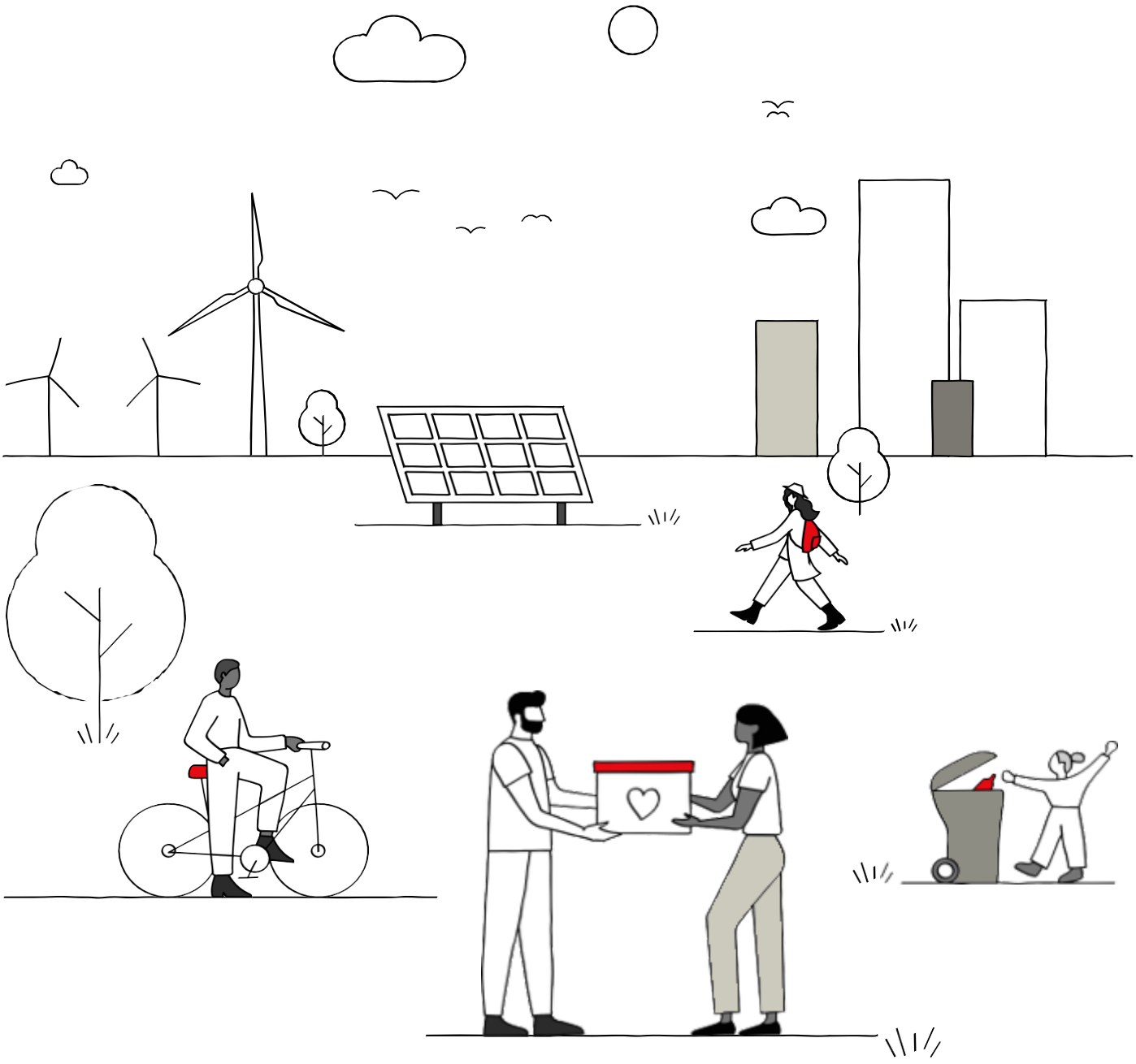
# Modern Slavery and Human Trafficking Statement 2024



# Modern Slavery and Human Trafficking Statement 2024

## Introduction

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

The United Nations Sustainable Development Goals ("SDGs") bring together the enormous societal and environmental challenges the world faces. We recognize that it is important to understand these challenges, as well as the opportunities arising from them, to consider their relevance to UBS and to identify potential actions our firm may need to take. Our approach to sustainability is set out in the UBS Sustainability Report 2023.

