

Sustainability Report  
Excerpt from the Annual Report 2012





## Transparency is an important basis for trust

Trust is vital to the success of our bank. In periods of great uncertainty and structural change it becomes especially important to strengthen confidence in our business. Vontobel's relationship of trust with clients, employees and the public centres on the achievement of good performance. Transparency is equally important – whether it is in the context of our products, our long-term targets or the value we create for our different stakeholders. This Sustainability Report is designed to once again provide a transparent account of our commitment to sustainable banking. It thus forms an important basis that we can build on in order to preserve and further strengthen the trust placed in us by our stakeholders, both today and in the future.

The transparent information provided in the report helps us to make targeted improvements to our sustainability performance according to the motto 'What gets measured gets done'. The key sustainability data published here form the basis for regular performance checks, a benchmarking with other organizations in the industry as well as for the definition of new measures and objectives. Our targeted approach is proving effective in terms of our environmental performance in particular: In 2012, we once again reported significant improvements in most areas compared to the previous year. For example, our continued efforts in many fields have resulted in an overall reduction of approximately 7% in our greenhouse gas emissions.

The analysis and consideration of sustainability aspects is becoming increasingly important in the investment business. At Vontobel, we are also continuing to move towards the broad integration of sustainability themes into our investment processes. For example, our Equity Research team extended its company profiles to include an assessment of corporate governance in 2012. At the same time, the Research team in Asset Management further refined its evaluation of sustainability criteria as part of its equity research activities.

Our targeted sustainability commitments have not gone unnoticed: during the year under review, Vontobel was named 'Best asset manager investing in ESG 2012' in the ESG Leaders Awards. In the Carbon Disclosure Report for the German-speaking market, Vontobel ranked 26th out of 350 companies based on its transparency and performance and thus qualified for inclusion in the Carbon Disclosure Leadership Index. We are pleased by these achievements but do not see them as grounds for complacency. In the future, we will continue our determined efforts to incorporate sustainability principles into all areas of our business. As you read this report, you will learn more about our achievements to date as well as the areas in which we intend to take further action.



Dr Zeno Staub, CEO of the Vontobel Group

### **Sustainability – committed to continuous improvement**

As a financial services provider, the Vontobel Group is closely connected with the economy and society in all the locations where we operate. Consequently, the nature and design of our products and services and the way in which we conduct our banking operations have an impact on the sustainable development of this integrated world. At Vontobel, we believe that promoting sustainable development in our markets in a variety of ways is both an economic necessity and a moral duty. This includes creating attractive jobs and offering innovative and sustainable products and services, as well as paying taxes. We also make a contribution by saving energy and resources and by engaging in an active dialogue with the public about the role of banks.

The Vontobel Group's mission statement forms the basis of the bank's sustainability commitments. The core values defined by the Board of Directors in our mission statement are expressed in concrete terms in two documents:

- The Code of Conduct, which defines basic principles that employees must observe to ensure that we perform our business activities in a fair and forward-looking manner.
- The Sustainability Guidelines, which define the areas in which we take action to implement our sustainability strategy.

The documents are available on our website at: [www.vontobel.com/sustainability](http://www.vontobel.com/sustainability).

Our sustainability commitments are focused on our main groups of stakeholders: clients, shareholders, employees, society and the environment. The Sustainability Committee, which is chaired by the CEO, defines the strategic thrusts of our Group-wide sustainability activities and determines the measures that we must take to realize our objectives. We strive to achieve constant improvements in this context. The gathering of key sustainability data is an important means of measuring our progress and of prioritizing our next steps. The Sustainability Committee consists of representatives from our three business units – Private Banking, Investment Banking and Asset Management – as well as all relevant Group functions. The measures defined by the Committee are implemented by the Sustainability Management unit in collaboration with the relevant specialist departments.

A transparent information policy is vital in order to operate sustainably. At the Vontobel Group, we consider it important to provide our stakeholders with clear and comprehensible information about the different challenges and opportunities that exist for Vontobel with regard to environmental, social and governance (ESG) issues. This enables us to strengthen trust in our company. Our sustainability report complies with the principles set out in the Global Reporting Initiative (GRI) for the second time. The report is supplemented by a GRI index, which is available at: [www.vontobel.com/sustainabilityreports](http://www.vontobel.com/sustainabilityreports). The index shows all of the GRI indicators and provides an overview of where the corresponding information can be found. A statement issued by the GRI (see page 89) confirms that our company has achieved the B level standard for sustainability reporting.

The Vontobel Group's sustainability commitments have also been recognized by external organizations. One example is the Carbon Disclosure Project (CDP). In its latest study, it called on 350 companies in Germany, Austria and Switzerland to disclose information about their strategies, measures and results in the area of climate protection by completing a detailed questionnaire. Vontobel ranked 26th in recognition of its commitment and its transparent information policy and was the only company that is not already listed on one of the major indices to qualify for inclusion in the Carbon Disclosure Leadership Index. The rating awarded to Vontobel by the sustainability rating agency Inrate was also well above average for both the environmental and the social dimension and our company was thus classed as 'sustainable'.

