



Human Rights Statement

UBS Human Rights Statement

What is the UBS Human Rights Statement

Our Human Rights Statement shows UBS's commitment to respecting internationally recognized human rights across our firm globally.

The responsibility of business enterprises to respect human rights refers to internationally recognized human rights – understood, at a minimum, as those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

Our Statement shows the structures (governance, policies) and mechanisms (procedures, processes) UBS has in place to support its commitment.

The purpose of our Human Rights Statement

Our Human Rights Statement demonstrates our desire to maximize positive impacts on society and reducing actual and potential negative impacts. This is in line with key pledges of our firm, notably to the Principles for Responsible Banking (PRB)¹ and

the UN Global Compact (UNGC).² The Statement also reflects the elements of the UN Guiding Principles on Business and Human Rights (UNGPs).³ In this Statement we outline what we do and what we avoid in order to ensure respect for human rights.

Who looks after our Human Rights Statement

Our approach to human rights is overseen by the Board of Directors, notably by the Corporate Culture and Responsibility Committee (CCRC). Our firm's Group Executive Board drives our efforts pertaining to human rights. Other management bodies, including in particular our Risk, Compliance, HR and Corporate Services functions, ensure the implementation of our approach to human rights.

We regularly review our Human Rights Statement

Our Human Rights Statement is not set in stone. In the spirit of continuous improvement, it is subject to a regular review process. As part of the process, we consider developments and challenges pertaining to human rights. Where we deem it necessary, we amend the Statement accordingly.

¹ The Principles for Responsible Banking (PRB) are a framework for ensuring that signatory banks' strategy and practice align with the vision society has set out for its future in the Sustainable Development Goals and the Paris Climate Agreement.

² The UNGC is founded in the Universal Declaration of Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention Against Corruption.

³ The UNGPs are grounded in recognition of: (a) States' existing obligations to respect, protect and fulfil human rights and fundamental freedoms; (b) The role of business enterprises as specialized organs of society performing specialized functions, required to comply with all applicable laws and to respect human rights; (c) The need for rights and obligations to be matched to appropriate and effective remedies when breached. The UNGPs apply to all States and to all business enterprises, both transnational and others, regardless of their size, sector, location, ownership and structure.

What guides us

We're committed to respecting and promoting human rights, as set out in the UNGPs. In assessing UBS's potential human rights impacts we focus on three key stakeholder groups (employees, clients, vendors), as well as society at large.

Our commitment in this important area is longstanding. In 2000, UBS was among the first companies that pledged to adhere to the UN Global Compact Principles, including on human rights. The United Nations took a significant step in 2011 by endorsing the UNGPs. At this point, UBS came together with other banks and formed the Thun Group of Banks to jointly consider these developments and to share experiences regarding the implementation of the UNGPs.

We recognize that respect of human rights is essential to achieving sustainable development globally. They are integral to the United Nations Sustainable Development Goals (SDGs), which guide our concept of sustainability. The 17 SDGs bring together the enormous societal and environmental challenges the world faces. We are committed to playing a leading role in providing both finance and expertise to meet these ambitious global goals. As human rights standards are embedded in the SDGs, respecting human rights is a key consideration in our business practices.

Who we're looking at

As a global bank we recognize our impact as an investor, employer, vendee, taxpayer and protector of our clients' assets. In assessing UBS's potential human rights impacts we focus in particular on three key stakeholder groups (employees, clients, vendors) and on society at large.

With regard to employees, we commit to...

...respect human rights standards through our human resources policies and practices. We review these policies and practices on a regular basis with the goal of ensuring that human rights and labor rights continue to be respected. We are committed to meeting the obligations that a responsible company is required to comply with. This includes our commitment to a diverse and inclusive workplace with equitable opportunities for our employees, and a strong commitment to pay fairness that is embedded in our compensation policies, and we conduct both internal reviews and independent external audits as quality checks.

Our Total Reward Principles (TRP) approach includes supporting the health and wellbeing of our employees. Our employees have access to our competitive benefits, including offerings covering insurance, retirement and personal leave. Benefits are aligned with local markets, often going beyond legal requirements or market practice. We actively support flexible working arrangements, part-time roles, job sharing and partial retirement. In addition, our TRP underpin our approach to compensation by establishing a compensation framework that balances sustainable performance and appropriate risk-taking with a focus on conduct and sound risk management practices. This includes providing employees with pay that is fair, reflecting the equal treatment of employees.

With regard to clients we commit to...

...provide them with innovative investment solutions in themes related to human rights such as health, education, gender or and equality, in addition to taking human rights risks into account in solutions that address a broader range of sustainability issues. We offer a range of sustainable and impact investments to meet different client interests, values, risk profiles, return expectations and regional needs.

...identify and manage actual and potential adverse impacts to human rights that our clients' and our own assets are exposed to. We aim to identify, prevent, and mitigate actual and potential contributions to human rights abuses. Our sustainability and climate risk function conducts ongoing reviews of our business relationships and portfolio underlying assets to assess whether they might lead to or be exposed to actual and potential negative impacts.

With regard to vendors we commit to...

...reduce negative social effects of the goods and services UBS purchases. To do so we identify high-risk vendors when establishing new contracts or renewals, based on the vendors' provision of goods and services that have either a substantial social impact, or are sourced in markets with potentially high social risks. Vendors associated with actual and potential human rights risks that do not fulfill the minimum applicable standards have to agree and comply with a remediation plan before contract signature.

