

# Modern slavery and human trafficking statement 2021

Modern slavery is a crime and a violation of fundamental human rights. It deprives a person's liberty in order 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 kept and exploited in various forms of slavery. Every company is at risk of being involved in this crime through its own operations and its supply chain.

We have a zero tolerance approach to modern slavery and human trafficking in our business, including making sure that 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

We're a retail and business bank in the UK with over 5 million customers. Monzo Bank Limited is the parent company of the Monzo Group. Around 1,800 people work for Monzo, mostly in the UK. In our financial year 2020 the Monzo Group had a global annual turnover of £79m. As a growing company, we need to keep reviewing and improving all of our core controls, including our approach to modern slavery and human trafficking.

## Monitoring Third Parties

As of August 2021, our supply chain is made up of 485 third parties which includes small through to large multinational organisations. To the best of our knowledge, there have been no incidents of modern slavery or human trafficking in our supply chain.

We seek to 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 work with a variety of third parties, primarily technology companies and other providers such as payment services, debit card manufacturers and professional services such as marketing and legal. The majority of these are based in the UK, Europe and the USA which have a low prevalence of modern slavery according to the Global Slavery Index.

During the last financial year we have made changes to our third party onboarding process to better understand and address modern slavery risks, and recently included ESG (Ethical,

Social and Environmental) requirements as part of our commitments to reach net zero emissions by 2030.

Any third parties we choose to work with must comply with all applicable laws, regulations and standards, and confirm that they (or any associated party) have not been involved in human trafficking or slavery activity as defined by the Modern Slavery Act 2015. We assess this risk as part of our Third Party Onboarding and oversight procedures, which are underpinned by our internal policies. Where we identify a risk, either through our onboarding process or in reassessing our existing supply chain, we make a plan and commit to managing it.

This year we've made updates to our Third Party and Outsourcing Policy and procedures to enhance our approach to risk management and we've launched an online training pack to educate our colleagues. In the next financial year we will be including a specific training module on Modern Slavery in the supply chain.

## **Protecting Our Colleagues**

We carry out background checks on new colleagues to make sure they're eligible for their proposed roles, have the appropriate rights to work and we monitor this throughout their employment. Written employment contracts clearly lay out people's rights and responsibilities, and we take care to make sure everyone at Monzo is aware of their rights to things like sick pay, holiday pay and other benefits.

We have robust and well documented procedures that are available to all colleagues, and align People Partners to each Collective as a local point of contact. We have dedicated communication channels on Slack (both public and private) and we've partnered with a third party service – Talk to Spot – which all colleagues have access to. Talk to Spot provides an anonymous route to flag any concerns or grievances that don't fall under our whistleblowing procedures.

## **Speaking Up**

Our speaking up policy and procedures provide a framework that lets anyone at Monzo raise concerns about a danger, risk or wrongdoing which affects others, or risks the reputation of Monzo. Anyone can do this to their line manager, people partner, any senior manager or the Whistleblowing Champion. There's also the option to do it anonymously 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. Everyone gets training on our whistleblowing policy and procedures when they join Monzo and as part of their annual mandatory training. Our

whistleblowing policy is approved by the Board, who also receive updates on the findings of investigations and trends found.

## **Fighting Financial Crime**

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 appropriate due diligence accordingly.

We carry out due diligence to identify and verify customers at the point they apply for an account with us, and throughout their time as a customer of Monzo. If we ever have any reason to believe there is 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.

### **Training and development**

Everyone at Monzo completes financial crime training when they join and has annual refresher courses. As we grow, we will keep investing heavily into our Financial Crime Framework to make sure everyone has the tools they need to stop all types of financial crime.

## **Our Commitments**

Last year we committed to launching a Modern Slavery and Human trafficking policy, and training for all. Instead of launching a single policy, we've embedded steps and measures into our day-to-day processes focused on the riskiest areas, to recognise the pervasive nature of Modern Slavery and trafficking risks. We consider this targeted and embedded approach to be more effective than a stand-alone policy. Over the last 12 months we've therefore focused on those highest risk areas by raising awareness, educating our colleagues through more effective procedures, recording risks and implementing appropriate controls such as:

- Enhanced training for people with roles specifically related to financial crime with a specific focus on spotting suspicious activity, whilst all staff follow a clear process to escalate concerns.
- Attestation from our suppliers that they or any associated party have not been involved in Human trafficking or slavery activity as defined by the Modern Slavery act
- Using our Vendor Management tool to record any supplier risks

Looking ahead, we're committed to strengthening our processes and raising awareness of this issue, by making sure our colleagues are well equipped and trained to identify Modern Slavery in the workplace, in our customers and in our third parties.

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 2021. It was approved by the board on 29th September 2021.

**TS Anil, Chief Executive Officer**

**Monzo Bank Limited**

**Date: 30 September 2021**