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 2023:

- UBS AG, London Branch
- UBS Asset Management (UK) Ltd
- UBS Business Solutions AG UK Branch
- UBS Optimus Foundation UK
- UBS UK Donor-Advised Foundation
- Credit Suisse (UK) Limited
- Credit Suisse AG, London Branch
- Credit Suisse Asset Management Limited
- Credit Suisse International
- Credit Suisse Investments (UK)
- Credit Suisse Securities (Europe) Limited
- DLJ UK Holding
- Credit Suisse Services AG, London Branch

This Statement is also made pursuant to 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 2023:

- UBS AG, Australia Branch
- UBS Securities Australia Limited
- UBS Holdings Pty Limited
- UBS Asset Management (Australia) Ltd.
- UBS Optimus Foundation Trustee Pty Ltd
- UBS Optimus Foundation Australia International Ltd
- Credit Suisse AG, Sydney Branch
- Credit Suisse Management (Australia) Pty Limited
- Credit Suisse Holdings (Australia) Limited

The process of consultation to prepare and draft this Statement was coordinated globally and involved a collaborative multi-jurisdictional and cross-functional approach involving stakeholders from various relevant Group functions.

## A note on the Credit Suisse acquisition

In June 2023, UBS Group AG completed its acquisition of Credit Suisse Group AG and its affiliates (collectively "CS"). Further information about the integration of CS can be found in our *Annual Report 2023*. On 31 May 2024, UBS AG and Credit Suisse AG were merged by way of a merger by absorption under Swiss law, where UBS AG is the surviving entity and Credit Suisse AG ceased to exist. For the purposes of this Statement, Credit Suisse AG London Branch and Credit Suisse AG Sydney Branch are reporting entities for the respective reporting period and UBS AG, London Branch and UBS AG, Australia Branch sign as the respective successors.

During the reporting period prior to their acquisition by UBS Group AG, the CS entities providing this report applied the principles set out in the Credit Suisse Group AG Modern Slavery & Human Trafficking Transparency Statement 2023.

Following the acquisition of the Credit Suisse Group, the sustainability and climate risk appetites of UBS and Credit Suisse were revised to define combined standards for the combined firm, aimed at supporting mitigation and de-risking of the joint risk profile. UBS's approach was chosen as the blueprint for the combined risk appetite. Former Credit Suisse standards were adopted in areas where UBS did not have a large business footprint before the acquisition. UBS has also become a member of the Equator Principles.

In 2023, we established a combined spend and vendor inventory for UBS AG and Credit Suisse AG. In 2024, the UBS Responsible Supply Chain Management framework will be rolled out to Credit Suisse AG (which, in 2023, continued to apply its Third-Party Risk Management due diligence approach).

## Business, Operations and Structure

This Statement has been approved by the principal governing body of each of the respective entities listed above. Each of the principal governing bodies was given an opportunity to consider and provide feedback on the Statement prior to publication.

UBS provides financial advice and solutions to private, institutional and corporate clients worldwide, as well as retail clients in Switzerland. Headquartered in Zurich, Switzerland, UBS is present in all major financial centers, with the firm's employees working in 52 countries worldwide. The operational structure of UBS is comprised of five business divisions (Global Wealth Management, Personal & Corporate Banking, Asset Management, Investment Bank, Non-Core and Legacy) and Group functions. More information can be found in our Annual Report 2023.

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 and global markets, including research, sales and trading, and asset management, whilst Credit Suisse's core business for the financial year ending 2023 was wealth management.

