



Modern Slavery and Human Trafficking Statement 2021

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1. Introduction

UBS Group AG and its subsidiaries and affiliates (collectively, "UBS") are committed to maximizing positive effects and to minimizing negative impact that we have on society and the environment. As part of this commitment we strive to improve our practices to combat slavery and human trafficking.

The COVID-19 crisis has brought the vulnerability and interconnected nature of the environment, societies and economies to the forefront of all our minds and demonstrated that sustainability considerations, including pertaining to human rights, must be firmly pursued. We explain our sustainability strategy, achievements and goals in the [UBS Sustainability Report 2020](#).

We are committed to respecting human rights and recognize that human rights are essential to achieving sustainable development globally. Our commitment is set out in the [UBS Human Rights Statement](#).

This Modern Slavery and Human Trafficking Statement ("Statement") is made pursuant to section 54, Part 6 of the UK Modern Slavery Act 2015, for the following entities jointly following a process of consultation between each reporting entity, for the financial year ending 2020:

- UBS AG, London Branch
- UBS Asset Management (UK) Limited
- UBS UK Donor-Advised Foundation

This Statement is also made pursuant to section 16, Part 2 of the Australian Modern Slavery Act 2018 (Cth) for the following entities jointly following a process of consultation between each reporting entity, for the financial year ending 2020:

- UBS AG, Australia Branch
- UBS Securities Australia Limited
- UBS Holdings Pty Limited

This Statement has been approved by the principal governing body of each of the respective entities listed above.

2. Business, operations and structure

UBS provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as private clients in Switzerland. Headquartered in Zurich, Switzerland, UBS is present in all major financial centres, with the firm's workforce working in around 50 countries worldwide. The operational structure of UBS is comprised of four business divisions (Global Wealth Management, Personal & Corporate Banking, Asset Management and the Investment Bank) and Group Functions. More information can be found in our [annual report](#).

In the UK, UBS's core businesses are investment banking, including sales and trading, asset management and wealth management. In Australia, UBS's core businesses are investment banking including sales and trading, and asset management.

3. Governance

Our approach to human rights is overseen by the Board of Directors of UBS Group AG, notably by the Corporate Culture and Responsibility Committee. 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.

4. Workforce

As of 31 December 2020, UBS had 71,551 employees (fulltime equivalents / FTEs), 2,950 FTEs more than in 2019. In addition, a total of 15,804 external staff for core business services were active at the end of 2020, primarily in technology and operations roles. This included 2,226 FTEs employed through third parties on short-term contracts to fill positions on an interim basis. Additionally, a total of 10,903 external staff for non-core business services were active at the end of 2020, primarily in premises-related roles.

5. Our policies and principles

We have a number of important policies, principles and tools relevant to the prevention of modern slavery and human trafficking. Policies and principles are reviewed on a regular basis.

a. Code of Conduct and Ethics of UBS

The [Code of Conduct and Ethics of UBS](#) (the "Code") defines the way UBS does business. The principles and standards set out in the Code apply to all aspects of our business and the way we engage with our stakeholders. The Code aims to support a culture where ethical and responsible behaviour is ingrained in our workforce. It includes an ongoing commitment to look for better ways to do business which are environmentally sound and socially responsible, including monitoring, managing and reducing any negative impact we might have on the environment and on human rights.

The Code is also the basis for all our human resource (HR) policies, guidelines and procedures, and it includes a commitment to protect the health and safety of employees and external staff. The Code is complemented by global and country-specific HR policies designed to ensure effective management practices, a strong culture and a safe and respectful working environment. The Code is reviewed on an annual basis.

