

Sustainability Report  
Excerpt from the Annual Report 2011

Vontobel Group



## Thinking and acting long term in response to the acceleration of change

Our world is evolving rapidly in many different areas: resources are growing scarcer and our climate is changing, creating the need for us to innovate. The rapid developments in the business world mean that employees must now engage in continuous learning. At the same time, the turmoil in the financial markets is altering long-established rules and practices in the investment business, while the calls for transparency are growing louder. This process of change poses a challenge for both organizations and individuals and is increasing the need for a long-term approach to business.

At the Vontobel Group, we have a tradition of thinking and acting long term: for 88 years, we have been offering our clients high-quality services that are founded on a combination of continuity and constant innovation. To maintain our sustainable approach, it is now more important than ever for us to adapt our business to these changes and to use them to our advantage. We strive to achieve this at various levels. In the investment business, changes are a constant source of opportunities – provided you recognize them at the right time. We want our investment processes to be successful in the long term thanks to the structured integration of change-related themes and we recently reaffirmed this commitment by signing up to the Principles for Responsible Investment (PRI). The fact that we now actively exercise our voting rights for all the products in our Global Change Investing line represents an important milestone in the implementation of these principles. Long-term planning is also increasingly important in our banking business – whether it is in sourcing goods and services or in achieving consistent improvements in our heating, air conditioning and cooling systems. The energy audit we conducted in our largest office building has helped us to significantly reduce the level of energy consumed by these various systems in Zurich. In future, we will focus on integrating sustainability criteria into our investment products and on optimizing energy consumption in other buildings.

In periods of rapid change, transparency is of key importance in inspiring trust. In the following chapter 'Sustainability at the Vontobel Group', we therefore provide an insight into our diverse efforts to conduct our activities based on a long-term perspective and to run our business sustainably. For the first time, our Annual Report meets all the requirements of the Global Reporting Initiative (GRI) – an internationally recognized standard for sustainability reporting – in terms of its form and content. We are pleased to provide our most transparent account yet of how we use the changes occurring around to benefit our clients and our company.



Dr Zeno Staub, CEO of the Vontobel Group

## Sustainability – committed to continuous improvement

As a financial services provider, the Vontobel Group is closely interconnected 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 regard all the aspects of our activities – from creating attractive jobs and offering innovative and sustainable products and services to paying taxes, saving energy and resources and engaging in an active dialogue with the public about the role of banks – as both an economic necessity and a moral obligation in order to promote sustainable development within our markets.

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

- Our Code of Conduct 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 define the areas in which we take action to implement our sustainability strategy.

All of these documents are available on the Vontobel Group's website ([www.vontobel.com](http://www.vontobel.com)).

In our commitment to operating sustainably, we take account of the interests of all our stakeholders: clients, shareholders, employees, society and the environment. Our sustainability strategy is therefore based on these five dimensions. 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 meet our goals and achieve constant improvements. 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 of 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 shareholders, clients, employees and other interested parties with clear and comprehensible information about the different challenges and opportunities that exist for Vontobel in terms of environmental, social and governance themes in order to strengthen trust in the company. This report has been drawn up according to the principles prescribed in the Global Reporting Initiative (GRI) for the first time. It is supplemented by a GRI index, which is available at: [www.vontobel.com/CH/EN/Vontobel-Group-Corporate-Responsibility-Reporting](http://www.vontobel.com/CH/EN/Vontobel-Group-Corporate-Responsibility-Reporting). This 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 187) confirms that our company has met the B-level standard for sustainability reporting.

The Vontobel Group's sustainability commitments have also been recognized by external institutions. For example, we achieved the second highest rating level in the rankings produced by the Swiss news magazine 'Bilanz' and thus performed very well relative to other banks. The rating awarded to Vontobel by the sustainability rating agency Inrate was well above average for both environmental and social themes and the company was thus classed as 'sustainable'.

These and other results provide us with an incentive to strive for continuous improvements in the various dimensions of our sustainability commitments. The information provided in the following pages illustrates the progress achieved in the year under review. Going forward, our company will continue to focus on achieving constant progress in all areas of sustainability. Updates on our activities can be found on the Vontobel Group's website.

### **Focus on clients**

At the Vontobel Group, our first priority each day is to achieve client satisfaction, which is why we strive to continuously improve our product and service offering.

