

Modern Slavery Statement for EFG Private Bank Limited

Introduction

This statement sets out EFG Private Bank Limited's actions to understand all potential modern slavery and human trafficking risks related to its business, and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year ending 31 December 2019.

As part of the Financial Services Industry, EFG Private Bank Limited recognises that it has a responsibility to take a robust approach to eliminate slavery and human trafficking when conducting business. We are committed to maintaining high ethical standards – adhering to the laws and regulations, conducting business in a responsible way, treating all stakeholders with honesty and integrity and to do business with organisations that share this commitment.

EFG Private Bank Limited is absolutely committed to preventing slavery and human trafficking in its business activities, and ensuring that its supply chains are free from slavery and human trafficking.

Organisational Structure

One of the largest Swiss private banks, EFG Private Bank Limited is part of EFG International, a global private banking group headquartered in Zurich, Switzerland. EFG International operates in around 40 locations worldwide, and its shares are listed on the SIX Swiss Exchange.

At EFG Private Bank Limited our aim is straightforward. To provide clients with high quality private banking and wealth management solutions. This we can do because we recognise that good relationships are at the very heart of the service we provide.

To us relationships mean understanding, teamwork, trust, good communication, support and a shared vision. In a market that is 'over-banked but under-served' these core values are increasingly hard to find.

- Our vision* – We want to be a leading Swiss private bank renowned for its unique client approach.
- Our mission* - We are a pure play private bank, offering comprehensive, first class investment, wealth and credit solutions to private and institutional clients on a global scale.
- Our values* - Our employees are our most important asset. EFG represents security and solidity, an entrepreneurial way of thinking and acting, and a powerful blend of agility and reliability.

We support our employees to achieve a fair work/life balance through generous family leave policies, including homeworking and variable start and finish times. Each employee, whether full or part time, has the same contract of employment setting out the terms and conditions of their employment, and has access to a comprehensive employee handbook.

Policies and Standards

EFG Private Bank Limited has developed a number of approved policies designed to give employees guidance and direction on a number of key matters encountered during their day to day activities:

- **Whistleblowing Standard:** We encourage all our workers, to report any concerns related to the direct activities of the organisation. This includes any circumstances where there is evidence of slavery or human trafficking taking place, in our workforce or with our suppliers. Our whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation. Employees who have concerns can use a confidential helpline/complete a confidential disclosure form.

- **Financial Crime Standard:** We take a rigorous risk-based approach in our commitment to combatting money laundering, corruption and terrorist financing and we have implemented policies, procedures and internal controls that are designed to comply with such laws and regulations. We have developed extensive policies intended to prevent, detect and report money laundering, corruption and terrorist financing. As any proceeds stemming from the offences in the Modern Slavery Act would be the Proceeds of Crime, instances of slavery would also come within the scope of our money laundering reporting procedures.
- **Third-Party Supplier Management Standard** (“Outsourcing Standard”): This Standard sets out the requirements for the control, oversight and monitoring of critical services performed, or supplied by third parties. The scope of this Standard specifically covers both:
 - Outsourcing: services provided by a third party (including those provided by an EFG affiliate) that could normally be undertaken by the Bank itself; and
 - Third Party Services: other services provided by third party vendors.

The Outsourcing Standard establishes the framework of EFG Private Bank Limited’s outsourcing strategy including:

- Decision process for approval of new outsourced services;
- Due diligence and on-boarding of new service providers;
- Governance, oversight and monitoring of existing service providers;
- Standard Service Level Agreements;
- Compliance with regulatory requirements and expectations;
- Monitoring, audit and access arrangements; and
- Exit and termination of outsourcing arrangements.

The Standard conforms to:

- The EFG Group Outsourcing Directive;
- UK regulatory requirements, guidance and expectations, including Senior Management Arrangements, Systems and Controls 8 (SYSC8); and
- The Modern Slavery Act 2015.

- **Code of Conduct:** The principles and standards set out in the code apply to all aspects of our business. The code aims to support a culture where ethical and responsible behaviour is ingrained.

Supply Chain

We work with a number of external suppliers and companies to purchase the goods and services we need to run our business. EFG Private Bank Limited has a series of policies, guidelines, processes and governance forums to help us manage the relationships and risks with our supply chains and outsourcing agreements.

Our target is that all our suppliers and outsourcing providers will have provided us with specific information relating to their compliance with modern slavery as part of the annual contract renewal process. We have updated our annual contract review process to ensure that the re-engagement process with suppliers is conditional on an assessment of any modern slavery risk identified in relation to each supplier.

Due Diligence Process

Outsourcing

Appropriate due diligence is carried out on potential service providers by the Business owner/sponsor and reviewed by appropriate Support & Control functions prior to being presented to the Operating Committee.

