

Western Union's Modern Slavery and Human Trafficking Statement for 2020

June 30, 2021

WesternUnion // WU

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Reporting entities

This statement is made by The Western Union Company (the “Company”) pursuant to the Australian Commonwealth Modern Slavery Act 2018 and section 54(1) of the UK Modern Slavery Act 2015 on behalf of its affiliates conducting business in Australia and the UK. It is our statement for the financial year ended 31 December 2020. It applies to and has been approved by the boards of the entities below.

Company	Company Number
Western Union Financial Services (Australia) Pty Ltd	082282773
Western Union Business Solutions (Australia) Pty Ltd	150129749
Custom House Financial (UK) Limited	4380026
Western Union Retail Services GB Limited	2383761
Western Union GB Limited	4129906
Western Union Payment Services GB Limited	11326797
Western Union International Bank GmbH	FN256184t
Western Union Payment Services Ireland Limited	471360

Our current Modern Slavery and Human Trafficking Statement and those for previous financial years can be found at the link below.

ir.westernunion.com/investor-relations/corporate-governance/governancedocuments/default.aspx

Our business, structure and supply chains

Western Union is a global leader in cross-border, cross-currency money movement and payments, with approximately 11,000 employees residing in more than 50 countries – 98% of whom are full time employees. Drawing on 170 years of connecting people, we enable businesses, financial institutions, government entities, and consumers to send and receive money and make payments through one of the world's most expansive, flexible, and versatile financial networks.

Our business consists of two primary segments.

- **Consumer-to-Consumer** - Our consumer-to-consumer operating segment facilitates money transfers, which are sent from our retail agent locations worldwide or through websites and mobile devices, including our fast-growing money transfer transactions conducted and funded through websites and mobile applications marketed under our brands (westernunion.com) and transactions initiated on the internet and mobile applications hosted by our third-party white label or co-branded digital partners. Our money transfer service is provided through one interconnected global network. This service is available for international cross-border transfers and, in certain countries, intra-country transfers.
- **Business Solutions** - Our Business Solutions operating segment facilitates payment and foreign exchange solutions, primarily cross-border, cross-currency transactions for small and medium size enterprises and other organizations and individuals. The majority of the segment's business relates to exchanges of currency at spot rates, which enable customers to make cross-currency payments. In addition, in certain countries, we write foreign currency forward and option contracts for customers to facilitate future payments.

Offering choice and access to our global customers

Services in
200+
countries & territories

Payout in
130+
currencies

Digital access via
westernunion.com in
75+
countries & territories

Account payout into billions of bank accounts, millions of digital wallets, and cards in: **120** countries



- 
700+
University customers
- 
500+
financial institution customers
- 
1,000+
NGO customers
- 
90%+
Global brand awareness

Real-time account payout in 100 countries

550,000+
retail locations in urban, rural, and remote areas

Customer service in
38 Languages

To conduct our consumer and business services and to meet our commitments to our customers and stakeholders, Western Union sources from suppliers around the world. As of December 2020, our active vendor base consisted of thousands of companies. They provide a diverse range of goods and services, including cloud-based software services, software application support, the development, hosting and maintenance of our operating systems, merchant acquiring services, call center services, check clearing, processing of returned checks, and other operating activities.

Our policies and approach

At Western Union, we are committed to moving money with integrity and to enabling an effective, accountable, and transparent global financial infrastructure that protects individuals. To this end, we work with customers, regulators, and partners to mitigate the risks posed by illicit money movement, including the movement of money for the purposes of advancing human trafficking and modern slavery. It is in our interest to keep our services out of the hands of those who would use them to do harm. Through our shared values of trust and respect, we aim to:

- Avoid causing or contributing to negative human rights impacts.
- Prevent or mitigate abuses that occur in our operations and through those of our business partners.
- Promote human rights by contributing to the global communities we serve.

Aligned with the requirements under the Commonwealth Modern Slavery Act 2018 and the UK Modern Slavery Act 2015, we condemn modern slavery and human trafficking. We do not use forced or involuntary labor and prohibit this in any part of our business or supply chains. We expect all those involved in procurement or other parts of our business, including suppliers, to comply with these values. We are committed to acting ethically, demonstrating high professional standards, and complying with applicable laws and regulations. We expect the same high standards from those with whom we do business.

