To us, corporate responsibility means “doing the right thing” – both now and in the future. Our commitment to this is incorporated in the principles and standards set out in our Code of Business Conduct and Ethics (Code). These apply to all aspects of our business and the ways in which we engage with our stakeholders, from the products and services we offer our clients, our management of environmental and social risks, to the way we protect the well-being of our employees. Corporate responsibility is embedded at every level of the firm, helping us to adopt a responsible and sustainable approach to doing business while underlining our desire to contribute to the communities in which we operate.

The successful delivery of our corporate responsibility commitments and activities relies on the firm commitment to conducting our business in a sustainable way. The guiding principles and standards set out in our Code are designed to shape our business activities and all our dealings with our stakeholders including clients, colleagues, shareholders, regulators and business partners. Proper implementation of the Code contributes to the wider societal goal of sustainable development. Policies and guidelines, as well as associated objectives related to this aspiration, are guided from and supervised at the highest level of the firm. We demonstrate accountability for our corporate responsibility commitments and activities at both Board of Directors (BoD) and Group Executive Board (GEB) levels. At the end of 2014, we started an in-depth review of our Code and the revised Code will be published in 2015.

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

To us, sustainability in banking means both seizing opportunities and managing risk. As our sustainable investment offering grows and our focus shifts from “doing no harm” to “doing good,” we must also align our client and supplier relationships with our strict environmental and social risk management standards.

Our environmental and social risk policy framework clearly demonstrates our approach to environmental and social risk and our strict standards with regard to topics such as climate change, deforestation, biodiversity and human rights.

➔ Refer to our environmental and social risk policy framework at www.ubs.com/esr for more information

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

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

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

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

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

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

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

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

Corporate responsibility governance

**EDTF** The BoD is responsible for setting our firm’s values and standards and ensuring that we meet our obligations to our stakeholders. Our Chairman of the BoD and our Group CEO play key roles in safeguarding our reputation and ensuring that we communicate effectively with all our stakeholders.

All BoD committees monitor our business performance in the context of creating sustainable value. The Corporate Culture and Responsibility Committee focuses specifically on assessing how we meet our stakeholders’ expectations with regard to corporate responsibility. It also monitors and reviews our policies and regulations as well as the implementation of our stated commitments from a corporate responsibility perspective. For areas such as UBS and Society, environmental and human rights, or community investment, the Corporate Culture and Responsibility Committee even defines the strategic direction and goals.

➔ Refer to the UBS Code of Business Conduct and Ethics at www.ubs.com/code for more information

➔ Refer to the Organization Regulations of UBS at www.ubs.com/governance for the charter of the Corporate Culture and Responsibility Committee

**EDTF** In 2014, Axel A. Weber, Chairman of the BoD, chaired the Corporate Culture and Responsibility Committee that consists of three additional members. The Group CEO and the Global Head of UBS and Society, are permanent guests of the Committee, while the regional presidents attend two of the six annual Committee meetings as guests. Various senior-level committees and boards are in charge of particular aspects of corporate responsibility. They include the Global Environmental & Social Risk Committee, chaired by the Group Chief Risk Officer, who manages the development and implementation of principles and appropriate independent control frameworks related to environmental and social risks within UBS. This committee resolves transactional and policy matters relating to environmental and social risks and their associated reputational risks. Additionally, our Environmental & Human Rights Committee supervises the operational execution of UBS’s Environmental and Human Rights Policy, which we revised at the beginning of 2014 to incorporate commitments made in the areas of climate change and human rights. On 1 March 2015, the Environmental and Human Rights Committee was transformed into the UBS and Society Operating Committee, chaired by Juerg Zeltner, President Wealth Management, and by Chi-Won Yoon, President Region Asia Pacific. This committee, consisting of business area and regional representatives, focuses on implementing the UBS and Society agenda in their respective areas.

The GEB oversees our efforts to combat money laundering, corruption and terrorist financing. These efforts are led by a dedicated financial crime team of anti-money laundering (AML) compliance experts. Also overseen by the GEB is our approach to diversity and inclusion. In 2014, we appointed a global head of diversity and inclusion to drive a Group-wide strategy complemented by divisional and regional initiatives.

➔ Refer to the “Our employees” section of this report for more information on labor standards and diversity programs

**EDTF** In line with our commitment to responsible banking, we assess our policies and practices regularly and rigorously. We also pay close attention to any societal issues that might be of relevance to UBS. Our corporate responsibility functions and committees are positioned at top management and governance levels, which reflects the level of priority we attach to these tasks.

Our corporate responsibility governance process

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Corporate governance, responsibility and compensation

Corporate responsibility
External commitments and initiatives

As a global firm, we embrace our responsibility to lead the debate on important social topics, contribute to setting the standards and promoting international collaboration across industries. These contributions are part of our efforts to advance in areas that are already mandated by governments and regulators, as well as in areas that are still largely voluntary, but nonetheless significantly strengthen our corporate responsibility agenda.

In 2014, we endorsed the Banking Environment Initiative’s and Consumer Goods Forum’s ‘Soft Commodities’ Compact and committed to supporting the sustainability performance of soft commodity supply chains. We expect soy, timber or palm oil-producing clients to be fully certified according to applicable sustainability certification schemes, such as the Roundtable on Sustainable Palm Oil, by 2020. We also joined the Swiss Better Gold Association, which aims to create a sustainable gold value chain from mine to market.

