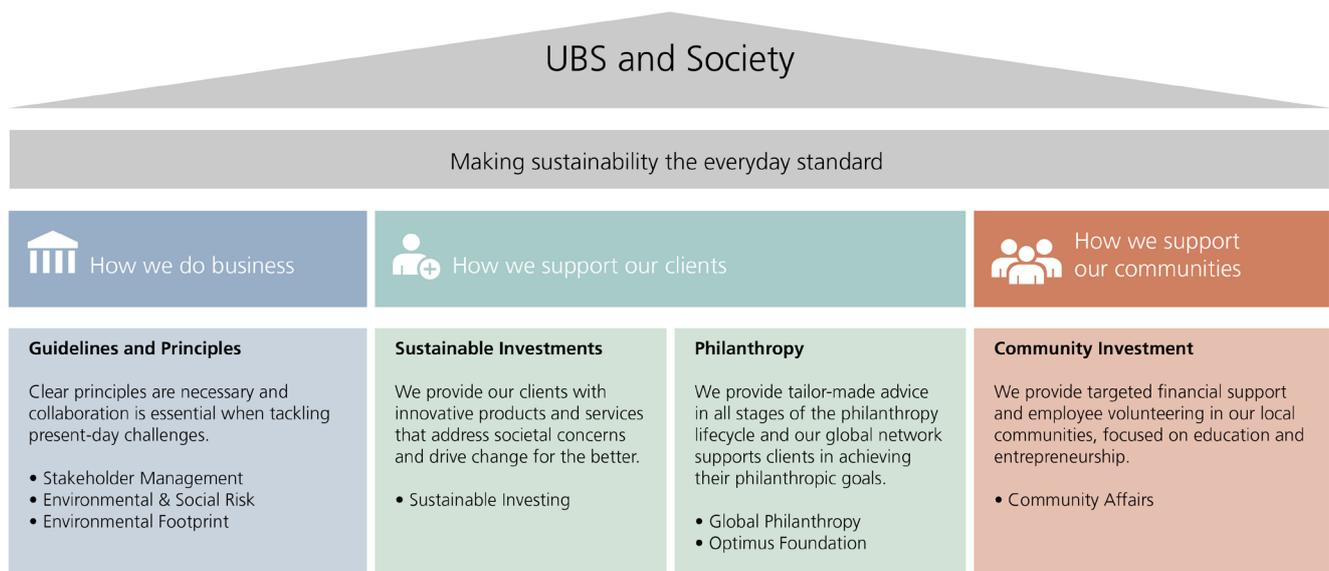


UBS and Society

At a glance



We aim to be a leader in sustainability in the financial industry. This requires us to focus on the long term and to work to provide consistent returns to our stakeholders. It also requires us to promote the common good by being proactive, purposeful and accountable. Our key program in this regard is **UBS and Society** – a cross-divisional umbrella platform covering all our activities and capabilities in sustainable investing and philanthropy, environmental and human rights policies that govern client and supplier relationships, managing our own environmental footprint, as well as our firm’s community investment.

How we do business

Governance and key principles & policies

- Our **Code of Conduct and Ethics** sets out the principles and standards for our firm. It clearly emphasizes that these principles and standards apply to all aspects of our business and the way we engage with our stakeholders. The Code incorporates all components of our **UBS and Society** program.
- Our **Corporate Culture and Responsibility Committee**, chaired by our Chairman, reviews stakeholder concerns and expectations pertaining to the societal performance of UBS and to the development of its corporate culture. It reviews the strategic direction taken by UBS on corporate responsibility and sustainability, as well as the implementation of our commitments in these areas.
- Our **UBS and Society Operating Committee** oversees and coordinates the execution of the UBS and Society program at Group Executive Board level. The committee is chaired by the Wealth Management and Asia Pacific Presidents.
- 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 the UBS and Society program.
- Our **UBS and Society policy** governs UBS’s interaction with society and the environment. The Global Head of UBS and Society leads the execution and further development of the UBS and Society program and is also UBS’s senior representative for sustainability issues.
- 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 are 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 the **European Financial Services Round Table's statement** in support of a strong, ambitious response to climate change
- Our firm has committed to **RE 100**, 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. In October 2013, the Group launched a discussion paper, which aims to support banks in mapping and analyzing their potentially adverse impacts on human rights, and related risks.
- We are members of a range of other organizations focusing on the areas encompassed by UBS and Society, including the **UNEP FI**, the **RSPO**, the **European Venture Philanthropy Association**, and the **Global Impact Investing Network**. Our Asset Management is a signatory to the **PRI**.

Key achievements

- We are **leader** in the Diversified Financials industry group of the 2015 **Dow Jones Sustainability Indices (DJSI)**, the most widely recognized sustainability rating.
- We **further reduced our greenhouse gas emissions** by 6.7% in 2015 (year on year), achieving a 55% reduction from baseline year 2004, an early overachievement of our original target of a 50% reduction by 2016.

How we support our clients

- Our **total invested assets according to sustainable investment (SI) criteria** were CHF 934 billion at end of 2015, representing 35% of our total invested assets. Invested assets in all our sustainable investment classes increased throughout 2015.
- We launched an **investment mandate solution with SI focus** for our Swiss core affluent and high net worth clients. UBS Investment Management Mandate Switzerland with SI focus has been constructed primarily investing in instruments with a high sustainability rating.
- 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.
- We launched the world's **first ESG (environmental, social, governance) Fixed Income ETF** in 2015; the Barclays MSCI US Liquid Corporates Sustainable UCITS ETF, which tracks an index jointly developed by Barclays and MSCI.

- 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. The agency recorded double the target for UBS SMEs in their overall energy savings (at end of 2014).
- Our Chief Investment Office Wealth Management (CIO) publishes **regular reports on SI**. An overarching publication on SI ("Adding value(s) to investing") appeared in March 2015.
- Our CIO 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**. One important example in 2015 was oncology, with the investment theme identifying companies that develop new treatments for cancer.
- We have a global team of in-house experts offering a **one-stop professional approach to all aspects of philanthropy**, strategic charitable giving and values-based investing
- Our firm contributed CHF 11 million to the **UBS Optimus Foundation** in 2015. This multiplied donations from clients and employees and allowed Optimus to approve more than CHF 60 million in grants to its partners who are working to **improve the lives and futures of children around the globe**.

How we support our communities

- We made **direct cash donations** totaling CHF 27.4 million to carefully selected nonprofit partner organizations and charities in 2015. 91% of UBS's strategic donations were made in the areas of education and entrepreneurship.
- We contributed an **additional total of CHF 37.5 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 2015, **16,356 employees spent 137,732 hours volunteering**.
- In 2014 and 2015, we enhanced our **focus on measuring the impact of our Community Affairs program** by using the London Benchmarking Group's standard model for measuring and reporting. This allows us to effectively evaluate and focus our program.
- Our Community Investment program delivers long-term impact in the local communities within which we operate. In 2015 we supported over **100,000 beneficiaries**.