



Modern Slavery and Human Trafficking Statement 2022

(UBS Business Solutions AG, UK Branch)

Modern Slavery and Human Trafficking Statement 2022

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 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 2021, which is filed with the United States Securities and Exchange Commission.

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 as of 30 June 2022 pursuant to section 54, Part 6 of the UK Modern Slavery Act 2015, for the following entity, for the financial year ending 2021:

- UBS Business Solutions AG, UK Branch ("UBS Business Solutions UK")

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. Throughout the reporting period the reporting entities were tasked to routinely consider any emerging risks or events which have materialised during the period which may impact this modern slavery statement.

This Statement has been approved by the principal governing body of UBS Business Solutions UK. The principal governing body of UBS Business Solutions UK was given an opportunity to consider and provide feedback on the Statement prior to publication.

Business, operations and structure

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 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.

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 (as embedded in the charter of the 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 across the firm.

Workforce

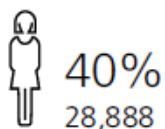
As of 31 December 2021, we had 71,385 employees as full-time equivalents (FTEs). In addition, a total of 15,624 external staff members for core business services were active at the end of 2021,

primarily in technology and operations roles. This included 2,063 FTEs employed through third parties on short-term contracts to fill positions on an interim basis. Additionally, a total of 13,561 external staff members for non-core business services were active at the end of 2021, primarily in roles on UBS's premises.

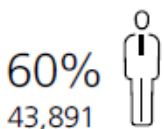
Our workforce at a glance¹



Women



Men



50
countries



145
nationalities



162
languages
spoken



8
years of service,
on average

Age

age < 30



18%

age 30–50



60%

age > 50

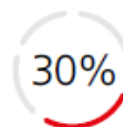


22%

Region



Switzerland



Americas



Asia Pacific



EMEA

¹ Calculated as of 31 December 2021 on a headcount basis of 72,779 internal employees only.

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 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 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 in order to avoid any negative impact on our world and the 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.

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.

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 procedures. In addition to our whistleblowing policies and procedures, all staff have easy access to anonymised, internal or external mechanisms (including an internal website with guidance and links to an online form, whistleblowing and sexual misconduct 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 document

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. 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 SCR 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 labour and child labour, human trafficking, along with other human rights abuses and corporate complicity.

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 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 referenced in the Modern Slavery Act of 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.

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 certified that UBS's global anti-bribery and corruption framework meets global requirements to prevent and detect bribery as defined by ISO, and it evidences UBS's commitment in this regard. The ISO certification is renewed annually, most recently in May 2021, and is the result of UBS proactively engaging an accredited ISO auditor. The ISO standard requires a series of measures that 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 introducing 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 2021 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.

Our Clients

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. We also aim to take sustainability risks into account when evaluating investment decisions with the objective of avoiding, identifying and managing potential contributions to human rights violations

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 United Nations Global Compact (UNGCC) 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.

Managing Sustainability and Climate Risks

We have set sustainability and climate risk (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:
<ul style="list-style-type: none">– UNESCO world heritage sites– Wetlands, endangered species– High conservation value forests, illegal logging and illegal fire– Child labor, forced labor, indigenous peoples' rights– Controversial weapons	<ul style="list-style-type: none">– Soft commodities: palm oil, soy, timber, fish and seafood– Power generation: coal-fired power plants, large dams, nuclear power– Extractives: arctic oil and sands, coal mining, Liquefied Natural Gas (LNG), ultra-deepwater drilling, hydraulic fracturing, precious metals, diamonds

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 2021, our SCR unit assessed 2,919 referrals, of which 100 were rejected or not pursued further, while 384 were approved with qualifications and 72 were pending at year-end 2021.