## Governance

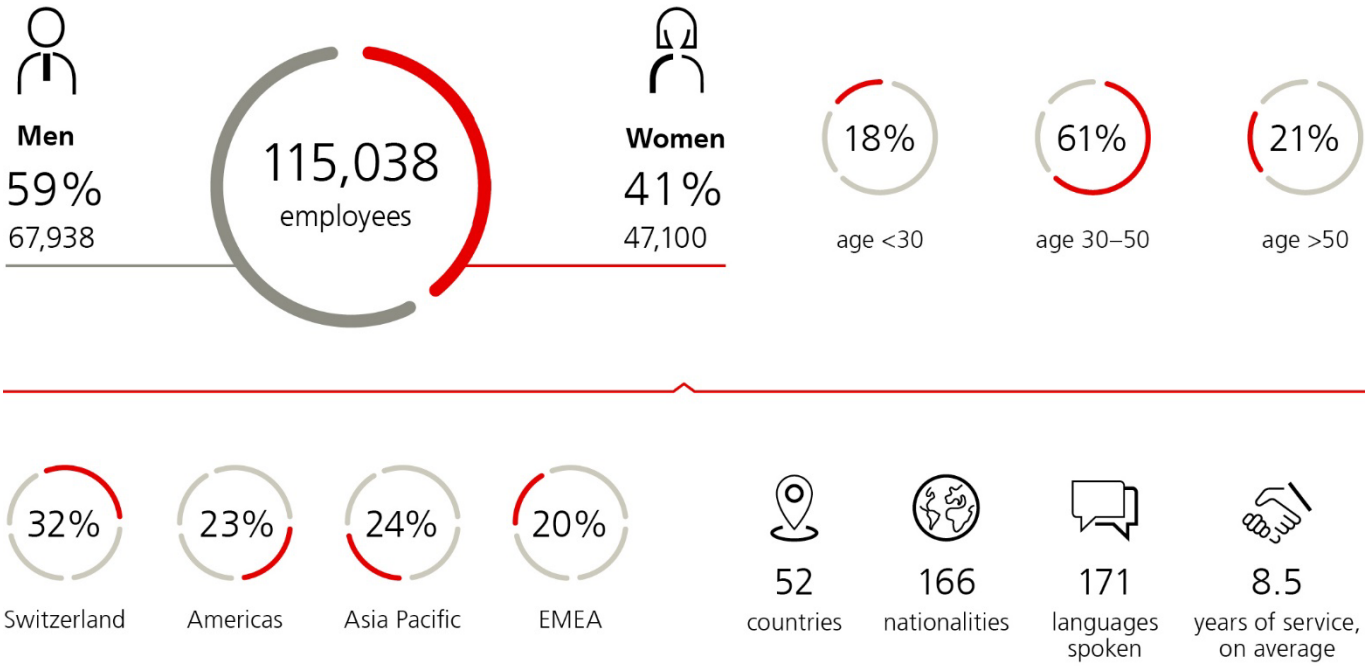
Our approach to human rights is overseen by the Board of Directors (the "BoD") of UBS Group AG, notably by the Corporate Culture and Responsibility Committee (the "CCRC") (as embedded in the *charter of the Committee*). The CCRC oversees our Group-wide sustainability and impact strategy and key activities across environmental and social topics, including climate, nature and human rights. Annually, it considers and approves our firm's sustainability and impact objectives. All BoD committees have specific responsibilities pertaining to environmental, social and governance (ESG) matters. For example, the Compensation Committee is responsible for ESG-related compensation topics, the Risk Committee supervises the integration of ESG in risk management, the Governance and Nominating Committee supports the Board in establishing best practices in corporate governance and the Audit Committee has oversight of the control framework underpinning ESG metrics.

Our Group Executive Board (the "GEB") has overall responsibility for establishing and implementing a risk management and control framework in the Group. The responsibility for setting the sustainability and impact strategy and developing Group-wide sustainability and impact objectives, in agreement with fellow GEB members, has been delegated to the GEB Lead for Sustainability and Impact by the Group Chief Executive Officer (Group CEO). The GEB drives our efforts pertaining to human rights.

## Our Workforce

As of 31 December 2023, we had 112,842 employees as full-time equivalents ("FTEs"). In addition, a total of 25,619 contractors, consultants and outsourcers employed at the end of 2023. This included 2,285 FTEs employed through third parties on short-term contracts to fill positions on an interim basis. Fair and consistent pay practices are designed to ensure that employees are appropriately rewarded for their contribution. We pay for performance, and we take pay equity seriously. We have embedded clear commitments in our global compensation policies and practices. We regularly conduct internal reviews and independent external audits on pay equity, and our statistical analyses show a differential between men and women in similar roles across our major locations of less than 1%.