These and other results provide us with an incentive to strive for continuous improvements in the different aspects of our sustainability commitments. The information provided in the following pages show the progress made in the year under review. We will continue to focus on achieving ongoing improvements in all areas of sustainable business management. Updates on our activities can be found on the Vontobel Group's website.

#### **Focus on clients**

At the Vontobel Group, our first priority when conducting our daily business activities is to ensure that our clients are satisfied with our offering. We therefore strive to continuously improve our products and services.

In Private Banking, the individual advice offered by Vontobel is one of the most important factors underpinning our good relationship with our clients. Our relationship managers take time to understand the wishes and needs of each client and they conduct a structured assessment of their personal circumstances in order to offer them a service that is tailored to their individual requirements.

Vontobel continuously expands its range of client services. This is partly a response to the findings of our regular client surveys. During the year under review, we enhanced our E Banking platform to allow clients to place stock market orders around the clock and to also receive their bank statements electronically. Since spring 2012, the Chief Strategist of the Vontobel Group monthly informs in short films about key changes in our investment strategy and the reasons for investment decisions. This way, we are providing clients with greater transparency about our investment decisions and investment recommendations.

In Asset Management, a new product-focused sales structure has generated improvements in our client advisory services. As a result of focusing on individual product lines, our relationship managers have a detailed knowledge of these products and can thus offer clients swift access to specialized information. This includes the organization of special events at which we supply information about the background to current investment themes. In 2012, clients were given the opportunity to find out more about the future of energy-efficient lighting systems during a visit to Zumtobel, an innovative producer of lighting technology. Vontobel also supported the Triple Bottom Line Investing Conference – one of the most important European confer-

ences on sustainable investing – which was held in Zurich in 2012 for the first time. The event enabled our clients to gain a first-hand insight into current developments in this area.

In Investment Banking, our Credit Research unit offered clients the opportunity to learn more about Switzerland's new energy strategy, its plans to phase out nuclear power, and possible alternative sources of power at a conference about the electricity market. At the event, numerous experts provided background information and discussed the opportunities and risks that exist from an investor perspective. The Investment Research unit incorporated the evaluation of corporate governance into its regularly updated company profiles ('Pocket Guides'), providing clients with the latest information on the quality of the management and corporate culture of the companies it covers.

Vontobel's ability to satisfy its clients' wishes depends to a large extent on the professionalism and expertise of its relationship managers. We therefore offer special training programs in all business areas to help relationship managers to continuously develop their specialist knowhow and advisory skills. Constantly updated compliance training modules, both classroom courses and web-based training modules, make sure, our client advisors are well prepared for the increasing requirements in the regulatory environment. A programme for all employees that was introduced in 2011 combines a light lunch with a training session about banking topics. During the year under review, information events were held about compliance issues as well as the structured products platform – attracting a high level of interest among employees.

These various measures are proving successful: In 2012, Vontobel once again received a number of awards in recognition of its high-quality banking services, as illustrated by the following examples: Vontobel Asset Management was named the 'Best Asset Manager Investing in ESG' by the TBLI Group in recognition of its expertise in the area of sustainable investing. The Global Banking & Finance Review named Vontobel Private Banking the 'Best Wealth Management Advisory Switzerland 2012' in view of its advisory expertise. In addition, Vontobel Private Banking was named 'Best Private Bank – Switzerland 2012' in the World Finance Awards 2012.

#### **Sharpened eye on opportunities and risks in the investment business**

As a wealth and asset manager, Vontobel believes that the consideration of environmental, social and corporate governance criteria in the investment business is an essential component of a comprehensive sustainability strategy. As a signatory to the Principles for Responsible Investment (PRI) – a UN initiative to promote a sustainable approach to investment – Vontobel continued its efforts to take account of environmental, social and governance risks in its wealth and asset management activities during the year under review.

Through our range of innovative, sustainable investment products, we enable clients to invest in future-oriented themes and achieve a financial return while contributing to sustainable development. The focus here is on theme funds and sustainability funds, which address diverse aspects of global change using different approaches.

In our 'Sustainable' product line, a new fund with a global investment universe was launched in 2012. The fund invests in sustainable global leaders, i.e. companies that are leaders in their industry, generate an above-average return on capital and meet environmental, social and governance (ESG) minimum standards. For our sustainability funds, voting rights are exercised actively and a dialogue is conducted with the managers of the companies they invest in. In 2012, for example, talks were held with various energy companies about ways of reducing the impact of their activities on the climate. In addition, Vontobel sought to engage in a dialogue with companies that finance major infrastructure projects to highlight the importance of the Equator Principles – an environmental standard governing large-scale projects. Discussions of this nature provide our equity analysts with a profound insight into the opportunities and risks to which each company is exposed. At the same time, this type of dialogue paves the way for gradual improvements in standards and the minimization of risks.

Since summer 2012, Vontobel has been sourcing information from Vigeo, a global provider of research data about the sustainability of companies and debtors. The detailed reports and up-to-date information it supplies on key developments provide our financial analysts with valuable additional insights that they can consider when evaluating companies.

