

# Corporate Responsibility

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UBS makes responsible behavior an important part of its culture, identity and business practice. As a leading global financial services firm, we want to provide our clients with value-added products and services, promote a corporate culture that adheres to the highest ethical standards, and generate superior but sustainable returns for our shareholders. We are committed to being an equal opportunity employer, protecting the environment, adhering to high social standards, and contributing to the communities which we are a part of. For us, behaving responsibly sometimes means moving beyond solely profit-oriented considerations and legal requirements when doing business.

In order to retain the franchise society gives us, we have to conduct our core business responsibly and at the same time engage in the communities that we are part of. We translate this into four broad fields of action:

- we aim to provide a working environment that is based on the values of diversity and meritocracy
- we uphold high ethical values when dealing with our clients and suppliers
- we support the communities not only with donations, but also by giving our employees the opportunity to engage in volunteering work
- we have a global environmental management process in place to make sure that in all our business dealings we act in an environmentally responsible manner.

## Our corporate responsibility processes

In 2001, we created a Corporate Responsibility Committee. It discusses and judges how to meet the evolving expectations of our stakeholders related to our corporate conduct. If it comes to the conclusion that there is gap between what stakeholders expect and what we practice – and that this gap represents either a risk or an opportunity to the firm – the committee suggests appropriate measures to management, which is then responsible for implementing solutions.

The committee is chaired by Marcel Ospel, Chairman of UBS, and includes one other member of the Board of Directors and seven senior UBS executives representing our businesses, as well as a number of corporate functions, including legal, communication and risk management.

The committee's work is supported by a working group that comprises representatives from all our Business Groups, as well as functional experts. It evaluates any new issues potentially related to corporate conduct, and ensures that all are brought to the attention of the committee.

Neither the Corporate Responsibility Committee nor the corporate responsibility working group runs ongoing operational processes. They ensure that UBS aligns business practices with changing societal expectations.

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## Being a responsible employer

Our success in achieving our business goals depends on our staff. We have a commitment to support them – both during and beyond their careers with UBS.

Our Employee Assistance Programs (EAPs) are a case in point.

As the world struggled to come to terms with the devastating tsunami of 26 December 2004, UBS staff in the UK were able to access an independent counseling hotline under the auspices of the UK region's EAP. Provided in conjunction with an independent

organization, the service gives UBS employees 24-hour confidential access to specialist information, consultants, and advisors.

UBS supports EAPs in a number of locations. Usually underpinned by independent, third-party organizations, as in the UK, the programs offer confidential support to help employees balance their work, family and personal needs and help resolve issues that occur in everyday life. While the firm is not informed about any specifics, we do receive some trend

reports, and there appear to be some interesting geographical differences. In the US, the largest percentage of contacts concern work/life balance, as well as psychological and family/relationship matters. In the UK, the largest percentage relates to managing work issues. In Switzerland, health-related issues are most frequently cited. Additional programs take account of employee interests when the firm undertakes business-driven restructuring. One example is COACH, a set of measures designed to soften the blow

### Contributing to society – preventing money laundering

An extensive and constant effort to prevent money laundering is the most important single contribution to society that we can make. The integrity of the financial system is the responsibility of all those involved in it. We take our duties extremely seriously – in protecting both the system at large and our own operations. Our stakeholders expect us to be at the forefront of developing strategies and implementing measures necessary to achieve these objectives. The threats posed by money laundering and terrorism are real, and we all have a role in contributing to the fight against them as effectively as possible.

Concretely, in 2004, we appointed a Global Head of Money Laundering Prevention to oversee and lead our efforts to fight money laundering, corruption, and the financing of terrorism. His key task is to help employees to recognize, and then manage and report suspicious activities – in a way that neither treats all clients as criminals nor unduly hinders our normal banking business.

The best way to achieve this is through a real spirit of partnership across the firm – between those who manage client relationships and the risk managers and controllers who support them. Our employees should be focused on really getting to know clients, understanding their needs – and then questioning things that do not make sense. In fact, we believe that one reason clients choose UBS is because they are confident of our first-class reputation for integrity.

At UBS, we see the prevention of money laundering as an evolving process. We take a risk-oriented approach that is tai-

lored to our different business lines and their specific risks and exposures. This includes establishing, where applicable, consistent criteria by which a business relationship should be judged “higher-risk”. We utilize technology to assist us in the identification of transaction patterns or unusual dealings.