The individual advice enjoyed by Vontobel clients forms the essence of a good client relationship – especially in Private Banking. Our relationship managers take time to identify the wishes and needs of our clients based on a structured assessment of their personal circumstances and individual preferences. They then draw on the insights they have gained to offer the best possible services for each client.

In 2011, we used the results of a client survey conducted in autumn of the previous year to implement targeted measures to enhance our products and services. The survey assessed the views of private clients in Switzerland, Germany and Austria regarding the advisory and service quality offered by Vontobel Private Banking. More than 20% of the clients we contacted took the time to complete the questionnaire. Of these respondents, over 90% indicated that they were satisfied overall, with around 70% stating that they were either very or extremely satisfied. Their feedback also highlighted the areas in which Vontobel Private Banking can further improve its performance. The measures implemented on the basis of this input ranged from the streamlining of processes to the introduction of a new, focused advisory approach: in May 2011, we launched a new advisory service in Private Banking to provide clients with prompt and attractive investment recommendations. The investment proposals take account of each client's individual circumstances and existing investments and ensure that clients who make their own investment decisions are made aware of compelling investment opportunities. In the case of our 'premium' advisory mandate, relationship managers meet with clients three or four times per year to discuss portfolio analyses, making the investment service even more attractive.

An important development in Asset Management was the launch of a new information platform on investment funds. Private and institutional investors can rapidly access comprehensive information about all Vontobel investment funds and view the relevant documents online at: [www.vontobel.com/fundnet](http://www.vontobel.com/fundnet). In addition, Vontobel

has complied rapidly with the new legal requirements governing the provision of information about UCITS funds: by the end of October 2011, the Key Investor Information Documents (KIIDs) for all funds under Luxembourg law had already been made available. These documents meet high standards in terms of clarity and transparency and notify clients of the opportunities and risks associated with the investment funds.

The provision of transparent information on products is also a high priority in Investment Banking. Various parties (including FINMA) have regularly confirmed that Vontobel Financial Products produces very transparent sales documentation about structured products. Furthermore, our company supports efforts to provide clear, standardized client information on structured products through its role in the Swiss Structured Products Association and also regularly offers interested clients training courses about these products.

Vontobel's ability to satisfy its clients' wishes depends to a large extent on the expertise of its relationship managers. We have therefore introduced specific training programs for various areas of business to help relationship managers to continuously develop their specialist knowhow and advisory skills. A wide range of topics was covered in 2011. In Private Banking, this included a course about financial advisory services for women, with interactive workshops at which the participants focused on specific quality-related aspects when advising this group of clients. A programme launched in 2011 for all employees combines a light lunch with a training session about banking topics. During the year under review, information events were held about innovative technologies as an investment theme, the new investment recommendation service in Private Banking, and structured products – attracting a high level of interest among employees.

These different measures to enhance client satisfaction are proving effective: Vontobel Private Banking was named 'Best Private Banking Boutique' by the renowned specialist publications 'Professional Wealth Management' (PWM) and 'The Banker', which are produced by the Financial Times Group. The Global Private Banking Awards, which cover a range of categories, are presented to leading financial institutions that have delivered high standards of quality and have realigned their business models at an early stage to provide beneficial solutions in response to evolving client needs. Vontobel Private Banking's commitment to quality forms the basis for long-term client relationships that often extend from one generation to the next.

### **Better insight into opportunities and risks in the investment business**

As a wealth and asset manager, Vontobel believes that the consideration of sustainability criteria in the investment business is an essential element 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 to advance the integration of environmental, social and governance risks in its wealth and asset management activities during the year under review.

In Asset Management, the voting rights for all Global Trend and Global Responsibility funds are now actively exercised according to a voting rights policy drawn up in conjunction with an external company specializing in the sustainable exercising of shareholder rights (Hermes EOS). This policy sets out basic principles for a long-term approach to business and good corporate governance. At the same time, a dialogue is conducted with the companies that the funds invest in to address issues that are regarded as a risk for investors. For example, discussions were held with one American oil company about improvements in safety standards at its platforms in the Gulf of Mexico. A further example is the dialogue with various communications and media firms to ensure they have appropriate systems in place to protect client data.

