

Statement on Modern Slavery and Human Trafficking

STARLING BANK LIMITED

Introduction

Starling Bank Limited (Starling or the Bank) was founded to give people a fairer, smarter and more human alternative to the banks of the past. Starling's mission is to change banking for good and that means it is committed to acting professionally, fairly and with integrity in all of its business dealings and relationships.

Starling has a zero-tolerance approach to modern slavery and human trafficking and does not tolerate any form of slavery or human trafficking in its business operations or supply chains. Starling does not provide banking services to or invest in organisations that use power to systemically promote public behaviour that is harmful to individuals, groups or society as a whole. Starling acknowledges that these are real, yet hidden, issues in our society and, in a time of compounding crises, are likely to rise over the coming years.

Starling is committed to protecting human rights and preventing modern slavery and human trafficking by continuously improving its systems and controls and improving our employees' understanding of these important issues. Starling works with government agencies, regulators, and law enforcement to help identify and tackle modern slavery and human trafficking in the communities and environment it operates in.

This is Starling's third Statement on Modern Slavery and Human Trafficking, published in accordance with the Modern Slavery Act 2015. This statement refers to the financial year ended 31 March 2023 and details the approach taken to identify and prevent modern slavery and human trafficking across our business operations and supply chain.

Who we are

For the year ended 31 March 2023 (the year), Starling provided banking services in the United Kingdom to 3.6 million accounts across retail and small and medium-sized enterprises, with deposits of £10.6bn.

Starling is authorised by the Prudential Regulatory Authority (the PRA) and regulated by the Financial Conduct Authority and the PRA. Starling's head office is in London, with further offices in Cardiff, Southampton, Dublin and our most recent location, Manchester. Starling has established a sustainable business model that allows it to generate its own capital organically and to expand into new markets, such as Engine by Starling Limited, the Bank's cloud-native, full featured, and flexible SaaS banking platform.

Starling's purpose is underpinned by five values: listen, keep it simple, do the right thing, own it and aim for greatness. Starling's values are integrated into all functions of the Bank, and reiterated through the Code of Conduct applicable to all employees and agency staff.

The Board of Directors (the Board) and the Executive Management maintain strong, open and transparent relationships with regulators, allowing the Board to ensure the Bank's strategic aims align with regulatory requirements. Starling seeks to draw its Board and senior management team from a diverse pool with the express purpose of establishing a balanced mix of skills, knowledge, experience and outlook. All Board members have a detailed understanding of the market and regulatory frameworks in which Starling operates and are screened for conflicts of interest and relationships with companies that do not meet its values and ethics. The Board undertakes an annual review of conflicts of interest authorisations.

Starling's governance framework allows for effective flow of information through appropriately structured Executive and Board committees. Key issues, including those related to human rights, modern slavery and human trafficking may be raised through these channels to the Board.

Our Supply Chains

Starling is committed to developing business relationships with high quality suppliers and partners who themselves are committed to operating under ethical standards and values equivalent to the Bank's own, including in the fair treatment of customers, employees and other stakeholders. Starling predominantly utilises services from third-parties located in the United Kingdom, United States and Europe.

To tackle trafficking and slavery in the supply chain Starling:

- Exercises skill, care and diligence when considering new material outsource providers and material vendors. This includes examining suppliers' policies and frameworks to ensure they are aligned with Starling's ethical standards and values.
- Incorporates anti-slavery obligations into agreements - including specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children - with suppliers where relevant and on a risk-assessed basis.
- Adopts a risk-based approach in identifying, monitoring and assessing suppliers who are at a greater risk from instances of modern slavery / or human trafficking, and take appropriate mitigating actions.
- Performs due diligence and relationship oversight in line with its Supplier & Outsourcing Policy and Third Party Management Procedure, ensuring vendors meet the Bank's expectations on an ongoing basis.
- Periodically share its supply chain guidelines and policies with partners.

The Board of Directors (supported by the Audit and the Risk Committees) sets the control environment throughout the firm, including the appetite and tolerance levels in respect of outsourcing and third party risk management.

Maintaining high standards of business conduct is key to Starling, as such the materiality of the Bank's outsourcing relationships is regularly monitored, and its payment practices and performance are publicly reported on.

People

Starling is committed to providing a workplace culture that reflects its values of fairness, equity, inclusion, compassion and non-discrimination. Starling is also committed to conducting business with honesty and integrity in an open and transparent manner where all employees feel like they are able to report their concerns.

Starling's Whistleblowing Policy details a robust process that is in place to enable concerns of wrongdoing to be escalated in a confidential manner so that the necessary investigation, remediation actions and reportings and/or notifications can take place. Starling has partnered with an independent whistleblowing charity helpline and developed a solution that allows employees to anonymously raise any whistleblowing concerns. The Chair of the Board Audit Committee is Starling's Whistleblowing Champion

Starling operates regular, anonymised employee engagement surveys on matters such as reward and diversity and inclusion to ensure employees have a voice. Key themes arising from the results of these surveys are discussed with the Board.

