

## **Funding Circle Ltd (06968588) Modern Slavery Statement**

As required by the Modern Slavery Act 2015, this statement describes the approach of and steps taken by Funding Circle Ltd and its UK-based affiliates during the financial year ending on 31 December 2022 in relation to the detection and prevention of slavery and human trafficking in our own business and supply chain.

### Modern Slavery Statement

We have a zero tolerance approach to modern slavery and human trafficking and we are committed to ensuring that our business operates in a socially responsible way. We are committed to playing our part in helping the world to improve practices designed to combat slavery and human trafficking.

### Our Culture

We are dedicated to implementing and maintaining the highest standards of behaviour, ethics and integrity among our workforce. We have created a culture where adherence to these standards is recognised and rewarded. Our Code of Conduct establishes these standards and addresses subjects such as integrity, conflicts of interest and non-discrimination. Employees are trained annually on our Code of Conduct rules.

We conduct our business at all times in accordance with certain guiding principles which represent the high standards that we set ourselves and exemplify the ethos and values which we seek to inculcate in all of our employees. These include “Being Open” (where we recognise the importance of transparency, treating people well and honestly) and “Think Smart” (where we encourage the asking of questions and positive challenge). We assess employee performance against these principles.

### Our Employees

We employ people from a diverse range of backgrounds who all share, and subscribe to, the ambitions and values of our business. All our employees undertake a learning and development programme which includes ongoing training in relation to:

- the regulatory environment in which we conduct our business; and
- the policies, practices and professional standards we adopt.

Where applicable to an employee’s role, financial crime training and procurement training is provided which addresses specifically (among other things) the issues of modern slavery and human trafficking.

The maintenance of exemplary professional and ethical standards is extremely important to us and the way in which we conduct our business, and employees are aware of the possibility of sanction in the event of contraventions of, or non-compliance with, them. Our People Team is trained to deal with concerns raised by or about our employees lawfully, promptly and confidentially.

### Our Policies, Processes and Procedures

We are committed to act with integrity in all of our business activities and to comply with all applicable laws and regulations to which we are subject. Our relevant policies include those relating to:

- anti-money laundering and counter-terrorist financing;
- conflicts of interest;
- anti-bribery and corruption;
- whistleblowing;
- the protection of data and data confidentiality; and
- procurement.

In addition, we have developed standards, processes and procedures including:

- the monitoring and review of the effectiveness of our internal policies and their implementation;
- ongoing supplier risk/impact assessments and due diligence on proposed and existing service providers to mitigate the risk of slavery and human trafficking occurring in our supply chains;
- those to support an inclusive, open and tolerant workplace environment; and
- those relating to the raising of concerns or poor practice by our employees and those with whom we deal.

These policies, processes and procedures are regularly reviewed to ensure they are fit for purpose and, where relevant, compliant with the latest modern slavery guidelines.

In 2022 we added modern slavery into our customer KYC standards, with the aim to identify red flags when on boarding customers (borrowers) in the course of KYC checks and AML / fraud reviews. We also maintain a list of high risk Standard Industrial Classification (SIC) codes which would flag a borrower linked to an industry more susceptible to modern slavery risks.

We also reviewed our financial crime risk assessment process to now include a standalone modern slavery assessment, which reviews applicable controls and risks and will be refreshed annually.

### Our Supply Chain

Our Group Procurement & Supplier Management Policy outlines key procurement principles and responsibilities and associated policies and procedures, including basic ethics of procurement. Parties involved in the procurement process are required to adhere to ethics, including on Human Rights and Modern Slavery. We apply The Chartered Institute of Purchasing and Supply (United Kingdom & Central Europe) [CIPS Code of Conduct](#), and The Institute of Supply Management (United States of America) Principles & Standards of Ethical Supply Management Conduct.

Our supply chain service partners principally involve suppliers of technology, data, office and facilities supplies, and professional advisory firms, amongst others. We undertake detailed due diligence on proposed suppliers to ensure that they are a suitable organisation with which to do business, which includes:

- Assessing the selection, management and geographical location of their employees;
- The selection and management of their sub-contractors and their supply chain
- Their commitment to corporate social responsibility.

We are committed to acting ethically in all our business relationships and implementing and enforcing effective systems and controls which make it clear that we do not tolerate slavery and/or human trafficking within our supply chains and would seek to terminate any relationship with a supplier where evidence of the same occurred.

Given the nature of our business, we do not consider that we operate in a sector where modern slavery and human trafficking are particularly prevalent or of high risk, however a small proportion of our service providers have business operations within geographical locations that do represent an elevated risk, and as part of our procurement process we ask suppliers for their Modern Slavery Statement where applicable. We utilise a supplier assurance programme that is designed to provide reasonable assurance that our supply chain services partners comply with, and are aligned to, our values and our commitment to ensure that there is no slavery or human trafficking arising in our supply chains or in any part of our business and are assessed on this basis during the procurement process. In 2021, we introduced a formal Supplier Relationship Management tool (Gatekeeper), which features risk specific modules to document supplier risk in a centralised place. This allows us to monitor and re-assess supplier risk on an annual basis to ensure Funding Circle is upholding the highest standard possible. A Supplier Risk Forum meets quarterly to ensure that our risks are correctly prioritised and our actions are targeted to address these risks for maximum impact. In 2022 we updated our procurement process to ensure that any suppliers who do not provide a Modern Slavery statement are flagged to the Global Head of Enterprise Risk and Financial Crime Compliance.

In January 2022 Funding Circle Holdings plc joined the UN Global Compact to formalise our alignment with its Ten Principles on human rights, labour, the environment and anti-corruption. Our initial Communication on Progress report will be published by June 2023. We look forward to continue integrating the UNGC principles into practices around modern slavery and human trafficking, and leveraging this framework to help guide our efforts in the future.

We have not, to date, had any reportable incidents of non-compliance with our Statement since first published.

A handwritten signature in black ink, appearing to be "LJ".

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Lisa Jacobs, CEO

24 April, 2023