

Western Union's Modern Slavery and Human Trafficking Statement for 2021

June 30, 2022

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 2021. 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 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.

<https://ir.westernunion.com/investor-relations/corporate-governance/governance-documents/default.aspx>

Our business, structure, and supply chains

Western Union is a leader in global money movement and payment services, with approximately 10,500 employees born in more than 120 countries – 99% of whom are full time employees. Drawing on more than 170 years of connecting people, we enable businesses, financial institutions, governmental entities, non-governmental organizations, 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 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. 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 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. On August 4, 2021, we entered into an agreement to sell our Business Solutions business to a third-party purchaser. The sale will be completed in two closings, the second of which is expected in 2022.

Offering choice and access to our global customers



Services in
200+
countries and
territories



Payout in
130+
currencies



Real time account payout
100
countries



Global retail locations in
urban, rural, and
remote areas



90%+
Global consumer brand
awareness¹



Customer service in
38
languages

¹ As of Q4 2020

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 2021, 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, 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. We work diligently 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 our suppliers and those involved in procurement processes for the Company 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 detects, deters, and reports 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.

This year, for the first time, Ethisphere, a global leader in defining and advancing the standards of ethical business practices, recognized Western Union as a [2022 World's Most Ethical Companies Honoree](#)®. Western Union was one of only 136 organizations recognized, and one of eight honorees in the financial and payment services industry.

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 other 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 [Vendor Code of Conduct](#) sets out our expectations for vendors, suppliers, and others acting on Western Union's behalf, including guidelines regarding child labor, slavery, human trafficking, and other labor standards.

Our anti-money laundering program includes our **global Anti-Money Laundering and Combating the Financing of Terrorism** policies that set forth the principles for preventing Western Union's services from being used for illicit purposes. We also have policies that establish due diligence requirements for clients, agents, and partners, designed to detect and mitigate concerns of modern slavery and/or human trafficking. We conduct enhanced due diligence periodically to identify illicit activity over the lifespan of the business relationship with Western Union.

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. This includes a commitment to promoting ethical behavior as a responsible partner among peers 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.

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.

Our [Human Rights Statement](#) explains our approach to respecting and promoting human rights. It is guided by internationally recognized standards, such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

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 wuethicshelpline.com or by phone. Both avenues for reporting concerns are typically available 24 hours a day.

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 2021, Western Union did not receive complaints through the Ethics Helpline involving suspected human trafficking incidents.

Assessing and managing risk

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 potential 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, helps manage these risks, and we are committed to integrating additional lessons learned from the assessment to continuously improve our approach to combating human trafficking and modern slavery.

Steps we took in 2021 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 have established an AML Risk Assessment Framework to detect, deter, prevent, and report illicit transactions with dedicated teams of employees who are responsible for risk assessment, risk modeling, and ongoing analysis. This framework requires a multi-faceted approach to assessing and managing risk including but not limited to analysis such as:

- Consumer-level monitoring, investigation, and reporting
- Agent-level due diligence, monitoring, investigation, and oversight
- Product risk assessment
- Country and regional level risk assessments
- Emerging risk and strategic intelligence analysis
- Control testing and audits

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, other behaviors associated with the involved consumers, and the type of product.

When transaction activity associated with human trafficking features targetable patterns that are relatively diagnostic of this crime type, we build controls to proactively prevent our systems from similar abuse. We have developed and implemented numerous controls and alerts designed to specifically target patterns and geographies that are higher risk for links to human trafficking. 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 separate false positives from true matches. We also monitor transactions handled through our platform. Our systems are designed to detect potentially suspicious activity and block prohibited users and illicit activity.

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.

Human Rights Statement and Vendor Code of Conduct

In 2021, we finalized a [Vendor Code of Conduct](#) and a [Human Rights Statement](#). These documents set out our approach to respecting and promoting human rights and our expectations for our vendors and others conducting business on behalf of Western Union.

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. We also require our employees to complete compliance training at least annually, covering anti-money laundering, fraud prevention, anti-corruption, and other areas. In 2021, 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.

Additionally, our Financial Intelligence Unit (FIU) staff – comprised primarily of Investigators, Analysts, and Outreach personnel – undergo regular, advanced training on the human trafficking typology. Staff attend external webinars and other training events and collect, collate, and raise awareness around relevant trend information obtained from law enforcement, NGO partners, and open sources.

The FIU annually refreshes a variety of reference materials that contain human trafficking-specific trends, investigative resources, and specific transaction patterns designed to advance investigations.

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 laws, including 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 due diligence procedures to vet our agents and other business partners and take seriously our obligations to implement Know Your Agent and Know Your Customer (KYA/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 KYA/KYC programs, moreover, are informed by ongoing information-monitoring 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 identify potential risks and mitigate risks 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 Committee is responsible for developing and monitoring our Vendor Risk Oversight program. The program aligns with our strategic priorities and vendor risk management objectives and is continually enhanced. The Committee is made up of senior leaders from across the organization and met throughout 2021.