**Our workforce in a nutshell[1]**




1 Calculated as of 31 December 2023 on a head-count basis of 115,038 internal employees only (112,842 FTE). The number of external staff as of 31 December 2023 was 25,619 (workforce count).

## Our Policies and Principles

We have a number of important policies, principles and tools relevant to the prevention of modern slavery and human trafficking. Our policies and principles are reviewed on a regular basis and updated in line with our commitment to meeting the obligations that a responsible company is expected to comply with.

### Code of Conduct and Ethics of UBS

The Code of Conduct and Ethics[2] 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 behavior is ingrained in our workforce. It includes an ongoing commitment to acting with the long-term in mind and creating value for clients, employees and shareholders. As set out in the Code, UBS aims to only develop products, offer advice, and conduct business in a way that reflects the firm's high standards and support clients in their aim to progress towards positive outcomes for our environment and society.

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.

2 Refer to *ubs.com/code*

## 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 reduce as far as possible potentially negative impacts. This is in line with key pledges of our firm, notably to the UN Global Compact (UNGC). 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.

## Whistleblowing Policy

UBS is committed to conducting its business lawfully and ethically. We have a Whistleblowing Policy and established procedures to help us resolve employee concerns relating to any suspected breaches of laws, regulations, rules or other legal requirements, ethical breaches, misconduct, or any infringement of our Code, policies or procedures. In addition to our Whistleblowing Policy and procedures, all staff have easy access to anonymized, internal or external mechanisms (including an internal website with guidance and links to an online form, whistleblowing hotlines and other resources), for submitting whistleblowing reports. All concerns raised are taken seriously and investigated fully and promptly. UBS prohibits retaliation against any employee who reports a concern that they reasonably believe is a breach or violation.

## Group Sustainability and Impact governance and framework

The scope, principles, responsibilities and structure of Group Sustainability and Impact, our sustainability organization, are set out in more detail within our Group Sustainability and Impact governance and framework document. It provides an overview of the governance and key Group-wide policies, guidelines, and commitments applying to sustainability and impact at UBS.

## 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 Sustainability and Climate Risk 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.

## Sustainability and Climate Risk (SCR) Policy Framework

Products, services and activities deemed to have significant sustainability or climate 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 SCR 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 sustainability and climate risks to which our clients' and our own assets are exposed.

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

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.

### Policies and procedures to combat financial crime

We are committed to combating money laundering, corruption, sanctions violations, fraud, and terrorist financing. We have implemented policies, procedures and internal controls which are designed to comply with all relevant laws and regulations and to protect the firm, its clients, shareholders and the wider public from the risks associated with economic crime. Modern slavery and human trafficking are specifically referenced in the UBS Group Anti-Money Laundering (AML) & Know-your-client (KYC) Policy as being predicate offences for money laundering reporting and any member of staff who has knowledge of suspicion about such activity is required to report their concern to their local financial crime prevention team

### 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.

The UBS Sustainability Report 2023 has been reviewed by Ernst & Young Ltd (EY) against the Global Reporting Initiative (GRI) and our custom definitions. EY's review included more than 340 metrics subject to limited assurance, and more than 20 metrics subject to reasonable assurance. The Report covers topics such as labor 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.

## Our Clients

### Investment approach

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 aim to identify, prevent and mitigate actual and potential contributions to human rights abuses.

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 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 its 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. Our Human Capital program covers the relationship between companies and their employees and suppliers, including two sub-themes: (1) diversity, equity and inclusion, and (2) working conditions, including labor rights issues. Through this program, we encourage companies to enhance policies, practices and disclosure to evidence provision and promotion of good working environment and remediation if any human rights issues happen. 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.