In October 2013, we co-launched the Thun Group of Banks’ discussion paper on banking and human rights, which aims to support banks in mapping and analyzing their potentially adverse impacts on human rights, and also looks at related risks, including reputational, legal, operational and financial risks. The paper was very positively received and the Thun Group has continued its discussions since, notably in a meeting with a large group of diverse stakeholders (including supranational organizations, governments and civil society) in June 2014 at the UBS Conference Center in Thun, Switzerland.

Stakeholder engagement

We regularly engage with our stakeholders on a wide range of topics, which gives us important information about their expectations and concerns. Key issues identified in these discussions are reviewed by the Corporate Culture and Responsibility Committee for their potential relevance to our firm. Our relationship with stakeholders is multi-faceted and includes interactions with large groups, regular communications with representatives from a particular group, as well as meetings with individuals such as clients and investors.

We piloted a comprehensive stakeholder survey as part of the UBS Materiality Assessment (as defined by the Global Reporting Initiative (GRI)) for 2014. The results of this comprehensive assessment of the issues deemed relevant by our stakeholders are summarized in a materiality matrix. This matrix distils the views of the stakeholders with which our firm interacts and it covers 30 topics including, as most relevant, financial stability, prevention of fraud and manipulation, client protection and compliance.

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

Discussions with employees covered various sustainability topics, including climate change. A key annual campaign, the UBS Environmental Month in April, again raised awareness among employees and external stakeholders about our efforts to reduce the environmental impact of our operations and banking activities. Working together with investors and rating agencies, we also considered key environmental, social and governance issues. Discussions with non-governmental organizations focused on the subjects of human rights, mountaintop removal coal mining, food speculation and climate change, particularly in relation to coal. In addition, we sought input from our employees regarding our corporate responsibility strategy and associated activities. An internal, cross-divisional and cross-regional network of experts meets on a quarterly basis and plays an important role, as its members provide critical input on stakeholder expectations and concerns. These contributions are relayed to the Corporate Culture and Responsibility Committee to complement the information gathered through other monitoring channels.

We believe it is crucial that we keep our stakeholders informed about our sustainability commitments and activities. To this end, we include sections on our corporate responsibility and our employees in this report. These sections, other relevant annual report content and information on our website are audited, in line with the Global Reporting Initiative’s Sustainability Reporting Guidelines.

→ Refer to www.ubs.com/gri for more information
→ Refer to www.ubs.com/materiality for the GRI materiality matrix

External ratings and awards

Our performance and success in the area of sustainability is reflected in the key external ratings and rankings we received in 2014. We were ranked among the top three companies in our sector for 2014 in RobecoSAM’s Corporate Sustainability Assessment. RobecoSAM, together with S&P Dow Jones Indices, also publishes the globally recognized Dow Jones Sustainability Indices (DJSI). The indices track leading sustainability-driven companies worldwide and define leading companies as those that integrate environmental and social factors into their long-term strategies and performance reviews. We improved our overall rank in the DJSI and took the lead in the indices’ environmental dimension.

In 2014, we also received a top percentile rating in the FTSE-4Good index series, in which we have been included since its inception in 2001. Meanwhile, oekom research – another leading sustainability rating agency – awarded corporate responsibility prime status to UBS. In oekom’s corporate rating system, prime status is awarded to companies that are among their industries’ leaders and meet industry-specific minimum requirements. We are one of only few banks to hold this status.

We were the only Swiss bank included in “The A List: The CDP Climate Performance Leadership Index 2014” for our efforts in reducing carbon emissions and mitigating the business risks of climate change. The index presents 187 listed companies – out of a total of nearly 2,000 independently assessed companies –
identified as demonstrating a superior approach to climate change mitigation. We received the American Foreign Policy Association 2014 Corporate Social Responsibility award in acknowledgment of our firm’s support of projects focusing on education and entrepreneurship in communities around the world. We were also awarded the CommunityMark accreditation, the UK’s highest award for businesses that demonstrate how they maximize positive and minimize negative community impacts.

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

In 2014, we continued training and raising employee awareness by embracing the Code. All employees have to confirm annually that they have read UBS’s key documents and policies, including the Code. Employees were also informed of the firm’s corporate responsibility strategy and activities through other training and awareness-raising activities. Approximately 2,800 employees received training on environmental issues; 1,400 of them received general training on our environmental policy and programs and 1,400 participated in specialist training targeted at their respective areas of expertise and influence. Employee speaker sessions, exhibitions and lunchtime training sessions were delivered in all regions alongside specific technical training for the regional environmental teams. Community Affairs engagement forms part of our key internal leadership programs, while skills-based employee volunteering further contributes towards staff development. Employees are also required to undergo regular refresher training in issues relating to AML, sanctions compliance and anti-corruption. This includes online training, awareness campaigns and seminars. Refer to “Learning and development” in the “Our employees” section of this report for more information.

Our clients
We are focused on gaining and retaining the trust of our stakeholders, as well as achieving our goal of generating sustainable earnings and creating long-term shareholder value. In addition, we are constantly striving to ensure that our products and services are suited to the needs and requirements of our clients. Through our corporate responsibility efforts, we demonstrate that we are not only listening to our stakeholders, but also aiming to be in an industry-leading position and meet their expectations.