We are also strongly committed to promoting stringent anti-money laundering standards for the financial industry as a whole. As a prime example of this, UBS was one of the driving forces behind the launch of the Wolfsberg Group and its issuance of global anti-money laundering principles in 2000. In the years after that, we also strongly supported its efforts to suppress terrorism finance, its monitoring, screening and searching guidelines, and its correspondent banking principles. As part of the group, and at the request of Russian and Chinese banking authorities, we have held seminars in both countries on how to prevent money laundering.

### Investing in our communities

The “raison d’être” behind our well-established program of community investment is the recognition that our success depends not only on the skill and resources of our people and the relationships we foster with clients, but also on the health and prosperity of the communities we work in. Dedicated teams worldwide work closely with staff at all levels to build partnerships with organizations in the communities where we operate, focusing on education, regeneration and environmental projects.

UBS supports communities in various ways. We make direct cash donations to selected organizations, and match do-

for staff displaced as UBS continues to reshape its Swiss activities in response to market conditions.

Launched early in 2003, the package extends the standard notice term of each eligible employee by two months. During this period, employees retain their full salary and benefits. They also receive counseling and support to help them apply for new jobs either within UBS or outside. To this end, COACH advisors work closely with UBS’s human resources managers and draw on the expert-

ise of UBS’s internal social consultancy service and specialized external agencies.

Financial assistance of up to CHF 6,000 per employee is also available for job-related training where this will help applicants change their career path from, say, a banking operations-related role to a more office-centered function. To date, some 1,300 staff members have enrolled with COACH. Of this total, about one-tenth have found re-employment within UBS.

Neither the EAPs nor COACH are low-cost options for UBS. But by providing eligible employees with benefits that extend well beyond the contractually stipulated level, such programs acknowledge the firm’s wider responsibilities to its staff and to society.

"UBS was instrumental in creating the Wolfsberg Group, named after their own management training center in Switzerland. With the help of the anti-corruption organization, Transparency International, 12 of the worlds largest banks – banks which would normally be guarded about sharing internal procedures with their competitors, collaborated to develop and publish the "Anti Money Laundering Principles" called the "Wolfsberg Principles" ...which have received worldwide recognition as good practice – filling gaps in national laws and regulations."

**Jermyn Brooks, Director, Transparency International**

nations from our employees to most charities. In 2004 we donated more than CHF 25 million to support charitable causes and the communities we are a part of. Our employees, through their volunteer efforts, also make significant contri-

butions to the communities they live in, and, depending on location, UBS supports their commitment by offering up to two days per year for volunteering.

Besides the engagement of the firm and its employees, we also give our clients the opportunity of joining us in engaging in charitable causes. The UBS Optimus Foundation invests donations from our clients into a number of programs and organizations that focus particularly on children. The projects involve close collaboration with respected partner organizations and are selected by a team of specialists with the foundation, who also closely monitor their implementation. The costs of managing and administering the UBS Optimus Foundation are borne in full by UBS, so that the full contribution from our clients reaches the projects.

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## A glimpse of what we do

The community investment programs we support are regionally directed and respond to the needs of the communities that we do business in around the world. The following provides a brief glance at some of our activities:

In the Americas, support for the YMCA's Virtual Y after-school program has extended into its eighth year. The Virtual Y is a daily literacy-based after-school program for elementary school students. The program fosters innovative approaches to learning, focused on academic support, health and recreation, and appreciation for arts and culture. As the largest corporate supporter, UBS sponsors the program in 11 New York City public schools, impacting approximately 600 students annually. To complement our financial contributions, our employees engage in various initiatives with these schools, including volunteer projects, executive-principal mentoring and school supply and book drives. In Asia Pacific, UBS supports "TEACH ME Inc" in Singapore, a program set up by the Asian Women's Welfare Association, to prepare disabled youths for open employment. Over the last two years, UBS has been actively supporting the program not only by

making financial contributions, but also through the involvement of UBS staff and management in the organization of internship and employment stints in UBS to get the disabled students used to working life. Employee volunteers also organize regular workshops on such topics as writing resumés and handling job interviews. In the UK, we support The Brokerage, a small, proactive charity working with City of London and other employers to promote local recruitment. It was established to widen access to quality, sustainable job opportunities in the City, breaking down perceived barriers between companies such as UBS and people living in the inner London areas, such as Hackney and Tower Hamlets, which rate high on the poverty index. By offering a range of services to unemployed people who are interested in working for a City firm, The Brokerage has helped more than 1,000 individuals find employment. To complement our financial contributions, our volunteers have hosted three-month internships for The Brokerage candidates and have also run workshops for them in our London offices.