All of our sustainability funds bear the Eurosif transparency logo, which guarantees that investors are fully informed about their investment processes and selection criteria. During the year under review, Vontobel assisted the Sustainable Investment Forum in the launch of a new sustainability profile for funds and made the profile available for various products during the pilot phase. The corresponding documentation provides advisors and investors with an overview of the criteria that are applied, thus supplementing the Eurosif document. In total, Vontobel's sustainability funds reported CHF 545 mn of assets under management at the end of 2012.

In addition to these sustainability funds, a range of theme funds are available that focus on various key trends such as the restructuring of the energy system, the more efficient use of resources and the supply of clean technologies. At the end of 2012, the three theme funds New Power, Future Resources and Clean Technology reported total assets under management of CHF 382 mn. Two of these funds were rated 'highly recommended' at the Climate Change Awards.

In addition, Vontobel Asset Management manages sustainability and theme funds with a volume of CHF 2,320 mn for cooperation partners such as Raiffeisen. Through its involvement in responsAbility, an organization specializing in social investments and microfinance investing, Vontobel also supports the provision of microfinance funds and other innovative financial products.

The Vontobel Group operates a policy that prohibits investments in companies that manufacture controversial arms. We ensure that none of our investment funds or actively managed assets are invested in firms that produce land mines or cluster munitions that are banned by international conventions and that none of these companies are actively recommended to investors.

**Sustainable and theme funds managed by Vontobel**

	2012	2011	2010
Volume of sustainable funds (CHF mns)	<b>2,798</b>	2,409	2,470
Volume of theme funds (CHF mns)	<b>449</b>	418	527

Vontobel offers private clients a portfolio management mandate that takes account of sustainability criteria and is broadly diversified across several asset classes. Three different investment strategies are available. Unlike in the case of other portfolio management mandates, all of the investments undergo a clearly defined sustainability review. This gives investors the opportunity to participate in the success of sustainable companies and to combine their personal values with their investment activities.

**Sustainable investments**

	2012	2011	2010
Volume of sustainable investments (CHF mns) <sup>1</sup>	<b>3,751</b>	3,755	4,066
Share of sustainable investments (in % of AuM) <sup>2</sup>	<b>3.4</b>	4.0	4.8

1 Including volume of structured products

2 Excluding volume of structured products

The volume of sustainable investments managed by the Vontobel Group remained the same compared to the previous year. Measured as a proportion of total assets under management (AuM), sustainable investments decreased by 0.6 of a percentage point because of high increases in other product lines.

Clients who wish to use part of their wealth to promote worthwhile causes can lend their support to projects that focus on social issues, culture, ecology, education or medicine through Bank Vontobel's charitable foundation. In 2012, the foundation once again lent its support to programmes that are intended to help individuals enter the labour market. It made a significant contribution to a healthcare / social work internship project run by the Swiss Red Cross (Canton of Zurich) and to the Streetchurch 'fit4life' sports centre and meeting place in Zurich, as well as to the 'Verein Laebesruum' in Winterthur and the 'Stiftung Netzwerk' in Zurich. In the field of culture, the charitable foundation supported a children's folk music week organized by the 'Haus der Volksmusik' in Altdorf. It also offered assistance to the 'Verein Camerata' in Zurich – an association that enters into a one-year partnership with a primary school where musicians work together with the children to prepare a concert.

**Focus on employees**

The Vontobel Group is reliant on the skills and expertise of its 1,449 employees (1,383 full-time equivalents / FTEs) who work in 5 different locations in Switzerland and 16 locations internationally. In 2012, Vontobel's headcount decreased by almost 3% compared to the previous year. In addition to employees who hold permanent contracts, a total of 85 temporary employees worked for Vontobel as of the end of 2012. These individuals either have fixed-term contracts or are available on an 'on call' basis to assist the company when needed.



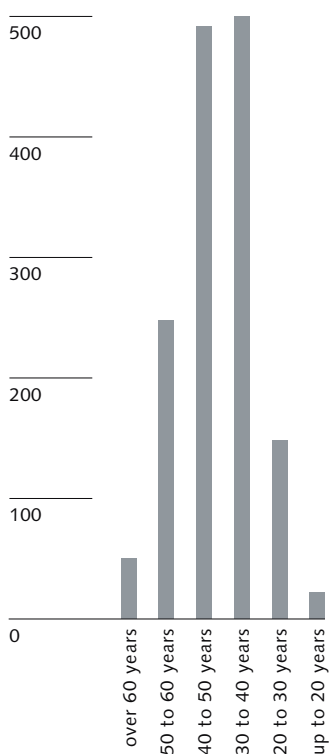
Number of employees by domicile	31-12-12			31-12-11		
	Number of women	Number of men	Total	Number of women	Number of men	Total
Switzerland	353	820	1,173	379	822	1,201
Germany	35	46	81	36	48	84
USA	23	31	54	16	34	50
Austria	24	10	34	35	25	60
U.A.E	7	18	25	5	13	18
Italy	9	13	22	9	16	25
Luxembourg	8	8	16	6	6	12
Liechtenstein	8	4	12	9	5	14
United Kingdom	4	7	11	2	7	9
Hong Kong	4	7	11	2	6	8
Singapore	1	4	5	0	0	0
Sweden	0	2	2	1	2	3
Spain	0	2	2	0	1	1
Cayman Islands	1	0	1	1	1	2
<b>Total</b>	<b>477</b>	<b>972</b>	<b>1,449</b>	<b>501</b>	<b>986</b>	<b>1,487</b>

