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Modern slavery and human trafficking statement 2023

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Our commitment to human rights and the ethical treatment of our colleagues, third parties and customers is fundamental to what we stand for. This includes making sure we meet our responsibilities under the Modern Slavery Act 2015.

Modern slavery is a crime and a violation of fundamental human rights. It deprives someone's liberty to exploit them for personal or commercial gain. It's a real problem for millions of people around the world, including many in developed countries, who are being exploited in various forms of slavery. Every company is at risk of being involved in this crime through its own operations and supply chain.

We have a zero tolerance approach to modern slavery and human trafficking in our business, including making sure there's no modern slavery or human trafficking in our direct and indirect supply chains.

About Monzo

Our company structure

This statement has been prepared for Monzo Bank Limited and its subsidiaries (the 'Group', 'Monzo', 'We', 'Us', 'Our'). Monzo Bank Limited is a private limited company incorporated and registered in England and Wales. Monzo is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and Financial Conduct Authority. Monzo has two wholly-owned subsidiaries, Monzo Inc. and Monzo Support US Inc. both incorporated in Delaware; United States of America. These subsidiaries don't meet the threshold required to have a modern slavery statement under the UK Modern Slavery Act 2015, but they are part of the Group and operate within a centralised governance framework. This statement therefore covers actions taken in relation to the Group.

Our business

We're Monzo, a bank that lives on your phone and it's our mission to make money work for everyone.

More than 2,500 people work here at Monzo, most of them in the UK. While we've outsourced some of our customer services operations to companies based in Romania and South Africa we've made sure to complete a full risk assessment, including an assessment of modern slavery risks. We also complete regular ongoing risk assessments of both outsourced providers and supplier due diligence as per the section 'Assessing 3rd parties' in this statement.

Our supply chains

Our supply chain is made up of around 570 third parties, made up of small through to large multinational organisations. Given the nature of our business and the countries we operate in, we're at low risk of modern slavery and human trafficking.

We take our business relationships seriously and treat third parties in a way that reflects our values. We mainly work with technology companies, payment services and card manufacturers, as well as professional services firms like marketing and legal. Most of our third parties are based in the UK, Europe and the USA, many of which have their own supply chain which indirectly connects us to other businesses and employees worldwide. The industry types and locations of most of our third parties mean they're at low risk of involvement in modern slavery according to the Global Slavery Index. Where we've outsourced services in higher risk countries we've taken steps to mitigate this through risk assessments, regular reviews, and supplier due diligence. To the best of our knowledge, there have been no incidents of modern slavery or human trafficking associated with businesses we work with.

Members of our third party risk team attend regular financial services events which discuss modern slavery.

Our policies on modern slavery and human trafficking

We don't have a standalone modern slavery and human trafficking policy but we've put measures into our day-to-day processes focused on the riskiest areas. We consider this embedded approach to be more effective than a standalone policy. Our framework to combat modern slavery and human trafficking includes the following.

Our **Code of Conduct** sets out how we expect our colleagues to act and what we expect of them generally. It means we hold ourselves and others to account and to high standards.

Our **People Policy** supports our commitment to preventing modern slavery by making sure we pay everyone at least the living wage for the area they live in.

Our **Financial Crime and Anti-Bribery and Corruption** policies set out our approach to tackling financial crime. We work with relevant authorities to take action where we identify instances of modern slavery or human trafficking.

Collectively, our **Third Party Risk Management and Outsourcing** and **Procurement** policies set out our standards when purchasing goods and services, and how we oversee and manage our third parties.

Before awarding a contract, we ask our third parties to attest to our **Third Party Code of Conduct**, which sets out the standards we expect our suppliers to meet, including on modern slavery.

Our **Speaking Up** (Whistleblowing) policy and process lets anyone at Monzo raise concerns about a danger, risk of wrongdoing, or criminal activity (like modern slavery)



which affects others, or impacts our reputation. Monzonauts (our employees) can speak to their line manager, people partner, any senior manager, or the Whistleblowing Champion, who is an Independent Non-Executive Director on our Board. There's also the option to raise concerns anonymously internally or by using our external provider, Safecall. This process gives all Monzonauts a way to raise concerns and be sure that they'll be investigated independently and anonymously. We do our best to create an environment where people feel safe and empowered to raise concerns without any fear of reprisal. Our Speaking Up (whistleblowing) policy is approved by the Board on recommendation of the Board Audit Committee (BAC). The BAC reviews the operation and effectiveness of our speaking up systems and controls and both the BAC and the Board receive periodic updates on the effectiveness of the Speaking Up policy and process.

Risk assessment and due diligence

Protecting our colleagues

The people who work at Monzo are key to our success and we care deeply about their experiences. We promote their personal and professional growth with a range of benefits and development opportunities, which we improved in FY2023 with the launch of our pregnancy loss policy and paid sabbaticals. This builds on our investment in hybrid working, mental health support, and the focus on diversity and inclusion that's been part of our DNA since day one.

We believe diverse teams make better decisions. We're committed to promoting an inclusive and empowering working environment to support each and every team member. Having a workforce that reflects the diversity of our customer base, and a working environment where a diverse workforce can feel comfortable being themselves, are part of our values. We provide a healthy and safe workplace where mutual respect is key and discrimination isn't tolerated. We only use voluntary labour and we don't use child labour.

When we hire people at Monzo we make sure everyone is legally entitled to work, eligible for their proposed roles and has applicable background checks. To safeguard employees and customers we monitor this throughout their employment. Written employment contracts and the People Handbook clearly lay out people's rights and responsibilities, and we take care to make sure everyone at Monzo is aware of their rights to sick pay, holiday pay and other benefits. As part of attracting new people to Monzo and engaging our existing workforce we pay employees and contractors a fair, competitive salary and are a Living Wage accredited employer.