Combating financial crime
We take a rigorous risk-based approach in our commitment to combating money laundering, corruption and terrorist financing. We are also committed to complying with sanctions laws. Our policies and procedures are designed to detect and mitigate financial crime-related risks. We adhere to strict know-your-client rules and use advanced technology to help identify suspicious transaction patterns. If suspicious activities are discovered, they are promptly escalated to independent control units and external authorities, as required by law. We assess annually the money laundering, corruption and sanctions risks associated with our business against our control framework, and take actions to further mitigate that risk.

UBS is a founding member of the Wolfsberg Group, an association of global banks that aims to develop financial services industry standards for policies on preventing money laundering and terrorist financing, and on know-your-client principles. The Wolfsberg Group also works closely with the Financial Action Task Force, an inter-governmental body that helps develop national and international policies on preventing money laundering and terrorist financing through consultation with the private sector. The Wolfsberg Group continued to influence AML in 2014 through its annual forum and regional reach-out meetings with banks globally. It continues to work on guidance papers in key areas of AML and, in 2014, it issued such a guidance paper on mobile and internet payment services.

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

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Our environmental and social risk policy framework
In 2014, we published a comprehensive document on our environmental and social risk policy framework to ensure that our stakeholders have a good understanding of our approach to environmental and social risk. We apply the environmental and social risk policy framework to all our activities. This helps us identify and manage potential adverse impacts on the environment and human rights, as well as the associated risks affecting our clients and our firm. We have set standards in product development, investments, financing and for supply chain management decisions. As part of our due diligence process, we engage with clients and suppliers to better understand their processes and policies and to explore how any environmental and social risks may be mitigated. We avoid transactions, products, services, activities or suppliers if there are material environmental and social risks that cannot be
properly assessed. We will not do business with a counterparty or an issuer who we judge is not addressing environmental or social issues in an appropriate and responsible manner. The foundation of UBS’s environmental and social risk policy framework is established in the Code of Business Conduct and Ethics of UBS and the UBS Environmental and Human Rights Policy.

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

Climate change is one of the greatest challenges of our time. It will impact ecosystems, societies, and economies worldwide. Population growth, energy security, loss of biodiversity and access to drinking water and food, are all closely intertwined with climate change. This makes the transition to a low-carbon economy vital. As a leading global financial services firm, we are well positioned to help our clients as they prepare for this transition. Our climate change strategy focuses on investments, financing, research and risk management, as well as our own operations.

Deforestation and forest degradation is a threat to biodiversity. Recognizing related risks, we became members of the Roundtable on Sustainable Palm Oil in 2012 and joined its complaints panel in 2014; we endorsed the Banking Environment Initiative’s and Consumer Goods Forum’s ‘Soft Commodities’ Compact; and we identified certain activities that lead to deforestation and its related impacts, in which we will not engage.

- Investment banking advisory assignments. Transactions in these areas are subject to an enhanced due diligence and approval process.
- In areas of concern such as soft commodities (palm oil, soy, timber), power generation (coal-fired power plants, large dams, nuclear power) and extractives (hydraulic fracturing, oil sands, arctic drilling, mountaintop removal coal-mining, precious metals, diamonds).

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

Our standards
We have set standards for our product development, investments, financing and supply chain management decisions. In this vein, we have identified controversial activities UBS will not engage in, and other areas of concern UBS will only engage in if stringent criteria are met. UBS will not knowingly provide any financial or advisory services to corporate clients whose primary business activity, or where the proposed transaction, is associated with severe environmental or social damage to world heritage sites, wetlands, endangered species, high conservation value forests, indigenous peoples’ rights or through use of illegal fire or logging and child or forced labor. Specific guidelines and escalation criteria apply to transactions with corporate clients engaged in areas of concern such as soft commodities (palm oil, soy, timber), power generation (coal-fired power plants, large dams, nuclear power) and extractives (hydraulic fracturing, oil sands, arctic drilling, mountaintop removal coal-mining, precious metals, diamonds).

Our guidelines and escalation criteria apply to loans, trade finance, securities and loan underwriting transactions, as well as investment banking advisory assignments. Transactions in these areas are subject to an enhanced due diligence and approval process. This means that we will take a close look at regulatory compliance, adherence to UBS’s controversial activities standards, past and present environmental and human rights performance, as well as our clients’ operations, as well as our own operations.

### Environmental and social risk assessments

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<td>Corporate Center 1</td>
<td>FS2</td>
<td>90</td>
<td>103</td>
<td>109</td>
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</table>

1 Global Reporting Initiative (see also www.globalreporting.org). FS stands for the Performance Indicators defined in the GRI Financial Services Sector Supplement. 2 Transactions and onboarding requests referred to and assessed by the environmental and social risk function. 3 Relates to procurement/sourcing of products and services.
well as concerns of stakeholder groups, and we will also examine whether the area-specific criteria are fully met. ▲

➔ Refer to www.ubs.com/esr for the complete definition of our standards and specific assessment criteria

Our processes and governance

Our standard risk, compliance and operations processes involve procedures and tools for identifying, assessing and monitoring environmental and social risks. This includes client onboarding, transaction due diligence, product development and investment decision processes, own operations, supply chain management and portfolio reviews. These processes are geared toward identifying clients, transactions or suppliers potentially in breach of our standards, or otherwise subject to significant environmental and human rights controversies. Advanced data analytics on companies associated with such risks is integrated into the web-based compliance tool we use before we enter into a client or supplier relationship, or a transaction. The systematic nature of this tool significantly enhances our ability to identify potential risk. In 2014, over 1,800 referrals were assessed by our environmental and social risk unit, of which more than 50 were rejected or not pursued, and more than 180 were approved with qualifications.