Numbers include trainees

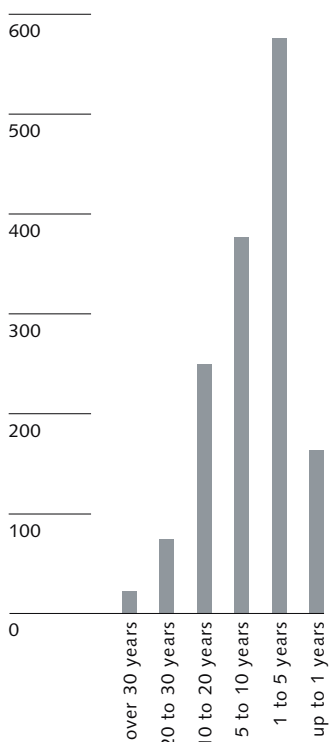
Vontobel's workforce is very diverse in many respects – including in terms of nationality, gender and age. The principle of non-discrimination is firmly enshrined in Vontobel's Code of Conduct. We consider it important when recruiting new employees to ensure that the appropriate candidates are selected to enhance the diversity of our workforce. During the year under review, Vontobel ran its first course for women on the topic 'Self-branding' to strengthen their ability to position themselves effectively in a work environment. The following tables show the various nationalities represented within Vontobel, the proportion of men and women at different levels of the company, the age structure of employees and their period of service.

Nationalities of employees	31-12-12		31-12-11	
	Number	in %	Number	in %
Switzerland	982	68	1,013	68
Germany	177	12	171	11
Austria	42	3	61	4
Italy	64	4	65	4
USA	49	3	48	3
Spain	10	1	9	1
France	14	1	12	1
United Kingdom	24	2	23	2
Other	87	6	85	6
<b>Total</b>	<b>1,449</b>	<b>100</b>	<b>1,487</b>	<b>100</b>

Age structure 2012



Seniority structure 2012

**Age structure**

	Number	31-12-12 in %	Number	31-12-11 in %
Up to 20 years old	20	1	23	2
20 to 30 years old	146	10	169	11
30 to 40 years old	499	34	508	34
40 to 50 years old	490	34	493	33
50 to 60 years old	244	17	240	16
More than 60 years old	50	4	54	4
<b>Total</b>	<b>1,449</b>	<b>100</b>	<b>1,487</b>	<b>100</b>

**Age structure Board of Directors**

	Number	31-12-12 in %	Number	31-12-11 in %
40 to 50 years old	4	50	4	50
50 to 60 years old	1	12	1	12
More than 60 years old	3	38	3	38
<b>Total</b>	<b>8</b>	<b>100</b>	<b>8</b>	<b>100</b>

**Seniority structure**

	Number	31-12-12 in %	Number	31-12-11 in %
Up to 1 year	160	11	255	17
1 to 5 years	571	40	577	39
5 to 10 years	377	26	318	22
10 to 20 years	247	17	244	16
20 to 30 years	73	5	77	5
More than 30 years	21	1	16	1
<b>Total</b>	<b>1,449</b>	<b>100</b>	<b>1,487</b>	<b>100</b>

**Proportion of males/females at different levels of management in 2012**

	Number of women	Proportion of women	Number of men	Proportion of men
Employee	161	53%	144	47%
Middle management	221	47%	246	53%
Senior management	95	14%	576	86%
Group Executive Management	0	0%	6	100%
<b>Total</b>	<b>477</b>	<b>33%</b>	<b>972</b>	<b>67%</b>
Board of Directors	2	25%	6	75%

Vontobel offers its employees attractive working conditions to motivate them to deliver a good performance and to contribute to the achievement of the bank's objectives in the future. This includes promoting a healthy work / life balance. For example, the maternity leave and paternity leave granted to working parents exceeds the statutory minimum. After completing six years of service, female employees benefit from six months of maternity leave on full pay, while members of staff who have been with the company for a shorter period of time are entitled to four months of maternity leave. New fathers are granted five days of paternity leave.

The Vontobel Group has, for many years, been a member of Childcare Service, an organization that advises parents on childcare issues and runs a group of nurseries. Vontobel is also a member of kcc group (globegarden) that offers families complete childcare solutions. Wherever possible from an operational perspective, Vontobel endeavours to meet requests for part-time working arrangements from employees, including members of middle management.

