

Modern Slavery Statement

This statement is made pursuant to s.54 of the Modern Slavery Act 2015 and sets out the steps that Zempler Bank has taken prior to and including the last financial year to ensure that modern slavery and/or human trafficking is not taking place within our business or supply chains.

What is Modern Slavery?

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, human trafficking and forced labour, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Statement of Intent

Zempler Bank has a zero-tolerance approach to any form of modern slavery.

We are committed to acting ethically and with integrity and transparency in all business dealings. We are, and will continue to be, committed to continually enhancing the systems and controls we have implemented, aimed at ensuring that modern slavery does not take place anywhere within the Company or in any of our supply chains.

We hold every person acting on behalf of Zempler Bank responsible for identifying and reporting any concerns they may have regarding Modern Slavery.

This statement includes work carried out in 2022/23 as well as intended developments in this regard.

Organisational structure and Business Model

Zempler Bank is a privately-owned business, headquartered in London, operating as a digital banking services provider. We are an established credit provider and in February 2021 were granted a regulated banking licence. We have grown successfully and sustainably over the last 19 years and offer a range of financial services solutions serving Small to Medium Sized Enterprises (SMEs) and consumers.

Through continuous improvement in products and solutions, we have established consistent revenue streams, good margins at a product level and a profitable business model overall. Zempler Bank generated a gross revenue of £42.4 million in for the financial year ending March 2023.

Zempler Bank's operating model uses a number of established outsourced suppliers to the financial services industry. These include secure IT platforms; data centres; and back office operations. Our suppliers are regarded as an extension of Zempler Bank, i.e. specialist departments, whose services are utilised to support the business and customer.

Average number of people employed by Zempler Bank (including Directors) during the year was 234. We also have c.84 suppliers risk assessed from Critical to medium risk. Suppliers are managed through the Supplier Management team in accordance with Framework and Policy.

Risk

The risk of modern slavery taking place within Zempler Bank is considered to be low.

This assessment has taken into account the following factors; the type of business that Zempler Bank conducts; our office locations; our supplier framework; recruitment practices and our policies and procedures. Nevertheless, the importance of combatting slavery and human trafficking is understood, and the duty to take steps to prevent it is fully acknowledged.

Policies

Zempler Bank operates internal policies which support our commitment to acting ethically. These include;

- **Whistleblowing:** We are committed to the highest possible standards of openness, probity and accountability. We expect employees, customers and any other business partners to report any concerns about treatment or practices within the business or supply chain, without fear of reprisals.
- **Ethics and Conduct Code:** We strive to maintain the highest standards of ethics and conduct.
- **Conduct Risk:** We are committed to ensuring and promoting the right culture and conduct within the company.
- **Supplier Management Framework:** We are committed to ensuring that our suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions, treat workers with dignity and respect, and act ethically and within the law in their use of labour. We work with suppliers to ensure that they meet the standards expected. Any breaches or violations of the supplier agreement may lead to the termination of the business relationship.

- **Recruitment:** Zempler Bank operates a robust recruitment policy, including conducting eligibility to work in the UK checks for all new employees. All employees are required to complete a thorough pre-employment assessment including, but not limited to; interview, financial, fraud and criminal record checks. We also carry out financial and fraud checks on those employed by our outsourced Customer Services function.

Due diligence

Zempler Bank, through the Supplier Management Framework and the Enterprise Risk Management Framework, has in place systems to:

- Identify and assess potential risk areas in our supply chains with the use of an escalation process through the Legal & Compliance teams.
- Monitor potential risk areas in our supply chains.

Zempler Bank operates a supplier policy and maintains a 'preferred suppliers list'. Due diligence is conducted on all suppliers before onboarding and contracts are agreed.

Critical, High and Medium Risk supplier contracts include appropriate warranties relating to slavery. Suppliers are required to confirm that no part of their business operations contradict our expectations with regard to modern slavery, if they fall into the following criteria:

Criteria for Suppliers / companies to have an annual statement published:

- it is a 'body corporate' or a partnership, wherever incorporated or formed
- it carries on a business, or part of a business, in the UK
- it supplies goods or services
- it has an annual turnover of £36 million or more

As part of our annual Due Diligence deliverables Supplier Management contact our Critical, High, Medium and Low Risk suppliers asking them to confirm and provide details of their Modern Slavery policy and / or statement. As evidence we require our suppliers to submit copies and confirm dates of their latest versions published.

Supplier Management also review any other additional documentation linked to Modern Slavery and Diversity & Inclusion, as part of the onsite/online assessments. We ensure the contractual agreements either have the appropriate Modern Slavery clause/wording in place or reference compliance with applicable laws, which Legal Counsel has confirmed as being acceptable.

Training

During FY 2021/22 Zempler Bank enhanced their existing mandatory training schedule to include modern slavery, requiring all staff to complete the training module at least annually. This was completed by all staff for FY 2022/23.

Third party suppliers provide their own training, this is verified during onsite reviews and due diligence which is completed on an at least annual basis. Zempler Bank intend on adding further Modern Slavery training for some suppliers that are customer facing to strengthen understanding and awareness.

Performance Indicators

To understand our effectiveness in combating slavery and human trafficking, Zempler Bank uses the following key performance indicators:

1. Recruitment metrics
2. Supplier Management audits
3. Whistleblowing metrics
4. Compliance breaches: breaches register
5. Third party contracts, SLAs, KPIs, and regular review meetings
6. Contractual / SLA breaches by suppliers

Further steps

We will continue to monitor and review the steps taken to deal with modern slavery and human trafficking for adequacy and effectiveness. We will also continue to improve awareness across our business and with all colleagues, as we develop and implement training on this critically important topic.