We recognize that the risks posed by modern slavery and human trafficking are constantly evolving, and so, too, must our efforts to combat it. Through our Anti-Human Trafficking Initiative, the Company helps detect, deter, and report human trafficking issues. This includes educating Western Union's global network of agents, its employees, and its partners about human trafficking and other forms of modern slavery. It also includes participating in external working groups, listed in more detail below, and working with law enforcement agencies and nonprofit entities. This collaboration plays an important part in helping us to remain actively engaged in evaluating the changing nature of modern slavery and human trafficking and adapting our approach to respond to prevailing threats.

Related Policies

Western Union's commitment to enforcing ethical business practices, including the detection and prevention of slavery and human trafficking, is embedded in our policies and procedures.

Our **Code of Conduct** sets out our shared values of being purpose driven, globally minded, and trustworthy and respectful, and serves as a guidepost for how we treat our employees, customers, business partners, and stakeholders. Our employees confirm they have read and will comply with our Code of Conduct, which not only condemns human rights abuses and prohibits the use of forced or involuntary labor, but also defines our employees' responsibility to speak up when they believe there to be possible violations of policies or law.

Our **global Anti-Money Laundering and Combating the Financing of Terrorism** policies set forth the principles for preventing Western Union's services from being used for illicit purposes.

Our **Code of Ethics for Senior Financial Officers** provides principles of ethical conduct to which each senior financial officer of the company is expected to adhere and advocate. This includes a commitment to promoting ethical behavior in the work environment and community.

Our **vendor risk policies** establish requirements to ensure we conduct appropriate risk assessments of potential vendors prior to engagement to ensure we engage quality and trustworthy vendors who meet our ethical standards.

Our **global sourcing and procurement policies** govern the acquisition of products and services worldwide and addresses ethical purchasing and risk mitigation, including risk related to human trafficking and modern slavery.

We also have policies that establish certain prohibitions or special handling/enhanced due diligence for engaging with clients, agents, or partners that may be associated with high-risk industries, including businesses that may have links to modern slavery and/or human trafficking. These clients remain in monitoring for such illicit activity over the lifespan of their relationship with Western Union.

Ethics Helpline

Our primary channel for reporting issues related to modern slavery and human trafficking is the **Ethics Helpline**. It is a secure and confidential mechanism for receiving and processing whistleblower reports and other ethics concerns. The Ethics Helpline allows employees and other reporters to raise concerns anonymously, subject to applicable law. Reports involving suspected human trafficking incidents can be made by visiting the Ethics Helpline internet site at wueticshelpline.com or by phone. Both avenues for reporting concerns are available 24 hours a day, seven days a week, 365 days a year. The web-based reporting tool is available to individuals in six languages while the toll-free phone line supports calls in over 150 languages. The Ethics Helpline is administered by an external, independent, third-party vendor, and concerns reported through the Ethics Helpline are forwarded to the Western Union Ethics Office for review. Western Union reviews concerns raised and, as appropriate, investigates, and takes action. Western Union prohibits retaliation for raising concerns in good faith. In 2020, Western Union did not receive complaints through the Ethics Helpline involving suspected human trafficking incidents.

Risk assessment

In 2020, with the support of an external expert, we conducted an assessment that helped us identify and prioritize the negative human rights impacts that are most likely to arise in connection with our business and our business partners and develop mitigation and remediation strategies to address the impacts we identified. Informed by the UN Guiding Principles on Business and Human Rights and other internationally recognized standards, the assessment included:

- Desktop research analyzing Company publicly available information and reports by NGOs and other stakeholders.
- A review of internal documents, processes and procedures Western Union leverages to identify and manage human rights risk.
- Interviews with internal and external stakeholders.

One of the main impacts we identified was the wrongful use of our network by illicit actors to facilitate human trafficking and other human rights abuses that harm individuals and communities. Human traffickers can and do attempt to use platforms like Western Union's to recruit potential victims of human trafficking, finance the lodging and transportation of victims, and control victims. We recognize some of these risks are inherent to our role as a money movement and payments service provider, and some are due to external, contextual factors – such as conflict, weak rule of law, and the uneven application of the law – in the geographies where we operate.

