrades and improved energy monitoring. Our 2006 electricity consumption decreased by 5% despite significant business growth and higher occupancy density. The estimated annual energy saving of 2.3 GWh lowered costs by over USD 270,000 and cut indirect CO₂ emissions by 740 metric tons. Additionally, the measures helped reduce the building's draw on the local electricity grid, helping to mitigate some of increased demand in the city of Stamford itself.

2006 – Replacing building chiller systems, Zurich

A new generation of chillers was introduced at Zurich's Bahnhofstrasse headquarters during the renovation of the cooling system. Intelligent engineering coupled with a very significant rise in the coefficient of performance of the chillers reduced energy costs for cooling by a factor of 3, also resulting in significant energy savings (4.1 GWh) and reduced CO₂ emissions (2000 tons).

2005/2006 – Upgrade of outside air intake system, New Jersey

In Weehawken, New Jersey, the location of one of our largest office buildings, we implemented a major energy efficiency project in December 2005. The damper controls that regulate outside air into a 40,000 square meter building were old and inefficient. This resulted in too much cold air entering the building in the winter months, which our heating system had to warm, and in the summer months too much hot humid air that had to be cooled. The project cost approximately \$700,000 to implement. It is estimated to result in 2.1 GWh annual energy savings and have a return on investment within two and a half to three years. The upgrade also improved the comfort level for employees, and hot and cold complaint calls to our local facilities helpdesk dropped by 40% from 2005 to 2006.

2005 – Renovation of a major building in Zurich

In Zurich, the renovation of a major building resulted in yearly savings of 3.5 GWh, which is 41% of its total annual energy consumption. The building's heating, cooling and lighting systems were entirely upgraded using state-of-the-art technology and operations.

2005 - Modification program for our supplemental air conditioning units

At a New York City office, a modification program for our supplemental air conditioning units was undertaken. Initially the units, when conditions called for cooling, would start up both compressors. We rewired several of the air conditioning units to start up one compressor at a time. The second compressor would only start if the first unit could not maintain temperature. Moreover, we reprogrammed the air conditioning units. Instead of starting the units up at a specific time, we modified the units to start up when the interior temperature called for it. This control change resulted in a saving of 4 to 6 hours a day in operating hours of the units.

2004 - 'On Floor Control System' in London

Our 'On Floor Control System' installed in London buildings detects the presence of people with sensors, eliminating wastage and delivering significant savings on the energy required for lighting and cooling.

2003 – Energy efficiency measures in the design of trading floor extension

In Stamford, Connecticut (USA), UBS worked closely with The Connecticut Light & Power Company (CL&P) to ensure energy efficiency measures were included in the design of the trading floor extension. UBS committed to achieving a number of improvement measures specified by CL&P and the investment in these technologies was then partially offset by incentive discounts from CL&P. These measures included designing and installing efficient lighting and cooling systems meeting CL&P's specifications. The total energy saving for 2003 is estimated at 850,000 kWh, representing roughly 2% of the annual electricity consumption for the building.

2002 – Replacing printers and photocopiers with multifunctional machines

In Switzerland, UBS completed a major project of replacing 18,000 printers and 1,400 photocopiers with 5,800 new, multifunctional machines, optimizing energy consumption. We believe the new energy-efficient machines will save 3.0–3.5 GWh a year, corresponding to approximately 1–2% of UBS's annual consumption of electricity in Switzerland. Also, during the installation process, we took the opportunity to encourage employees to cut their paper consumption by promoting wider use of recycled paper, and informing and training employees about double-sided printing capabilities and other ways to save paper.

Building Ecology



UBS aims to take environmental concerns into account in its construction projects in order to improve the sustainability of its buildings. In addition, UBS also pursues opportunities for environmental improvements in and around existing premises.

Case studies

2006 - LEED Building, Stamford

In a newly leased building in Stamford, we recently completed the design phase of our first Leadership in Energy and Environmental Design (LEED) Commercial Interior (CI) project and are awaiting the U.S. Green Building Council LEED certification. We incorporated several environmentally friendly features, such as implementing energy efficient fluorescent lighting which has a daylight harvesting feature to dim the lights based on the natural ambient light.

