



Human Rights Statement 2023

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.

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 Labor 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. UBS also publishes a Modern Slavery and Human Trafficking Statement pursuant to the UK Modern Slavery Act 2015 and to the Australian Modern Slavery Act 2018.

The purpose of our Human Rights Statement

Our Human Rights Statement demonstrates our desire to maximize positive impacts on society and reduce, as far as possible, actual and potential negative impacts on society. This is in line with key pledges of our firm, notably to the UN Global Compact (UNGC).¹ The Statement also reflects the elements of the UN Guiding Principles on Business and Human Rights (UNGPs).² 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 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 with an aim to improve our understanding of how to manage these. Annually, we undertake a review of this Statement and update it with any changes deemed necessary.

What guides us?

We're committed to respecting and promoting human rights, as set out in the UNGPs. As human rights standards are embedded in the United Nations Sustainable Development Goals (the SDGs), respecting human rights is a key consideration in our business practices. When assessing UBS's potential human rights impacts, we focus on three key stakeholder groups (employees, clients, vendors), as well as society at large.

¹ The UNGC is founded in the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development and the UN Convention Against Corruption.

² 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.

Our commitment in this important area is longstanding. In 2000, UBS was among the first companies that pledged to adhere to the UNGC principles, including 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 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.

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 equity that is embedded in our compensation policies. In this respect, we conduct both internal reviews and independent external audits as quality checks.

Clients

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

We 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, mitigate or prevent 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.

Suppliers

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 potential human rights and labor-related risks are assessed and, if they do not fulfil the minimum applicable standards, have to agree and comply with a remediation plan before or at signing a contract with UBS. Compliance with remediation actions is closely monitored through the plan's completion.

Other stakeholders

We engage with stakeholders on a regular basis and on a wide range of topics, including human rights. 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. Interactions with non-governmental organizations, for instance, help us consider 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 sustainability and climate risks may be mitigated.

Which key policies and procedures do we have in place?

Overarching

We want to be the financial provider of choice for clients that wish to mobilize capital toward the achievement of the SDGs and the orderly transition to a low-carbon economy. We are focusing on three key areas to drive that transition: Planet, People and Partnerships. The UBS Sustainability Report 2022 provides an overview of the governance and key policies, guidelines, and commitments applying to sustainability and impact at UBS.

Employees

We regularly provide mandatory and non-mandatory training and work to raise awareness among employees about the requirements and expectations contained in our Code of Conduct and Ethics (the Code). In our Code, we commit to diversity and equitable opportunities regardless of status, ethnicity, gender, gender identity, gender expression, 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. Further, we encourage employees to speak up and report any concerns, without fear of reprisals. All employees must affirm annually that they will uphold 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 framework offers 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 constitutes an actual or likely violation of applicable laws, regulations, rules, the Code, policies or procedures. We are committed to protecting individuals from any form of retaliation as a result of reporting a whistleblowing concern pursuant to the Whistleblowing policy.

Clients

We apply a sustainability and climate risk policy framework to all our relevant 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. At UBS, we define sustainability and climate risk as the risk that our firm negatively impacts, or is impacted by, climate change, natural capital, human rights, and other environmental, social and governance (ESG) matters.

As set out in our sustainability and climate risk 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 and other areas of concern we will not engage in, or will only engage in under stringent criteria. Our sustainability and climate risk experts perform standard risk-based due diligence to identify potential non-compliance with sustainability and climate risk standards. In addition to the daily feed into the standard compliance tool, the sustainability and climate risk 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).

Our Asset Management division applies a responsible investment approach, which guides processes in integrating ESG (including human rights) 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 the division's 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. Through the division's Human Capital program, we encourage companies to enhance diversity, equity and inclusion (DE&I) and labor rights policies, practices, and disclosure thereof.

Our Asset Management division is also a member of a range of investor initiatives to collectively address human rights issues, including the Investor Alliance for Human Rights and the 30% club.¹ As part of our memberships, we carry out our engagements in collaboration with other investors, as well as evolve the industry dialogue, promote research and build investor knowledge and awareness on these topics. We also engage with leading sustainability index providers and industry initiatives to advance human rights. We regularly report on our activities to clients. Our Asset Management's approach to stewardship is described in our annual Asset Management Stewardship Report.

Vendors

We expect our suppliers to uphold high standards of ethics, carefully mitigate risks, and honor global and local labor laws, human rights and environmental responsibilities. Our UBS Supplier Code of Conduct (the Supplier Code) details our ethical and professional standards, which our suppliers must follow when conducting business and engaging with us. The Supplier Code sets forth UBS's general principles, standards and requirements, which we require our current and future suppliers to be familiar and comply with, in accordance with all applicable international and local laws and regulations, as well as industry rules, UBS guidelines and standards applicable to them.

We embed ESG standards into our sourcing and procurement activities. Our firm-wide Responsible Supply Chain 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 anti-corruption/bribery. Central to our RSCM framework is our RSCM Standard, which incorporates principles in these areas set out in the UNGC. Our RSCM Standard also supports the implementation of the principles stated in the UBS Group Policy Against Bribery and Corruption and the Reputational Risk Policy. Our RSCM Standard defines our expectations toward vendors and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, DE&I, remuneration, hours of work, freedom of association, humane treatment, health and safety and anti-corruption measures.

We're committed to continuous engagement – and to transparency

Our stakeholder engagement, including the type of interactions and the key topics covered, is set out in detail in the UBS Sustainability Report 2022.

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.

¹ See <https://investorsforhumanrights.org/> and <https://30percentclub.org/>

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