Our leading compliance program, explained in more detail below, already helps manage these risks, but we have begun integrating additional lessons learned from the assessment to continuously improve our approach to combating human trafficking and modern slavery. This includes working to advance our internal governance structure with respect to human rights.

Steps we took in 2020 to address modern slavery

We take a multi-faceted approach to prevent our services from being used to facilitate illicit money movement associated with modern slavery and human trafficking. This includes utilizing a highly developed set of controls to monitor and analyze transactions; educating our agents, employees, and partners about human trafficking and other forms of modern slavery; and partnering with external organizations.

Compliance Program

The bedrock of our efforts in combating modern slavery is our leading compliance program. Our comprehensive global policies and procedures establish the framework for our compliance program, based on international standards created by organizations such as the Financial Action Task Force. In line with legal and regulatory requirements, our approach is risk-based. We conduct an annual Compliance Enterprise Risk Assessment to assess current or emerging risks and the effectiveness of our controls across our business lines, geographies, products, customers, partners, and agents.

Our compliance program is designed to manage complexity across geographies. Transactions between specific countries and cities pose varying risks. We manage each nuanced transaction risk across thousands of geographic connections. For example, we might treat a transaction from Madrid to Marrakesh differently than one from Barcelona to Casablanca. Although they are both Spain to Morocco, the risks of transactions between these locales may differ depending on a variety of factors, including the specific cities involved, the amount of the transfer, and the type of product.

We screen our transactions, as well as the data associated with our customers, clients, partners, and agents, against a range of government sanctions and other internal and external watch lists. We do this to identify prohibited parties and potentially illicit activity and may freeze or reject funds and transactions where required. Our transaction screening takes place while the money is moving and allows for the real-time collection of data to efficiently separate false positives from true matches. We also monitor transactions handled through our platform. Our systems are designed to detect potentially suspicious activity, block prohibited users and illicit activity, and suspend transactions for customer follow-up.

We continue to make significant compliance-related investments in people, processes, and technology, including state-of-the-art systems, predictive analytics, machine learning, and artificial intelligence. For example, our Real Time Risk Assessment engine analyzes threats, makes decisions, and takes action in milliseconds to prevent parties that meet specified parameters from completing transactions. We demonstrate our ongoing commitment through the transactions we process and partnerships we form.

Employee Training

We trained our employees on ethical conduct and reporting misconduct in our annual online [Code of Conduct](#) training. The training required employees to certify having read and understood the Code of Conduct, which prohibits the use of forced or involuntary labor, and pass a knowledge test. We also require our employees to complete compliance training at least annually, covering anti-money laundering, fraud prevention, anti-corruption, and other areas. In 2020, the training featured a section dedicated to preventing child sexual exploitation, sex trafficking, and labor trafficking and included a case study. Ongoing, targeted training also provides topic-specific education based on factors such as geography or employee job function.

Outreach

Last year, Western Union continued to raise awareness about human trafficking through hosting or attending numerous outreach events in countries across the globe. For example, in the Middle East, Western Union representatives facilitated presentations at the request of the United Nations Office on Drugs and Crime (UNODC) and also spoke at the 2020 MENA Association of Certified Anti-Money Laundering Specialists Conference. Western Union also participated in the UNODC Regional Expert Group Meeting (REGM) with private-public sector partners to further discuss human trafficking in South Eastern Europe.

Third Party Due Diligence

We know it is important to do business with the right people for the right reasons and are committed to complying with applicable economic and trade sanctions designed to support national and international security, policy, and human rights interests. Concerns related to human-trafficking are among the criteria that these sanctions programs use to impose sanctions on individuals or entities.

We also implement rigorous due diligence procedures to vet our agents and other business partners and take seriously our obligations to implement Know Your Customer (KYC) requirements. Under these processes, we collect and verify identifying information to make sure we know with whom we are conducting business. This information helps us identify sanctioned parties and others with whom we are prohibited from doing business and allows us to identify risk indicators and prevent transactions when necessary. Our due diligence and KYC programs, moreover, are informed by ongoing information-gathering efforts, through which new information may come to light.