2004 – Building capacity

Around 300 UBS project managers and engineering specialists have been trained worldwide in the environmental management of construction projects over the past few years. Our environmental management system requires project managers to report on the measures taken to achieve increased sustainability in construction projects.

2004 –Solar installation in Geneva

In 2004, UBS in Geneva made the roof of one of its larger buildings available for installing over 1200 solar panels. Together, they produce around 150'000 kWh per year and represent one of the largest solar installations in Geneva. The solar panels are owned and operated by a solar utility company, with the electricity produced fed back into the city's grid.

2004 – Zurich: Nature park

The grounds around a major UBS building in Zurich were awarded in 2004 a "nature park" label by the Swiss foundation "Natur & Wirtschaft". The goal of the foundation is to encourage firms to contribute to conservation and biodiversity on land surrounding their buildings, in particular in urban and industrialized areas. Criteria required to be awarded the label include the planting of indigenous species, no herbicides, pesticides or fungicides, and that the grassland may not be cut more than twice a year.

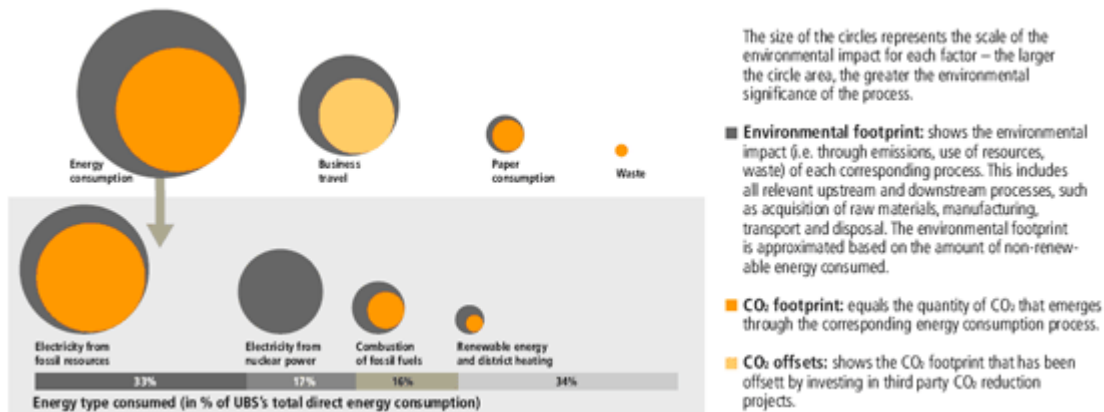
2002 – Switzerland: Environmental management in construction ecology

UBS has collaborated with the Swiss Federal Office for Construction and Logistics and an external consulting firm to produce a brochure entitled "Environmental management of construction projects". These documents are intended as a guide for project teams on incorporating sustainability into construction projects. It allows the people who use and run buildings to reduce environmental impact and thus the cost of building management, as well as to create a better working environment.

- [Download "Environmental management in construction ecology" \(in German only\)](#) 

Renewable energy

In addition to our energy efficiency programs, UBS seeks to achieve the group-wide CO₂ emission reduction target of 40% below 2004 levels by 2012 by improving the energy mix we purchase towards a higher proportion of renewable energy. Such renewable energy may include wind energy, solar energy, energy from biomass or waste, hydropower, tidal energy or heat pumps using heat from the surroundings.



Energy type consumed

In 2007 UBS signed a new agreement (roughly 210 GWh per year) under which most of the electricity supply for our buildings in Switzerland now comes from renewable sources. More than 90% of this electricity is produced with water and solar power stations.

In London, a new electricity agreement was signed in 2006 which guarantees a CCL-Free (Climate Change Levy exempt) product backed by 100% renewable sources (such as hydroelectric, wind, biomass and others) until September 2008.



Both these initiatives are a continuation of the renewable energy purchasing that began in 2000 in Switzerland and 2003 in London, and represent an improvement on the previous contracts in terms of the increased volume sourced from renewables.

