

UBS Responsible Supply Chain Standard

Approved in November 2018

1. Preamble

- (a) UBS is committed to creating long term positive impact for clients, employees, investors and society. We plan to continue to go beyond our duty to protect the environment, respect human rights, continually improve our systems to become more efficient and effective, and ensure responsible behavior in all aspects of our operations. UBS expects the same from its suppliers.

Our goal is to be the financial provider of choice for clients wishing to drive financial capital towards investments that support the achievement of the Sustainable Development Goals (SDGs) and the transition to a low carbon economy.

Our cross divisional organization, UBS in society, focuses our firm on this direction. UBS in society covers all the activities and capabilities related to sustainable investing, philanthropy, environmental and human rights policies governing client and supplier relationships, our environmental footprint, as well as, community investment.

- (b) Recognizing that there are different legal competitive and cultural environments in which UBS's suppliers operate throughout the world, the UBS Responsible Supply Chain Standard serves as a benchmark for assessing ethical business practices of UBS's suppliers and will be referenced within contractual agreements between UBS and its suppliers.
- (c) Where gaps are identified between supplier practices and the UBS Responsible Supply Chain Standard, suppliers shall improve their practices in order to comply with the UBS Responsible Supply Chain Standard whilst meeting all other operating and engagement criteria.
- (d) The UBS Responsible Supply Chain Standard incorporates standards on human rights, labor rights and environmental, and anti-corruption principles as set out in the UN Global Compact – which is derived from the Universal Declaration on Human Rights, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption and the UN Guiding Principles on Business and Human Rights. It supports the implementation of the principles stated in the UBS Group Policy Against Corruption and the UBS in society Constitutional Document.
- (e) Suppliers are also expected to comply with UBS's environmental and social risk standards. UBS will not purchase products or services associated with controversial activities, or, if associated with areas of concern, only purchase them under pre-established guidelines, as defined in UBS's environmental and social risks framework (available at www.ubs.com/esr).

2. Supplier Obligation

- (a) Suppliers shall comply with the UBS Responsible Supply Chain Standard which incorporates standards on human rights, labor rights, and environmental and anti-corruption principles, and ensure any subcontractor to comply with the principles set forth therein.
- (b) Suppliers shall promptly notify UBS of any circumstances affecting compliance with the UBS Responsible Supply Chain Standard.
- (c) UBS reserves the right to evaluate suppliers' compliance with the UBS Responsible Supply Chain Standard and suppliers shall maintain written records of the agreed documentation necessary to demonstrate its compliance.

3. UBS Responsible Supply Chain Standard

3.1. Legal and Compliance

Suppliers shall operate in compliance with all applicable environmental, labor, and anti-corruption laws and regulations of the countries in which they operate, manufacture or conduct business.

3.2. Environment

Suppliers with significant environmental impacts shall maintain an effective environmental policy and/or environmental management system that supports environmental protection, prevention of pollution and prudent management of natural resources. Suppliers shall reduce the impact of their products and services on the environment and on communities and make reasonable efforts to meet industry best practice and standards with respect to the reduction of and reporting about energy use and greenhouse gas emissions.

3.3. Freely Chosen Employment

Suppliers shall not use any form of forced, imprisoned, indentured, bonded, or involuntary labor.

3.4. Child Labor Avoidance

Suppliers shall not employ children under the age as defined by the International Labor Organization conventions or by national law whichever is highest.

3.5. Non-Discrimination

Suppliers shall provide equal opportunity and advancement opportunities for all employees regardless of age, color (dis)ability, ethnicity/race, gender, gender identity, marital status, pregnancy/maternity, national origin, sexual orientation or religion.

3.6. Compensation and Benefits

Suppliers shall provide wages and benefits that comply with any applicable law, and which match prevailing local practices.

3.7. Hours of Work

Suppliers shall ensure that their employees are not required to work more than the local legal limits on regular and overtime hours.

3.8. Freedom of Association

Suppliers shall recognize and respect the right of their employees to freely associate and collectively bargain within the boundaries of the applicable law.

3.9. Humane Treatment

Suppliers shall treat their employees with respect and dignity and provide a work environment free of harassment, intimidation and bullying. Suppliers shall protect employees in raising concerns about business conduct.

3.10. Health and Safety

Suppliers shall provide a safe and healthy working environment in order to prevent workplace accidents and illness. This shall also apply to their employees' residential facilities, if provided by the supplier.