## UBS Optimus network of foundations

The UBS Optimus ("Optimus") network of foundations works with UBS and private philanthropists to support organizations working to address child trafficking and slavery. It partners with organizations that have long term strategies aimed at reducing the prevalence of trafficking in communities, businesses and residential care institutions, and building the evidence of what is impactful. Optimus focuses on countries where there is a high trafficking burden, including Brazil, USA, UK, Romania, Malaysia, Cambodia, Bangladesh, India, Sri Lanka and Thailand, and supports philanthropists working to tackle the issue in their own communities. In 2023 it supported 7 partners from the not-for-profit sector, who work with governments, local organizations, and affected communities to tackle the issue.

## Managing sustainability and climate risks

We have set SCR 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 sustainability and climate risks may be mitigated.

Our SCR standards, as outlined in the UBS SCR Standards table below, include the stipulation of controversial activities (left column) and other areas of concern (right column) we will not engage in, or we will only engage in under stringent criteria. These standards are reviewed on a regular basis.

**UBS SCR Standards**

| **We will not knowingly provide financial or advisory services to clients whose primary business activity, or where the proposed transaction, is associated with severe environmental or social damage to or through use of:** | **We will only do business under stringent criteria in the following areas:** |
|---|---|
| – UNESCO world heritage sites<br>– Wetlands on the Ramsar list<br>– Endangered species<br>– High conservation value forests, illegal logging and illegal fire<br>– Child labor, forced labor, indigenous peoples' rights | – Soft commodities: palm oil, soy, forestry, fish and seafood<br>– Power generation: coal-fired power plants, large dams, nuclear power<br>– Extractives: arctic drilling and oil sands, coal mining and mountain top removal (MTR), Liquefied Natural Gas (LNG), ultra-deepwater drilling, hydraulic fracturing, metals and mining, diamonds<br>– Project finance<br>– Shipping |

Procedures and tools for identifying, assessing, reporting and monitoring sustainability and climate risks are applied and integrated into our standard risk, compliance and operations processes. These include client onboarding, transaction due diligence, product development and investment decision processes, own operations, 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 seek to identify and manage potential adverse impacts to the environment and to human rights, as well as the financial and reputational risks of being associated with them. Advanced data analytics on companies associated with such risks is integrated into our web-based compliance tool used by our staff before they enter into a client or supplier relationship, or a transaction. The systemic nature of this tool significantly enhances our ability to identify potential risks. In 2023, our SCR experts assessed 4,443 referrals, of which 360 were approved with qualifications, and 271 rejected or not further pursued.

## Sustainability and climate risk assessments

| | UBS | | | | Credit Suisse | |
|---|---|---|---|---|---|---|
| | | | | | Step Trace[2] | CETF[3] |
| | For the year ended | | | % change | For the year ended | |
| | **31.12.23** | 31.12.22 | 31.12.21 | 31.12.22 | **31.12.23** | **31.12.23** |
| **Cases referred for assessment[1]** | **3,297** | 2,834 | 2,919 | 16 | **316** | **830** |
| **Cases referred for assessment: UBS Europe SE** | **126** | 88 | | | | |
| **by region** | | | | | | |
| Americas | **611** | 548 | 496 | 11 | **85** | **151** |
| Asia Pacific | **785** | 729 | 631 | 8 | **93** | **18** |
| Europe, Middle East and Africa (excluding Switzerland) | **513** | 481 | 556 | 7 | **26** | **51** |
| Switzerland | **1,388** | 1,076 | 1,236 | 29 | **112** | **610** |
| **by business division** | | | | | | |
| Global Wealth Management | **178** | 151 | 278 | 18 | | |
| Personal & Corporate Banking | **1,209** | 1,151 | 1,345 | 5 | | |
| Asset Management | **13** | 11 | 24 | 18 | | |
| Investment Bank | **1,815** | 1,443 | 1,162 | 26 | | |
| Group Functions[4] | **82** | 78 | 110 | 5 | | |
| Credit Suisse Swiss Bank | | | | | **86** | **285** |
| Credit Suisse Investment Bank | | | | | **152** | **214** |
| Credit Suisse Wealth Management | | | | | **78** | **331** |
| **by sector[5]** | | | | | | |
| Agriculture[6] | **419** | 466 | 536 | (10) | **44** | **17** |
| Industrials[7] | **439** | 321 | 353 | 37 | **55** | **81** |
| Financial services[8] | **509** | 341 | 209 | 49 | **17** | **0** |
| Real Estate[9] | **212** | 76 | 82 | 179 | **11** | **0** |
| Metals and mining | **583** | 578 | 689 | 1 | **38** | **10** |
| Fossil fuels | **320** | 350 | 318 | (9) | **55** | **291** |
| Services and technology[10] | **142** | 144 | 190 | (1) | **22** | **0** |
| Transportation | **91** | 85 | 80 | 7 | **11** | **340** |
| Utilities | **240** | 204 | 225 | 18 | **55** | **91** |
| Others[11] | **342** | 269 | 237 | 27 | **8** | **0** |
| **by outcome[12]** | | | | | | |
| approved[13] | **2,123** | 1,981 | 1,989 | | **278** | |
| approved with qualifications[14] | **356** | 413 | 396 | | **4** | |
| rejected or not further pursued[15] | **251** | 301 | 137 | | **20** | |
| pending[16] | **419** | 125 | 17 | | **14** | |
| assessed[17] | **148** | 14 | 380 | | | **830** |