Should our business or control staff identify during the regular due diligence processes that any client, supplier or transaction involves potential material environmental and social risks, they will refer the matter to a specialized environmental and social risk unit for enhanced due diligence. If we find reasons to assume that a transaction might involve significant environmental or social risks, we escalate it for approval to senior management, at divisional, regional, or Group level, depending on its significance.

In view of the many environmental and social challenges globally, these topics will continue to gain in relevance for banks. Therefore, we assess the adequacy of our policies and practices regularly and rigorously, based on accurate monitoring and analyses of societal topics that may be relevant to UBS. This process is the responsibility of our Global Environmental & Social Risk Committee. ▲

➔ Refer to www.ubs.com/esr for the complete environmental and social risk policy framework

Sustainable products and services

We want to work with our clients towards a better society. The spirit and ambition of our client-focused approach is designed to help our clients express their values and achieve financial benefits while addressing societal concerns.

➔ Refer to “Our climate change commitment” in this section for more information about our contribution to addressing societal challenges

Investment advisory

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

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

In 2014, we established a dedicated Values-Based Investing team in Asia Pacific, and in January 2015, we also launched a dedicated investment mandate with sustainable investing focus for Swiss charitable foundations.

Investment products

Global Asset Management is committed to environmental, social and governance integration and has been a signatory to the UN-supported Principles for Responsible Investment since 2009. These provide a voluntary framework for investors to take into account environmental, social and governance issues in their decision-making and ownership practices, and to align their objectives with the broader societal objectives.

Global Asset Management offers a range of sustainable investment funds that combine material sustainability factors with a rigorous fundamental investment process. We apply the concept of shared value, according to which companies that pursue sustainability practices (for example, conserving resources, maintaining a high-quality workforce and a strong supply chain) not only create value for the shareholder but also for a wider range of stakeholders. Our investment themes include energy efficiency, environment, social and healthcare, and demographics. We also manage six exchange-traded funds that track MSCI’s Socially Responsible Indices (MSCI SRI) and that are listed on the Deutsche Börse (Xetra), the SIX Swiss Exchange and the London and Milan Stock Exchanges. In 2014, we launched two MSCI SRI exchange-traded funds (ETF). The new (Luxembourg) UBS MSCI Emerging Markets SRI UCITS ETF invests in emerging market companies and has been listed on the SIX Swiss Exchange. The second (Luxembourg) UBS MSCI UK IMI SRI UCITS ETF is exposed to UK companies and has been listed on the London Stock Exchange.
Sustainable investments

<table>
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<th>CHF billion, except where indicated</th>
<th>For the year ended</th>
<th>% change from</th>
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<tbody>
<tr>
<td>UBS total invested assets</td>
<td>585.65</td>
<td>253.73</td>
</tr>
<tr>
<td>Total SI / UBS’s invested assets</td>
<td>545.60</td>
<td>22.83%</td>
</tr>
<tr>
<td>Proportion of total invested assets (%)</td>
<td>21.42%</td>
<td>11.38%</td>
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</table>

1 All figures are based on the level of knowledge as of January 2015. 2 FS stands for the Performance Indicators defined in the Global Reporting Initiative Financial Services Sector Supplement. 3 UBS Global Asset Management Responsible Property Investment strategy. 4 Includes customized screening services (single or multiple exclusion criteria). 5 Assets subject to restrictions under UBS policy on the prohibition of investments in companies related to anti-personnel mines and cluster munitions (includes all invested assets held in Global Asset Management actively managed discretionary segregated mandates and all actively managed funds (retail and institutional) held by Global Asset Management, Wealth Management Americas and Retail & Corporate). 6 Invested assets, subject to policy-based restrictions in 2013, have been restated. 7 SI products from third-party providers apply either positive and exclusion criteria or a combination thereof. 8 Total SI / UBS’s invested assets.

Through our open architecture, we also offer our wealth management clients the opportunity to invest in sustainable equities and microfinance products from leading third-party providers. In 2014, we launched an impact investment platform that intends to take private equity stakes in inclusive financial institutions across Asia and Latin America, in collaboration with a third-party provider specialized in developing markets.

As of 31 December 2014, sustainable investments increased to CHF 586 billion (from CHF 546 billion at the end of 2013), representing 21.4% of our total invested assets. While invested assets in all our sustainable investment classes increased throughout 2014, the proportion of sustainable investments declined from 22.8% in 2013, due to a stronger increase in our total invested asset base. Major increases were observed among our institutional clients in particular for screened mandates and for funds subject to the Global Asset Management responsible property investment strategy.

➔ Refer to the table “Sustainable investments” in this section for more information

Research

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

Sustainable Investing was featured for the first time in the “CIO Year Ahead” 2015 issue. In the US, we launched the new flagship publication “Your Wealth and Life” and we dedicated the second issue to philanthropy and sustainable investing. We also released a UBS Investor Watch publication about philanthropy titled “Doing well at doing good: Why there is more to giving than checkbook philanthropy.” Our Intellectual Capital Blog features contributions on sustainable investing since 2013. In a 2014 blog post, we highlighted various approaches to sustainable investing.