Discussions such as these provide 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. By drawing up detailed sector papers that clarify key sustainability issues relating to each industry, Vontobel has further increased its internal expertise on the systematic integration of sustainability criteria into investment processes. The sector-specific papers help equity analysts to identify potential risks at an early stage and to consider them in their assessments.

In the year under review, the Vontobel Group introduced a policy on controversial arms to ensure that no investment funds or actively managed assets are invested in companies that manufacture land mines or cluster munitions banned under international conventions or that any such companies are actively recommended to investors.

Vontobel's offering of innovative, sustainable investment products enables clients to invest in future-oriented themes and to thus achieve a financial return while contributing towards sustainable development. The focus here is on our Global Trend and Global Responsibility funds, which address diverse aspects of global change using different approaches.

The Global Responsibility funds invest in companies across all sectors and apply a range of sustainability criteria during the selection process. In addition to the existing funds, Global Responsibility Emerging Markets Equity was launched in 2011. This fund enables investors to participate in attractive emerging markets while taking account of sustainability criteria. In total, the Global Responsibility funds reported CHF 272 mn of assets under management at the end of 2011. The sustainable funds bear the Eurosif transparency logo, which guarantees that investors are fully informed about the investment process as well as the funds' selection criteria.

In addition to the sustainability funds, a range of theme funds from the Global Trend family 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 2011, the three Vontobel funds Global Trend New Power, Global Trend Future Resources and Global Trend Clean Technology reported total assets under management of CHF 364 mn.

In addition, Vontobel Asset Management manages sustainability and theme funds with a volume of CHF 2,124 mn of assets on behalf of cooperation partners such as Raiffeisen. Through its participation in responsAbility, an organization specializing in social investments and microfinance investing, Vontobel also supports the provision of microfinance funds and other innovative financial products.

#### Sustainable and theme funds managed by Vontobel

	2011	2010	2009
Volume of sustainable funds (in CHF mns)	2,409	2,470	1,601
Volume of theme funds (in CHF mns)	418	527	750

Vontobel offers private clients a type of portfolio management mandate that takes account of sustainability criteria and is broadly diversified across various asset classes. Three different investment strategies are available. Unlike other forms of portfolio management, 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.

Investment Banking offers a variety of structured products that focus on sustainability themes. In 2011, Vontobel Financial Products launched a new certificate on the theme of press freedom that is based on an investment in a media development loan fund. It also launched a product that focuses on diversity within the management teams of companies – a factor that studies have shown to be a success factor. The 'Top Executive Women' basket consists of shares in firms in which women are well represented in the executive management or Board of Directors.

#### Sustainable investments

	2011	2010	2009
Volume of sustainable investments (in CHF mns) <sup>1</sup>	3,755	4,066	3,176
Share of sustainable investments (in % of AuM) <sup>2</sup>	4.0	4.8	3.6

<sup>1</sup> Including volume of structured products

<sup>2</sup> Excluding volume of structured products

The volume of sustainable investments managed by the Vontobel Group declined by 8% compared to the previous year which was mainly caused by decreasing share prices. Measured as a proportion of total assets under management (AuM), this corresponds to a reduction of 0.8 percentage points.

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 2011, the foundation made donations to various organizations that create employment for disadvantaged people. The different projects aim to provide these individuals with enough professional qualifications to facilitate their integration into the labour market. Two institutions that benefited during the year under review were the 'Verein Sorebo', which offers a total of 24 integration and training places in two catering businesses in Zurich

Oberland, as well as the Stiftung Wetterbaum in Frauenfeld, which creates jobs in various areas for the long-term unemployed. In the field of medicine, one of the organizations supported by the charitable foundation was 'Onko Family Care' in Küsnacht – an association that provides free support and advice to families with a child or parent suffering from cancer, as well as training volunteers to assist such families.

### Focus on employees

The Vontobel Group counts on the skills and expertise of its 1,487 employees, who work in 6 different locations in Switzerland and 16 locations internationally. During the year under review, Vontobel's headcount rose by 5% to a total of 1,487 employees, which corresponds to 1,413.4 full-time equivalents. In addition to these members of staff with permanent contracts, a total of 81 temporary employees worked for Vontobel as of the end of 2011. These individuals have fixed-term contracts or are available on an 'on call' basis to assist the company when needed.