In Switzerland, our employees, past and present, have developed "A Help-

ing Hand from UBS Employees". This disburses employees' donations to enable disadvantaged people to lead active and independent lives. We encourage employee involvement by matching some of the funds raised and also through offering time for volunteering. For example, on the centenary anniversary of "Stiftung Wagerenhof", a home for the disabled in Uster, UBS employees voluntarily worked as facilitators during a one-week project where adolescents and disabled persons saw each other's worlds. Together they built a playground, furnished a nursery and constructed pathways.

Another organization in Switzerland, the UBS Cultural Foundation, fosters creativity, appreciation of different cultural expression, and contact between artists and society. The foundation financially supports fine arts, film, literature, music, preservation of historic buildings, archaeological projects and studies in history and philosophy in Switzerland.

In similar fashion, the UBS Foundation for Education and Social Welfare focuses on education and development, aiming to improve social welfare for deprived communities in Switzerland.

## Socially responsible investments

UBS's expertise in incorporating environmental and social aspects into its research and advisory activities is an important attraction for certain investors. In addition to financial considerations, socially responsible investments (SRI) take into account environmental, social or ethical criteria.

Our Global Asset Management business offers a wide range of SRI products to both private and institutional investors. In Switzerland and Japan, we use an approach which actively selects the best performers in each industry on environmental and social criteria. Our largest SRI fund, the *UBS (Lux) Equity Fund- Eco Performance*, invests globally in more than 100 equities with superior sustainability performance. In the US, Global Asset Management manages various institutional accounts that exclude certain companies or sectors using "negative" screening criteria. In the UK, Global Asset Management seeks to influence corporate responsibility and corporate governance performance of the companies it invests in. Our wealth management businesses around the world also offer SRI products from third-party providers.

In 2004, considerable effort went into increasing awareness of socially responsible investments in the Global Asset Management business. A key measure was the integration of SRI analysis into the Business Group's proprietary financial research platform.

In the Investment Bank, sell-side analysts have experienced steady demand from clients for SRI advice. As a result, in 2004 it established an equity research desk to monitor ratings provided by external SRI agencies, produce original research on

areas of increasing or diminishing risk, organize collaborative research by analysts about emerging SRI themes, and write about and advise on quantifying the effects on share prices of companies with exposure to such issues.

## Our impact on the environment

We impact the environment in a number of ways. Our businesses consume electricity, employees travel for business purposes, they use paper and generate waste in the course of their work, and offices require heating and cooling systems. Improving our use of these resources can boost our operating margins and enhance environmental performance and we have a series of measures that manage our environmental impact efficiently. Performance in that respect has improved considerably since the expansion of our environmental management system to our offices outside Switzerland in 2002. The percentage of waste we recycle is now 70%, up from 32% in 2001. In the same timeframe, we significantly reduced the environmental impact of our consumption of paper by phasing out the use of chlorine bleached paper – which accounted for half the paper we used in 2001.

Our commitment to the environment is underpinned by a global environmental management system certified under the ISO 14001 standard. The system covers both banking activities and in-house operations. We remain committed to integrating environmental considerations into all our business activities. Our environmental policy, based on five principles, is embedded in our culture as well as our management and control principles.

## SRI invested assets

CHF billion	For the year ended			% change from
	31.12.04	31.12.03	31.12.02	31.12.03
<b>UBS</b>	<b>2,250</b>	2,133	1,959	5
<b>Socially responsible investments</b>				
Positive criteria	<b>0.78</b>	0.72	0.57	8
Engagement <sup>1</sup>	<b>38.5</b>			
Exclusion criteria	<b>7.32</b>	8.95	7.88	(18)
Third-party	<b>0.29</b>			
Total socially responsible investments' assets	<b>46.89</b>			
Proportion of invested assets (%) <sup>2</sup>	<b>2.08</b>			
<b>Performance of UBS' SRI Funds %</b>				
Absolute performance Eco Perf. <sup>3</sup>	<b>4.66</b>	15.90	(34.96)	
Relative performance Eco Perf. vs. MSCI <sup>4</sup>	<b>(1.30)</b>	(3.74)	(1.96)	

<sup>1</sup> Figures for 2003 and 2002 not available due to revised definition. <sup>2</sup> Total socially responsible investments / invested assets.  
<sup>3</sup> Eco Performance = UBS (Lux) Equity Fund – Eco Performance B. <sup>4</sup> Benchmark: MSCI World.