Which key policies and procedures do we have in place

Overarching

It is our goal to be the financial provider of choice for clients who wish to mobilize capital toward the achievement of the 17 Sustainable Development Goals and the orderly transition to a low-carbon economy. The Group Sustainability and Impact governance and policy framework document provides an overview of the governance and key Group-wide policies, guidelines, and commitments applying to sustainability and impact at UBS.

Employees

We regularly provide training and work to raise awareness among employees about the Code of Conduct and Ethics (the Code). In our Code, we commit to diversity and equitable opportunities regardless of status, ethnicity, gender, nationality, age, ability, sexual orientation or religion. We do not tolerate harassment of any kind including sexual harassment, and we take measures to prevent all forms of harassment, bullying, victimization and retaliation and we encourage employees to speak up and report any concerns, without fear of reprisals. All employees must affirm annually that they have read and will adhere to the Code and other key policies, supporting a culture where ethical and responsible behavior is part of our everyday operations.

In addition, our global whistleblowing procedures offer multiple channels (including confidential and anonymous online whistleblowing forms and a whistleblowing hotline) for staff to raise concerns about any conduct which they reasonably believe has or is likely to violate any applicable laws, regulations, rules, UBS codes of ethics, policies or procedures. We are committed to protecting individuals from any discrimination or retaliation as a result of reporting whistleblowing concerns pursuant to the Whistleblowing Policy.

Clients

We apply a sustainability and climate risk (SCR) policy framework to our activities. This helps us identify and manage potential adverse impacts to the climate, environment and to human rights, as well as the associated risks affecting our clients and us.

As set out in our SCR policy framework, UBS annually performs a sustainability and climate risk materiality assessment of its products, services and supply chain (in accordance with the ISO 14001 standard and UBS's Risk Control Self-Assessment). Products, services and activities deemed as having high risk are subject to a framework that includes (i) risk identification and measurement; (ii) risk monitoring and appetite setting; (iii) risk management and control; and (iv) risk reporting.

We have set standards in product development, investments, financing and for supply chain management decisions. We have identified certain controversial activities we will not engage in, or will only engage in under stringent criteria. Our SCR experts perform standard risk-based due diligence to identify potential non-compliance with UBS controversial activities standards. In addition to the daily feed into the standard compliance tool, the SCR due diligence factors include different data sources, such as public information, third-party specialty databases and information sourced from client engagement (or in some cases through engagement with civil society groups and potentially affected communities). We maintain a dialogue with numerous stakeholders, such as non-governmental organizations, to assist

us with considering and applying our approach to, and understanding of, societal issues and concerns. As part of this process, we engage with clients and suppliers to better understand their processes and policies and to explore how any environmental and social risks may be mitigated.

Our Asset Management (AM) division applies a responsible investment approach, which guides processes in integrating environmental, social (including human rights) and governance factors in investment decisions and contains an exclusion process, based on the UNGC principles. It also regards stewardship, in the form of proxy voting and engagement, as an integral part of our fiduciary duty. We execute our shareholder rights by generally supporting resolutions promoting human rights and we have set expectations on management of investee companies regarding human capital management and human rights which guide our stewardship activities.

We engage with investee companies as part of our ESG integration process, where we identify company-specific risks and opportunities, and as part of our social thematic and collaboration programs. Through our Human Rights program, we engage with companies identified as presenting a high risk of negative human rights impacts and encourage them to demonstrate their respect for human rights across their operations and value chains. Our Good Work program covers the relationship between companies and their employees and suppliers, including four sub-themes: (1) diversity, equity and inclusion, (2) education, (3) fair pay, and (4) health and safety. Through this program, we encourage companies to enhance policies, practices and disclosure to evidence provision and promotion of good work. We also engage with leading sustainability index providers and industry initiatives to promote human rights.

We regularly report on our activities to clients. UBS AM's approach to stewardship is described in the annual UBS AM Stewardship Report.

Vendors

Our firm-wide Responsible Supply Chain Standard Management (RSCM) framework is based on identifying, assessing and monitoring vendor practices in the areas of human and labor rights, the environment, health and safety and anticorruption.

We aim to reduce negative environmental and social effects of the goods and services UBS purchases and we engage with vendors to promote responsible practices. We have embedded environmental and social (incl. human rights) standards into our sourcing and procurement activities and to bind our vendors to our standards.

A central component of our RSCM framework is the RSCM standard, to which our direct vendors are bound by contract. The standard defines our expectations towards vendors and their sub-contractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, remuneration, hours of work, freedom of association, humane treatment, health and safety, anti-corruption measures, and whistleblowing protection for employees.

**We're committed to continuous improvements
– and to transparency**

We engage with stakeholders on a regular basis and on a wide range of topics. This engagement yields important information about their goals, expectations and concerns. It makes a critical contribution to our understanding and management of issues that have a potential impact (whether positive or negative) on our firm and on our stakeholders. Our stakeholder engagement, including the type of interactions and the key topics covered, is set out in detail in the UBS Sustainability Report 2021.

Annually, we undertake a review of this Statement and update it with any changes deemed necessary.

We're committed to reporting on the focus areas of this statement. To enable our stakeholder groups to review our progress we provide transparency on our commitments and actions on www.ubs.com/gri.

Please contact us for any concerns, feedback, comments by sending an email to cr@ubs.com.

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