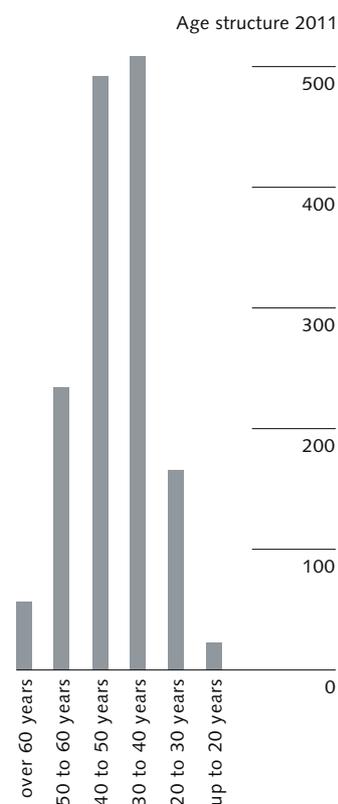
Number of employees by domicile	31-12-11			31-12-10		
	Number of women	Number of men	Total	Number of women	Number of men	Total
Switzerland	379	822	1,201	382	779	1,161
Germany	36	48	84	37	41	78
United Kingdom	2	7	9	2	5	7
Italy	9	16	25	7	15	22
Liechtenstein	9	5	14	8	5	13
Luxembourg	6	6	12	4	6	10
Austria	35	25	60	32	24	56
Spain	0	1	1	1	2	3
USA	16	34	50	15	34	49
Hong Kong	2	6	8	3	3	6
U.A.E	5	13	18	2	6	8
Sweden	1	2	3	1	2	3
Cayman Islands	1	1	2	1	1	2
<b>Total</b>	<b>501</b>	<b>986</b>	<b>1,487</b>	<b>495</b>	<b>923</b>	<b>1,418</b>

Numbers include trainees

Vontobel's workforce is very diverse in many respects – including in terms of the nationalities, gender and age of its employees. The principle of non-discrimination is firmly enshrined in Vontobel's Code of Conduct. We actively foster a culture of diversity based on the belief that this is a positive factor that contributes to the success of our company. For example, a special workshop is on offer for managers at Vontobel with the aim of promoting diversity within teams and harnessing its benefits. When recruiting new employees, it is important to ensure that the appropriate candidates are selected to enhance the diversity of the workforce. 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.

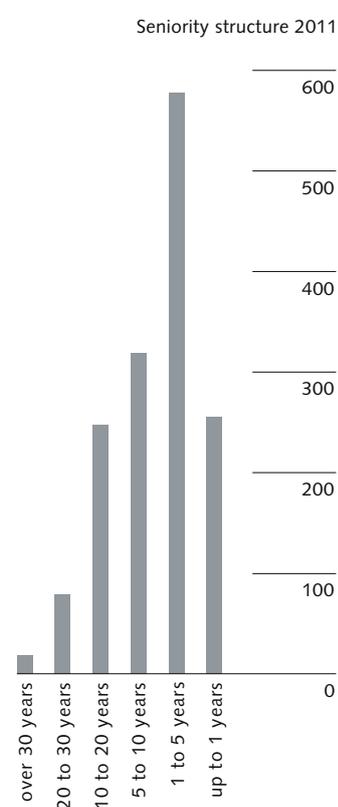
Nationalities of employees	31-12-11		31-12-10	
	Number	in %	Number	in %
Switzerland	1,013	68	995	70
Germany	171	11	152	11
Austria	65	4	57	4
Italy	61	4	58	4
USA	48	3	49	3
Spain	9	1	13	1
France	12	1	16	1
United Kingdom	23	2	22	2
Other	85	6	56	4
<b>Total</b>	<b>1,487</b>	<b>100</b>	<b>1,418</b>	<b>100</b>

Age structure	31-12-11		31-12-10	
	Number	in %	Number	in %
Up to 20 years old	23	2	22	2
20 to 30 years old	169	11	165	12
30 to 40 years old	508	34	485	34
40 to 50 years old	493	33	470	33
50 to 60 years old	240	16	228	16
More than 60 years old	54	4	48	3
<b>Total</b>	<b>1,487</b>	<b>100</b>	<b>1,418</b>	<b>100</b>

