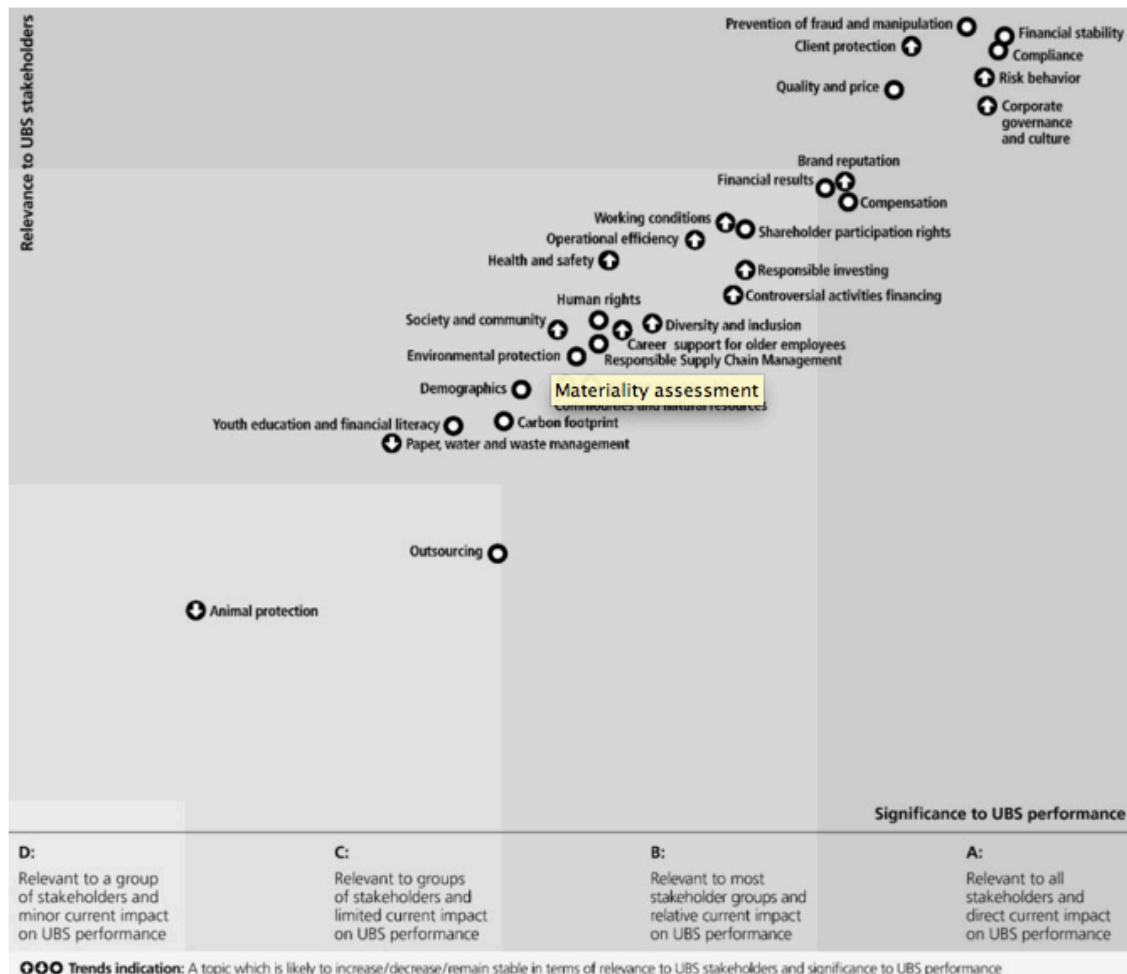


Company:	UBS
Sector:	Financial Services
Report Year:	2014
Headquarters:	Zurich
Standard Application:	GRI G4
Format:	Matrix, with annual report & online listing

What matters - materiality in today's banking business



Background provided online at:

https://www.ubs.com/global/en/about_ubs/corporate_responsibility/how-we-do-business/materiality-matrix.html

The topics included in the Materiality Matrix have been incorporated due to their relevance to our stakeholders and to our perception of their impact upon UBS's long-term and sustainable performance. While the Matrix constitutes a 2014 view of stakeholder topics, it also indicates how these topics are likely to develop in future (trend). The contents of the Matrix are drawn from assorted formal and informal monitoring tools we employ, from our dialogue with stakeholders and from relevant studies and reports. We will update this Matrix on a regular basis.

Undertaken on behest of and supervised by the UBS Corporate Culture and Responsibility Committee (CCRC), UBS's comprehensive materiality assessment process is managed by a UBS-internal, crossbusiness division and cross-regional materiality assessment team. The team consists of a group of experts who - due to their function - deal with stakeholder expectations and concerns on a daily basis. The team is responsible for delivering the outcome of the materiality assessment to the CCRC on an annual basis. Additionally, the CCRC is also informed about potentially relevant developments arising from the (ongoing) materiality assessment on a regular basis.

We regard clients, shareholders, employees and governments as key stakeholders. These have a direct and immediate effect on the company's (financial) performance. The impact of other stakeholders upon UBS's performance tends to be more indirect, notably via our company's reputation. All stakeholders can have an important influence upon UBS's societal license to operate.

We put great emphasis on learning the views and values of our stakeholders as regards the business activities of UBS and its role in society. Annually, we therefore conduct a materiality assessment based on the Global Reporting Initiative (GRI) to find out which topics are of relevance to our stakeholders.

In 2014, we developed an online survey as part of our materiality assessment to better understand the views of our stakeholders. Stakeholders were invited to give direct feedback on a range of different topics. The results of the survey then became an important component of the UBS 2014 materiality matrix. In total we received about 1,000 replies from around the globe.

The following topics received the highest relevance scoring in the 2014 materiality assessment:

- Prevention of fraud and manipulation (sub-topics: rigid anti-manipulation measures, crime detection processes)
- Financial stability (capital strength, reduction of risk-weighted assets, strong equity capitalization)
- Client protection (data confidentiality, transparency, fair pricing schemes, easy-to-understand products, clear terms and conditions)
- Compliance (compliance with laws, rules and regulations, integrity of the financial system)