Sustainability and climate risk assessments

	For the year ended			% change from
	31.12.21	31.12.20	31.12.19	31.12.20
Cases referred for assessment¹	2,919	2,168	1,889	35
by region				
Americas	496	373	248	33
Asia Pacific	631	551	479	15
Europe, Middle East and Africa (excluding Switzerland)	556	223	282	49
Switzerland	1,236	1021	880	21
by business division				
Global Wealth Management	278	170	199	64
Personal & Corporate Banking	1,345	933	801	44
Asset Management	24	56	4	(43)
Investment Bank	1,162	977	849	19
Group Functions ²	110	32	36	44
by sector				
Agribusiness ³	235	244	197	(6)
Chemicals ⁴	104	71	61	47
Financial ⁵	947	747	722	27
Infrastructure ⁶	146	95	82	54
Metals and mining	236	228	200	7
Oil and gas	159	216	150	(26)
Technology ⁷	205	140	105	46
Transport	68	52	40	31
Utilities	197	144	108	37
Other ⁸	622	231	224	69
by outcome⁹				
approved ¹⁰	1,983	1,689	1,473	17
approved with qualifications ¹¹	384	344	308	12
rejected or not further pursued ¹²	100	117	108	(15)
pending ¹³	72	9	0	700
assessed ¹⁴	380	0	0	0

¹ Transactions and client onboarding requests referred to the SCR function. ² Relates to procurement / sourcing of products and services. ³ Includes, e.g., companies producing or processing fish and seafood, forestry products, biofuels, food and beverage. ⁴ Includes e.g. chemical and pharmaceutical companies. ⁵ Includes, e.g., banks, commodity traders, investments and equity firms. ⁶ Includes e.g., real estate and construction and engineering companies. ⁷ Includes technology and telecom companies. ⁸ Includes, e.g., aerospace and defense, general industrials, retail and wholesale. ⁹ "By outcome" 2021 data is from 26.1.2022 ¹⁰ 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. ¹¹ 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. ¹² Client / transaction / supplier subject to an SCR assessment and rejected or not further pursued. ¹³ Decision pending. Except for few cases still in progress from 2021 and 2020, all 2019 pending cases have been closed and reallocated to the other outcome categories. ¹⁴ Assessed companies related to portfolio reviews.

UBS Optimus Foundation

The UBS Optimus Foundation ("Optimus") 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 USA, UK, Uganda, Nepal, Malaysia, Vietnam, Thailand, Cambodia, Bangladesh and India, and supports philanthropists working to tackle the issue in their own communities. As of end of 2021 it has 12 partners from the not-for-profit sector on the issue.

Our Supply Chain

We have embedded environmental and social, including human rights, standards 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 details our ethical and professional standards, which our suppliers must follow when conducting business and engaging with us. 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.

In 2021, we spent USD 7 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 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 labor". 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 actual and 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 2021, 251 newly sourced vendors were classified as vendors that provide UBS with goods or services with potentially high impacts. In addition, 48 vendors were classified as ongoing engagements, which are reassessed after 24 months to ensure that even in long-term contracts UBS's expectations regarding environmental and social aspects are met and supervised continuously. Of all the vendors assessed, 28% 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 labour rights such as setting up vendors' own supply chain code of conduct, environmental policy, human and labour rights policy.

In 2021, no UBS vendor relationship was terminated as a result of RSCM assessments. This results partly from the fact that we assess each vendor's potential risks before entering into a contract with them.

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.

Training

UBS regularly provides training and work 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 2021, a specialist training program on environmental and human rights topics (including sustainable finance) was provided to over 39,000 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. For dynamic topics like sanctions, employees may also access internal webpages containing up to date information. UBS refers to sanctions as "any measure or restriction (including those often referred to as "embargoes") that is generally related to national/international security issues (such as terrorism or narcotics trafficking), human rights violations, or are economic or trade based." Furthermore, we have included human trafficking as a topic in our Group-wide Financial Crime Prevention training module to raise awareness of the issue.

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.

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.

Execution Page:

For **UBS Business Solutions AG, UK Branch**

A handwritten signature in black ink, appearing to read 'Zoe Evans', written over a dotted line.

Zoe Evans

Chairperson of the Management Committee of UBS Business Solutions AG, UK Branch

8 August 2022

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