In addition, we continue to look for opportunities to purchase more renewable energy in other locations apart from the UK and Switzerland as part of our climate change program. For example, in our Sydney office we have recently secured 10% (~400MWh) of our power from

Government approved green sources.

Business Travel



Business travel is a significant contributor to UBS's greenhouse gas emissions. However travel is essential for our client-facing businesses, and in vast geographical regions such as Asia Pacific and the Americas. We are constantly identifying ways to encourage use of environmentally friendly alternatives to air and road travel, for example video conferences. In other cases there is an indirect solution which involves compensating for carbon emissions by investing in what are termed "offsetting" projects. These reduce greenhouse gases in the atmosphere and therefore also contribute to our group-wide CO₂

emission reduction target of 40% below 2004 levels by 2012.

Case studies

2006 - UBS's offsetting projects In 2006 UBS decided to offset all CO₂ emissions that resulted from our entire 2006 business travel, i.e. over 100'000 tons of CO₂. We selected four projects in Brazil, Russia, India and China offsetting projects on the basis of their adherence to international quality standards, of their additional environmental and social benefits, and of their geographical proximity with important emerging markets.

2005 – Mobility Car Sharing UBS offers its employees in Switzerland the services of the car sharing company "Mobility". Instead of using their own car for business client visits, UBS promotes the combination of public transportation and Mobility. Mobility is a leading CarSharing company in Switzerland with the largest network of stations (some 1'000). These services are based on economical, technological and ecological efficiency.

2005 - Video Conferencing

A significant increase in the number of video conference units and usage was observed in 2005. Over 20 000 video conferences were held in 2005, representing a 47% increase from 2004. A further 100 video conference units were also purchased. It is hoped that the increased usage of such units will reduce the need for travel.

Paper



Using less paper and switching to recycled or FSC paper result in many environmental benefits, such as using fewer resources, producing less pollution and encouraging sustainable forestry practices.

We have set the following group-wide 2009 targets on paper:

Paper consumption per FTE	- 5% below 2006 level
% of recycled paper	20%
% of client publications with FSC label	30%

Case studies

2007 – UBS's annual reports printed on FSC-Paper

In 2007 we decided to print our 2006 annual reports (Annual Review, Financial Report, Handbook) on Forestry Stewardship Council (FSC) paper. In total 200 tons of paper were used to print these reports. The FSC label allows consumers to recognize products that support the growth of responsible forest management worldwide.

2006 – Recycled paper, Europe

In support of the UBS 'one firm' philosophy, a joint sourcing initiative by the Investment Bank and Global Wealth Management & Business Banking was launched in 2006. The objectives of the project were to provide a 100% post-consumer recycled paper for the 500 million sheets required across Europe annually. In addition to providing a competitively priced, consistent quality product across all our European markets, this new paper has the added benefit of 'closing the recycling loop'. This is because much of the paper material that we collect for recycling in our London offices is sent to the mill that produces this paper.

2006 - Multi function devices in Asia-Pacific

In 2006, our Hong Kong and Sydney locations deployed Multi-Function Device (MFDs) technology which had already been successfully implemented in London, New York/Stamford & Tokyo. Replacing stand alone faxes, printers and scanners, the Energy Star rated devices possess paper saving features, use re-manufactured components, have a low use of toner and possess energy saving measures. Wherever possible the devices are set to double-sided and multiple- page default settings reducing paper usage. For example, a 17.5% paper reduction was observed from pre-contract to post-contract in Sydney Offices. Regular training sessions regarding double sided printing to both new joiners and existing staff is provided in many offices.

2005 – Technical improvements lead to huge paper reduction and cost savings

UBS implemented technical improvements in its output management in Switzerland. A large number of internal lists previously available only in printed form were replaced by electronic versions. As a result, the number of pages printed decreased from 21 million in 2002, to 5 million in 2005. As for external client output, new packaging machines have increased the maximum amount of sheets per envelope from ten to sixteen.

