

# UBS 2002: Environmental performance in figures



“We have verified the correctness of the statements in the 2002 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.”

Elvira Bieri and Dr. Erhard Hug  
Zürich, May 2003

The following extract is supplemented by further specific information available on the Internet:

[www.ubs.com/environment](http://www.ubs.com/environment)

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UBS has been tracking comprehensive quantitative indicators since 1999 to help measure, monitor and improve the performance of its environmental management system. The selection of environmental performance indicators (EPIs) published

here is based on the EPI-Finance 2000 standard (see also [www.epifinance.com](http://www.epifinance.com)). This standard was jointly developed by eleven finance and insurance companies including UBS.

## Group

		2002	2001	2000
<b>Employees</b>				
UBS Group <sup>1</sup>	Headcount (full-time equivalents)	69,061	69,985	71,076
Employees in specialized environmental functional units <sup>2</sup>	Headcount (full-time equivalents)	17,5	16,7	22
<b>Training</b>				
Environmental awareness raising	Employees trained	2,266	1,907	n.a.
Training time	Hours	2,246	4,642	n.a.
Specialized environmental training	Employees trained	442	1,620	1,958
Training time	Hours	1,503	2,534	2,917
<b>External environmental audits<sup>3</sup></b>				
Employees audited	Number	125	17	14
Auditing time	Days	17	1,5	2
<b>Internal environmental audits<sup>4</sup></b>				
Employees audited	Number	150	129	0
Auditing time	Hours	199	192	0

## Corporate Center

		2002	2001	2000
<b>Employees</b>				
UBS Corporate Center	Headcount (full-time equivalents)	1,185	1,132	986
Employees in specialized environmental functional units	Headcount (full-time equivalents)	1	1	3
<b>Training</b>				
Specialized environmental training	Employees trained	6	19	n.a.
Training time	Hours	50	211,5	n.a.

<sup>1</sup>All employment figures represent the state as of December 31, 2002. <sup>2</sup>In 2002: 11.6 UBS and 5.9 external employees. <sup>3</sup>Audits carried out by SGS - Société Générale de Surveillance SA. <sup>4</sup>Audits carried out by specialized environmental functional units.

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**Financial Services**

Investing in know-how and relevant expertise is essential for improving environmental performance in our financing transactions. 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 control and defining new measures. The following tables indicate the number of UBS's employees working in environmental units, and the amount of environmental training and internal audits performed in 2002.

**UBS Global Asset Management and Private Banking**

		2002	2001	2000
<b>Employees</b>				
UBS Global Asset Management and Private Banking <sup>1</sup>	Headcount (full-time equivalents)	13,834	13,530	12,695
Employees in specialized environmental functional units <sup>2</sup>	Headcount (full-time equivalents)	7	7	7
<b>Training</b>				
Specialized environmental training	Employees trained	92	420	926
Training time	Hours	85	583,5	475
<b>Internal environmental audits</b>				
Employees audited	Number	0	29	0
Auditing time	Hours	0	20	0
<b>Invested assets</b>				
UBS Group	CHF billion	2,037	2,448	2,445
Invested assets according to environmental and social criteria	CHF billion	62.4	n.a.	n.a.
According to positive criteria <sup>3</sup>	CHF million	568,5	776,4	901
According to exclusion criteria <sup>4</sup>	CHF billion	61.9	n.a.	n.a.
Proportion of invested assets <sup>5</sup>	%	3.1	n.a.	n.a.
<b>Performance of environmental products</b>				
Absolute performance Eco Perf. <sup>6</sup>	%	-34,96	-19,5	+1,7
Relative performance Eco Perf. vs. MSCI <sup>7</sup>	%	-1,96	-4,1	+15,7
Absolute performance Eco JPN <sup>8</sup>	%	-12,29	-21,4	-18,6
Relative performance Eco JPN vs. TOPIX	%	+0,09	-1,8	+8,7

**Socially responsible investments**

Following increasing demand from clients, UBS offers several socially responsible investment (SRI) products and services to both private and institutional investors. The table on the right shows the level of total UBS invested assets in socially responsible investments.