Vendor Relations

Western Union maintains a Vendor Risk Oversight program to formalize how we review potential new vendors for risk. We take a risk-based approach to assess vendors for potential human trafficking or modern slavery within their business. We conduct due diligence before we enter into third party contracts to ensure potential risks are identified and mitigated as appropriate. For example, we identify vendors in high-risk jurisdictions as well as vendors that provide high-risk services and mitigate these risks through actions such as contractual terms.

The Vendor Risk Oversight program is overseen by the Vendor Risk Oversight Committee, which develops and monitors our framework for vendor risk oversight. The Committee consists of senior leaders and met throughout 2020.

Prior to working with Western Union, prospective vendors must complete our risk assessment process, which includes completion of a survey that is analyzed by applicable departments within Western Union who consider risks related to human trafficking and modern slavery. Western Union's contractual documentation and standard terms and conditions require third parties and their workers to comply with all applicable laws and regulations, including all applicable laws and regulations prohibiting human trafficking and modern slavery.

Agent Training and Oversight

Because many of our transactions are initiated or completed by third-party agents, it is particularly important to us that these partners do their part to ensure compliance with the law and regulations. In addition to conducting due diligence on our agents, we conduct risk-based reviews of their compliance programs. These reviews help us ensure that our agents comply with our requirements as well as laws and regulations on anti-money laundering and combating the financing of terrorism.

Western Union also trains our new agents to detect, prevent, and report numerous forms of suspicious activity—including activity potentially related to human trafficking and modern slavery—to Western Union and/or the appropriate regulatory agencies. All new agents must identify a compliance officer who must complete compliance program training before providing our services to consumers. Annually, agents must train employees across their network on our compliance program.

In addition to general human trafficking awareness training, WU also provides targeted training for certain agent locations. In Colombia, for example, we deployed targeted training for agent locations as part of a partnership with a local anti-human trafficking NGO and as a result of a cumulative analysis that examined geographies that may be higher risk for human trafficking.

Joining Forces to Prevent and Investigate Human Trafficking

We know our efforts to stop illicit activity through the use of our system are amplified when combined with those of other organizations that share the same goals. Collaboration and cooperation with external partners, including the sharing of techniques, strategies, and intelligence, helps us combat threats posed by international criminal organizations. Our Financial Intelligence Unit (FIU) works with external partners, such as law enforcement, other government agencies, and non-governmental and private organizations across the world, to address these risks.

Organizations and Associations: In 2020, our Anti-Human Trafficking Initiative—a team aiming to bring awareness to human trafficking issues to Western Union agents, industry partners, and others—continued to collaborate with partners to execute its mission. These partners include the Association of Certified Anti-Money Laundering Specialists; non-profits such as Stop the Traffik and Child Rescue Coalition; and both the International and National Centers for Missing and Exploited Children (NCMEC/ICMEC). Our work with NCMEC and ICMEC includes serving on the steering committee of the Financial Coalition Against Child Sexual Exploitation. This initiative works to disrupt the economics of entities that seek to profit from the sexual exploitation of children.

In 2020, we announced a new, industry-first collaboration with Child Rescue Coalition (CRC). This non-profit's mission is to rescue children from sexual abuse by building technology for law enforcement to track, arrest, and prosecute child predators. We became the first financial institution in the world leveraging CRC input to enhance our efforts and assist us as we work with law enforcement and other partners to help thwart and prosecute those who perpetrate this horrific crime.

We are also a member of the U.S. Department of Homeland Security's Blue Campaign, a national public awareness movement aimed at combating human trafficking.

Law Enforcement: Our FIU continued to partner with law enforcement and non-profits to better target and disrupt human trafficking financial flows. The FIU has conducted approximately 2,300 human trafficking investigations since 2013, resulting in hundreds of arrests and the rescue of hundreds of victims. For instance, the team has worked on the Joint Money Laundering Intelligence Taskforce (JMLIT) on investigations tackling child sexual abuse and exploitation. Led by the U.K.'s National Crime Agency, the JMLIT is a forum through which law enforcement and financial institutions may share tactical information.

COVID-19

2020 saw the COVID-19 pandemic disrupt the global economy, which eliminated a significant number of jobs and had a disparate impact on the migrant community. Such economic stress can increase the risks of forced labor among migrants and other vulnerable workers. In the face of lockdowns and movement restrictions across the globe, we quickly adapted to meet our customer needs, enabling them to become the frontline workers of economic security and provide critical support for loved ones across the globe.