The UBS Q-Series® focuses on thought-provoking discussions about pivotal investment questions, and on making clear investment conclusions, leading to a Group-wide drive for more thoughtful, proprietary and valuable research. An example published in 2014 is “Does good governance demand a valuation premium in Emerging Markets?” Other publications focused on linking quantitative investment approaches and sustainability and on understanding how employee satisfaction drives higher revenue productivity in food and staples retailers. Our “ESG Keys” publications address the what, how and why of ESG issues and sustainability investment styles. Reports in 2014 addressed corporate governance, the environmental credit crunch, water risks and climate change.

Corporate and private clients financing and advisory

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

In Switzerland, we help SMEs to save energy and launched a new offering to support SME when upgrading utility vehicles to the new EU 6 Norm. We also support retail clients when undertaking energy-efficient renovations.
Voting rights
We believe that voting rights have economic value and should be treated accordingly. Where Global Asset Management has been given the discretion to vote on behalf of our clients, we will exercise our delegated fiduciary responsibility by voting in the manner we believe will be most favorable to the value of their investments. In 2014, we voted on more than 74,600 individual resolutions at 7,325 shareholder meetings. We take an active approach to corporate governance and we integrate it in our investment process. We are an active member of a number of collaborative shareholder bodies.

Since 2010, Global Asset Management in Switzerland has been offering UBS Voice, a service enabling holders of Swiss institutional funds to express voting preferences ahead of shareholder meetings of major Swiss corporations. This provides additional

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

Risk management: seeking to protect our clients’ and our own assets from climate change risks, within our sphere of influence.
At the portfolio level, we regularly review sensitive sectors and activities prone to bearing environmental and social risks. We assess client exposure and revenue in such sectors and attempt to benchmark the portfolio quality against regional and or sector averages. Such portfolio reviews give us an accurate aggregated exposure profile and an enhanced insight into our transaction and client onboarding processes. Based on the outcome of these reviews, we can explore ways to improve the future portfolio profile along a range of risk parameters.

We estimate our firm’s vulnerability to climate change risks using a scenario-based stress testing approach that considers direct impacts on UBS from severe weather events as well as from regional regulatory responses that affect the overall economy.

We participate in international efforts led by the UN Environment Programme Finance Initiative and World Resources Institute to develop greenhouse gas accounting and reporting guidance for financial intermediaries. In 2014, we were active members of the technical working groups on accounting and risk management.

Investments: helping to mobilize private and institutional capital towards investments facilitating climate change mitigation and adaptation.
Our investments making a positive contribution to climate change mitigation and adaptation aspects include: Global Asset Management’s sustainable real estate funds, with CHF 44 billion in assets under management. Eight of these funds, representing more than half of these assets, obtained the top ranking (“green star”) and four of them received “sector leader” status from the 2014 Global Real Estate Sustainability Benchmark. This was recognition for our efforts in defining and implementing a sustainable and responsible property investment strategy. Most of the 13 funds entered ranked within the top quartile of their respective peer set, among more than 630 real estate portfolios.

Another example is UBS Clean Energy Infrastructure Switzerland which offers institutional investors unprecedented access to a diversified portfolio of Swiss infrastructure facilities and companies in the field of renewable energies and energy efficiency. Capital commitments reached approximately CHF 400 million as of 31 December 2014. Overall, such climate change-related investments account for approximately 8% of our sustainable investments.

Financing: supporting this transition as corporate advisor, and/or with our lending capacity.
Corporate governance, responsibility and compensation

In 2014, Investment Bank supported 175 clients that contribute to climate change mitigation and adaptation, either in equity or debt capital market transactions (total deal value CHF 17 billion) or as financial advisor (total deal value CHF 14 billion).

We supported Swiss SMEs in saving energy, as promoted by the Swiss Energy Agency’s SMEs Model. Clients benefited from the Agency’s energy check-up for SMEs at a discount, and were granted cash premiums for committing to an energy reduction plan within this scheme. By the end of 2014, 238 companies had signed up.

Swiss private clients benefited from the UBS eco mortgage when building energy-efficient homes. In support of our commitment as a financing partner to the energy transition in Switzerland, we have been a Premium Partner of the Swiss Energy and Climate Summit since 2013.

Research: offering our clients research capacity on climate change issues.
Investment Bank’s ESG Keys publications covered climate change repeatedly in 2014, on topics such as “Fossil fuel disinvestment – Is it the answer?”, “What if there was a global climate agreement in 2015?”, “CO₂ concentration crosses 400ppm; Exploring a two degrees scenario,” “Water risks – California drought and what it means for investors,” “Carbon capture and storage: What are the odds?” and “Climate change: adaptation, resilience, transformation”. The Q-Series® report “Global Utilities, Autos & Chemicals: Will solar, batteries and electric cars re-shape the electricity system?” was well received beyond our client base and was showcased at the UBS European Conference “The Future of Energy – Grassroots Revolution” panel in London. We also published the 4th edition of the ESG Analyser. In a survey with 154 UBS sector analysts worldwide, we identified companies that are proactive adapters and thus well positioned with regard to climate change risks.