**1** Transactions and client onboarding requests referred to the SCR function. **2** StepTrace records all referrals, which Sustainability Risks considers having a nexus to significant environmental and/or social risks for the purposes of internal monitoring and reporting, internal training and awareness, and discretionary engagement with external stakeholders. **3** Client Energy Transition Framework (CETF) was developed to engage with clients on their approach to managing environmental and social risks as well as their transition strategy. The framework consists of the identification of priority sectors/industries and a methodology to categorize clients that operate in these sectors according to their energy transition readiness. 830 names have been assessed (new or updated categorization) for the year 2023. As CETF categorizations have been assigned at a counterparty level, in some cases different CETF categorizations can be linked to a parent group. **4** Relates to procurement / sourcing of products and services. **5** Amendment in sector calculation: sector is selected based on main assessed counterparty, following UBS GIC2 code approach. **6** Includes, e.g., companies producing or processing fish and seafood, forestry products, biofuels, food and beverage. **7** Includes e.g. chemical and pharmaceutical companies. **8** Includes, e.g., banks, commodity traders, investments and equity firms. **9** Includes e.g., real estate and construction and engineering companies. **10** Includes technology and telecom companies. **11** Includes, e.g., aerospace and defense, general industrials, retail and wholesale. **12** "By outcome" 2023 data is from 25 January 2024. Outcomes from 2022 and 2021 were also recalculated. **13** Client / transaction / supplier transactions approved at SCR. **14** Client / transaction / supplier subject to an SCR assessment and approved with qualifications. Qualifications may include ring-fencing of certain assets, conditions toward client / supplier or internal recommendations. **15** Client / transaction / supplier subject to an SCR assessment and rejected or not further pursued. **16** Decision pending. **17** Assessed companies related to portfolio reviews.

## Our Supply Chain

We have embedded environmental, social, and governance (ESG) standards, including human rights and modern slavery, into our sourcing and procurement activities. 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. This expectation is embedded in our Supplier Code of Conduct, which sets out our expectations for suppliers to support our sustainability priorities, embody positive ESG practices in their operations and supply chain and operate according to the highest standards of business conduct, integrity and adherence to the law. All UBS suppliers are expected to comply with this code of conduct and require their sub-contractors and suppliers to meet the relevant standards as well. In 2023, the Credit Suisse Third-Party Risk Management due diligence approach continued to manage reputational risk from an ESG perspective for Credit Suisse AG. To ensure a consistent and high standard of reputational risk coverage across the combined organization, our responsible supply chain management (RSCM) framework has been rolled out to Credit Suisse in 2024.