When evaluating a potential outsourced service provider (or reviewing an existing one), there are several steps to be followed to ensure compliance with the Modern Slavery Act including:

- An overall risk assessment is completed on the service provider to ensure compliance.
- A series of due diligence checks are carried out to evaluate the supplier on their capability, controls, financial stability and integrity.
- Subject Matter Experts are involved in the assessment process to ensure specific areas are covered appropriately (e.g. Information Security, GDPR)
- The contract is reviewed to ensure various specific areas are covered (in some cases, specific clauses). These clauses are based on requirements of various internal policies and legislation, including (but not limited to) the local outsourcing standard, FCA handbook (SYSC8), GDPR.
- There is a specific check on the contract to ensure the supplier's compliance with the Modern Slavery Act, as per Outsourcing Standard.
- A risk classification is assigned to the service, based upon the due diligence checks, the contract in place and the ongoing performance and oversight.
- The Operating Committee will review and approve a new outsourced service provider, and will provide ongoing oversight of existing suppliers

Third Party Suppliers

We also contract various services from third party suppliers to support the day to day running of our business. These suppliers undergo a risk assessment and due diligence process and are managed in accordance with our Third Party Supplier Management Standard. Oversight and ongoing approval is provided by the Operating Committee.

When evaluating a potential third party supplier (or initially reviewing an existing one), there are several steps to be followed to ensure compliance with the Modern Slavery Act including:

- A series of due diligence checks are carried out, to evaluate the outsourced supplier on their capability, controls, financial stability and integrity.
- On an annual basis carry out a review of our supplier list to ensure that they are compliant with our supplier code of conduct (terms of business).
- There is a specific check on the contract to ensure the supplier's compliance with the Modern Slavery Act, as per our Outsourcing Standard.
- When recruiting additional resources, we only use specified, reputable employment agencies to source labour and always verify the practices of any new agency that we use before accepting workers from the agency.
- When offers of employment have been made for temporary agency staff, terms of agreement are always signed with the hourly rate clearly stated, with any agency fee stated separately.
- Any third-party issues identified during the due diligence process are highlighted and presented to the Management Committee at the earliest opportunity for discussion and resolution.

As part of the ongoing contract renewal process we have now introduced an amendment to our Supplier Code of Conduct seeking from each supplier a commitment that they comply with the Modern Slavery Act 2015, and the highest standard of ethics including ensuring that they pay their staff at least the national minimum wage and have robust eligibility to work in the UK processes in place.

Clients

The activities of our clients can have social and ethical impacts – including the potential for human rights infringements, through forced labour and trafficking. Proceeds stemming from offences linked to the Modern Slavery Act 2015 are considered Proceeds of Crime and are therefore subject to money laundering reporting guidelines. Our client on-boarding and periodic review due diligence will seek to highlight clients who operate in sectors which present a higher risk from a trafficking and slavery perspective (including links to adult entertainment, manufacturing and mining) and identify, through open source research, instances of recorded or suspected human rights abuses. Individual client relationships may be restricted or terminated where there is suspicion or knowledge that wealth introduced to the Bank stems from illegal activities, always taking into consideration our compliance with local reporting obligations.

Our Staff

We also have a robust eligibility to work in the UK and employment screening administration procedure in place, where we conduct annual visa checks on required staff to ensure eligibility to work in the UK conditions are continually met.

All interns we employ follow the same on-boarding process as with all other employees of the Bank which are carried out before the internship can begin.

Risk Management

The introduction of the Modern Slavery Act prompted us to review how we prevent slavery and human trafficking in our own business, and also our supply chains. We want to take all reasonable steps to ensure that we are not supporting modern slavery in any way.

As part of our on boarding process our Financial Crime Compliance team screen new clients through the Credit Industry Fraud Avoidance System (CIFAS), to ensure we do not on board any clients who may be illegal immigrants, potentially as a result of human trafficking. The entire client book is passed through CIFAS on a quarterly basis as part of an ongoing check.

Given the nature of our business, the modern slavery risk within our workforce is low. The main risk of modern slavery arises within our relationships with third parties in our supply chain.

Measuring Effectiveness

We have assessed our effectiveness in ensuring that modern slavery is not taking place in our business and supply chain by considering the overall effectiveness in two separate areas:

Our Workforce

We consider that our employment policies and procedures are effective to ensure that slavery and human trafficking are not taking place in our business. We regularly review the pay and benefits offered to our employees to ensure that our employees are paid in alignment with market rates. All employees directly employed by EFG Private Bank Limited, including Interns and those on fixed-term contracts, receive the same range of benefits.

Supply Chain

It is our aim that we only do business with suppliers who meet our ethical standards. Accordingly, although we believe that there is a low level of risk to modern slavery in our supply chain, we are continually taking steps to ensure that this is addressed when we renew our supplier contracts. We will continue this process as each contract falls due for renewal.

Our regular Management Committee and Operating Committee provide a forum for the escalation of any key issues identified with an ongoing contract, or at the point of renewal, to senior management within our governance framework.

Summary

We are working to ensure that there is sufficient transparency, both within our own organisation and also within our supplier base, and as such we have developed a series of steps to mitigate the risks of modern slavery. However, we recognise that our commitment to a no tolerance policy to modern slavery is a continuous journey and as such we will therefore continue to assess performance, and identify areas where we and our suppliers need to improve.

This statement has been approved by the organisation's board of directors, who will review and update it annually.

A handwritten signature in blue ink, appearing to read 'Richard A A Thomas', is displayed on a white background. The signature is fluid and cursive, with a large initial 'R' and 'A'.

Richard A A Thomas MBE

Chief Executive Officer
EFG Private Bank Limited

17 December 2020