We piloted several innovative initiatives to ensure that customers who were unaccustomed or unable to use digital transfers could still send and receive money. These included home delivery of money transfers in cash in select markets, including Colombia, Jordan, Nepal, and Sri Lanka. We also introduced a "digital location" concierge service in certain countries, which offered personalized phone or video support to help customers make digital money transfers from the comfort and safety of their homes. We also enabled our NGO clients to move money to fund global COVID-19 relief efforts.

Assessing the effectiveness of our actions

As mentioned above, this past year we partnered with an external expert, who helped us identify and prioritize Western Union's salient human rights risks and assessed the degree to which we managed risks.

In addition, over the past five years we have had more than 700 exams, audits, and third-party reviews across the 200 countries and territories where we operate. We regularly meet with regulators and banks from around the world to thoroughly review our programs. Additionally, our internal audit department conducts over 60 reviews a year to evaluate various aspects of our compliance program. These evaluations help us confirm that our programs are operating effectively.

Western Union also publishes information on its efforts preventing modern slavery and human trafficking in its annual [Environmental, Social, Governance \(ESG\) Report](#). The ESG report is prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option. It also includes responses to select relevant metrics from the Sustainability Accounting Standards Board (SASB) Standards. This facilitates ESG ratings agencies to assess Western Union's ESG performance and supports data monitoring and measurement to assess the effectiveness of the Company's sustainability goals.

Looking forward

Western Union remains committed to leveraging our global footprint to help combat human trafficking and modern slavery in 2021 and beyond. Going forward, we will continue to look for new opportunities to engage our employees, customers, business partners, and stakeholders on this important issue and will develop our efforts through various measures, including:

- Publishing a human rights statement in 2021 explaining Western Union's approach to respecting and promoting human rights, including those of our employees, customers and consumers, and society at large, as well as the expectations we have of our business partners to share our values with respect to human rights. In line with international standards, our definition of human rights encompasses the right to be free from slavery and involuntary servitude.
- Advancing our human rights governance structure.
- Enhancing our Vendor Risk Oversight program to increase due diligence risk identification and implement an ongoing monitoring process to review vendors throughout the engagement life cycle. We will continue to enhance program governance for risk oversight, specifically as it relates to potential human trafficking or modern slavery within potential vendors.
- Continuing to ensure that training materials for employees and agents on how to identify, prevent, and report potential signs of human trafficking and modern slavery remain up to date.
- Expanding the reach of our global anti-human trafficking and modern slavery initiatives through a focus on continuing to strengthen our partnerships with law enforcement and non-governmental organizations in certain regions.

Consultation and approval

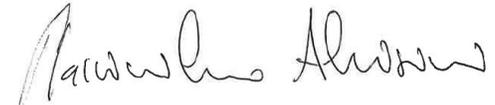
This statement is Western Union's fifth statement. It was drafted in consultation with several internal stakeholders from departments across the organization, who provided feedback throughout the process. It was approved by pertinent affiliates of The Western Union Company on the dates set out below.

Please direct any questions on this statement to Western Union's Ethics Office at: wuethics@westernunion.com



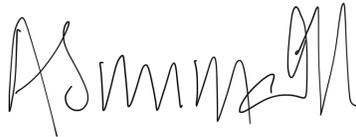
Andrew Pollock

Director
Western Union GB Limited
May 18, 2021



Massimiliano Alvisini

Director
Western Union Payment Services
Ireland Limited
May 20, 2021



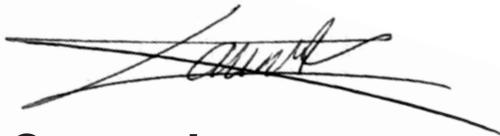
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May 21, 2021



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Director
Western Union Business Solutions
(Australia) Pty Ltd
May 27, 2021



Gregory Laurent

Director
Western Union Financial Services
(Australia) PTY LTD
May 27, 2021



Peter Bucher

Director
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Bank GmbH
June 14, 2021



Graham Baker

Director
Western Union Retail Services
GB Limited
May 21, 2021



Graham Baker

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Western Union Payment Services
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May 21, 2021

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