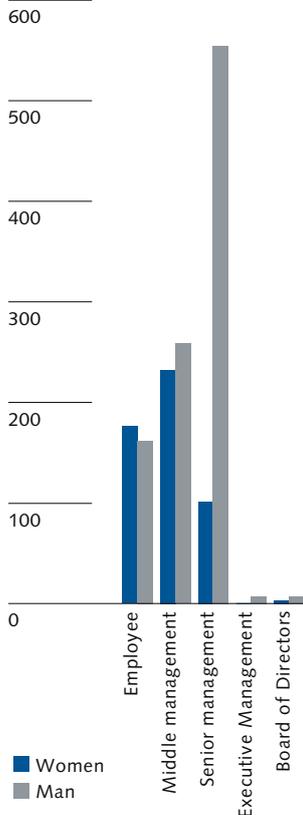


Age structure Board of Directors	31-12-11		31-12-10	
	Number	in %	Number	in %
40 to 50 years old	4	50	3	38
50 to 60 years old	1	12	2	24
More than 60 years old	3	38	3	38
<b>Total</b>	<b>8</b>	<b>100</b>	<b>8</b>	<b>100</b>

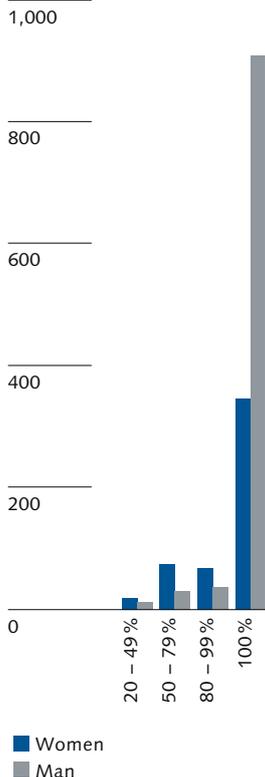
Seniority structure	31-12-11		31-12-10	
	Number	in %	Number	in %
Up to 1 year	255	17	215	15
1 to 5 years	577	39	588	41
5 to 10 years	318	22	309	22
10 to 20 years	244	16	207	15
20 to 30 years	77	5	84	6
More than 30 years	16	1	15	1
<b>Total</b>	<b>1,487</b>	<b>100</b>	<b>1,418</b>	<b>100</b>



Male/female proportion per management level



Male/female proportion in part time positions



**Proportion of males/females at different levels of management in 2011**

	Number of women	Proportion of women	Number of men	Proportion of men
Employee	173	51%	163	49%
Middle management	229	48%	246	52%
Senior management	99	15%	571	85%
Group Executive Management	0	0%	6	100%
<b>Total</b>	<b>501</b>	<b>34%</b>	<b>986</b>	<b>66%</b>
Board of Directors	2	25%	6	75%

Vontobel assigns considerable importance to the provision of attractive working conditions for its employees to motivate them to deliver a good performance and contribute to the achievement of the bank's objectives in the future. This includes promoting a healthy work/life balance. For example, the conditions for maternity leave and paternity leave granted to working parents exceed 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.

Vontobel 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 (kid's care concept) that offers families holistic 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. During the year under review, various employees attended a work/life balance course to obtain valuable advice on how to divide their time between their professional and personal commitments more effectively. Some employees also received advice on how to prepare for their retirement.

The following table shows how many Vontobel employees work on a part-time basis. Compared to the previous year, there was virtually no change in the percentage of part-time positions: the proportion of female employees at Vontobel who work on a part-time basis decreased by one percentage point to a total of 31%, while the proportion of men in part-time positions rose by one percentage point to a total of 8%. Vontobel's willingness to offer solutions to help employees combine their professional activities and family commitments is demonstrated by the fact that 15% of the entire workforce is not employed on a full-time basis.

**Proportion of males/females in part-time positions in 2011**

	Number of women	Proportion of women	Number of men	Proportion of men	Total number	Proportion of total
20 – 49%	17	3%	7	1%	24	1%
50 – 79%	74	15%	28	3%	102	7%
80 – 99%	63	13%	37	4%	100	7%
100%	347	69%	914	92%	1,261	85%
<b>Total</b>	<b>501</b>	<b>100%</b>	<b>986</b>	<b>100%</b>	<b>1,487</b>	<b>100%</b>

Vontobel manages all employees 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 develop the talents of employees. Underscoring the importance of this management tool, Vontobel ran a new course in 2011 to encourage managers to make systematic use of MbO methods and employee appraisals; the event also gave them an opportunity to practice the skill of leading discussions professionally. Moreover, newly appointed managers have, for years, attended three-day courses that not only cover general management principles but also provide a comprehensive insight into the company's management culture and management tools.