Our customers

Modern slavery and any forms of human trafficking are crimes, meaning the benefits from this activity are considered the proceeds of crime. We have a responsibility to



detect, discourage and prevent anybody using the financial system from laundering the proceeds of crime and we carry out due diligence accordingly. As we grow, we're investing heavily in our Financial Crime Framework to make sure that everyone at Monzo has the tools they need to stop modern slavery, human trafficking and all financial crimes.

We identify and verify customers at the point they apply for an account with us, including a customer risk assessment to spot financial crime risk and not onboard out-of-appetite customers. We review this assessment throughout their time as a customer of Monzo. If we ever have any reason to believe there's an increased risk of modern slavery, we do enhanced due diligence, and if we detect activity we suspect relates to modern slavery or human trafficking through transaction monitoring, we take appropriate action in line with our legal and regulatory obligations.

Over the past 12 months, we've continued to spend time improving our financial crime controls.

Our Financial Crime team works closely with various charities, law enforcement and government agencies in the following ways.

- Share intelligence with charities, like Unseen, linked with fighting modern slavery and organised crime.
- Investigate law enforcement intelligence that can lead to arrests and freezing of criminal assets.
- Contribute to efforts by the Home Office to increase awareness on indicators of sexual exploitation and the risk of modern slavery.
- Identify new trends in how organised crime gangs exploit victims linked to adult services and proactively share with law enforcement.

We've also been doing a lot of work internally in this space.

- Improved detection of both victims and perpetrators of sexual exploitation.
- Improved the quality of investigations and Suspicious Activity Reports being raised to the National Crime Agency, which gives law enforcement timely and actionable intelligence so they can better identify victims and pursue perpetrators.
- Improved our mandatory and role specific training to raise awareness of human rights and modern slavery.

Assessing third parties

It's important we don't work with third parties that weaken our control environment or negatively impact our customers or our reputation.

Any third parties we work with must comply with all applicable laws, regulations and standards, and confirm that they (or any associated party) haven't been involved in



human trafficking or slavery activity as defined by the Modern Slavery Act 2015. Before entering into a contract with a new supplier, we ask them to attest to our standards set out in our Third Party Code of Conduct, which we launched in March 2022. Where we contract with third parties on our standard contract terms, we include modern slavery provisions, and where this isn't possible we take a risk-based approach on whether to add a modern slavery provision.

Third party due diligence forms part of our onboarding processes and we record it on our vendor management tool.

As part of our onboarding process we ask third parties to attest to the following.

- The nature of the product or service they'll provide for us.
- The registered location of their company, and if they operate in any countries at high risk of modern slavery and human trafficking as defined in our Financial Crime framework.
- That they'll follow our zero tolerance approach to modern slavery and human trafficking.
- That their company or any associated party hasn't been involved in human trafficking or slavery.
- That they don't engage in any activity, practice, or conduct which would constitute UK or foreign tax evasion.

We've updated our Third Party Financial Crime Due Diligence procedures, to improve our risk identification and enhanced due diligence processes. If we think it's necessary, we review third party policies and procedures to see if they have the relevant controls in place to identify and manage modern slavery and human trafficking risks.

Where we identify high risk third parties, our Financial Crime Assurance team does enhanced due diligence to understand the risk presented by working with the third party. The assessment lets us identify if the third party is within our risk appetite or if we need to take action. When we decide a third party is outside risk appetite, we won't work with them.

We take a risk based approach and periodically reassess third parties as part of our ongoing oversight model.

Training and development

We're committed to providing training for all of our colleagues on the issue of modern slavery and human trafficking.

When they join and annually after that, every Monzonaut gets mandatory training which includes content on:

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- modern slavery and child labour;
- financial crime; and
- our Speaking Up (whistleblowing) policies and procedures.

To make sure all our training remains fit for purpose, we've reviewed and updated all our training content over the last year.

We also publish regular newsletters in Slack (our internal communication tool) from the Financial Intelligence Unit to keep everyone up to date with the latest trends.

Measuring effectiveness

We recognise that modern slavery and human trafficking are often hidden risks. We currently track the following metrics to help us understand if our approach is working, and to spot opportunities to improve.

Area	Metrics	2023 Result
Training	% of colleagues who completed their modern slavery training	100%
Reporting	Number of reports raised as part of our Speak Up process related to modern slavery or human trafficking	0

We also regularly complete a financial crime risk assessment and Risk and Control Self Assessments. This makes sure that as we grow, we're continually assessing the risk of modern slavery and financial crime. The risk assessments consider our risk exposure and control effectiveness for managing the risk.

Our commitments

We're always looking for ways to improve our modern slavery and human trafficking controls in the workplace, across our customer base, or in the way we work with third parties.

Over the last 12 months we've focused on the highest risk areas by raising awareness, educating our colleagues, recording risks and putting the following controls in place.

- Improved training for people with roles specifically related to financial crime. With a focus on spotting suspicious activity, whilst all colleagues follow a clear process to escalate concerns.

- Confirmation from third parties that they or any associated party haven't been involved in human trafficking or slavery activity as defined by the Modern Slavery act.
- Using our vendor management tool to record any third party risks.
- Increasing law enforcement engagement and financial services networking to make sure we're helping the fight against modern slavery.

In FY2024 we'll focus on:

- updating our third party procedures;
- improving our detection rate and coverage; and
- working with law enforcement and other specialist units on modern slavery investigations.

We prepared this statement in line with section 54(1) of the Modern Slavery Act 2015 and it constitutes our Group's slavery and human trafficking statement for the financial year ending 28 February 2023. The Board approved it on 31 May 2023 and it was signed on the Board's behalf by:



James Davies

Chief Financial Officer

Monzo Bank Limited

Date: 7 June 2023