In 2014, Global Asset Management published “Real estate and sustainability: investing for returns and the future” examining how investors and businesses increasingly incorporate information on environmental issues into their investment strategies and their decisions on which buildings to occupy. Our Chief Investment Office (CIO) Wealth Management research published one of the “Longer Term Investment” series with a focus on water scarcity, and the CIO credit team published an education note on Green Bonds.

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

→ Refer to www.ubs.com/climate for our complete climate change commitment
Our operations

We exercise our corporate responsibility by reducing our own environmental impact in the buildings we occupy, data centers and IT systems we operate and our staff’s business travel. In addition, responsible procurement is a key aspect of our approach to human rights and the environment.

Our Environmental Program was introduced in the 1970s, and since 1999, we have managed the program through an Environmental Management System in accordance with ISO 14001. We were the first bank to obtain ISO 14001 certification for our Group-wide environmental management system. In addition, our GHG emissions data is externally verified by SGS on the basis of ISO 14064 standards. Since 2006, we have been setting Group-wide quantitative targets for reducing the firm’s environmental impact and have continuously improved our environmental performance.

Continuously reducing UBS’s GHG footprint

In 2014, we further reduced UBS’s GHG emissions by 7%, or 4% per full-time employee, year on year, which means a total reduction of 51% from baseline year 2004 and an early overachievement on our original target of a 50% reduction by 2016. We achieved this strong performance by adopting energy efficiency measures and increasing the proportion of renewable energy. Emissions – such as from business travel by air – that cannot be reduced by other means are offset.

Improving energy efficiency in our buildings

Since 2012, we reduced our energy consumption by more than 9%, thus approaching our target of a 10% reduction by 2016. One of the key drivers for this achievement is our Group-wide real estate strategy, which includes:

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

Another key driver in 2014 was our renewed commitment to the governmental energy strategy in Switzerland to an energy efficiency increase of 40% by 2020, compared to 2000 levels. This accounts for approximately one-third of our global energy consumption. On the technology side, we have been consolidating and virtualizing our servers, reducing the amount of electronic equipment and ensuring that new appliances are more energy-efficient than the equipment they replace. We have achieved significant energy savings in recent years, for instance by reducing the electricity consumption of our data centers by more than 3% in 2014.

Increasing the share of renewable energy

We are reducing our use of carbon-intensive energy by replacing fossil-fueled heating infrastructure, where feasible. In 2014, we purchased 50% of our worldwide electricity consumption from renewable sources. We have been sourcing 100% of electricity from renewable sources, mainly hydro power, in Switzerland and Germany since 2007 and 2012, respectively. In the UK, we purchased 91 GWh of electricity from renewable sources, which is more than 85% of our consumption.

Environmental targets and performance in our operations

<table>
<thead>
<tr>
<th></th>
<th>GRI2</th>
<th>2014</th>
<th>Target 2016</th>
<th>Baseline</th>
<th>% change from baseline</th>
<th>Progress/Achievement</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net greenhouse gas emissions (GHG footprint) in t CO2e</td>
<td>EN15-17</td>
<td>177,695</td>
<td>–50%</td>
<td>360,501</td>
<td>–50.7</td>
<td>Green</td>
<td>190,977</td>
<td>222,710</td>
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<td>Energy consumption in GWh</td>
<td>EN3</td>
<td>700</td>
<td>–10%</td>
<td>774</td>
<td>–9.6</td>
<td>Green</td>
<td>751</td>
<td>774</td>
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<tr>
<td>Share of renewable energy</td>
<td>EN3</td>
<td>48.9%</td>
<td>increase</td>
<td>23.9%</td>
<td>104.8</td>
<td>Green</td>
<td>47.9%</td>
<td>40.9%</td>
</tr>
<tr>
<td>GHG offsetting (business air travel) in t CO2e</td>
<td>EN18</td>
<td>75,305</td>
<td>100%</td>
<td>0</td>
<td>100</td>
<td>Green</td>
<td>72,612</td>
<td>73,024</td>
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<tr>
<td>Paper consumption in kg per FTE</td>
<td>EN1</td>
<td>121</td>
<td>–5%</td>
<td>123</td>
<td>–0.8</td>
<td>Green</td>
<td>121</td>
<td>122</td>
</tr>
<tr>
<td>Share of recycled and FSC paper</td>
<td>EN2</td>
<td>61.8%</td>
<td>60%</td>
<td>55.8%</td>
<td>10.6</td>
<td>Green</td>
<td>57.6%</td>
<td>55.8%</td>
</tr>
<tr>
<td>Waste in kg per FTE</td>
<td>EN23</td>
<td>213</td>
<td>–5%</td>
<td>232</td>
<td>–8.2</td>
<td>Green</td>
<td>214</td>
<td>232</td>
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<tr>
<td>Waste recycling ratio</td>
<td>EN23</td>
<td>54.7%</td>
<td>60%</td>
<td>53.9%</td>
<td>1.4</td>
<td>Green</td>
<td>55.3%</td>
<td>53.9%</td>
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<tr>
<td>Water consumption in m3</td>
<td>EN8</td>
<td>1.08</td>
<td>–5%</td>
<td>1.22</td>
<td>–11.6</td>
<td>Green</td>
<td>1.09</td>
<td>1.22</td>
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</tbody>
</table>