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

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

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

**Third-party:** UBS's open product platform gives clients access to SRI products from third-party providers. From 2004 we also report on these invested assets.

The five environmental principles are:

- we duly consider environmental risks in all our businesses, especially in lending, investment banking, advisory and research, and in our own investments.
- we seek to take advantage of the financial market for environmentally-friendly products and services, such as Socially Responsible Investments (SRIs).
- we actively seek ways to reduce our direct environmental impact on air, soil and water from in-house operations, with a primary focus on reducing greenhouse gas emissions. We also seek to assess the environmental impact of our suppliers.
- we ensure efficient implementation of our policy through a global environmental management system certified according to ISO 14001 – the international environmental management standard.
- we invest in knowhow and integrate environmental considerations into internal communications and training.

Overall responsibility for environmental management lies with the Group Executive Board although each business is accountable for its environmental management.

Environmental performance indicators

Every year, we provide a detailed description of our environmental performance using key performance indicators (KPIs),

which allow for year-on-year comparisons. They are based on industry standards such as EPI-Finance 2000 and VfU 2003 (both tailor environmental performance indicators to financial institutions).

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

Managing environmental risks in our business transactions

When evaluating potential business transactions, material environmental aspects can be important when assessing overall risks. For UBS, a failure to identify, manage or control these environmental risks can manifest itself across a wide variety of risks inherent to our business activities, such as credit risk. An example of that might be when a counterparty's cash flow or assets are impaired by environmental factors such as inefficient production processes, polluted or contaminated property. Liability risks, such as when a bank takes over collateral onto its own books, would be another one.

Investment Bank

Our Investment Bank has a global environmental risk policy it applies to all transactions, services and activities it performs. The depth of an environmental analysis is based in part on risk

Management indicators

	For the year ended			% change from
<i>Full-time equivalent, except where indicated</i>	31.12.04	31.12.03	31.12.02	31.12.03
<b>Headcount financial businesses<sup>1</sup></b>	<b>67,424</b>	65,929	69,061	2
In specialized environmental units <sup>2</sup>	<b>22.0</b>	16.4	17.5	34
<b>Environmental awareness raising</b>				
Employees trained	<b>1,664</b>	1,377	2,266	21
Training time (hours)	<b>2,124</b>	1,857	2,246	14
<b>Specialized environmental training</b>				
Employees trained	<b>602</b>	1,106	442	(46)
Training time (hours)	<b>1,932</b>	2,548	1,503	(24)
<b>External environmental audits<sup>3</sup></b>				
Employees audited	<b>11</b>	26	125	(58)
Auditing time (days)	<b>2.0</b>	3.0	17.0	(33)
<b>Internal environmental audits<sup>4</sup></b>				
Employees audited	<b>148</b>	171	150	(13)
Auditing time (days)	<b>29.2</b>	36.5	25.0	(20)

<sup>1</sup> All employment figures represent the state as of 31 December 2004. <sup>2</sup> 2004: 19.2 UBS and 2.8 external employees (FTE). <sup>3</sup> Audits carried out by SGS Société Générale de Surveillance SA. Surveillance audits took place in 2003 and 2004. The more comprehensive Re-Certification Audit was done in 2002. <sup>4</sup> Audits/reviews carried out by specialized environmental units. The implementation of Environmental Risk Policies is also audited by Group Internal Audit.

classification, on UBS's familiarity with the counterparty, and on comfort with the contents of any prospectus provided by the client. In the initial due diligence phase, environmental factors are screened by Investment Banking staff. If there are indications of significant environmental risk, an internal environmental competence center may be contacted to provide a more detailed environmental assessment. In 2004, 32 such detailed assessments were completed by the competence center.