**UBS Warburg  
Corporate and Institutional Clients**

		2002	2001	2000
<b>Employees</b>				
UBS Warburg – Corporate and Institutional Clients	Headcount (full-time equivalents)	15,964	15,562	15,262
Employees in specialized environmental functional units	Headcount (full-time equivalents)	1.5	1.5	0
<b>Training</b>				
Specialized environmental training	Employees trained	29	428	39
Training time	Hours	14.5	294.5	58.5

<sup>1</sup>All employment figures represent the state as of December 31, 2002. <sup>2</sup>In 2002: 2.8 UBS and 4.2 external employees. <sup>3</sup>Managed portfolios, containing companies that are actively selected in accordance to environmental and social criteria. <sup>4</sup>Managed portfolios, excluding companies in accordance to environmental and social criteria. <sup>5</sup>Invested assets according to environmental and social criteria / invested assets UBS Group. <sup>6</sup>Eco Perf. = UBS (Lux) Equity Fund – Eco Performance. <sup>7</sup>Relative performance versus relevant index. <sup>8</sup>Eco JPN = UBS (JPN) Equity Fund – Eco Japan.

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**Business Banking Switzerland<sup>1</sup>**

		2002	2001	2000
<b>Employees</b>				
Business Banking Switzerland <sup>2</sup>	Headcount (full-time equivalents)	<b>18,442</b>	19,220	20,437
Employees dealing with environmental aspects in the business process <sup>3</sup>	Headcount (full-time equivalents)	<b>2,709</b>	2,575	2,727
Employees in specialized environmental units <sup>4</sup>	Headcount (full-time equivalents)	<b>1.1</b>	1.4	1.7
<b>Training</b>				
Specialized environmental training	Employees trained	<b>83</b>	446	693
Training time	Hours	<b>150</b>	494,5	506
Scope of training	% (proportion of trained employees / according to activity)	<b>3</b>	17	25
<b>Internal environmental audits</b>				
Employees audited <sup>5</sup>	Number	<b>27</b>	32	0
Auditing time	Hours	<b>48</b>	65	0
Scope of auditing	% (proportion of audited employees / according to activity)	<b>1</b>	1.2	0
<b>Credit check</b>				
Total loans of Business Banking Switzerland	CHF billion	<b>137</b>	146	150
Total loans with potential environmental relevance to private and corporate clients <sup>6</sup>	CHF billion	<b>134</b>	143	146
Proportion of environment-relevant loans with preliminary environmental assessment	%	<b>100</b>	100	47
Loans with detailed environmental assessment <sup>7</sup>	Number	<b>43</b>	50	35

**Credit business**

Alongside traditional rating factors such as key financial data, sector or management quality, a careful review of financially relevant environmental aspects is an important part of UBS's credit risk analysis. The table on the right shows that in 2002 100% of the environmental-relevant loans were screened, and 43 clients went through a detailed environmental assessment.

<sup>1</sup> The key figures in the table concern only Switzerland, they thus do not cover the whole credit business of UBS. <sup>2</sup> All employment figures represent the state as of December 31, 2002. <sup>3</sup> These are primarily account managers, credit officers and recovery managers. <sup>4</sup> External employees. <sup>5</sup> The implementation of credit policies in employees in Business Banking Switzerland is additionally audited by Group Internal Audit. <sup>6</sup> Total loans of Business Banking Switzerland without loans to other banks. <sup>7</sup> Loans which were subject to in-depth analysis by specialized environmental units.

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**Internal environmental programs**

In addition to environmental performance indicators for its banking business, UBS also keeps track of environmental indicators for internal environmental programs, which this year, for the first time, are being published on a group-wide basis. After the merger between PaineWebber and UBS in November 2000, the indicators only

covered approximately 42% of all employees. To rectify this, UBS has now expanded its environmental management system (EMS) for internal environmental programs to Europe, North America and Asia/Pacific, resulting in worldwide coverage of 81% of all employees.

