



Slavery and human trafficking statement

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emerchantpay.com

INTRODUCTION

At emerchantpay our mission is to deliver a more profitable economy for our customers, empowering them to make the most out of their online revenue. emerchantpay is a values-driven organisation that stands for agility, efficiency, honesty and excellence.

As an experienced provider of payment services and solutions worldwide, we aspire to meet the highest professional, legal, and ethical standards. We stand for the protection of internationally proclaimed human rights, the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

emerchantpay acknowledges responsibility to the Modern Slavery Act of 2015 ("**MSA**") and will ensure transparency within the organisation and our supply chain.

The **MSA** requires a statement to be published each year describing the steps taken to ensure modern forms of slavery and human trafficking are not taking place in the firm's business operations and supply chains.

The statement is made pursuant to section 54(1) of MSA and constitutes emerchantpay's annual Slavery and human trafficking ("**SHT**") statement for the **financial year ending 31st August 2018**.

OUR BUSINESS

emerchantpay Ltd. is an authorised electronic money institution under the supervision of the Financial Conduct Authority.

The firm has permission to issue electronic money (e-money) and provide the following payment services: services enabling cash placement on a payment account; services enabling cash withdrawals from a payment account; execution of payment transactions (not covered by a credit line); execution of payment transactions (covered by a credit line); issuing payment instruments or acquiring payment transactions; money remittance; execution of payment transactions via telecoms, IT system or network operator; issuing electronic money.

We provide our products and/or services and run the permitted activities in the European Economic Area (EEA) countries.

OUR STRUCTURE

emerchantpay is headquartered in Tyne and Wear, England and has offices in couple of locations in the UK. The firm is wholly owned subsidiary of emerchantpay Group. Some of its critical or important functions the firm has outsourced to companies part of emerchantpay Group.

The firm has an annual turnover in excess of USD 8 million and a financial year ending on the 31st August.

The main responsibilities for fulfilling the obligations that stems from MSA are entrusted to:

- **Compliance function** – to develop, review and update annually the Modern slavery statement;
- **Board of directors** – to supervise the process of drafting and decide on the statement's approval;
- **Senior management** – to implement the objectives of the statement and to provide adequate resources (such as trainings) to ensure that SHT is not taking place within the firm and its supply chain;
- **the staff members** – to be alert to the SHT risk and to report their concerns.

OUR SUPPLY CHAIN

emerchantpay's supply chain consists primarily of other regulated service providers. Further, we use ICT services, resellers' services, professional advisory services, marketing services, as well as travel/accommodation services and office supplies. It is important to note that emerchantpay does not manufacture products or handle raw materials or commodities.

Given emerchantpay's understanding of our supply chain and the nature of our business, we believe the overall risk of SHT in connection with our firm's activities is very low due to:

- the nature of the services which we procure (mostly payment services),
- the locations from which we procure it (mostly in developed markets), and
- our procurement practices (for example, we agree to reasonable terms and ensure timely payment).

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

We continue to operate a number of internal policies and practices to ensure that we are not in any way involved with or facilitating SHT. Our policies describe our approach to the identification of modern slavery risks and the steps to be taken to prevent slavery and human trafficking in our operations.

We are committed to ensuring that we conduct our business in an ethical manner and there is no SHT involved in any way with our supply chain or in any part of our business.

Our internal policies reflect our commitment to act ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure SHT is not taking place anywhere in our supply chain.

We have several policies in place relevant to modern slavery, all of which are signed off at director level. This includes our Principles of business, Code of conduct (for employees), Code of conduct (for partners/suppliers) and Whistleblowing policy.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

We have embedded additional risk checks for modern slavery in our due diligence process to partners/suppliers. The relative risk for each potential partner/supplier is determined based on risk assessment. Among others, each potential partner/supplier is checked against global sanctions and enforcement databases and adverse media review is performed to identify risks including human rights abuses, human trafficking, and labour violations. Those potential partners/suppliers identified as medium or high risk are subject to further vetting.

RISK ASSESSMENT AND RISK MANAGEMENT

Given the nature of our business we believe that there is minor risk of SHT taking place and our risk-based processes reflect this.

Based on our risk assessment, the potential risk of SHT may arise from the following key scenarios:

The SHT risk associated with recruitment process: The majority of our workforce are employed directly and on permanent basis. Recruitment takes place through: direct advertising on our website, reputable employment agencies, referrals from employees within our firm. We also carry out appropriate background checks, including eligibility to work in the UK, for all applicants and current employees in order to identify potential human trafficking or individuals being forced to work against their will.

The risk that we procure products/services for our own use where there is an unethical supply chain: This risk is mitigated by using partners/suppliers demonstrating compliance with the regulatory requirements, including MSA.

The risk that we partner alongside organisations with an unethical supply chain: This reputational risk is mitigated by an up-front compliance requirement, enforced at delivery by contractual conditions and agreements; and including appropriate early-termination clauses.

During the financial year ending 31st August 2018 we have:

- paid our staff fairly for their work and above the minimum living wage;
- acted ethically and with integrity in all our business relationships;
- raised awareness of the requirements of the Modern Slavery Act;
- widened our assessment process and identified a new area of potential supply chain risk;
- identified an additional training requirement to increase risk awareness within our workforce, which will be implemented during the next financial year, ending 31st August 19;
- provided an interim risk assessment and progress report within-year to our Board of directors and Management committee.

emerchantpay understands that SHT risk is not static, therefore we will continue to mitigate this risk during the current financial year to ensure our systems and controls continue to be effective in safeguarding against any form of modern slavery taking place within our business or our supply chain.

In addition to the steps we have already set out above, we:

- remain committed to improving our practices in order to ensure that there is no SHT in any part of our business or in our supply chains;

- will continue assessing the issues of SHT within our organisation and the effectiveness of our approach to managing them on a periodical basis;
- will continue assessing and interpreting any recent or emerging case law and best practice;
- will engage further with the Office of the Independent Anti-Slavery Commissioner (IASC) and the Gangmasters and the Labour Abuse Authority (GLAA);
- will benchmark our activities against statements and action plans undertaken by similar-sector organisations.

TRAININGS

All employees receive annual training and assessment of understanding on compliance issues and our whistleblowing arrangements.

SUPPLIER ADHERENCE TO OUR VALUES

We have zero tolerance to SHT and we fully support the government's objectives to eradicate it.

We require all partners/suppliers we engage with to ensure that their products/services and supply chains:

- fully comply with the Modern Slavery Act 2015; and are
- transparent, accountable and auditable; and are also
- free from ethical ambiguities.

Our contracts with any partners/suppliers generally include terms which require them to confirm compliance with the applicable regulatory requirements, including MSA.

We call upon all partners/suppliers we engage with to influence their global supply chains by improving transparency and accountability.

COMPLIANCE

No reports were received from employees, the public, or law enforcement agencies to indicate that modern slavery practices have been identified within our business activities during the last financial year.

APPROVAL

This Statement was approved by the Board of Directors of emerchantpay on **7 January 2019**.

FURTHER INFORMATION

This statement sets out our approach to modern slavery. If you have any questions or require further information regarding emerchantpay's Modern slavery statement and policy, please contact compliance@emerchantpay.com.

If you hold any information that could lead to the identification, discovery and recovery of modern slavery or human trafficking victims in the UK, you can contact the Modern Slavery Helpline <https://www.modernslaveryhelpline.org/> by phone on 08000 121700 or by filing an online report.



Stephen Dickson,
Director