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

1 Detailed environmental indicators are available on the internet at www.ubs.com/environment. Reporting period 2014 (1 July 2013 – 30 June 2014). 2 Related to Global Reporting Initiative (see also www.globalreporting.org). EN stands for the environmental performance indicators as defined in the GRI. 3 GHG footprint equals gross GHG emissions minus GHG reductions from renewable energy and GHG offsets (gross GHG emissions include direct GHG emissions by UBS; indirect GHG emissions associated with the generation of imported / purchased electricity (grid average emission factor), heat or steam; and other indirect GHG emissions associated with business travel, paper consumption and waste disposal). 4 Baseline year 2004. 5 Baseline year 2012. 6 Green on track / amber: behind schedule. 7 FTEs are calculated on an average basis including contractors. 8 Change in methodology (new: drinking water consumption only), 2013 and 2012 data restated accordingly.
In an effort to minimize our CO₂ emissions in business travel, we encourage our employees to choose alternatives to air travel, such as high-speed rail, and to use video-conferencing technology instead of travelling. Since 2007, we have been offsetting all our CO₂ emissions from business air travel. The offsetting projects we selected meet the requirements of the Gold Standard for voluntary emissions reductions.

Reducing paper consumption, waste generation and water usage
We are committed to further reducing our environmental footprint and are on track to reach our 2016 targets, compared to 2012 as the baseline. Despite our efforts to reduce paper consumption, we only achieved a 1% reduction per FTE since 2012 due to an increase in print volumes sent to clients. We increased the proportion of office paper from the Forest Stewardship Council or recycled sources, to 62% in 2014, reaching our target two years ahead of time. The continued implementation of bin-less offices in many larger locations has helped us reduce the waste per employee by 8% since 2012, and exceed our 5% reduction target set for 2016. By the end of 2014, our waste recycling ratio improved to 55%, from 54% in 2012 – a step in the right direction towards reaching our target of 60% by 2016. We reduced our water consumption by 12%, compared with 2012, reaching our 2016 target ahead of schedule.

Engaging our employees
We offer our employees sustainability education and incentives, encouraging their environmental awareness both at work and at home. In March 2014, we once again participated in Earth Hour by switching off UBS office lights in 73 cities around the world for one hour. This also marked the start of our annual internal environmental awareness campaign. Our focus in 2014 was on contributing to the transition to a low-carbon economy by providing sustainable solutions to our clients. Campaign activities included regional panel discussions with opinion leaders, a photo contest, as well as articles and interviews with senior management posted on our internal websites.

Our communities
Our community investment activities are a key component of our firm’s corporate responsibility. They comprise the engagement and activities of UBS and its employees to achieve a demonstrable positive impact in the social and economic well-being of the local communities in which we operate.

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

We engage far beyond just financial support – our direct cash donations, community investment program, matched-giving schemes and disaster relief efforts are complemented by a comprehensive range of volunteering opportunities for our employees. Coordinated globally, our initiatives are implemented regionally and based on local needs. This enables us to generate sustainable impact in our local communities while offering employee volunteering opportunities. We encourage employee participation by offering up to two working days a year to engage in volunteering efforts.
Key examples of UBS’s community investment activities across the globe

Switzerland
Unlocking potential within Switzerland remains our main goal. Hence we support people from all over Switzerland and from all backgrounds in achieving their full potential. In 2014, we again engaged in a range of educational and entrepreneurial projects. SwissSkills Berne, the first national championship for apprentices in 70 different professions, was among the highlights. As main partner of this event and presenter of the parallel International Congress on Vocational Education, we emphasized our long-term commitment to the Swiss vocational training system. Our presence at the event, the UBS volunteers and the UBS IT apprentice who won a silver medal, all contributed to a successful event.

We strengthened our commitment to the growing Swiss social enterprise sector by introducing a skill-based mentoring program in collaboration with the Social Entrepreneurs Initiative Foundation (seif). Experienced UBS professionals consult social entrepreneurs in their start-up phase. In addition, we presented an award for educational innovation to GORILLA, a Social Enterprise that educates young people about food, health and exercise in a fresh and impactful way.

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

Across the country, more than 2,700 UBS employees continued to volunteer in a range of selected programs focusing on education, as well as on social and environmental matters. Our community investment efforts were also advanced by the UBS Culture Foundation, the UBS Foundation for Social Issues and Education, and the “A Helping Hand from UBS Employees” association. In 2014, all three organizations made valuable contributions to important causes and furthered our efforts to help beneficiaries unleash their full potential.

Americas
Following the 2013 strategic re-launch of the Community Affairs & Corporate Responsibility Americas platform, in 2014 we continued to grow our entrepreneur-ship programming, launched a new flagship education initiative and enhanced our employee engagement platform.

Announced in June 2014, UBS NextGen Leaders is our signature education initiative to increase college graduation success among disadvantaged people. The USD 10 million, five-year commitment will leverage strategic partnerships with leading college access and success organizations. Our initial effort, in partnership with SEO Scholars, is an intensive college success program for young men of color and is aligned with President Obama’s My Brother’s Keeper initiative. In addition, UBS is working with Tennessee College Access & Success Network to build a scalable platform that will boost graduation rates more broadly.