b. Human Rights Statement

The [UBS Human Rights Statement](#) shows UBS's commitment to respecting internationally recognized human rights across our firm globally. It shows the structures (governance, policies) and mechanisms (procedures, processes) UBS has in place to support its commitment. Our Human Rights Statement demonstrates our desire to maximize positive impacts on society and reducing as far as possible potentially negative impacts. This is in line with key pledges of our firm, notably to the Principles for Responsible Banking and the UN Global Compact. The Statement also reflects the elements of the UN Guiding Principles on Business and Human Rights. In our Human Rights Statement we outline what we do and what we avoid in order to ensure respect for human rights. The UBS Human Rights Statement was published in 2021, but covers our policies and procedures that were in place throughout 2020.

c. Whistleblowing Policy

UBS is committed to conducting its business lawfully and ethically. We have a Whistleblowing Policy and established procedures in every region to help us resolve employee grievances and to deal with genuine concerns staff may have about any suspected breaches of laws, regulations, rules or other legal requirements, ethical breaches, sexual misconduct or harassment, or any infringement of our Code, policies or professional standards. Both the Whistleblowing Policy and the Code encourage staff to report promptly any concerns. All staff have easy access to anonymised, free, internal or external mechanisms (including a whistleblowing and sexual misconduct hotline) for submitting whistleblowing reports. All concerns raised are taken seriously and investigated fully and promptly. UBS does not allow retaliation for reports of misconduct by others made in good faith.

d. UBS in Society constitutional document

The scope, principles, responsibilities and structure of UBS in Society, our sustainability organization, are set out in more detail within our [UBS in Society constitutional document](#). It defines the principles and responsibilities for promoting our commitment to sustainability systematically across all relevant businesses, and for implementing the ethical standards defined in the Code that govern UBS's interaction with society and the environment.

e. Risk principles and risk culture

We focus on maintaining a strong risk culture. Our risk appetite framework combines all the important elements of our risk culture, expressed in our Pillars, Principles and Behaviors, our risk management and control principles, the Code, our [ESR Policy Framework](#) (see below) and our Total Reward Principles. Together, these aim to align the decisions we make with UBS's strategy, principles and risk appetite. They help provide a solid foundation for promoting risk awareness, leading to appropriate risk-taking and the

establishment of robust risk management and control processes, including in relation to modern slavery and human trafficking. These principles are supported by a range of initiatives covering employees at all levels.

f. Environmental and Social Risk (ESR) Policy Framework

Products, services and activities deemed to have significant environmental or social risk potential are subject to procedures and tools for the identification, assessment, and monitoring of such risks in client onboarding, transaction due diligence, supply chain management, operational activities and investment decisions.

Our key tool in this regard is our ESR Policy Framework which governs client and supplier relationships, applies firm-wide, meets the highest industry standards and is integrated in management practices and control principles. We apply the framework to identify and manage potential adverse impacts on the environment and human rights, as well as the associated environmental and social risks to which our clients' and our own assets are exposed. UBS's comprehensive ESR standards are aligned with the principles expressed in the UBS in Society constitutional document.

UBS's risk and compliance processes are designed to identify clients, transactions and suppliers which do not comply with UBS's ESR standards. ESR data categories integrated into our compliance tool include forced labour and child labour, along with other human rights abuses, and corporate complicity in human trafficking.

g. Policies and Procedures to Combat Financial Crime

We are committed to combating money laundering, corruption and terrorist financing and have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. We have developed policies intended to prevent, detect and report money laundering, corruption and terrorist financing. These policies seek to protect the firm and our reputation from those who may be intending to use UBS to legitimize illicit assets. As proceeds stemming from the offences in the Modern Slavery Acts of Australia and the United Kingdom would be the proceeds of crime, instances of slavery or human trafficking would also come within the scope of UBS's money laundering reporting procedures.

h. Application of relevant international standards

Our commitment to respecting human rights, as highlighted in the UBS Human Rights Statement, 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 (Guiding Principles

on Business and Human Rights – Implementing the United Nations “Protect, Respect and Remedy” Framework).

UBS has been globally certified to ISO 14001, the international environmental management system standard, since 1999. In accordance with this standard, UBS annually analyses its portfolio of products and services, own operations and supply chain to assess the significance of environmental and social (including human rights) risks.