All employees undergo compulsory pre-employment background checks before joining Starling to ensure they are suitable for the role they have applied for. These checks, some of which are carried out by a specialist independent screening provider, include identity checks, financial crime checks, reference checks, right to work checks, criminal record checks and, if applicable, education and professional qualification checks. Employees are also subject to annual checks, and if applicable, visa checks to ensure they remain suitable for their role.

All new hires undertake mandatory training on modern slavery and human trafficking, economic crime, conduct risk and anti-money laundering. Specialist teams, such as the risk and compliance team and customer service team, undertake additional training including on customer due diligence, complying with sanctions and fighting fraud. The customer service team is trained in identifying and supporting vulnerable customers and referring them to third party experts who can assist them. Moreover, as part of the annual compliance training, employees undertake mandatory refresher training on modern slavery and human trafficking, economic crime, conduct risk and anti-money laundering. Completion rates are monitored by the Operational Risk Committee.

Management at all levels is responsible for ensuring those reporting to them understand and are given adequate and regular training on the issue of modern slavery and human trafficking in supply chains.

Starling is an equal opportunities employer and ensures fair and full consideration of applications for employment from all people regardless of their age, gender, ethnicity, race or disability. Starling is committed to ensuring that its employees are paid fairly and Starling aims to attract and retain the best people from a diverse gender, social and ethnic background. In addition, Starling is a Living Wage Employer and is committed to paying its employees a wage that meets the costs of living, not just the Government minimum.

Customers and Partners

Starling carries out due diligence on all of its customers; personal, business and sole trader. Controls are built into its app to ensure the customer being onboarded fits within the Bank's risk appetite. Starling adopts a proactive approach to identifying suspicious activity, and where necessary takes appropriate measures for customer accounts where such activity is flagged.

Economic and financial abuse are forms of control used by offenders during the exploitation of modern slavery victims. Starling has recently partnered with the charity Surviving Economic Abuse to launch a new feature called 'Hide references' to help victims of economic abuse. Starling is the first UK bank to introduce this capability which enables customers to block payment references from those using them to send abusive or upsetting messages.

Starling expects all its Partners to meet its standards. Starling requests a copy of a modern slavery statement for its largest Marketplace Partners, both at onboarding and as part of annual due diligence reviews.

Policies

Starling has policies in place to prevent modern slavery and human trafficking.

<p>Modern Slavery Policy</p>	<p>This documents Starling's approach to identify, assess and manage the risks posed by modern slavery and human trafficking. In addition, it demonstrates Starling's commitment to preventing slavery and human trafficking in its business and supply chains and clearly establishes expectations for its employees, agency staff, suppliers, Marketplace partners and other business partners.</p>
<p>Supplier and Outsourcing Policy</p>	<p>This defines the Starling's approach to supplier management and outsourcing, to ensure that suppliers and outsourced partners meet the Starling's expectations and comply with regulatory requirements.</p>

<p>Staff Handbook and Code of Conduct</p>	<p>This applies to all Starling employees and fixed-term contractors. The Code represents Starling’s commitment to how its employees work and conduct themselves at Starling. Starling strongly believes in acting in an ethical way and expects everyone it works with to uphold its values and principles in all that Starling says and does, as well as upholding all external legal and regulatory requirements and Starling’s policies and procedures.</p>
<p>Whistleblowing Policy</p>	<p>This sets out Starling’s commitment to a culture of openness, transparency and accountability where colleagues feel safe to raise concerns, and to comply with whistleblowing laws and relevant regulatory expectations. The Board Audit Committee monitors the number of incidents raised through Whistleblowing channels on a regular basis.</p>

Starling also has in place multiple financial crime compliance policies, which detail its approach to anti-money laundering, bribery and corruption, market abuse and sanctions. Starling’s dedicated financial crime team monitors and reports any suspicious activity detected using Suspicious Activity Reports to be notified to the National Crime Agency.

Looking Ahead

Starling is continually looking to improve its Modern Slavery Statement year on year, including reviewing, and developing its policies and procedures relating to modern slavery and human trafficking. The Board Ethics and Sustainability Committee receives quarterly updates on any matters related to modern slavery and will continue to escalate any issues to the Board where necessary.

Starling is also committed to building on its employees' understanding of modern slavery and human trafficking by providing them with tailored information through its induction and refresher training programmes, including for Directors. Starling will also continue to strengthen its relationships with its external suppliers and partners, by continuing to engage with them on matters relating to modern slavery and human trafficking and ensuring their ethics and values meet Starling’s expectations.

Further information on Starling’s broader approach to managing environmental and social risks can be found in the bank’s Annual Report: <https://www.starlingbank.com/investors/2023/annual-report-2023/>

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It was approved by the Board on 26 July 2023 and signed by the Interim Chief Executive Officer of Starling Bank Limited on 21 August 2023.

John Mountain
Interim Chief Executive Officer
Starling Bank Limited