In 2023, we spent USD 11.4 billion on a broad range of products and services. A large portion of this expenditure consisted of real estate, outsourcing and IT costs, as well as consultancy and legal fees. Our sourcing and procurement services are provided by an external company, Chain IQ, which applies our RSCM framework and processes. The experienced procurement and sourcing specialists at Chain IQ perform vendor due diligence and establish remediation measures, overseen 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 labor rights, environmental protection and anti-corruption. A central component of this guideline are the UBS Responsible Supply Chain Standards, 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 standards define our expectations toward vendors and their subcontractors regarding legal compliance, environmental protection, avoidance of child and forced labor, non-discrimination, diversity, equity and inclusion, remuneration, hours of work, freedom of association, humane treatment, health and safety, anti-corruption measures, and whistleblowing protection for employees. In respect of modern slavery, the standard explicitly defines our requirement as "Suppliers must not use any form of forced, imprisoned, indentured, bonded, or involuntary labor". As part of our contractual agreements, suppliers are also obligated to report to UBS any violations of applicable laws or regulations or UBS's Supplier Code of Conduct. We have zero tolerance to modern slavery, child and forced labor, and human rights issues.

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 a risk assessment of newly sourced goods and services, which takes into account actual and potential negative environmental and social impacts along the lifecycle of a product or a service.

We identify high-impact vendors when establishing new contracts or renewals based on whether the vendors are providing goods and services that could either have a substantial environmental and social impact or be sourced in markets with potentially high social or governance risks. Such high-impact vendors are assessed against UBS's Responsible Supply Chain Standards. If this assessment reveals any non-compliance with our standards, UBS defines and agrees, together with the vendor, 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 required to provide disclosures about their management practices and corresponding evidence, that 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 and the absence of occupational health and safety measures.

In 2023, we carried out risk-based due diligence assessments on 266 vendors of newly sourced contracts, renewals and ongoing contracts. To drive positive change in our supply chain, we also require our vendors to improve their management practices in line with our sustainability goals and industry best practices. Of all the vendors assessed, 42% were considered as in need of improving their management practices. Specific remediation actions were agreed upon and implementation progress is 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 labor rights such as setting up vendors' own supply chain code of conduct, environmental policy, human and labor rights policy.

Contracts in high-risk countries include specific contractual requirements relating to environmental management, human rights, labor rights and anti-corruption. If we were to become aware of a case of modern slavery or human trafficking occurring within our direct supply chain, we would address it through our governance processes.

In 2023, none of our vendor relationships were terminated as a result of our assessments and no human rights issues with active vendors were identified or reported. In part, this was due to having carried out our assessment process prior to the signing of contracts.

## Ongoing Reviews

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 Sustainability and Climate 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. We periodically assess the effectiveness of our policies, standards and practices in place to mitigate modern slavery and human rights related risks. Fundamental changes are endorsed by the Board of Directors of UBS Group AG, notably by the Corporate Culture and Responsibility Committee (as embedded in the charter of the Committee).

## Training

UBS regularly provides training and works to raise awareness among employees about the Code along with our firm's sustainability goals and actions. 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 2023, a specialist training program on environmental and human rights topics (including sustainable finance) was provided to over 34,000 employees in front-office and support functions who deal directly with related aspects in every-day business processes.

All employees and external staff are required to complete financial crime prevention training which covers AML/KYC, sanctions, fraud and anti-bribery and corruption. The training is mandatory and must be completed on at least on an annual basis. This is supplemented by additional training and awareness activities for specific teams and lines of business and additional guidance is available through internal web pages. We have included human trafficking as a topic in our Group-wide Financial Crime Prevention training module to raise awareness of the issue.

## Societal Commitments

We are a founding member of the Wolfsberg Group[1], an association of global banks that aims to develop financial services industry standards for policies on preventing financial crime such as money laundering, fraud, corruption and terrorist financing, as well as developing industry standards for KYC due diligence and ongoing transaction monitoring. The Wolfsberg Group brings together banks from around the world at its annual forum and regional reach-out meetings focused on financial crime topics, and delivers an annual academy to support the development of junior Financial Crime Prevention (FCP) officers. It also works on guidance papers in related key areas of financial crime. UBS is actively involved with this group. For example, during 2022 we co-chaired the Wolfsberg Working Group to update and re-issue its Anti-Bribery & Corruption Programme guidance, and in 2023 the group published an updated version of the Payment Transparency Standards to reflect the evolution in payment methods, infrastructure and landscape. 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 are also a member of a number of public private partnerships operating globally that 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 convene 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.

## 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*.

Our Supply Chain Standards and Supplier Code of Conduct can be found on *ubs.com/suppliers*.