Waste and recycling



Waste is one of the most visible environmental impacts of in-house operations, and recycling initiatives help to encourage staff engagement in the ISO 14001 program. In addition to our longstanding recycling programs in Switzerland, new or enhanced office programs have been introduced in all major office locations internationally (New York, Stamford, New Jersey, Chicago, London, Singapore, Hong Kong, Sydney, Tokyo and Melbourne).

We have set the following group-wide 2009 targets on waste:

Waste per FTE	-10% below 2006 level
Waste recycling ratio	70%

Case studies

2006 – Waste reduction, recycling and recovery

Enhanced office recycling programs continue to develop in all major office locations internationally. In Tokyo for example, our building was recently recognized by the Chiyoda ward for its recycling performance delivering an average of 66% recycled or recovered content of 19 separate waste streams from batteries to chop sticks. Some other examples of the less obvious items recycled or recovered around the world are provided below:

- **Metal Recycling**
In London offices a new process was developed for recycling all metal office furniture. The metals collected, were previously sent to landfill and are now systematically being reclaimed. UBS receives funds for all metals recycled and these in turn, are used for ongoing environmental projects. To date over 150 tonnes of metal have been recycled. In another example, it is now an annual tradition in Honk Kong for the Moon Cake tins to be collected up and recycled.
- **IT Waste**
We continue to look for responsible and sustainable ways of disposing of waste electronic equipment. For example, in London over 20 tonnes of components from electronic waste were recycled or recovered in 2006.
- **Seasons Greetings cards**
In 2006, over 200 kilograms of seasonal cards were collected and recycled through the Children's Scrap Project. The SCRAP project offers recycled commercial waste for schools in Hackney to use as materials in art and craft sessions.

2005/2006 - Greening Food services in the US

In the US we have initiated a series of programs in partnership with its food service vendor, which encourages employees to reduce their environmental impact. Below is a brief description of three illustrative cafeteria programs which were implemented in 2005 and 2006.

- **Eco Mug**
A personal mug program (instead of Styrofoam cups) has been implemented in all major US cafeterias. This program encourages UBS employees to use their own ceramic/plastic mug (any size) at the fountain soda or coffee urns, and they are charged price of a small size beverage.
- **Green Serviettes**
Napkin dispensers were added in all major US cafeterias which only allow a customer to pull one napkin at a time. The usage in our New Jersey offices alone went from 30 cases a week down to 18 cases a week. That's an annual reduction of 624 cases of napkins per year for one location.
- **ECO Card**
A program was implemented at all major US cafeterias to encourage the use of cutlery and crockery rather than disposable plastic and paper products. Employees are given an "ECO card" which gets punched by the cashier when dining in and using cutlery and crockery. After ten punches, the employee is rewarded with a \$5 credit toward the purchase of breakfast or lunch.

2005 – London: Replacement of metal filing cabinets

In London office upgrades resulted in the replacement of metal filing cabinets in our main office buildings. UBS worked with a local metal merchant to recycle hundreds of metal filing cabinets. Over 10 tonnes of metal waste were recycled in 2005.

2005 – Used toner recycling program

Used printer, fax machine, and copy machine cartridges comprise a bulky portion of the office waste stream. The plastic used in each toner cartridge contains approximately one half quart of oil. In London, UBS has implemented a program to recycle toner cartridges and now only purchases re-manufactured cartridges. Toner cartridges are collected by staff and recycled through a 3rd Party contractor. Where possible toners are refilled (off site by the contractor) and reused onsite. Last year we reused over 4500 toner cartridges.

2004 – Recycling stationery

New York and London employees are encouraged to use recycled stationery and return excess items for reuse. With nearly 3500 items reissued in 2004 the initiative has been very successful and obviously has a positive environmental impact through the reduction of waste and the consumption of natural resources. Moreover, with the value of re-issued items currently running at about 5% of the annual stationery bill, this also represents genuine savings.