#### Wealth Management & Business Banking

In the Wealth Management & Business Banking Business Group, policies and processes adapted to client segments, transaction size and risk exposure control environmental risks in credit transactions. Credit procedures in the Swiss retail business involve a three-step environmental risk assessment. The responsible client advisor carries out a first screening. This step covers financial risks linked to environmental aspects such as compliance with environmental legislation, polluted or contaminated sites and natural hazards. If the risks cannot be fully ruled out during the first screening, a credit officer initi-

ates a second screening and decides whether the risks identified are transparent enough for the credit decision to be taken. Transactions entailing significant environmental risk undergo a third step, a detailed environmental assessment – a service provided by the Business Group's environmental risk unit. In 2004, 35 such detailed assessments took place. If a transaction poses substantial environmental risks, the bank can take several courses of action. It can adapt the terms of the loan contract, it may advise the client on how to mitigate environmental risks, or it may decline the transaction altogether.

#### Wealth Management USA

In 2003, the Wealth Management USA Business Group established an environmental risk management policy that evaluates each business area to determine the level of environmental risk inherent in each of the area's products and services. Two of the product lines it offers, loans and underwriting municipal securities, potentially carry inherent environmental risk, and control procedures were strengthened to include an appropriate assessment of the risk.

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## Quality Feedback

In Wealth Management and Business Banking, our quality feedback system provides a comprehensive platform to attract suggestions for improvement from clients and employees alike. Quality feedback from clients (for example, complaints and suggestions) serves a vital function. It enables new products and services to be introduced in a client-oriented manner, strengthens client relationships, restores client satisfaction, and makes a tangible improvement to client service and banking services. Having a wide variety of quality feedback from our clients enables us to systematically evaluate and review our actions. By sharing their views, clients make targeted quality improvement of products,

processes and services possible. Quality feedback from employees – quality tips and ideas or proposals from employees – helps to foster the potential for creativity and innovation arising from the knowledge and experience of UBS employees and use it to improve and update products, processes and services.

#### Third-party ratings

UBS has endorsed and signed several international charters. In 1992, we were one of the first signatories to the United Nations Environment Program's Bank Declaration. Since its introduction, the Declaration has exerted a considerable influence on the setting of environmental guidelines and prac-

tices for financial institutions. In 1999, we signed the Global Compact, a UN-sponsored platform for encouraging and promoting good corporate practice in the areas of human rights, labor and the environment.

Since 1999, the Dow Jones Sustainability Group Indexes (DJSI) have tracked the social, environmental and financial performance of companies in the Dow Jones Global Index. UBS has been part of the DJSI since the inception of the Index.

Furthermore, UBS is included in the FTSE4Good Index, which measures the performance of global companies in the areas of environmental sustainability, stakeholder relations and support for human rights.

### Environmental and CO<sub>2</sub> footprints

Every year, we analyze our environmental and CO<sub>2</sub> footprints. The results from the graph and tables below show that the major areas where UBS has a direct impact are, in order of importance, energy consumption, business travel, paper consumption, and waste.

From the graph below, results in 2004 show that the type of energy mix we purchase has a strong influence on our overall environmental and CO<sub>2</sub> footprint. In 2004, 26% of the energy we consumed came from renewable energy sources and district heating, a significant improvement from a year earlier.

Overall, our energy consumption in 2004 declined slightly from a year earlier. The reasons for the overall drop were energy efficiency gains in some of our larger offices around the world and the closure of a building in London last year. In the medium-term, increased data warehousing demands and our business growth might trigger a rise in energy consumption. Buoyant financial markets, particularly in the first half of the year, led to a sharp increase in air travel for business reasons following two years of steady decline.

### Ratio indicators per FTE

	Unit	2004	Trend	2003	2002
Total direct energy	kWh/FTE	13,855	→	14,659	13,394
Total indirect energy	kWh/FTE	26,195	↘	29,986	26,962
Total business travel	Pkm/FTE	10,694	↑	7,831	8,040
Total paper consumption	kg/FTE	198	→	218	213
Total water consumption	m <sup>3</sup> /FTE	28.0	→	27.8	25.8
Total waste	kg/FTE	362	→	395	418
Total environmental footprint	kWh/FTE	40,562	→	43,581	40,370
Total CO <sub>2</sub> <sup>1</sup>	t/FTE	3.87	↘	4.80	4.07
CO <sub>2</sub> footprint <sup>2</sup>	t/FTE	7.38	→	7.91	7.06