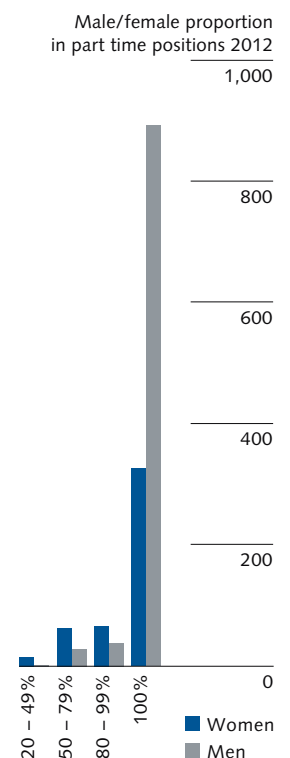
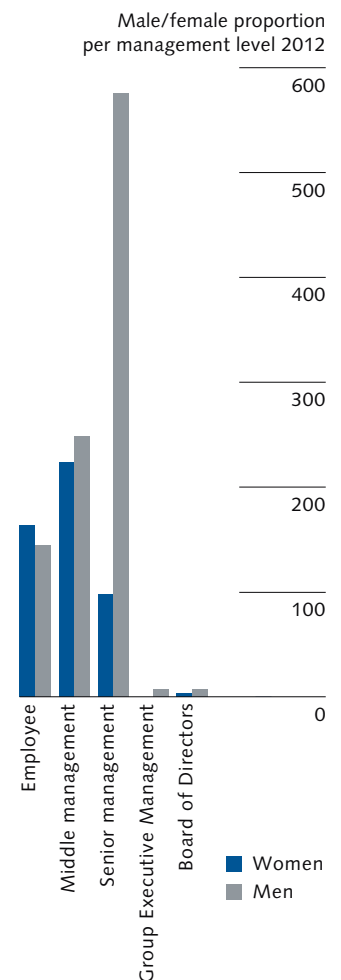
Compared to the previous year, there was no change in the percentage of employees who work on a part-time basis: the proportion of female employees who work part-time remained unchanged at 31%, as well as the proportion of men in part-time positions which stayed at 7%. As in the previous year, 15% of Vontobel's entire workforce was employed on a part-time basis – demonstrating the company's willingness to promote solutions that help employees to combine their professional activities and family commitments.

#### Proportion of males/females in part-time positions in 2012

	Number of women	Proportion of women	Number of men	Proportion of men	Total number	Proportion of total
20 – 49%	16	4%	2	0%	18	1%
50 – 79%	64	13%	29	3%	93	7%
80 – 99%	67	14%	39	4%	106	7%
100%	330	69%	902	93%	1,232	85%
<b>Total</b>	<b>477</b>	<b>100%</b>	<b>972</b>	<b>100%</b>	<b>1,449</b>	<b>100%</b>

All employees are managed according to the principles of Management by Objectives (MbO). The annual MbO process is an important tool to help employees achieve specific goals. The conduct and performance of all members of staff is evaluated annually in an employee appraisal. This process also provides the basis for targeted measures to promote and develop the talents of employees. Underscoring the importance of this management tool, Vontobel regularly runs a course to encourage managers to make systematic use of MbO methods and employee appraisals; the course also gives them the opportunity to practice the skill of leading discussions professionally. The existing course for new managers has been extended to include an additional module that offers special training in the areas of communication and coaching.

The provision of continuous training and development opportunities is an important part of the Vontobel Group's attractiveness as an employer. It offers an extensive range of internal and external courses on specialist subjects, working methods, personal development and management topics. The training courses that employees attend are determined during their annual appraisals; this includes being given the opportunity to complete external courses with the support of the company. In 2012, Investment Banking recruited university graduates for its Graduate Trainee Programme for the second time. This varied programme, which lasts between 18 months and 2 years, provides the graduates with an insight into various aspects of one area of business within Investment Banking. The graduates also have the opportunity to gain international experience by working in various locations around the world.



<b>Turnover and training</b>	<b>2012</b>	2011	2010
Fluctuation rate (in %) <sup>1</sup>	<b>7.5</b>	8.5	7.8
Training costs (CHF 1,000)	<b>1,847</b>	2,349	2,167
Training costs (CHF/FTE)	<b>1,275</b>	1,579	1,528
Number of trainees	<b>21</b>	22	21

<sup>1</sup> The rate of employee turnover is based on a new calculation method (see GRI Index, 3.9) that was also applied retroactively.

In 2012, the rate of employee turnover decreased by 1 percentage point to 7.5% compared to the previous year. The calculation method used to determine turnover was adapted to improve comparability with other companies (see GRI Index, 3.9). Training expenditure decreased both in absolute terms and in terms of the amount spent per employee compared to the previous year. In 2012, Vontobel once again provided attractive training positions for young people in the form of 21 apprenticeships. The company, in turn, benefits from having access to a pool of well-qualified young professionals who can be offered a permanent position.

The Group Executive Management is committed to informing new employees in person about the company's strategy, objectives and culture. Vontobel therefore holds regular Welcome Days at which each member of the Group Executive Management talks to new employees about his specific area of responsibility and answers any questions they have. New employees have responded very positively to the fact that the managers are personally involved in the induction event, which reflects Vontobel's culture of promoting an open dialogue.

The 'Seitenwechsel' programme, which Vontobel participated in for the second time in 2012, offers senior managers the opportunity to further develop their leadership and social skills. Vontobel executives spend one week in a social institution of their choice – ranging from homes for people with disabilities and clinics for people suffering from addiction to asylum centres. The programme enables them to discover a very different type of working environment and provides them with a new perspective. Last year's participants found the experience to be very enriching and gave very positive feedback about the programme.