2004 – Office recycling program

All London buildings now have separate bins for cans, plastic bottles, cups, newspapers and mixed paper either within the office or in common staff areas. In addition to office wastes, electronic equipment, fluorescent tubes, batteries and certain hazardous substances are also recycled. This means that, overall, more than 50% of the waste generated in our London offices are now being diverted away from landfill or incineration.

Procurement



UBS favors suppliers which can demonstrate good environmental and social performance. As a significant buyer of goods and services, environmentally responsible procurement is another key focus area for UBS. In 2007 our objective is to develop group-wide guidelines to further incorporate environmental and social issues into procurement.

- [Requirements for client gifts](#)

Case studies

2006 – IT Infrastructure Sourcing

ITI Technology Sourcing & Contract Management (TS&CM) is the internal provider in negotiating vendor contracts for all technology related requirements including but not limited to hardware, software, market data and services. In 2006, TS&CM reviewed their standards for writing requests for proposals and included an extended list of environmental questions.

2006 – Catering, Switzerland

In Switzerland UBS requires its caterers to be certified against the ISO 14001 certificate for environmental management systems. In 2006 we assessed their compliance and found that the requirement was met across Switzerland.

2006 - Fair-trade coffee, London

UBS employees at the London campus consumed 10,000kg of coffee last year, equaling 1.3 million cups of fresh bean coffee. In November 2006, a new fair trade organic coffee blend with an improved taste and quality was introduced, representing a health benefit to coffee drinkers with lower levels of caffeine and a lack of pesticides. The new blend is purchased from a coffee growers' co-operative called The Gayo Organic Farmers Association in Northern Sumatra, Indonesia, an area devastated by earthquakes and the 2005 tsunami. The higher price paid by UBS for the coffee blend from the Sumatra Gayo Mountain region and the recognition the farmers receive for their coffee crop, both assist recovery efforts in the region. Relief projects include repairs to community housing affected by earthquakes and drinking water projects.

2005 – The London Mayor's green procurement Code

UBS signed The London Mayor's green procurement Code. Set up in June 2001, the Mayor's Code aims to stimulate demand for the purchase of recycled content products. It also aims to help organisations identify opportunities to recycle waste and/or buy products manufactured from recycled materials. Signing up to the Mayor's Green Procurement allows UBS to access brokerage services and access information about the providers and services of recycled content products.

2005 – Environmental label for hotels in Switzerland

UBS included in its internal hotel directory information about the environmental performance of the listed hotels. Based on a questionnaire about environmental management and measures taken, the hotels were labeled "green", "amber", "red".

2005 – Tender for office print devices

In 2005 environmental and socially responsible factors were integrated into a tender for office print devices in London (copiers, faxes, printers) and played a major part in the selection process. Specific factors included; integrated paper saving features, use of re-manufactured components, low use of toner and energy saving measures.

2004 – Suppliers of corporate gifts

UBS engages with selected suppliers in order to improve social and environmental conditions in the countries in which its corporate gifts are produced. 14 audits and re-audits were conducted in 2003 and 2004 in Portugal and in China by the Société Générale de Surveillance AG to check compliance with ecological and social standards.

2003 – Suppliers of corporate gifts

Almost the full range of UBS client gifts (98% of items) was assessed according to ecological and social criteria up to the end of 2003. This process found that around 60% of products met our demanding social and ecological requirements. Consequently, we have far exceeded our goal of 30% as at end-2003. UBS engages with selected suppliers in order to improve social and environmental conditions in the countries in which its corporate gifts are produced. In 2002, for example, the ten most important suppliers were invited by Wealth Management & Business Banking to a one-day workshop, where they were briefed on our social and ecological purchasing criteria.

Communications & Training

Environmental awareness and expertise play an important role in achieving our environmental goals and the desired impact on value drivers in our various business areas. We therefore invest in know-how and integrate environmental considerations into internal communications and training.