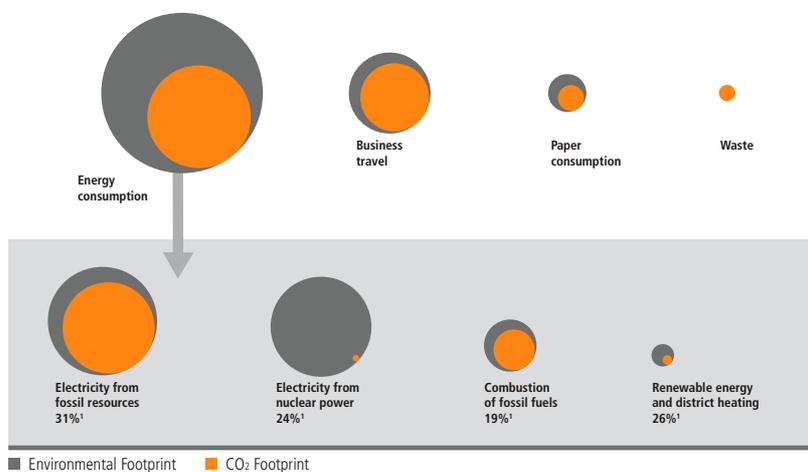
<sup>1</sup> GHG scope 1 and 2. <sup>2</sup> GHG scope 1, 2 and 3.

Our consumption of waste, water and paper remained relatively flat year-on-year. The waste recycling ratio increased to 70% from 59% due to an increased focus on recycling programs in all areas as well as heightened staff awareness.

CO<sub>2</sub> emissions directly and indirectly released by UBS (see GRI EN8 line in table) declined by more than 17% from a year earlier, a result of the cleaner energy mix purchased in London.

More detailed information on UBS's environmental management system is available on the internet: [www.ubs.com/environment](http://www.ubs.com/environment)

### Environmental and CO<sub>2</sub> Footprints



The size of the circles represents the scale of the environmental impact for each factor – the larger the circle area, the greater the environmental significance of the process.

**Environmental footprint:** shows the environmental impact (i.e. through emissions, use of resources, waste) of each corresponding process. This includes all relevant upstream and downstream processes, such as acquisition of raw materials, manufacturing, transport and disposal. The environmental footprint is approximated based on the amount of non-renewable energy consumed.

**CO<sub>2</sub> footprint:** shows the global warming potential of a process, including all relevant upstream and downstream processes. The CO<sub>2</sub> footprint equals the quantity of CO<sub>2</sub> and other greenhouse gases that emerge through the corresponding energy consumption process.

■ Environmental Footprint ■ CO<sub>2</sub> Footprint

<sup>1</sup> Indicates the amount of energy type consumed in percentage of UBS's total direct energy consumption

