

Zopa Modern Slavery Statement 2021

Modern slavery and human trafficking

It's a great tragedy that slavery and human trafficking not only continue to exist in the modern age, but that cases of such awful crimes are increasing. In 2021, 12,727 potential victims of modern slavery were referred to the Home Office. That's a 20% increase from 2020.

There's a misconception that slavery and human trafficking are crimes that take place overseas. But in 2021, victims from the UK were shown to be among the main nationalities reported to the Home Office.

It's against this backdrop that we must ensure that our people and procedures remain alive to the warning signs of these crimes and act whenever necessary. We stand, and will continue to stand, against slavery and human trafficking in all its forms.

This statement sets out the steps we took in 2021 to ensure slavery and human trafficking didn't occur within our organisation and supply chains, and provides details on how our company is organised.

Our Organisation

We operate in the UK financial services industry and our group is made up of the following companies:

- **Zopa Bank Limited** (Company number 10627575) through which we provide our customers with a range of banking products, including: unsecured personal loans, hire purchase loans, credit cards and savings products.
- **Zopa Group Limited** (Company number 10624955) which is our ultimate parent company.

Our activities are regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

We employ 560 people who mainly work through our London office, but we also have a tech team based in Spain.

Our Policies

We have the following policies in place which address the risks of modern slavery and human trafficking taking place within our organisation (either directly or indirectly through our suppliers):

- Outsourcing, Procurement and Supplier Management Policy – this policy documents that for all potential suppliers we require an assessment of 1) the risk that slavery or human trafficking could take place with the prospective supplier; and 2) the measures a prospective supplier has in place to manage the risks of slavery and human trafficking, before we enter into any commercial relationship with them. The policy also requires ongoing enhanced due diligence to be conducted where we consider a supplier is at high risk of slavery or human trafficking taking place within their organisation or through their own supply chain.
- Whistleblowing policy – this policy informs our staff that where they feel unable to raise concerns outside of our regular reporting channels, they can use our discreet whistleblowing procedure to raise such concerns. This mechanism could include reporting any concerns of potential slavery or human trafficking. These concerns will then be investigated either by our Head of Compliance or our Whistleblowing Champion.

Whilst we remain of the view that there is a low risk of slavery or human trafficking impacting or arising through our business activities, in light of the strong regulation of the financial services industry and human rights legislation, we are alert to the fact that cases of slavery and human trafficking are increasing.

We've set out below the steps we took to prevent modern slavery and human trafficking within our organisation and in our supply chains in 2021.

Steps we took within our organisation in 2021

Culture and recruitment

Key to our success as an organisation and efforts to combat slavery and human trafficking is recruiting staff who share our values. In 2021 we continued to recruit candidates who aligned with our values and who we felt confident could effectively implement our policies and procedures which address these risks. Existing employees were also assessed against our values as part of our annual performance review.

Training and guidance

We provided:

- training to all new staff, and refresher training to existing staff, on our whistleblowing policy and procedures - encouraging all employees to safely and anonymously report offences, including slavery and/or human trafficking; and
- guidance to our key supplier relationship managers on how to manage and monitor our suppliers, including the need to conduct initial and ongoing due diligence and being alert to the risks presented by our suppliers' industry and/or geography.

Steps we took in respect of our supply chains in 2021

We continue to use external suppliers for a broad range of products and services, including:

- Technology Services: for the provision of computer and telephone hardware, software, networking, storage and information security services.
- Payment Services: including agency banking, payment network and financial messaging infrastructure, payment processing services and the supply of cards.
- Professional Services such as auditing and specialist advisory services to support legal, risk management, finance and marketing functions.
- Human Resources Services: including the use of recruitment agencies to find contractors and permanent employees, human resource management systems and payroll software.
- Facilities Services: including the use of cleaning, catering, maintenance, utilities, postal services and stationery supplies.

Supplier risk assessments and due diligence

In line with our Outsourcing, Procurement and Supplier Management Policy, we conducted risks assessments on all our new suppliers. This assessment was to determine the risk that slavery or human trafficking could take place with or via that supplier, and to assess the measures the supplier has in place to manage the risks of slavery and human trafficking within their organisation and supply chain.

We consider that the following types of suppliers present a greater risk of slavery or trafficking impacting our supply chain:

- providers of facilities, construction and building maintenance or manufacturing (including the supply of computer hardware) services; and/or
- suppliers in what we consider to be high-risk geographical locations.

Enhanced due diligence

Based on the above risk assessment, we carried out enhanced due diligence specific to modern slavery and human trafficking risks on 11 Suppliers. These suppliers included providers and resellers of computer hardware, card gateway and manufacturers companies and providers of facilities services.

The enhanced due diligence process required each supplier to disclose their procedures to identify risks of and prevent slavery and human trafficking within their organisation and supply chains.

Our Procurement and Legal teams reviewed the responses from each supplier as well as their modern slavery statements.

Following this exercise, we decided to stop using one supplier. This wasn't because any cases of slavery and human trafficking were identified, rather we weren't satisfied with the supplier's controls.

How did we do?

We believe the training we provide our staff and the due diligence we conduct on our suppliers have proven effective in preventing slavery or human trafficking from impacting our organisation.

To date we have had no incidents of slavery or human trafficking within our organisation or that we've been made aware of occurring within our supply chain; however, we remain vigilant to these risks and are committed to improving our controls and processes where we identify ways in which these can be enhanced.

This statement in relation to the Zopa Group's 2021 financial year was approved by the Board of Zopa Group Limited on 05 July 2022.

Signed by

A handwritten signature in black ink, appearing to be 'J. Janardana', written over a faint, light-colored circular stamp or watermark.

Jaidev Janardana
CEO Zopa Group Limited