		2002	2001	2000
<b>Employees<sup>1</sup></b>				
UBS Group <sup>2</sup>	Headcount (full-time equivalents)	69,061	69,985	71,076
Employees in specialized environmental units <sup>3</sup>	Headcount (full-time equivalents)	6.9	5.8	10.3
<b>Training</b>				
Specialized environmental training	Employees trained	232	307	300
Training time	Hours	1,203	950	1,877
<b>Internal environmental audits</b>				
Employees audited	Number	123	68	0
Auditing time	Hours	151	107	0
Environmental audits	Sites audited	46	30	0

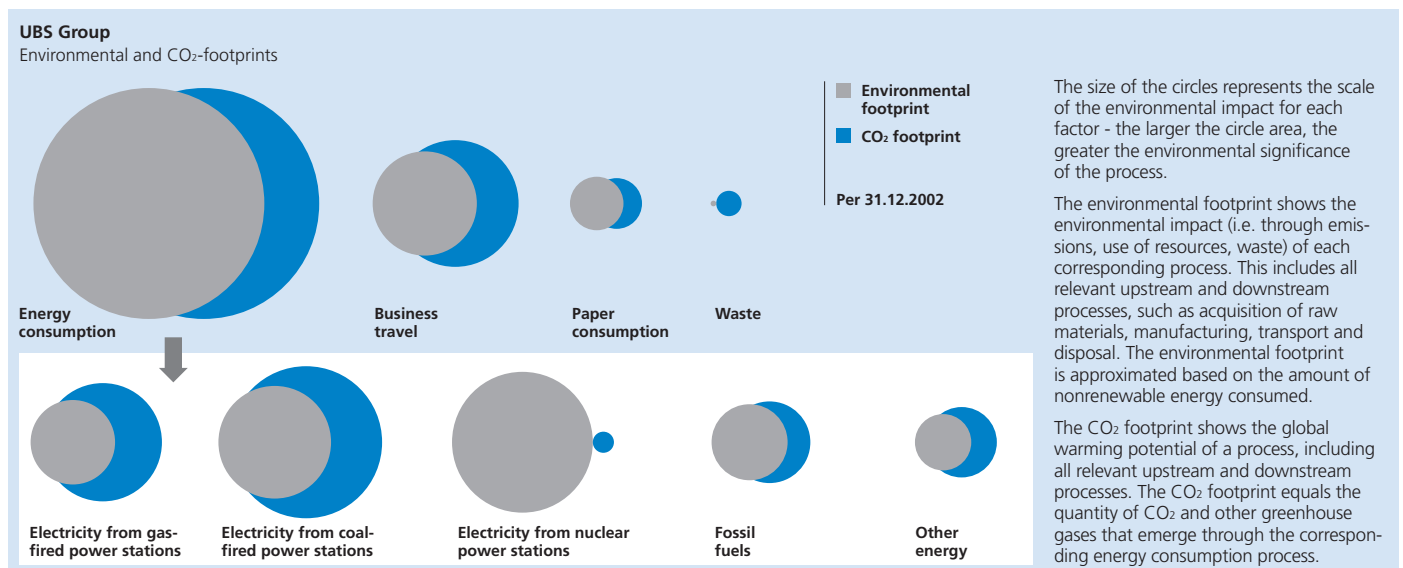
<sup>1</sup> All employment figures represent the state as of December 31, 2002. <sup>2</sup> For 2000, PaineWebber full-time equivalents (21,567) were not considered for the environmental data. <sup>3</sup> In 2002: 6.3 UBS and 0.6 external employees.

**UBS's environmental and CO<sub>2</sub> footprints in 2002**

The results of the footprint analysis are used to set objectives and take corrective measures, allowing UBS to focus on areas

that have significant impact on the firm's environmental performance. The major factors where UBS has a direct impact on

the environment are identified as being: energy consumption, business travel, paper consumption and waste disposal.



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**Operational indices  
'VfU update 2003' and GRI**

This set of indicators is predominantly based on the latest draft of the guidelines on internal environmental performance indicators for financial service providers. These guidelines are issued by the Association for Environmental Management in Banks, Savings Banks, and Insurance Companies (Update VfU 2003, see also [www.vfu.de](http://www.vfu.de)). It is also adapted to represent the relevant GRI indicators (Global Reporting Initiative, see also [www.globalreporting.org](http://www.globalreporting.org)) for this part of the system. The indicators serve as a means of tracing in-house ecological developments and can therefore highlight potential areas for improvement.