UBS identifies all relevant communications and training needs to ensure that all personnel, whose work may create a significant impact on the environment, are appropriately aware and trained. UBS distinguishes environmental training in two categories:

- Awareness raising is designed to provide a general understanding of UBS's environmental policy and principles. It also aims at motivating employees to act in an environmentally friendly way at the workplace.
- Specialized environmental training is provided to employees who are dealing with environmental aspects in everyday business processes, such as investment advisors, credit officers or operators of technical systems. Each training unit is tailor-made and designed to be as realistic as possible, i.e. it focuses on the specific task facing the target group within the environmental management system. Wherever possible, these modules are not stand-alone solutions, but form part of our existing standard training, enabling us to incorporate environmental aspects in the relevant business processes.

Performance indicators are compiled regularly to show how well the agreed measures have been implemented and how many people from the relevant target groups have been trained.

To help raise awareness, we regularly provide our employees with information on our commitment to the environment via the intranet: the central UBS intranet site highlights environmental successes or events, provides environmental tips or informs about the introduction of new procedures and tools.

Case studies

2007 – The Harvard Business School deliberates UBS's approach to climate change

In Boston, Massachusetts, on February 20, 2007, the HBS Case Study, "UBS and Climate Change – Warming Up to Global Action", was presented to 65 second-year Harvard MBA students in a "Strategies Beyond the Market" course. The case study highlights UBS, its business groups, as well as UBS's corporate responsibility process and the options available for the firm in order to address climate change. "While HBS students cover many climate change cases in the master's degree program," says HBS professor Felix Oberholzer, "what makes the UBS case study significant is its focus on climate change from a corporate responsibility perspective. The case study doesn't talk much about climate change per se. It instead looks at what companies should be doing regarding climate change by looking at citizens and employees – it's special because it takes a company point of view." In the class, discussion centered upon what value is gained through a company's activeness in respect to climate change.

2006 – Extractive Industries Forum

In 2006 UBS convened an Extractive Industries Forum where internal specialists from all Business Groups and relevant functions were brought together. The Forum also benefited from presentations by external speakers from the extractive industries. The Forum examined the impact of environmental and social issues on extractive industries, and how UBS may be affected. Participants were introduced to analysis and know-how coming from all areas of the firm, thereby raising awareness and establishing internal networks around these issues.

2006 – Group Real Estate Workshop on Energy Efficiency

In May 2006, senior managers from real estate and IT Infrastructure functions participated in a workshop addressing ways to tackle climate change issues from a building or IT perspective. The half day session outlined the role of real estate and IT in the active management of energy on both supply and demand-side and in further embedding energy conservation into the UBS culture and operations.

2005 – Specialized training for In-house ecology outside Switzerland

In 2005, 500 staff were trained in global offices outside of Switzerland. The training was predominantly specialised environmental training sessions aimed at UBS contractors, resource managers, building managers and M&E staff. Examples include

- Weehawken, US: Specialized environmental training was undertaken for nine UBS contractors in fuel oil spill prevention (legislation, procedures and response measures).
- Hong Kong: Specialized ISO 14001 Internal Training Session for thirteen Hong Kong staff in April 2005. The training provided a review of UBS's ISO 14001 EMS system, the environmental policy and the relevant operational procedures and office initiatives.
- London: Building services legislation training was undertaken for 15 contractors and staff in September 2005. The training related to legislation updates that are relevant to building contractors.

2005 – Risk Management training in Switzerland

46 Client Advisors and Credit Officers in charge of Swiss Multinationals and Commodity Trade Finance were trained on new environmental risk procedures and checklist.

2004 – UBS Environmental Day in London

As part of UBS's commitment to environmental management, a UBS environment day event was held at our London conference center in November 2004. The day consisted of several speakers and case studies of existing environmental initiatives. The day not only provided an opportunity to raise awareness among employees of the firm's environmental program but also to create links with business "peers" to encourage involvement in environmental activities.

2004 – Facilities training

The in-house ecology unit outside of Switzerland conducted specialized training for 159 employees and key vendors that oversee and manage our facilities globally.

2004 – Switzerland: Welcome day for new employees

In Switzerland, as part of the welcome day for new employees, 606 employees were made aware of UBS's environmental initiatives. These efficient awareness-raising campaigns take place in each major Swiss location, and are conducted through either classroom presentations or an exhibition stand.