

UBS and Society

At a glance



As a leader in sustainability in the financial industry, we focus on the long-term and work to create value for our stakeholders. UBS and Society is a cross-divisional organization coordinating everything we do in terms of sustainable investing and philanthropy, environmental and human rights policies that govern client and supplier relationships, managing our own environmental footprint, as well as our firm's community investment.

How we do business

Governance and key principle & policies

- We have firmly embedded at the highest level responsibility for setting our firm's values and standards. Our **Code of Conduct and Ethics** forms the basis of everything we do. The Code fosters an ethical culture where responsible behavior is ingrained. Everyone at UBS is expected to adhere to it. The Code incorporates all components of our **UBS and Society** program.
- Our Board of Directors' **Corporate Culture and Responsibility Committee** monitors the current state and implementation of the Group's programs and initiatives pertaining to corporate culture and corporate responsibility. It also regularly reviews stakeholder expectations and concerns about UBS's societal performance and corporate culture.
- The Head of **UBS and Society** leads the execution and further development of UBS and Society.
- Our **UBS and Society Operating Committee** oversees and coordinates the execution of the UBS and Society at Group Executive Board level.
- Our **Global Environmental & Social Risk Committee**, chaired by our Group Chief Risk Officer, defines the environmental

and social risk (ESR) framework and independent controls that align UBS's ESR appetite with UBS and Society.

- The scope, principles, responsibilities and structure of UBS and Society are set out in more detail in our **UBS and Society policy**.
- We use our **ESR framework** to identify and manage potential adverse effects on the environment and human rights, as well as the associated environmental and social risks our clients' and our own assets may be exposed to.
- We have in place a **responsible supply chain management framework** to identify, assess and monitor supplier practices in the areas of human and labor rights, the environment, health and safety and anti-corruption.
- We manage our environmental program through an **Environmental Management System** in accordance with ISO 14001.

Key commitments

- We were among the first companies to sign the **UN Global Compact** (in 2000) and are an active member of the Global Compact Network Switzerland.
- We publicly support international, collaborative action against climate change: we signed, in 2015, the **World Economic Forum's open letter from CEOs** to world leaders

urging climate action and joined, in 2017, the Alliance of CEO Climate Leaders, including heads of major global businesses in their call on G20 governments to act on the recommendations of the Financial Stability Board's Task Force on Climate-related Financial Disclosures.

- Our firm has committed to **RE100**, with the goal of sourcing 100% of our electricity from renewable sources by 2020 and, in doing so, reducing our greenhouse gas footprint by 75% compared with 2004 levels.
- We are conveners of the **Thun Group of Banks**, which has published two discussion papers that seek to establish a framework to facilitate the identification of the key challenges and best practice examples for the banking sector's implementation of the UN Guiding Principles on Business and Human Rights.
- We are members of a range of other organizations focusing on the areas encompassed by UBS and Society, including the **UNEP FI**, **Swiss Sustainable Finance**, the **European Venture Philanthropy Association**, and the **Global Impact Investing Network**. Our Asset Management is a signatory to the **PRI**.

Key achievements

- In 2016, our firm maintained its leadership position in the Diversified Financials Industry Group of the **Dow Jones Sustainability Indices** (DJSI), the most widely recognized sustainability rating.
- We **further reduced our greenhouse gas emissions** by 1.8% in 2016 (year on year), achieving a 54% reduction from baseline year 2004.

How we support our clients

- Our **total invested assets according to sustainable investment (SI) criteria** were CHF 976 billion at end of 2016, representing 35% of our total invested assets. Major increases in relative terms were observed among our integration and impact investments, which increased 64% and 228%, respectively, compared with 2015.
- We launched the **UBS Oncology Impact Fund** which aims to turn innovative cancer research products into successful businesses. The Fund raised USD 471 million, the largest amount ever for an impact fund dedicated to a single specific cause.
- Our Asset Management offers clients a range of **SI funds** that **combine material sustainability factors with a rigorous fundamental investment process**. Our investment themes include renewable energy, environmental stewardship, social integration, healthcare, resource efficiency, and demographics.
- The **UBS Long Term Themes Equity Fund** invests in companies, which are solution providers for challenges, including water scarcity, emerging market infrastructure,

waste management and recycling and emerging market health care.

- Our Investment Bank provide equity or debt capital market services or act as financial advisor for clients that contribute to **climate change mitigation and adaptation**.
- Our SME clients in Switzerland benefit from the Swiss Energy Agency's "**energy check-up for SMEs**" at reduced costs and are granted UBS cash premiums for committing to an energy reduction plan within the scheme.
- Our Chief Investment Office Wealth Management regularly translates key societal and environmental concerns into investment themes as part of the **Longer Term Investments series** and Wealth Management's global **Research-based Advice**. In 2016, some notable examples of this were sustainable value creation in emerging markets, gender diversity and energy efficiency.
- We have a global team of in-house experts in place who are specialized in all areas of **philanthropy and strategic charitable giving**.
- Our **UBS Optimus Foundation** is an expert grant-making foundation that helps our clients use their wealth to drive positive and sustainable social change for children. In 2016, Optimus **helped improve the wellbeing of 1.6 million children** globally.
- Optimus provided the upfront investment for **The Educate Girls Development Impact Bond**, a pioneering way to encourage private investors to fund international development projects that is 100% focused on outcomes achieved.

How we support our communities

- We made **direct cash donations** totaling **CHF 30 million** to carefully selected nonprofit partner organizations and charities in 2016. 91% of UBS's strategic donations were made in the areas of education and entrepreneurship.
- We contributed an **additional total of CHF 23 million** to UBS's affiliated foundations in Switzerland, to the UBS Optimus Foundation and to the UBS Anniversary Education Initiative.
- We promote, encourage and recognise the importance and impact of employee volunteering and again recognised outstanding contributions from within the strategic program. In 2016, **30% of our employees volunteered a total of 155,325 hours** in social and community engagement projects.
- We **focus on measuring the impact of our community programs** by using the London Benchmarking Group's standard model for measuring and reporting. This allows us to effectively evaluate and focus our programs.
- Our Community Investment program delivers long-term impact in the local communities within which we operate. In 2016 we supported over **117,000 beneficiaries**.