Actively promoting health and wellbeing in the workplace is an important aspect of Vontobel's focus on employees. For example, the company regularly offers free influenza immunizations to members of staff. Employees can enjoy a healthy meal each day in the staff restaurant at Vontobel's head office. The restaurant is operated by SV-Service, which also pursues a comprehensive sustainability strategy. In addition, fresh fruit is offered to employees in the workplace on a daily basis. Vontobel's sports club enables employees to participate in different forms of exercise in order to strike a balance with their work on a physical level. The club also gives them a chance to get to know their colleagues in a different setting.

Changes in employee behaviour enable Vontobel to strengthen the contribution it makes towards building a stable society and protecting the environment. In 2012, we conducted an extensive two-week campaign entitled 'Power your life' for the second time to raise employee awareness about sustainability issues. This varied program enabled employees to find out more about the topics of mobility, nutrition and health, and resources in the workplace. They were also able to play an active role by, for example, taking an e-vehicle on a test drive, using a pedometer or participating in an early morning Qigong session. Lunchtime cinema events and presentations, as well as an exhibition about climate neutrality, educated employees about the issue of global change. Various Intranet articles recommended measures that employees can take on a daily basis in order to put what they have learned during the campaign into practice. The range of offerings attracted a high level of interest and encouraged an internal discussion about sustainability issues.

The Vontobel Group has, for many years, been operating a compensation concept that motivates employees to contribute to the sustained success of the company. Further information on this topic can be found in the compensation report (p. 55ff.). Our compensation system places a strong emphasis on the long-term performance of the Vontobel Group and defers the payment of part of the variable compensation awarded to participating employees. In this way, we encourage and reward responsible and risk-conscious conduct that is in the best interests of the company.

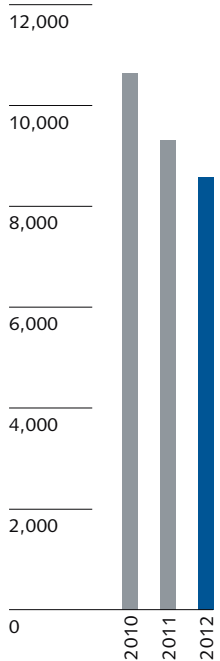
#### **Environmental and climate protection – measures prove effective**

Vontobel has, for years, been committed to reducing the environmental and climate-related impacts of its processes and products. Our long-term efforts in this field are proving effective – as demonstrated by the renewed significant improvement in our environmental performance in 2012. The first table on page 84 shows our key sustainability indicators in absolute figures. The second table on the same page shows all of the figures in relation to the number of FTEs at the Vontobel Group.

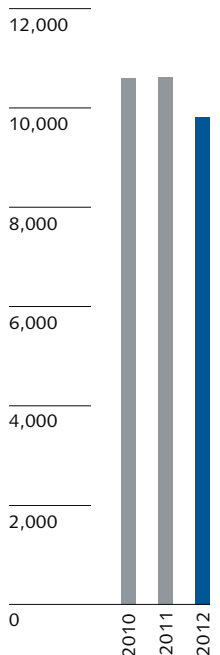
Electricity consumption decreased significantly in 2012 for the second time in succession, both in absolute terms and per employee. This was attributable to various factors. One major contributing factor was the transfer of the bank's largest computing centre to one of the most modern data centres in Europe. Operated by the City of Zurich, the new data centre was constructed according to the latest standards for energy efficiency and has been certified as a 'green data centre'. Ensuring maximum energy efficiency was a priority not only in the construction of the data centre but also in terms of its IT infrastructure and server management. Waste heat from the city's nearby refuse-fuelled power station is converted into electricity and used to cool the IT infrastructure. The waste heat from the server room is fed into the City of Zurich's heat supply network and is used to heat offices as well as around 400 apartments. An energy audit of the second largest building on the Vontobel Campus was completed during the reporting year and also led to significant savings. By optimizing settings, it was possible

to reduce the amount of energy used by the heating, air conditioning and cooling systems by 18% – thus also generating cost savings. During 2012, an energy audit was commissioned for another large building in Zurich in order to realize potential energy savings.

Total energy consumption per employee (kWh/FTE)



Business travel per employee (km/FTE)

**Environmental key figures absolute**

	2012 <sup>1</sup>	2011 <sup>1</sup>	2010 <sup>1</sup>
<b>Total energy consumption (MWh)</b>	<b>11,973</b>	12,922	14,328
Electricity consumption (MWh)	8,525	9,060	9,546
Heat consumption (MWh)	3,166	3,168	3,970
District heating usage (MWh)	282	694	812
<b>Business travel (1,000 km)</b>	<b>13,678</b>	14,748	14,262
<b>Paper consumption (t)</b>	<b>172</b>	194	259
Proportion of recycled paper used (%)	12	12	13
Proportion of FSC-label paper used (%)	81	81	79
<b>Water consumption (drinking water, m<sup>3</sup>)</b>	<b>19,657</b>	21,462	24,975
<b>Volume of waste (t)</b>	<b>288</b>	309	285
Recycling ratio (%)	66	71	62 <sup>3</sup>
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in t)<sup>2</sup></b>	<b>3,554</b>	3,799	4,003
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in t) <sup>2</sup>	1,324	1,365	1,526
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in t) <sup>2</sup>	2,230	2,434	2,477