In 2019, we also achieved ISO certification in accordance with ISO standard Anti Bribery Management System 37001:2016. The audit certifies that UBS’s global anti-bribery & corruption framework meets global requirements to prevent and detect bribery as defined by ISO, and it evidences UBS’s commitment. The ISO certification is renewed annually and is the result of UBS proactively engaging an accredited ISO auditor. Most recently UBS’s certification was renewed in 2020. The ISO standard requires a series of measures which are aimed at preventing, detecting and addressing bribery. Such measures include, but are not limited to policies and procedures, culture and tone from the top, appropriate resourcing, training, risk assessments, third party due diligence, and implementing appropriate controls.

UBS uses the [Global Reporting Initiative \(GRI\)](#) as the basis for our sustainability reporting and applies a careful process weighing up the materiality and relevance of the information reported and the expectations of all our stakeholders. UBS’s reporting ([UBS Sustainability Report](#)) is reviewed annually by Ernst & Young Ltd (EY) against the GRI Standards (limited assurance). The content of the UBS Sustainability Report 2020 has been prepared in accordance with the GRI Standards, Comprehensive option, as evidenced in the EY assurance report. The assurance audit covers topics such as labour practices, significant actual or potential human rights impacts in the supply chain, and procedures for assessing and screening environmental and social risks in business lines.

6. Our Clients

a. Investment approach

We provide our clients with innovative investment solutions in themes related to human rights, 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.

UBS Asset Management (AM) is a signatory to the Principles for Responsible Investment (PRI) and applies a responsible investment approach, which guides processes in integrating environmental, social (including human rights) and governance factors in investment decisions. It also regards stewardship, in the form of proxy voting and engagement,

as an integral part of our fiduciary duty. AM has set expectations on management of investee companies regarding human capital management and human rights which guide its stewardship activities. These expectations are included in AM’s annual stewardship report.

b. Managing Environmental and Social Risks

We have set environmental and social risk (ESR) standards for product development, investments, financing and supply chain management decisions. As part of our due diligence process, we engage with clients and vendors to better understand their processes and policies and to explore how any environmental and social risks may be mitigated. We apply a precautionary approach by avoiding transactions, products, services, activities or vendors if they are associated with material, environmental or social risks that cannot be properly assessed or mitigated.

Our ESR standards include the description of controversial activities and other areas of concern we will not engage in, or we will only engage in under stringent criteria.

Our standard risk, compliance and operations processes involve procedures and tools for identifying, assessing, reporting and monitoring environmental and social risks. These include client onboarding, transaction due diligence, product development and investment decision processes, regular supply chain management and portfolio reviews. The latter give us an accurate aggregated exposure profile and an enhanced insight into our transaction and client onboarding processes. Based on the outcome of these reviews, we can explore ways to improve the future portfolio profile along a range of risk parameters.

Our processes are geared toward identifying clients, transactions or vendors potentially in breach of our standards, or otherwise subject to significant environmental and human rights controversies. We use advanced data analytics to assess companies associated with such risks, integrated into our web-based compliance tool, before we enter into a client or vendor relationship or transaction. This significantly enhances our ability to identify potential risks. In 2020, our ESR unit assessed 2,168 referrals, of which 81 were rejected or not pursued further, while 342 were approved with qualifications and 56 were pending at year-end 2020.

c. UBS Optimus Foundation

The UBS Optimus Foundation (“Optimus”) works with UBS and private philanthropists to support organizations working to disrupt child trafficking and slavery. It partners with organizations that have long term strategies aimed at reducing the prevalence of trafficking and building the evidence of what works. Optimus focuses on countries where there is a high trafficking burden, including USA, UK, Uganda, Nepal, Malaysia, Vietnam, Thailand, Bangladesh and

India, and supports philanthropists working to tackle the issue in their own communities. As of end of 2020 it has 14 partners from the not-for-profit sector on the issue.