The data represents UBS Group (excluding subsidiaries and PaineWebber for the year 2000). Missing data has been extrapolated to 100% of full-time equivalents (FTE) as follows: 19% for 2002, 23% for 2001, and 32% for 2000.

These relative indicators per employee also provide benchmark figures for the financial service industry. As these indicators are influenced by external factors such as economic trends, benchmarking provides additional information on UBS's environmental performance. Nevertheless, it should be noted that the corporate structure and technology employed by a company might restrict such comparisons.

**Relative indicators per employee**

		2002	Trend <sup>1</sup>	2001	2000
Direct energy	GJ / FTE	<b>47.2</b>	→	45.6	49.1
Indirect energy	GJ / FTE	<b>98.1</b>	→	90.6	89.8
Business travel	Pkm / FTE	<b>8,028</b>	→	7,885	8,194
Paper consumption	kg / FTE	<b>213</b>	↓	309	369
Water consumption	m <sup>3</sup> / FTE	<b>24.5</b>	→	23.8	23.4
Waste	kg / FTE	<b>450</b>	→	427	362
Environmental footprint	GJ / FTE	<b>135</b>	→	134	135
CO <sub>2</sub> emission (GHG scope 1 and 2)	t / FTE	<b>4.45</b>	→	4.85	4.15
CO <sub>2</sub> footprint (GHG scope 3)	t / FTE	<b>7.59</b>	→	8.31	7.68

Legend: GJ = giga joules; FTE = full-time equivalents; Pkm = person kilometers; kg = kilograms; m<sup>3</sup> = cubic meters; t = tons.

<sup>1</sup> 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 15/30/50% (↓ ↑).

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**Absolute indicators**

	GRI <sup>2</sup>	2002		2001		2000 <sup>1</sup>	
		Normalized <sup>3</sup>	Data quality <sup>4</sup>	Normalized	Data quality	Normalized	Data quality
<b>Total direct energy<sup>5</sup></b>	<b>EN3</b>	<b>3,262 TJ</b>	<b>**</b>	3,190 TJ	**	2,429 TJ	**
<b>Direct intermediate energy purchased<sup>6</sup></b>	EN3	<b>2,611 TJ</b>	<b>**</b>	2,515 TJ	**	1,788 TJ	**
Electricity from hydroelectric power stations		<b>17%</b>	<b>**</b>	18%	**	25%	**
Electricity from gas-fired power stations		<b>16%</b>	<b>**</b>	20%	*	14%	*
Electricity from oil-fired power stations		<b>5.2%</b>	<b>**</b>	14%	*	7.9%	*
Electricity from coal-fired power stations		<b>19%</b>	<b>**</b>	16%	*	16%	*
Electricity from nuclear power stations		<b>30%</b>	<b>**</b>	22%	**	27%	**
Electricity from wind power stations		<b>4.9%</b>	<b>**</b>	4.4%	*	4.2%	*
Electricity from other renewable resources		<b>1.3%</b>	<b>**</b>	1.3%	**	1.4%	**
District heating		<b>5.8%</b>	<b>**</b>	3.3%	*	4.2%	*
<b>Direct primary energy consumption<sup>7</sup></b>		<b>652 TJ</b>	<b>**</b>	675 TJ	*	641 TJ	*
Natural gas	EN3	<b>78%</b>	<b>**</b>	77%	*	75%	*
Heating oil	EN3	<b>19%</b>	<b>**</b>	21%	*	23%	*
Fuels (gas, petrol, diesel)	EN3	<b>2.4%</b>	<b>**</b>	2.0%	**	1.8%	**
Renewable energy (solar power, bioorganic, etc.)		<b>0.11%</b>	<b>***</b>	0.12%	***	0.14%	***
<b>Total indirect energy<sup>8</sup></b>	<b>EN4</b>	<b>6,771 TJ</b>		6,338 TJ		4,445 TJ	
<b>Total business travel</b>	<b>EN34</b>	<b>554 Mio Pkm</b>	<b>**</b>	552 Mio Pkm	**	406 Mio Pkm	**
Rail travel		<b>6.3%</b>	<b>*</b>	5.5%	*	5.2%	*
Road travel		<b>1.3%</b>	<b>*</b>	1.5%	**	2.0%	*
Air travel		<b>92%</b>	<b>***</b>	93%	**	93%	**
<b>Number of flights (segments)</b>		<b>284,053</b>	<b>***</b>	287,910	**	216,817	**
<b>Total paper consumption</b>	<b>EN1</b>	<b>14,682 t</b>	<b>**</b>	21,607 t	**	18,288 t	*
Post-consumer recycled	(EN2) <sup>9</sup>	<b>7.4%</b>	<b>**</b>	4.0%	**	5.1%	**
New fibers ECF + TCF <sup>10</sup>		<b>62%</b>	<b>**</b>	46%	**	57%	**
New fibers chlorine bleached		<b>31%</b>	<b>**</b>	50%	**	37%	*
<b>Total water consumption</b>	<b>EN5</b>	<b>1.70 Mio m<sup>3</sup></b>	<b>*</b>	1.67 Mio m <sup>3</sup>	*	1.16 Mio m <sup>3</sup>	*
<b>Total waste</b>	<b>EN11</b>	<b>31,074 t</b>	<b>**</b>	29,874 t	*	17,939 t	*
Valuable materials separated and recycled		<b>49%</b>	<b>**</b>	32%	*	45%	*
Incinerated		<b>7.3%</b>	<b>**</b>	11%	*	18%	*
Landfilled		<b>44%</b>	<b>*</b>	57%	*	37%	*
<b>Total environmental footprint<sup>11</sup></b>		<b>9,321 TJ</b>		9,412 TJ		6,662 TJ	
<b>Total CO<sub>2</sub> (GHG scope 1 and 2)<sup>12</sup></b>	<b>EN8</b>	<b>307,148 t</b>		339,144 t		205,659 t	
Direct CO <sub>2</sub> footprint (GHG scope 1)	EN8	<b>13%</b>		12%		19%	
Indirect CO <sub>2</sub> footprint (GHG scope 2)	EN8	<b>87%</b>		88%		81%	
<b>CO<sub>2</sub> footprint (GHG scope 3)<sup>13</sup></b>	<b>EN30</b>	<b>524,282 t</b>		581,499 t		380,257 t	