1 The figures are based on the period from 1 October in the previous year to 30 September; the figures for 2010 are related to the calendar year

2 Definition according to GHG Protocol

3 Adjusted figure

**Environmental key figures per employee (in FTE<sup>2</sup>)**

	2012 <sup>1</sup>	2011 <sup>1</sup>	2010 <sup>1</sup>
<b>Total energy consumption (kWh/FTE)</b>	<b>8,581</b>	9,305	10,644
Electricity consumption (kWh/FTE)	6,110	6,524	7,092
Heat consumption (kWh/FTE)	2,269	2,281	2,949
District heating usage (kWh/FTE)	202	500	603
<b>Business travel (km/FTE)</b>	<b>9,803</b>	10,619	10,595
<b>Paper consumption (kg/FTE)</b>	<b>123</b>	139	193
<b>Water consumption (drinking water, l/FTE)</b>	<b>14,088</b>	15,454	18,553
<b>Volume of waste (kg/FTE)</b>	<b>206</b>	223	212
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in kg/FTE)<sup>3</sup></b>	<b>2,548</b>	2,735	2,974
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	949	982	1,134
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	1,599	1,753	1,840

1 The figures are based on the period from 1 October in the previous year to 30 September; the figures for 2010 are related to the calendar year

2 FTE = Full Time Equivalent

3 Definition according to GHG Protocol

The decision to move out of one office building that was heated via a district heating network led to a substantial reduction in the use of this category of energy. Since the employees who worked in this building moved to other existing premises, there was no subsequent increase in fuel usage. As a result, heating consumption per employee (based on FTEs) decreased by around 10% – representing a significant reduction.

Business travel per employee decreased by almost 8%. The proportion of business rail travel rose from 4% to 7%, while the volume of air travel declined by around 3 percentage points. This switch from air to rail travel is in line with our travel policy of encouraging employees to take the train for shorter journeys. Paper consumption declined by around 11%, both in absolute terms and per employee. This reflects a reduction in the size of the print runs for our publications, as well as a decrease in the amount of paper used by employees for printing and photocopying purposes. 99% of the paper used now bears the FSC label or has been produced using recycled paper.

Water consumption was reduced by almost 9%, both in absolute terms and per FTE. This was largely due to the relocation of the computing centre, which requires substantially less cooling water at the new site. The energy audit of the second largest building on the Campus also contributed to this reduction, since it not only led to a decline in electricity usage but also in water usage by the ventilation system. The refuse volume declined by 7%, mainly reflecting a fall in the amount of waste paper. This decrease is linked to the reduction in paper consumption. Since paper accounts for a major part of Vontobel's recycling, the decrease in the volume of waste paper also led to a slight fall in the recycling ratio.

Thanks to reduced resource consumption in practically all areas, greenhouse gas emissions per employee declined once again: they fell by approximately 7% in 2012 compared to the previous year. Lower levels of business travel were the main reason for this decrease, although the reductions in electricity and heat consumption were also contributing factors. The entire Vontobel Group has been carbon neutral since 2009. In conjunction with our established partner Southpole, Vontobel purchased emissions reduction certificates that are equivalent to our annual global CO<sub>2</sub> output in order to fully offset all our greenhouse gas emissions. The proceeds from the purchase of the certificates enable companies in developing countries and emerging markets to conduct renewable energy projects. The emissions are offset via the following schemes: a geothermal project in Turkey, the construction of micro hydropower stations in rural areas of China, and the building of various wind parks in India. Detailed information on these individual projects is available on Vontobel's website.

When renovating office premises, Vontobel focuses on the use of green building methods and on ensuring that its offices can be operated in an energy-efficient manner. For example, the new building in Geneva that Vontobel has occupied since the end of 2012 is equipped with the latest generation of LED lighting. The amount of electricity used with this type of lighting is around one-quarter lower than with the best fluorescent lighting currently available on the market. Energy factors are also a major consideration in the renovation of the new office building at Bleicherweg.

During the year under review, the Vontobel staff restaurant began purchasing chicken from Swiss suppliers, which means that virtually all categories of meat served there are now sourced from within Switzerland. This reduces the distance over which food has to be transported and guarantees higher animal welfare standards. In addition, Fairtrade coffee is now available in the central cafeteria which contributes to a more sustainable coffee production. The Vontobel staff restaurant is participating in a pilot sustainability programme called 'One Two We' that has been launched by the SV Group in conjunction with WWF Switzerland. The SV Group has set specific targets as part of its efforts to significantly reduce its greenhouse gas emissions. Its main areas of focus are: fewer products that are transported by air, fewer products from greenhouses that are heated using fossil fuels, less meat, lower energy consumption and less waste. The first stage in this process was the completion of an expert audit in 2012, which indicated the main areas in which action needs to be taken.

#### Social responsibility generates added value

There is a long tradition of social responsibility at the Vontobel Group. The bank is part of the global economic system and benefits, in particular, from the excellent operating conditions in its Swiss home market in terms of high standards of education, a good infrastructure and political stability. Vontobel therefore considers it important to make a contribution that will benefit society.