Through our signature Elevating Entrepreneurs initiative, we continue to expand our commitment to drive entrepreneurial growth by providing access to mentoring, capital and training. In 2014, we offered mentoring programs to small businesses in New York and Chicago, and produced Ascent: Capital & Connections half-day workshops on small-business financing. Along with our partners UBS Bank USA and VEDC, lending began under the Tri-State Business Opportunity Fund in the New York region and expanded to Florida through the Greater Miami Business Opportunity Fund. To date, 57 small businesses have received funding, resulting in the creation or retention of 1,439 jobs. We further expanded our geographic reach and investments in the entrepreneurship ecosystem through strategic partnerships with Venture for America, Initiative for a Competitive Inner City and Launch Tennessee.

In an effort to capitalize on our employees’ enthusiasm for volunteering, we launched a new volunteer platform, UBS Community Corps, as part of the kick-off to the third annual Season of Service campaign. With the support of this unified and reenergized commitment to volunteering, more than 1,400 UBS employees volunteered a total of more than 6,000 hours during the three-month Season of Service – more than tripling per capita participation compared with 2013. The success of Season of Service brought
the yearly volunteering total to more than 2,500 employees and the number of hours to over 20,000.

**Asia Pacific**

In Asia Pacific, UBS continued to invest in programs that range from direct impact on disadvantaged and at-risk youth, such as reading angels, after-school development programs, mentoring and leadership training, to capacity building, which encompasses projects such as upgrading school infrastructure, train the teacher programs, fostering innovative teaching methodologies, and charity leadership development series. Together, these programs benefit almost 20,000 children and youths in the Asia Pacific region every year.

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

UBS Singapore invested in two new six-month leadership mentoring programs for at-risk and/or disadvantaged youths aged 15 to 19, and young adults aged 20 to 26. The youth program is aimed to help youths in their struggle for greater resilience to continue their education and overcome their critical schooling years, as well as to instill a deeper sense of self-accountability and a goal-oriented mindset. The young adults program is designed to help participants learn life skills and acquire self-confidence, and to support them in enhancing their employability and in gaining economic independence. Youths and young adults participated in these structured programs with the support of UBS employee mentors.

**EMEA**

In EMEA in 2014, we were focused on increasing our support for clients’ philanthropy, strengthening employee engagement and measuring our impact on the community and the business.

We supported the objectives of UBS and Society by developing social enterprises in the UK: The UBS-supported Young Academy investment fund, part of the Young Foundation’s education incubator, started to disburse funding (loan finance) to scale up UK social enterprises whose work tackles educational inequalities. Our support leveraged GBP 750,000 from the UK government. In addition, we worked closely with our colleagues in Wealth Management to launch a joint initiative, UK Philanthropy Services, to support our clients’ giving. One of the strands of this initiative, the UBS UK Donor-Advised Foundation, launched in the first quarter of 2014 – received GBP 23 million in donations by the end of 2014. We also worked with the Guy Fox History Project and Hackney school children to produce a guide to the economy for children. As well as being used in schools across the UK, this guide has been distributed to more than 5,000 UBS clients worldwide.

The roll-out of the global Education Initiative across EMEA through the partnership with Young Enterprise – Junior Achievement was part of our drive for more strategic alignment across regions. Launched in September 2014, this initiative has already supported nearly 900 students in 5 countries, with 137 students sitting the “Entrepreneurial Skills Pass” exam – a ground-breaking internationally recognized skills qualification. This builds on our seven-year partnership with Young Enterprise in Switzerland.

We further increased employee engagement in line with the strategic themes of Education and Entrepreneurship. We rolled out impact measurement to cover 100% of strategic Community Affairs projects across EMEA.

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

➔ Refer to [www.ubs.com/community](http://www.ubs.com/community) for more information
Community Affairs activities in 2014
In 2014, UBS and its affiliated foundations made direct cash contributions totaling CHF 27.2 million. Our support focused predominantly on UBS’s key themes of education and entrepreneurship. Additionally, we invested CHF 14.1 million in the UBS Anniversary Education Initiative, which was launched in 2012. In 2014, UBS contributed CHF 13 million to the UBS Optimus Foundation, which leveraged more than CHF 40 million from clients and partners. These funds are being donated to carefully selected programs aimed at improving children’s health, education and protection globally.

Our contributions, combined with the volunteering activities of our employees, have continued to provide substantial benefits to people and projects around the world, as demonstrated by the regional examples provided below. Across all business regions, our employees continued to play a very active role in our community investment efforts, in particular through their volunteering. In 2014, 12,428 employees spent 103,500 hours volunteering, an increase of 17% and 14%, respectively, compared with 2013. For the third consecutive year, we granted the UBS Global Employee Volunteer Awards to employees who had demonstrated outstanding volunteering commitment.

Furthermore, we expanded the measurement of the impact of our Community Affairs activities across all regions using the London Benchmarking Group model. Understanding where we make an impact helps us evaluate and focus our program.

Client foundation
The UBS Optimus Foundation is an expert grant-making foundation established by UBS in 1999. Through the Foundation, our clients can support programs in places where children face adversity. The Foundation funds leading organizations dedicated to improving the health, education and protection of children and to helping them reach their full potential. Since its inception, the Foundation has received more than 29,000 donations, totaling over CHF 218 million. In 2014, the Foundation supported 107 projects in 38 countries with a total amount of CHF 73.3 million. As UBS bears all administrative costs related to the UBS Optimus Foundation, 100% of every donation goes directly towards the projects funded.