7. Our Supply Chain

In order to run our business, we engage numerous suppliers, consultants, agents, contractors, temporary workers and other third-party individuals or firms that have direct contracts with UBS to provide various products and services. As our business partners, we view our vendors as an extension of UBS, and expect our vendors to demonstrate the highest standards of business conduct, integrity and adherence to the law.

In 2020, we spent USD 9.04 billion on a broad range of products and services. A large proportion of this expenditure comprises real estate, outsourcing, IT as well as consultancy and legal fees. Our sourcing and procurement services are provided by an external company, Chain IQ, which applies our responsible supply chain management (RSCM) framework and processes. The experienced procurement and sourcing specialists at Chain IQ perform vendor due diligence and establish remediation measures, supported by a centralized team of experts within UBS.

To ensure that our social and environmental values are being followed throughout the supply chain, we have in place a firm-wide RSCM guideline which provides systematic assistance on identifying, assessing and monitoring vendor practices in the areas of human and labour rights, environmental protection and anti-corruption. A central component of this guideline is the [UBS Responsible Supply Chain Standard](#), to which our direct vendors are normally bound by contract. We expect our vendors to apply these same standards to relationships with their vendors. The standard defines our expectations toward vendors and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labour, non-discrimination, remuneration, hours of work, freedom of association, humane treatment, health and safety and anti-corruption issues. In respect of modern slavery, the standard explicitly defines our requirement as "Suppliers shall not use any form of forced, imprisoned, indentured, bonded, or involuntary labour". We have zero tolerance to slavery and human trafficking.

The main modern slavery-related risks pertain to working condition risks in real estate, outsourcing and IT. We address these risks through the application of our RSCM approach and framework. The RSCM framework includes an impact assessment of newly sourced goods and services, which takes into account potential negative environmental and social impacts along the lifecycle of a product or a service, and all purchased goods and services are categorized accordingly.

We identify high-impact vendors when establishing new contracts or renewals based on the vendors' provision of goods and services that have either a substantial environmental and social impact or are sourced in markets with potentially high social risks. Such high-impact vendors are requested to fulfil further requirements towards product and service provision and are assessed against the UBS Responsible Supply Chain Standard. If this assessment reveals any non-compliance with our standard, UBS defines and agrees, together with the vendor, on specific improvement measures, which we monitor. Lack of improvement may lead to the termination of the vendor relationship. We also regularly screen active vendors as part of our environmental and social risk control processes.

Vendors of potentially high-impact goods or services are requested to conduct a self-assessment on their management practices and to provide corresponding evidence which is evaluated by a specialized team. Actual and potential negative impacts that are considered in the impact assessment of purchased goods and services include, among other areas, unfair employment practices, such as low wages, excessive overtime, absence of occupational health and safety measures.

In 2020, 221 vendors were classified as vendors that provide UBS with goods or services with potentially high impacts, both newly sourced as well as ongoing engagements, which are regularly re-assessed. 29% of these vendors were considered as in need of improving their management practices. Specific remediation actions were agreed with all of them and the implementation progress has been closely monitored. The remediation actions for this period included the establishment of policy documents with mandatory commitments and implementation procedures in the area of environment, human and labour rights such as setting up vendors' own supply chain code of conduct, environmental policy, human and labour rights policy. In 2020, no UBS vendor relationship was terminated as a result of RSCM assessments. This is partly considered to result from the fact that we assess the vendor's potential risks before entering into a contract with them.

8. Ongoing Plans

In the spirit of continuous improvement, our approach to human rights, including modern slavery, risks is subject to a regular review process. As part of the process, we consider pertinent developments and challenges. This includes UBS Environmental and Social Risk conducting ongoing reviews of our business relationships and portfolio-underlying assets to assess whether they might lead to or be exposed to potential negative impacts.