The payment of corporate taxes each year is one important way in which we assume our social responsibilities. Compared to the previous year, value creation increased slightly in 2012. Yet, tax contributions were lower than in 2011. The dividend distributed by Vontobel Holding AG also decreased in 2012 due to a considerably reduced profit in 2011 compared to the previous year.

External stakeholders	2012	2011	2010
Added value (CHF mns) <sup>1</sup>	<b>547.8</b>	526.6	572.0
Taxes and dues (CHF mns) <sup>2</sup>	<b>29.8</b>	36.9	30.2
Dividends paid (CHF mns)	<b>70.6</b>	90.5	90.2

<sup>1</sup> Operating income less depreciation of fixed assets and intangible assets

<sup>2</sup> Includes profit tax, capital gains tax and other taxes and contributions

The bank regards compliance with applicable laws as an inherent part of our business activities that is ensured using appropriate processes. All business areas are monitored continuously as part of Vontobel's compliance processes to detect any possible legal infringements or to identify risks of corruption. Upon joining Vontobel, all employees are issued with an Employee Handbook that sets out specific regulations and instructions and contains the Code of Conduct. Regular training sessions are held to repeatedly remind employees of the need to comply with existing regulations in order to prevent breaches of internal rules or even legal requirements.



Bank Vontobel supports cultural, environmental and educational activities by providing donations and sponsorship funding. As a founding member of the Climate Foundation Switzerland, Vontobel once again provided funding for several climate protection projects conducted by Swiss small and medium-sized enterprises in 2012. The Climate Foundation helped a dye factory to install a heat recovery unit for one of its ovens, thus significantly reducing the use of fossil fuels. In addition, support was provided to a company that uses vegetable waste, which is heated to produce vegetable coal that improves nitrogen and CO<sub>2</sub> fixing in the soil. In 2012, Vontobel made donations and grants totalling CHF 431,000.

It is not only monetary contributions that are beneficial: society can also profit from the transfer of knowledge. A number of Vontobel employees share their financial expertise with others by giving talks and presentations at training events that are held either internally or by external organizations. The Vontobel Group believes it has a duty to make its financial knowhow available to employees as well as to broader sections of society in order to create greater public understanding of the complex interrelationships within the financial markets and of the importance of the finance industry for the Swiss economy.

The Vontobel Group purchases a large quantity of products and services – ranging from cleaning services and IT equipment to the design and production of printed materials – from external providers. We therefore assign considerable importance to ensuring that our own sustainability principles are upheld by our business partners. This includes guaranteeing high employment standards, respecting human rights, making careful use of natural resources and preventing corruption. These principles are also reflected in our general purchasing conditions as well as the more detailed purchasing guidelines.

The Vontobel Group is involved in various organizations that promote a more sustainable approach to business within the finance industry and has signed the relevant declarations. In this way, we actively support the sustainable development of both the financial system and the economy as a whole.

As a member of the Sustainability Forum Zurich (TSF), Vontobel was actively involved in drafting a paper that contains a vision for how Switzerland can become a leading sustainable financial centre. Drawing on interviews with experts, a benchmarking analysis with other financial centres and research based on existing literature, various strategic directions and measures were defined to support the realization of this goal. The report, which was produced in conjunction with Sustainable Finance Geneva, forms the basis for a dialogue with stakeholders that will enable these theories and measures to be refined.

**Organizations committed to the sustainable development of the economy and finance industry of which Vontobel is a member:**

- **The Sustainability Forum (TSF)**, an international network that promotes a dialogue between various stakeholders in the financial sector. Vontobel is represented within the organization meaning that we help to shape the organization's activities.
- **Climate Foundation Switzerland**, of which Vontobel is a founding member. The Climate Foundation provides financial support for projects to improve energy efficiency in small and medium-sized enterprises.
- **Öbu**, a think-tank for environmentally conscious management. This association of Swiss firms conducts company-specific initiatives as well as projects relating to economic policy.
- **Energy Agency for the Economy (EnAW)**, which was founded by business associations with the aim of enhancing energy efficiency among its members and encouraging them to reduce their level of CO<sub>2</sub> emissions.
- **Principles for Responsible Investment**, a UN initiative signed by the Vontobel Group under which we pledge to gradually implement six principles relating to the broad-based integration of sustainability criteria into investment processes.
- **Sustainable Investment Forum (FNG)**, an industry association that promotes sustainable investing in Germany, Austria and Switzerland. Vontobel is represented on its Management Board and coordinates the activities of the Swiss branch of the organization.
- **Forum per la Finanza Sostenibile**, an Italian forum for sustainable investing.

Vontobel's efforts to take greater account of sustainability across all areas of our business are part of an ongoing commitment in this area. We will therefore strive to achieve continuous improvements in the many fields of sustainable business management going forward.

Regular updates on our progress are available on the Internet (at [www.vontobel.com/sustainability](http://www.vontobel.com/sustainability)).



## Statement GRI Application Level Check

GRI hereby states that **Vontobel Holding AG** has presented its report "Annual Reports 2012" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level B.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

For methodology, see [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 January 2013

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a light blue circular background element.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



*The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. [www.globalreporting.org](http://www.globalreporting.org)*

**Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 18 January 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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