Legend: TJ = tera joules; Pkm = person kilometers; t = tons; m<sup>3</sup> = cubic meters.

<sup>1</sup> For 2000, PaineWebber full-time equivalents (21,567) were not considered for the environmental data. <sup>2</sup> Global Reporting Initiative (see also www.globalreporting.org). EN stands for the Environmental Performance Indicators defined in the GRI. EN in brackets indicates a minor deviation from GRI that is commented. <sup>3</sup> Non-significant discrepancies from 100% are possible due to rounding errors. <sup>4</sup> Specifies the estimated reliability of the aggregated data and corresponds approximately to the following uncertainty: up to 5% - \*\*\*, up to 15% - \*\*, up to 30% - \*. Uncertainty is the likely difference between a reported value and a real value. <sup>5</sup> Refers to energy consumed within the operational boundaries of UBS. <sup>6</sup> Refers to energy purchased that is produced by converting primary energy and consumed within the operational boundaries of UBS (electricity and district heating). <sup>7</sup> Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels). <sup>8</sup> Refers to primary energy, which is consumed to produce the electricity and district heating consumed by UBS. <sup>9</sup> Differing from the GRI Guidelines, pre-consumer recycled paper is counted as paper coming from new fibers as a worst case approach. <sup>10</sup> Paper produced from new fiber which is ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free) bleached. <sup>11</sup> 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 nonrenewable energy consumed. <sup>12</sup> Refers to the "GHG (greenhouse gas) protocol initiative" (www.ghgprotocol.org), an international standard for CO<sub>2</sub> reporting. Scope 1 accounts for direct greenhouse gas emissions by UBS. Scope 2 accounts for indirect greenhouse gas emissions associated with the generation of imported/purchased electricity, heat or steam. <sup>13</sup> Represents the total global warming potential from all linked relevant upstream and downstream processes. It equals Scope 3 according to the GHG standard, including CO<sub>2</sub> emissions (Scope 1 and Scope 2).



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