9. Training

UBS regularly provides training and work to raise awareness among employees about the Code. All employees are required to confirm annually that they have read UBS's key documents and policies, including the Code. We actively engage in education and awareness raising for employees, staff, clients and our local communities on corporate responsibility and sustainability topics and issues.

Through employee onboarding, education and broader awareness-raising activities, we ensure that our employees understand their responsibilities in complying with our policies and the importance of our societal commitments. Better understanding of our firm's sustainability goals and actions is promoted through a wide range of training and awareness-raising activities, as well as in our performance management process. For example, in 2020, a specialist training program on environmental and human rights topics (including sustainable finance) was provided to approximately 20,263 employees in front-office and support functions who deal directly with related aspects in every-day business processes.

All employees and external staff subject to mandatory learning requirements are required to complete financial crime training, which covers AML, sanctions, fraud and anticorruption. The training is mandatory and must be completed at least on an annual basis. We have included human trafficking as a topic in our Group-wide Financial Crime Prevention training module to raise awareness of the issue.

10. Pertinent Societal Commitments

We are a founding member of the Wolfsberg Group, an association of global banks that aims to develop financial services industry standards for policies on preventing financial crime such as corruption, money laundering and terrorist financing, and on Know Your Client principles. The Wolfsberg Group brings together banks globally at its annual forum and regional reach-out meetings focused on financial crime topics and works on guidance papers in related key areas of AML. Together with the other members of the Wolfsberg Group, we work closely with the Financial Action Task Force (FATF), an intergovernmental body that helps develop national and international policies on preventing money laundering and terrorist financing through consultation with the private sector. We have adopted the global FATF standards with respect to record keeping.

We are a member of a number of public private partnerships operating globally which have been set up to foster closer working relationships between financial institutions and law enforcement, most notably the Joint Money Laundering Task Force Operations Group in the UK which has worked on a number of human trafficking and modern slavery cases.

We are also a member of the European Bankers Alliance, an initiative dedicated to the fight against human trafficking. In 2017, the Alliance launched a "toolkit" containing a set of red flag indicators for human trafficking including transactional, KYC, and behavioural indicators; a list of aggravating factors – industries or countries which pose additional levels of risk; a set of case studies – past cases of human trafficking identified and reported by member banks.

We are co-chair of the Thun Group of Banks – an informal group of bank representatives that work together with the primary purpose of (i) furthering understanding of the UN Guiding Principles on Business and Human Rights (UNGPs) within the context of banking, and (ii) considering how they may be applied across the range of different banking activities. Since its first meeting in 2011, the Thun Group's focus has been on sharing expertise and experience to support the integration of the UNGPs into the policies and practices of banking institutions. In 2019 and 2020, the Thun Group of Banks established and conducted a dialogue with the Liechtenstein Initiative for a Financial Sector Commission on Modern Slavery and Human Trafficking, which has in the meantime formed Finance Against Slavery and Trafficking.

11. Further Information

For more information about our approach to corporate sustainability (including our approach to modern slavery and human trafficking) and for any questions pertaining to this Statement, contact cr@ubs.com.

For UBS AG, Australia Branch (ABN: 47 088 129 613; AFSL: 231087)



Nick Hughes
Joint Country Head, Australia



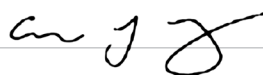
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25 June 2021

For UBS Securities Australia Limited (ABN: 62 008 586 481; AFSL: 23109)



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For UBS AG, London Branch



Beatriz Martin
UK Chief Executive for UBS AG London Branch

25 June 2021

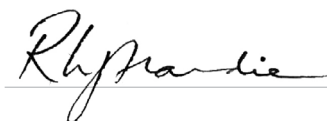
For UBS Asset Management (UK) Limited



Eric Byrne
Director

25 June 2021

For UBS UK Donor-Advised Foundation



Richard Hardie
Chair, UBS UK Donor-Advised Foundation

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