The provision of 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. Vontobel also offers a range of attractive apprenticeships to enable young people to embark on a career in this fascinating industry. The company subsequently benefits from having access to a pool of well-qualified young professionals who can be offered a permanent position within the bank. In 2011, Investment Banking launched a varied new graduate trainee programme. Over a period of between 18 months and 2 years, graduates learn about different aspects of investment banking and also have the opportunity to gain international experience by working at Vontobel locations around the world.

**Turnover and training**

	2011	2010	2009
Fluctuation rate (in %)	<b>11.6</b>	9.3 <sup>1</sup>	8.6 <sup>2</sup>
Training costs (CHF 1,000)	<b>2,349</b>	2,167	1,777
Training costs (CHF/FTE)	<b>1,579</b>	1,528	1,306
Number of trainees	<b>22</b>	21	22

1 Excluding staff changes resulting from the acquisition of Commerzbank (Schweiz) AG

2 Excluding staff changes resulting from a cost-cutting exercise

The rate of employee turnover increased by 2.3 percentage points compared to 2010. Training expenditure rose in both absolute terms and in terms of the amount spent

per employee. During the year under review, Vontobel offered 22 apprentices an attractive training position.

The Group Executive Management considers it important to inform 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 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.

In the year under review, the bank introduced a new programme for senior managers to further develop their social skills. Vontobel executives can now spend one week in a social institution of their choice – ranging from clinics for people suffering from addiction to children's homes. The programme enables them to discover a very different type of working environment and to gain an insight into a different world. The response from the first participants was very positive: they found it highly beneficial to gain an understanding of the way other people live and of different corporate cultures, and they benefited from the opportunity to meet new people.

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 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. The newly established running group immediately attracted a high level of interest among Vontobel employees, many of whom now train together.

Changes in employee behaviour enable Vontobel to strengthen its contribution towards building a stable society and preserving a sound environment. The company regularly raises awareness of these issues among employees through online articles and various other campaigns. In summer 2011, Vontobel once again participated in the 'Bike to Work' campaign that encourages employees to cycle to the office instead of taking the car or public transport. A campaign to collect old mobile telephones also generated a very positive response, with numerous phones being donated by employees so that they can be reused or recycled properly.

#### **Long-term compensation concept**

The compensation concept introduced by Vontobel in 2005 provides employees with an incentive to focus on long-term performance and to contribute to the sustained success of the company. The concept largely satisfies the demands for sustainable, integrated compensation systems that are being widely debated. Further information on this topic can be found in the chapter 'Information relating to corporate governance' in the section 'Compensation, shareholdings and loans' as well as in the Notes

to the consolidated financial statements, note 29. 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 – an ongoing commitment

Reducing the environmental impacts of our banking operations is a key objective at the Vontobel Group. In 2011, we once again made progress at various levels.

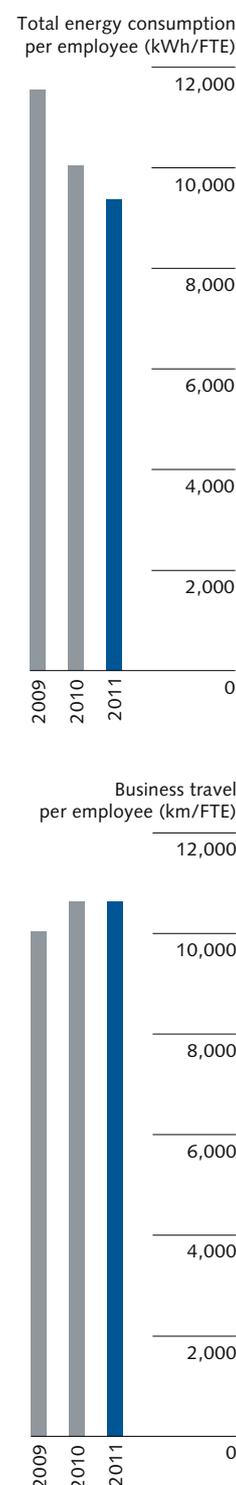
Our key sustainability indicators illustrate the improvements we achieved in many areas. In individual cases, the indicators were also influenced by the increasing quality of data collection. The second table shows all of the figures in relation to the number of full-time equivalents at the Vontobel Group and thus reflects the environmental impact per employee – a measure that improves comparability (both over time and with other organizations).

