



TO:

RALPH HAMERS, CHIEF EXECUTIVE OFFICER
BAHNHOFSTRASSE 45
8001
ZURICH
SWITZERLAND

SUBJECT:

UBS'S FINANCIAL TIES TO HUMAN RIGHTS VIOLATIONS IN US IMMIGRATION DETENTION
FACILITIES RUN BY CORECIVIC AND GEO GROUP

20 MAY 2022

Dear Mr. Hamers,

We are writing to express our concerns regarding your bank's financial ties with private detention companies CoreCivic and GEO Group. These companies run several immigration detention facilities across the United States where numerous human rights violations have been recorded and are still ongoing. Through its continued financial engagement with CoreCivic and GEO Group, UBS is linked to the adverse impacts of these companies and may be in breach of its responsibilities as outlined in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The human rights violations at CoreCivic and GEO Group facilities – including sexual, physical, and verbal abuse; punitive use of solitary confinement; unsanitary conditions; denial of basic necessities; medical neglect; and lack of access to legal assistance – are well-known and have been widely reported over many years.¹ Those violations amount to breaches of international law, including of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, the 1951 Convention Relating to the Status of Refugees, and the Convention Against Torture. Additionally, in contravention of the Forced Labour Convention, CoreCivic and GEO Group force detained migrants to perform uncompensated labour under threat of solitary confinement; physical restraint; suspension of attorney and family visitation; deprivation of necessities like food, water, and hygiene products; and negative interference with ongoing asylum cases.²

Under the OECD Guidelines for Multinational Enterprises (the Guidelines) and the UN Guiding Principles on Business and Human Rights (UNGPs), banks and investors have clear responsibilities that extend to the impacts of the companies they finance. Enterprises – including banks – should 'avoid causing or contributing to adverse impacts [...] through their own activities, and address such impacts when they occur', and should 'seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship'.³

Further guidance for the financial sector made available by the OECD makes it clear that shareholdings can be interpreted as a business relationship under the Guidelines, hence that 'investors, even those with minority

¹ See, e.g., Human Rights First (April 2022), 'I'm a Prisoner Here': Biden Administration Policies Lock Up Asylum Seekers; Texas Law Immigration Clinic and Grassroots Leadership (March 2021), Cruelty and Corruption: Contracting to Lock Up Immigrant Women for Profit at the Hutto Detention Center; Taylor Koehler (2021), Arbitrary & Cruel: How U.S. Immigration Detention Violates the Convention against Torture and Other International Obligations; ACLU, NIJC, and Human Rights Watch (2020), Justice-Free Zones: U.S. Immigration Detention Under the Trump Administration; Human Rights Watch et al. (June 2018), Code Red: The Fatal Consequences of Dangerously Substandard Medical Care in Immigration Detention.

² See, e.g., Owino v. CoreCivic, Inc., No. 17-CV-01112, 2020 WL 1550218, at *21 (S.D. Cal. Apr. 1, 2020); Novoa v. GEO Grp., Inc., Complaint for Declaratory and Injunctive Relief and Damages, No. 17-02514 (filed Dec. 19, 2017).

³ OECD (2011), OECD Guidelines for Multinational Enterprises, p. 20 (11), (12).

shareholdings, may be directly linked to adverse impacts caused or contributed to by investee companies as a result of their ownership in, or management of, shares in the company'.⁴

Our research indicates that UBS currently has shareholdings in both CoreCivic and GEO Group. We have identified the following instances of financial involvement:

- Current ownership of about 62,000 shares (UBS Asset Management Switzerland) and 86,000 shares (UBS Asset Management UK) of CoreCivic;⁵
- Current ownership of about 66,000 shares (UBS Asset Management Switzerland) and 86,000 shares (UBS Asset Management UK) of GEO Group:⁶

In light of the above, UBS is *directly linked* to the adverse human rights impacts arising from the activities of CoreCivic and GEO Group in US immigration detention facilities. The direct link is established through the bank's business relationship with CoreCivic and GEO Group, as defined by its shareholdings in the companies.

We are writing to you to bring these issues to your attention, and to call on UBS to take all measures appropriate under the Guidelines. Enterprises are expected to 'seek to prevent and mitigate adverse impacts linked to a business relationship', including by '[m]odifying business operations or activities', '[u]sing leverage to affect change in the practices of the entity that is causing the adverse impact(s) to the extent possible', '[s]upporting business relationships in the prevention or mitigation of adverse impact(s)', '[d]isengaging from the business relationship', and '[a]ddressing systemic issues'.⁷

In addition, we request a meeting to discuss such measures, including meaningful ways UBS is using and may use its leverage. We remind UBS that the Guidelines go so far as to call for divestment "as a last resort after failed attempts at preventing or mitigating severe impacts; when adverse impacts are irremediable; where there is no reasonable prospect of change; or when severe adverse impacts or risks are identified and the entity causing the impact does not take immediate action to prevent or mitigate them."⁸

We would be grateful to receive a response from you by June 10, 2022, via email and to organise a call to discuss these matters further.

Sincerely,

Anna Joseph
Coalition for Immigrant Freedom, Policy Counsel
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Ryan Brightwell
BankTrack, Campaign Lead Banks and Human Rights
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⁴ OECD (2017), Responsible business conduct for institutional investors: Key considerations for due diligence under the OECD Guidelines for Multinational Enterprises, p. 35.

⁵ GEO Group Ownership Summary, accessed via FactSet by Coalition for Immigrant Freedom on May 12, 2022.

⁶ FactSet, CoreCivic Ownership Summary, accessed via FactSet by Coalition for Immigrant Freedom on May 12, 2022.

⁷ See OECD (2018), OECD Due Diligence Guidance for Responsible Business Conduct, p. 77.

⁸ *Id.* at 31.