1 Refer to *wolfsberg-group.org*.

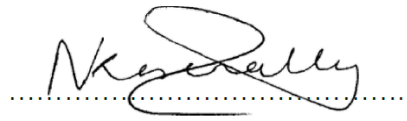
**Execution Page:**

For **UBS AG, London Branch**

Beatriz Martin
UK Chief Executive
for UBS AG London Branch

28 June 2024

For **UBS Asset Management (UK) Ltd**



Nasreen Kasenally
Director

28 June 2024

For **UBS Business Solutions AG UK Branch**

Zoe Evans
Chairperson of the Management Committee

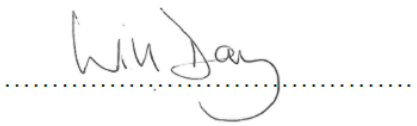
28 June 2024

For **UBS Optimus Foundation UK**

Eva Lindholm
Chair, Foundation Board UK

28 June 2024

For **UBS UK Donor-Advised Foundation**



William Day
Chair, UBS UK Donor-Advised Foundation

28 June 2024

For **Credit Suisse (UK) Limited**

Shaun Tibbatts
Director

28 June 2024

For **UBS AG, London Branch as successor to CS AG, London Branch**

Beatriz Martin
UK Chief Executive
for UBS AG London Branch

28 June 2024

For **Credit Suisse Asset Management Limited**

Marc Berryman
Director

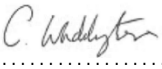
28 June 2024

For **Credit Suisse Investments (UK)**

Caroline Waddington
Director

28 June 2024

For **Credit Suisse International**

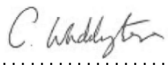


Caroline Waddington
Director

Ed Jenkins
Director

28 June 2024

For **Credit Suisse Securities (Europe) Limited**

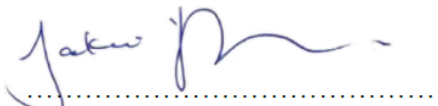


Caroline Waddington
Director

Ed Jenkins
Director

28 June 2024

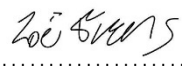
For **DLJ UK Holding**



Jackie Donegan
Director

28 June 2024

For **Credit Suisse Services AG, London Branch**



Zoe Evans
Director
Chairperson of the Management Committee

28 June 2024

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

Nick Hughes
Joint-Country Head, Australia

28 June 2024

Anthony Sweetman
Joint-Country Head, Australia

28 June 2024

For **UBS Securities Australia Ltd** (ABN: 62 008 586 481; AFSL: 231098)

Anthony Sweetman
Director

28 June 2024

Conor Foley
Director

28 June 2024

For **UBS Holdings Pty Ltd** (ABN: 50 050 101 249)

Nick Hughes
Director

28 June 2024

Jo Avellano
Director

28 June 2024

For **UBS Asset Management (Australia) Ltd** (ABN 31 003 146 290)

Alison Telfer
Director

28 June 2024

Glen Rice
Director

28 June 2024

For **UBS Optimus Foundation Trustee Pty Ltd** (ABN 49 117 649 251) **as trustee for UBS Optimus Foundation Australia** (ABN 62 145 031 818)

Jo Avellano
Director

28 June 2024

Anthony Sweetman
Director

28 June 2024

For **UBS Optimus Foundation Australia International Ltd** (ABN 52 669 614 957)

Jo Avellano
Director

28 June 2024

Anthony Sweetman
Director

28 June 2024

For **UBS AG, Australia Branch as successor to CS AG, Sydney Branch** (ABN 17 061 700 712)

Nick Hughes
Joint Country Head, Australia

28 June 2024

Anthony Sweetman
Joint Country Head, Australia

28 June 2024

For **Credit Suisse Management (Australia) Pty Limited** (ACN 005 678 213)

Nick Hughes
Director

28 June 2024

Jo Avellano
Director

28 June 2024

For **Credit Suisse Holdings (Australia) Limited** (ACN 008 496 713)

Nick Hughes
Director

28 June 2024

Jo Avellano
Director

28 June 2024

UBS Group AG
P.O. Box
CH-8098 Zurich

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