Environmental key figures absolute	2011 <sup>1</sup>	2010	2009
<b>Total energy consumption (MWh)</b>	<b>12,922</b>	14,328	14,361
Electricity consumption (MWh)	9,060	9,546	10,185
Heat consumption (MWh)	3,168	3,970	4,080
District heating usage (MWh)	694	812	96
<b>Business travel (1,000 km)</b>	<b>14,748</b>	14,262	12,501
<b>Paper consumption (t)</b>	<b>194</b>	259	269
Proportion of recycled paper used (%)	12	13	9
Proportion of FSC-label paper used (%)	81	79	73
<b>Water consumption (drinking water, m<sup>3</sup>)</b>	<b>21,462</b>	24,975	23,432
<b>Volume of waste (t)</b>	<b>309</b>	285	299
Recycling ratio (%)	71	62 <sup>3</sup>	64
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in t)<sup>2</sup></b>	<b>3,799</b>	4,003	4,090
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in t) <sup>2</sup>	1,365	1,526	1,846
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in t) <sup>2</sup>	2,434	2,477	2,244

1 Figures based on revised period (01-10-10 – 30-09-11)

2 Definition according to GHG Protocol

3 Adjusted figure



<b>Environmental key figures per employee</b>	<b>2011<sup>1</sup></b>	<b>2010</b>	<b>2009</b>
<b>Total energy consumption (kWh/FTE)</b>	<b>9,305</b>	10,644	11,522
Electricity consumption (kWh/FTE <sup>2</sup> )	<b>6,524</b>	7,092	8,172
Heat consumption (kWh/FTE)	<b>2,281</b>	2,949	3,273
District heating usage (kWh/FTE)	<b>500</b>	603	77
<b>Business travel (km/FTE)</b>	<b>10,619</b>	10,595	10,030
<b>Paper consumption (kg/FTE)</b>	<b>139</b>	193	216
<b>Water consumption (drinking water, l/FTE)</b>	<b>15,454</b>	18,553	18,801
<b>Volume of waste (kg/FTE)</b>	<b>223</b>	212	240
<b>Total greenhouse gas emissions (CO<sub>2</sub> equivalents in kg/FTE)<sup>3</sup></b>	<b>2,735</b>	2,974	3,283
Greenhouse gas emissions: scope 1 and 2 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	<b>982</b>	1,134	1,482
Greenhouse gas emissions: scope 3 (CO <sub>2</sub> equivalents in kg/FTE) <sup>3</sup>	<b>1,753</b>	1,840	1,801

<sup>1</sup> Figures based on revised period (01-10-10 – 30-09-11)

<sup>2</sup> FTE = Full Time Equivalent

<sup>3</sup> Definition according to GHG Protocol

The consumption of both electricity and heat decreased in the year under review in absolute terms and per employee. This pleasing development reflects a host of different factors. For example, Vontobel made various changes to the structure of its largest data processing centre in 2011 to reduce the amount of electricity used by its cooling systems. The systematic procurement of energy-saving computers (for use both in the data processing centres and for desktop applications) also reduced electricity consumption. In 2011, the company installed new printers that switch to energy-saving mode much more rapidly than the previous models. As a result of all these measures, we achieved a reduction in our electricity and heat consumption in our Swiss locations in particular. At the same time, it should be noted that the winter of 2011 was warmer, thus reducing heating requirements and lowering consumption in this area. In view of the positive insights gained from the energy audit conducted at our main office building in Zurich in 2010, a new energy audit was launched at our second largest building in Zurich in 2011. The results will become available this year and are once again expected to provide the basis for significant savings.