In accordance with our policies, 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 applicable laws 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. We give our agents kits, newsletters, alerts, and an online Agent Resource Center as resources to help combat illicit activity. 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 2020, we set a goal to conduct more than 300,000 engagements by 2025 with partners who offer Western Union services. These engagements include compliance program reviews and trainings. In 2021, we provided agents and front-line associates with training in more than 120 countries and more than 40 languages, on topics such as consumer protection and preventing human trafficking. In 2021, we expanded our capabilities for tracking and reporting on these engagements, resulting in a significant uptick in numbers. We completed nearly 270,000 engagements in 2021, which together with the 49,000 engagements completed in 2020, enabled us to meet and surpass our 2025 goal of 300,000.

In addition to general human trafficking awareness training, WU also provides targeted training for certain agent locations. In 2021, for example, we deployed enhanced human trafficking training to Western Union agent locations in the Philippines, a known hotspot for web-streamed child sex abuse.

Consumer Outreach

We work to educate the public about consumer fraud, which can occur in conjunction with or advance modern slavery. In 2020, our anti-fraud message reached consumers through more than 60 million consumer fraud touches. In 2021, our anti-fraud messages reached consumers through approximately 121 million consumer fraud touches.*

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 2021, 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, Child Rescue Coalition, and Polaris; and both the International and National Centers for Missing and Exploited Children (ICMEC and NCMEC). We expanded our 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. Western Union was the first financial institution in the world to leverage CRC data to enhance our investigations and in 2021 we continued this analysis. 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.

* Consumer fraud awareness touches are derived from metrics tracked across various platforms, including paid media ads, social media (Facebook, Twitter, YouTube, Community Management), outreach attendees, and wu.com/fraud awareness visits. Each platform may have a unique method for quantifying individuals who have consumed anti-fraud content, based on reach, impressions, views, visits, and/or received physical materials. Given that consumers may engage with our content through multiple channels, each "touch" may not be a unique consumer.

In addition, we hosted or attended numerous outreach events in countries across the globe. For example, Western Union representatives delivered presentations at United Nations Office on Drugs and Crime (UNODC) regional expert group meetings and training events, including in Southeastern Europe, West and Central Africa, and the Asia Pacific region.

Law Enforcement:

Our FIU continued to partner with law enforcement and non-profits to better target and disrupt human trafficking financial flows. In 2021, we assisted with more than 600 human trafficking investigations, bringing our total to ~2,900 human trafficking investigations since 2013 when our Anti-Human Trafficking Initiative was launched. This has contributed to hundreds of arrests—including the arrest of one of Europe’s most dangerous sex offenders in 2021—and the rescue of hundreds of victims. In 2021, for example, Western Union’s FIU conducted over 300 human trafficking investigations associated with activity in Romania. A large majority of these investigations were advanced by referrals from Romanian and other law enforcement entities in Europe. The team also continued work 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

2021 saw the COVID-19 pandemic’s continued disruption of the global economy. Western Union recognizes that economic stress can increase the risks of forced labor among migrants and other vulnerable workers. Western Union’s Enterprise Risk Group maintained measures it developed and implemented to ensure organizational resilience, timely and effective management reporting, and a safe and supportive working environment. In addition, we continue to enhance and invest in our compliance capabilities to reduce the risk of fraud. Consumer fraud perpetrated against Western Union customers has been on a steady decline due to a variety of measures we have taken to protect them. Notably, our reported consumer fraud globally decreased by 10% in 2021 despite a continued increase in COVID-19 related fraud scams reported on an industry level. We believe this trend is a direct result of our focus on enhancing our compliance capabilities and the significant investments we have made in personnel, technology, and other compliance infrastructure.

Assessing the effectiveness of our actions

As mentioned above, in 2020 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.

With respect to our overall compliance program, over the past five years we have had approximately 700 exams, audits, and third-party reviews across the 200 countries and territories where we operate, including over 120 exams, audits, and third-party reviews in 2021. 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 to prevent 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 as well as the U.N. Sustainable Development Goals. 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 2022 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:

- Advancing our human rights governance structure, including identifying performance indicators.
- 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.
- Continuing to update and expand training materials and investigative resources for employees and agents on how to identify, prevent, and report potential signs of human trafficking and modern slavery.
- 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.
- Developing options for potential proactive identification of targetable forms of human trafficking financing, including through analytic modeling.

Consultation and approval

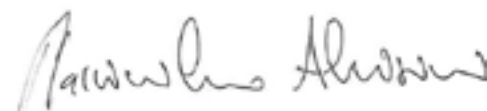
This statement is Western Union's sixth statement. It was drafted in consultation with several internal stakeholders from departments across the organization, who provided feedback throughout the process. It was approved by pertinent affiliates of The Western Union Company on the dates set out below.

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



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