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Modern slavery and human trafficking statement 2022

2022



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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. Respect for human rights and the ethical treatment of every single person who interacts with Monzo – colleagues, customers, partners and suppliers – is fundamental to what we stand for.

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 Regulations 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. It's our mission to make money work for everyone.

More than 2,400 people work for Monzo, mostly in the UK. In our financial year ending 28 February 2022, Monzo had a global annual turnover of £153m. Even though we don't operate in sectors and regions that have a high risk of modern slavery, we're committed to taking appropriate steps to make sure there's no modern slavery or human trafficking in any part of our business or supply chain.

Our supply chains

Our supply chain is made up of around 550 third parties which includes 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 operate with the highest level of integrity in all our business relationships and treat third parties in a way which reflects our own values. We mainly work with technology companies, payment services and card manufacturers, as well as professional services like marketing and legal. Most of our third parties are based in the UK, Europe and the USA, many of whom have their own supply chain which indirectly connects Monzo to other businesses and employees worldwide. The industry types and locations of our third parties have a low prevalence of modern slavery according to the Global Slavery Index. 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 embedded steps and measures into our day-to-day processes focused on the riskiest areas, to recognise the pervasive nature of these risks. We consider this embedded approach to be more effective than a standalone policy. Our framework to combat modern slavery and human trafficking includes:

Our **Code of Conduct** which defines the expectations we have to always do what's right, to conduct ourselves with integrity, and hold ourselves and others accountable to high standards of ethical conduct.

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

Our **Financial Crime and Anti-Bribery and Corruption** policies which set out our approach to tackling financial crime. We will 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 which 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 adhere to, including on modern slavery.

Our **Speaking Up** (Whistleblowing) policy and process provide a framework that lets anyone at Monzo raise concerns about a danger, risk of wrongdoing, or criminal activity (such as 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 the Monzo 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, who also get periodic updates on how effective the Speaking Up process is.

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 FY 2022 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 1.

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 prohibit 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 conduct enhanced due diligence, and if we detect activity we suspect relates to modern slavery or human trafficking we take appropriate action in line with our legal and regulatory obligations.

Over the past 12 months, we've spent time improving our customer due diligence and customer identity verification process. This helps us detect suspicious transactions that could be the proceeds of crime linked with modern slavery and human trafficking. It also helps us spot when someone might not be in control of their account or finances.

Our Financial crime team works closely with various law enforcement agencies to:

- share intelligence that could be linked with modern slavery and organised crime
- investigate law enforcement intelligence that can lead to arrests and freezing of criminal assets
- contribute to efforts 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.

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

- Improved detection of both victims and perpetrators of sexual exploitation.
- Held an anti-slavery awareness week to raise awareness of various forms of modern slavery for our frontline financial crime teams.
- 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.
- Partnered with Surviving Economic Abuse to help train our Vulnerable Customer team on awareness and appropriate responses to signs of economic abuse.

Assessing third parties

Through a shared common goal, third parties contribute to our success and are considered part of our "extended enterprise". It's important we don't engage with third parties that weaken our control environment, negatively impact our customers or lead to our reputation being compromised.

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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 launched in March 2022. Where we contract with third parties on Monzo 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:

- 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 Monzo's 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.

Over the past 12 months, we've updated our Third Party Financial Crime Due Diligence procedures, making improvements to 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 conducts 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 Monzo's 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:

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

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	2022 Result
Training	% of colleagues who completed their modern slavery training	100%
Reporting	Number of incidents raised as part of our Speak Up process related to modern slavery or human trafficking.	0

Our commitments

We're constantly looking for ways to improve our controls around modern slavery and human trafficking.

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, while 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.

In FY2023 we'll focus on:

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

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 28 February 2022. It was approved by the Board on 29 June 2022 and signed on its behalf by:

A handwritten signature in black ink that reads "James Davies". The signature is written in a cursive style with a large initial 'J'.

James Davies

Chief Financial Officer

Monzo Bank Limited

Date: 29 June 2022