The level of business travel per employee was largely in line with the previous year, reflecting a slight increase in travel by staff in international locations, while employees in Switzerland travelled less. This decrease was partly attributable to the further expansion of Vontobel's telephone and videoconference facilities. Paper consumption declined overall, reflecting a reduction in the amount of marketing materials printed as well as a decrease in the amount of paper used by employees for printing and photocopying purposes. Another factor is the improved recording of data at Vontobel's international locations, which resulted in lower consumption figures. The photocopying and printing paper used at Vontobel now contains at least 50% recycled fibres, thus significantly reducing the use of fresh fibres. Water consumption fell significantly both in absolute terms and per employee: this was primarily the result of the energy audit conducted at Vontobel's largest office building in Switzerland. The subsequent measures

to optimize the operating settings and operating times of the ventilation system not only reduced electricity usage but also water consumption. The increase in the waste volume is primarily due to the more accurate recording of the relevant data at international locations rather than to an actual rise in the quantity of waste.

Greenhouse gas emissions per employee decreased by approximately 8% compared to 2010. This trend is primarily driven by the lower consumption of heat and electricity but also reflects improvements in the quality of data collection compared to the previous year. The whole of the Vontobel Group has been carbon neutral since 2009. At the end of 2011, the Sustainability Committee decided to extend the company's greenhouse gas neutrality by at least three years to 2014. In conjunction with the established partner Southpole, Vontobel purchased emissions reduction certificates that are equivalent to our annual global CO<sub>2</sub> output, thus fully offsetting 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. Vontobel has selected the following interesting schemes to offset its emissions over the next three years: 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 can be found on Vontobel's website.

Vontobel also decided to make changes to its supply policy relating to the employee restaurant. Virtually all categories of meat served in the restaurant were already sourced from within Switzerland. In future, chicken will also be purchased from Swiss suppliers. This not only reduces the distance over which food has to be transported but also guarantees higher animal welfare standards.

### Social responsibility generates added value

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

The payment of corporate taxes each year is one important way in which we assume our social responsibilities. In addition, our shareholders benefit from a favourable dividend policy under which we endeavour to pay dividends as continuously as possible. Compared to the previous year, value creation decreased slightly, yet higher taxes were paid. The dividend distributed by Vontobel Holding AG for the financial year 2010 was virtually unchanged compared to the previous year.

External stakeholders	2011	2010	2009
Added value (in CHF mns) <sup>1</sup>	<b>526.6</b>	572.0	551.2
Tax liability (in CHF mns) <sup>2</sup>	<b>36.9</b>	30.2	16.5
Dividends paid (in CHF mns)	<b>90.5</b>	90.2	77.4

<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 legal compliance as an essential business requirement that we implement 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 given an Employee Handbook that sets out specific regulations and instructions and contains our 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 lends its support to sporting, cultural, environmental and educational activities by providing donations and sponsorship funding. As a founding member of the Climate Foundation Switzerland, Vontobel once again contributed to several climate protection projects conducted by Swiss small and medium-sized enterprises (SMEs) in 2011. The Climate Foundation supported the work of the Ökozentrum Langenbruck, which is developing 'Smile' – an attractive small electric vehicle for use in city traffic. In addition, a gardening centre received financial support for the installation of innovative geothermal wells to heat its greenhouses. In 2011 Vontobel donations amounted to CHF 676,000.

The level of donations made in 2011 was slightly lower than in the previous year since the sum paid in 2010 comprises a three-year contribution to the Climate Foundation Switzerland.

It is not only monetary contributions that are beneficial: society can also benefit from the transfer of knowledge. A number of Vontobel employees share their financial expertise with others by giving talks and presentations at training events held 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 number of products and services from external partners, ranging from cleaning services and IT equipment to the design and production of printed materials. 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. The sustainable purchasing guidelines approved in 2010 were therefore defined in more concrete terms during the year under review for marketing activities, office supplies, building services and IT. The sustainable purchasing guidelines are gradually being integrated into our contracts with service providers.

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

**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 – our CEO Zeno Staub holds the position of TSF President – 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 2011" to GRI's Report Services which have concluded that the report fulfils 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.

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

Amsterdam, 31 January 2012

A handwritten signature in black ink, appearing to read "Nelmara Arbex", is written over a large, faint watermark of the GRI logo in the background.

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 30 January 2012. GRI explicitly excludes the statement being applied to any later changes to such material.*