

Modern slavery and human trafficking statement 2020

Modern slavery is a crime and a violation of fundamental human rights.

It takes various forms, including slavery, servitude, forced and compulsory labour and human trafficking. What they all have in common is one person depriving another of their liberty to exploit them for personal or commercial gain. 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.

We're also committed to transparency in our own business and our approach to tackling modern slavery. This statement lays out what we have in place so far, and the work we have to do in 2021 and beyond. As we evolve our approach to combatting modern slavery and human trafficking, this statement will evolve too.

About Monzo

We're a retail and business bank in the UK with over 4.5 million customers. Monzo Bank Limited is the parent company of the Monzo Group. Around 1,300 people work for Monzo, mostly in the UK. In our financial year 2020 the Monzo Group had a global annual turnover of £67.2m. As we become a larger and more complex business, we need to keep reviewing and improving all of our core controls, including our approach to modern slavery and human trafficking.

Due diligence and controls in our supply chain

The make-up of our supply chain

As of September 2020, our supply chain is made up of 425 suppliers which includes start-ups through to large multinational organisations. They support Monzo with a range of services including technology, recruitment and card manufacture.

The majority of our suppliers are based in the UK, USA and Europe and all of our suppliers are based in countries with a low prevalence of modern slavery according to the Global Slavery Index.

AsiaPac	1%
EU	8%
USA & Canada	24%
UK	66%

Switzerland 1%
100%

How we assess suppliers

We carry out due diligence on any potential suppliers to make sure we're only working with companies who are aligned to our values, and who hold themselves to the same high standards we set ourselves. Our Supplier & Outsourcing Policy controls this, overseen by our Conduct & Compliance Committee. We put this policy in place in our financial year 2020, and we reassess our supplier practices at least once a year.

Our selection process includes meeting with suppliers and partners to understand their processes and seeing first-hand how they align with our values.

We run checks on company structure, ownership, political exposure and sanctions, and adverse media. If those assessments flag any concerns, we carry out enhanced due diligence. We keep monitoring these things throughout our business relationship.

Our standard supplier terms include a warranty that each party will comply with applicable laws, regulations and policies relating to slavery and human trafficking. Where Monzo contracts on third-party terms, we seek to include similar provisions in contracts where there is a risk of human trafficking. All critical outsourcing contracts, and any contracts with a lifetime spend over a certain threshold, go to the board for approval.

Monitoring our indirect supply chain

Tackling modern slavery means understanding the entire supply chain beyond the companies we directly contract with. We want and expect both our direct and indirect supply chain to uphold the same ethical principles we have at Monzo. A more robust approach to managing our indirect supply chain is part of our plan for 2021.

We try and use automation wherever possible, but some roles currently need manual tasks which can increase the risk of modern slavery. Some of our Identify Verification checks take place in Colombia and India, which are both countries classified by [The Global Slavery Index](#) as being more vulnerable to modern slavery and therefore higher risk.

To the best of our knowledge, there have been no incidences of modern slavery or human trafficking in our direct or indirect supply chain. But in our financial year 2021, we'll have a focus on controls especially in the higher risk indirect chain.

Internal protections at Monzo

Protecting our colleagues

We carry out background checks on new colleagues to make sure they're eligible for their proposed roles, and have the appropriate rights to work. 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 a robust and well-documented grievance procedure that's available to all colleagues. We also have People Partners based in each Collective to be a local point of contact. We've partnered with a third party service – Talk to Spot – which all colleagues have access to which provides an anonymous route to flag any concerns or grievances that don't fall under our whistleblowing procedures.

A whistleblowing framework

Whistleblowing is the raising of a concern about a danger, risk or wrongdoing which affects others or risks the reputation of Monzo.

Our whistleblowing policy and procedures provide a framework that lets anyone at Monzo report issues if they suspect or see anything that might be in contravention of any Monzo policy, or any regulation or law applicable in any of the countries we operate in. They can also do this anonymously using our external provider, Safecall. Where someone has reason to believe there's been any instance of illegal, improper or unethical behaviour, this process gives them a way to get in touch with teams who can investigate and determine the best course of action.

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 as part of their annual mandatory training. Our whistleblowing policy is routinely monitored by the Board, as are any reports.

Training and development

We've created a training module around modern slavery and human trafficking, which will become part of everyone's annual mandatory training in the course of 2021. This sits alongside existing mandatory training on things like financial crime and whistleblowing.

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.

Checks on new and existing customers

We carry out due diligence to identify and verify customers at the point they apply for an account with us. There are hard stop rules preventing anyone from opening an account if there are indicators that suggest a heightened risk or any evidence of financial crime.

Once onboarded, we monitor customer activity to detect suspicious transactions that could be the proceeds of a crime like modern slavery and human trafficking. Our real time transaction monitoring system means we can quickly spot and report suspicious activity.

Cooperation with law enforcement

We fully cooperate with law enforcement investigations, including requests from the Joint Money Laundering Intelligence Taskforce and The Gangmasters and Labour Abuse Authority. We're committed to following this through to prosecution through providing witness statements and evidence in court.

Training and development

Everyone at Monzo completes financial crime training when they join and have annual refresher courses. People with roles specifically related to financial crime have enhanced training with a specific focus on spotting suspicious activity.

As we grow, we keep investing heavily into our Financial Crime Framework to make sure everyone has the tools they need to stop all types of financial crime.

Looking ahead

We appreciate that we're at the start of our journey as a business. We have controls and processes in place, but we can always improve. Our main focus for 2021 is risk management and controls, and we want to strengthen controls in our direct and indirect supply chain in particular.

Here's an outline of our plans for the year:

- Launching a new modern slavery and human trafficking policy that will set minimum policy standards for how we make sure there's no modern slavery or human trafficking in our direct and indirect supply chains
- Updating our supply chain procedures in line with this new policy
- Iterating on our financial crime policies and procedures
- Rolling out mandatory modern slavery training for everyone at Monzo
- Promoting our whistleblowing policy and procedures, including SafeCall, which lets people at Monzo raise issues completely confidentially

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 29 February 2020. It was approved by the board on 18th September 2020.



Alwyn Jones, Chief Financial Officer

Monzo Bank Limited

Date: 21 September 2020