## Absolute indicators

Environmental performance indicators <sup>1</sup>	GRI <sup>2</sup>	2004			2003	2002
		Absolute normalized <sup>3</sup>	Data quality <sup>4</sup>	Trend <sup>5</sup>	Absolute normalized <sup>3</sup>	Absolute normalized <sup>3</sup>
<b>Total direct energy<sup>6</sup></b>	<b>EN3</b>	<b>934 GWh</b>	<b>**</b>	<b>→</b>	966 GWh	925 GWh
<b>Direct intermediate energy purchased<sup>7</sup></b>	<b>EN3</b>	<b>753 GWh</b>	<b>**</b>	<b>→</b>	771 GWh	722 GWh
electricity from hydroelectric power stations		15%	**	→	17%	18%
electricity from biomass and waste power stations		6%	**	↑	0%	0%
electricity from wind power stations		1.5%	**	↗	1.3%	1.6%
electricity from other renewable resources		5.7%	**	↑	4%	1.6%
district heating		3.1%	**	→	3.1%	3.8%
electricity from nuclear power stations		30%	**	→	31%	34%
electricity from gas-fired power stations		16%	**	↘	19%	19%
electricity from oil-fired power stations		5.5%	**	→	5.5%	5.2%
electricity from coal-fired power stations		16%	**	↘	20%	17%
<b>Direct primary energy consumption<sup>8</sup></b>		<b>182 GWh</b>	<b>**</b>	<b>→</b>	196 GWh	203 GWh
natural gas	EN3	84%	**	→	81%	80%
heating oil	EN3	13%	*	→	16%	17%
fuels (petrol, diesel, gas)	EN3	2.7%	**	↘	3.2%	2.6%
renewable energy (solar power, bioorganic, etc.)		0.04%	***	↓	0.1%	0.1%
<b>Total indirect energy<sup>9</sup></b>	<b>EN4</b>	<b>1,766 GWh</b>	<b>**</b>	<b>↘</b>	1,977 GWh	1,862 GWh
<b>Total business travel</b>	<b>EN34</b>	<b>721 Mio. Pkm</b>	<b>**</b>	<b>↑</b>	516 Mio. Pkm	555 Mio. Pkm
rail travel		5.3%	*	→	5%	6.3%
road travel		1%	*	↓	1.5%	1.5%
air travel		94%	**	→	94%	92%
<b>Number of flights (segments)</b>		<b>344,454</b>	<b>**</b>	<b>↑</b>	267,530	284,053
<b>Total paper consumption</b>	<b>EN1</b>	<b>13,378 t</b>	<b>**</b>	<b>→</b>	14,393 t	14,682 t
post-consumer recycled	EN2 <sup>10</sup>	8.3%	**	→	8.4%	8.4%
new fibres ECF + TCF <sup>11</sup>		92%	**	→	91%	61%
new fibres chlorine bleached		0%	**	→	0%	31%
<b>Total water consumption</b>	<b>EN5</b>	<b>1.89 Mio. m<sup>3</sup></b>	<b>*</b>	<b>→</b>	1.83 Mio. m <sup>3</sup>	1.78 Mio. m <sup>3</sup>
drinking water		100%		→	100%	100%
<b>Total waste</b>	<b>EN11</b>	<b>24,421</b>	<b>*</b>	<b>→</b>	26,034 t	28,877 t
valuable materials separated and recycled		70%	*	→	59%	48%
incinerated		9.9%	*	↘	7.7%	7.9%
landfilled		20%	*	↓	33%	44%
<b>Total environmental footprint<sup>12</sup></b>		<b>2,735 GWh</b>	<b>**</b>	<b>→</b>	2,873 GWh	2,788 GWh
<b>Total CO<sub>2</sub> (GHG scope 1 and 2)<sup>13</sup></b>	<b>EN8</b>	<b>261,049 t</b>	<b>**</b>	<b>↘</b>	316,241 t	281,136 t
Direct CO <sub>2</sub> (GHG scope 1)	EN8	15%	**	↘	13%	15%
Indirect CO <sub>2</sub> (GHG scope 2)	EN8	85%	**	→	87%	85%
<b>CO<sub>2</sub> footprint (GHG scope 1, 2 and 3)<sup>14</sup></b>		<b>497,371 t</b>	<b>**</b>	<b>→</b>	521,480 t	487,689 t

Legend: GWh = giga watt hour; Pkm = person kilometers; t = tons; m<sup>3</sup> = cubic meters.

<sup>1</sup> All figures are based on the level of knowledge as of the end of February 2005. <sup>2</sup> Global Reporting Initiative (see also [www.globalreporting.org](http://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> 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% (↓/↑). <sup>6</sup> Refers to energy consumed within the operational boundaries of UBS. <sup>7</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>8</sup> Refers to primary energy purchased which is consumed within the operational boundaries of UBS (oil, gas, fuels). <sup>9</sup> Refers to primary energy, which is consumed to produce the electricity and district heating consumed by UBS. <sup>10</sup> Differing from the GRI Guidelines, pre-consumer recycled paper is counted as paper coming from new fiber as a worst case approach. <sup>11</sup> Paper produced from new fiber, which is ECF (Elementary Chlorine Free) or TCF (Totally Chlorine Free) bleached. <sup>12</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>13</sup> Refers to the "GHG (greenhouse gas) protocol initiative" ([www.ghgprotocol.org](http://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>14</sup> Represents the total global warming potential from all linked relevant upstream and downstream processes. It equals total CO<sub>2</sub> emissions according to the GHG standard (scope 1, 2 and 3).

### Validation by SGS Société Générale de Surveillance SA

"We have verified the correctness of the statements in the 2004 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, Zurich, March 2005

