

# **CB Payments, Ltd Modern Slavery and Human Trafficking Statement - Financial Year 2021**

## **Introduction**

This statement is made by CB Payments, Ltd (“**CB Payments**”), and comprises our slavery and human trafficking statement in respect of financial year ending 31 December 2021, in accordance with section 54 of the Modern Slavery Act 2015.

CB Payments recognises that it has a specific responsibility in the United Kingdom under the Modern Slavery Act 2015, but, just as importantly, also has a general social responsibility to avoid slavery and human trafficking. As an organisation, we are committed to preventing slavery and human trafficking in our business dealings and relationships, and to ensuring as far as possible that our supply chains are free from any such activities.

## **Organisational Structure and Supply Chains**

The Coinbase group operates a digital currency exchange and is a remote-first company with no headquarters. We have offices in the United States of America, United Kingdom, Ireland, Germany, Japan, Philippines, Singapore and India. We are available to access in over 100 countries in the world, although our supply chains are predominantly based in the countries in which we have offices.

As a provider of financial services, CB Payments does not have a particularly long or complex supply chain. Our main suppliers include providers of IT and professional services. In addition, CB Payments predominantly operates in the United Kingdom and Europe where the risk of slavery and human trafficking is relatively low. We therefore consider our business and supply chain to be at a relatively low risk of engaging in practices of slavery and human trafficking. Nonetheless, we remain committed to ensuring policies and procedures are in place to ensure any risks are identified and acted upon as quickly as possible.

## **Relevant Policies**

We operate the following policies which are relevant to identifying modern slavery risks and informing the steps we take to prevent slavery and human trafficking arising in our operations:

**Code of Business Conduct and Ethics Policy** - We are committed to the highest standards of legal and ethical business conduct, and the Conduct and Ethics Policy (which employees are required to read and acknowledge before they join the group) summarises the ethical standards for all officers and employees of CB Payments. All CB Payments officers and employees are required to deal honestly, ethically, and fairly with each other, with customers, partners, suppliers, competitors, and other third parties. We also maintain insider trading and anti-corruption policies.

**Third Party Risk Management Policy and Process** - It is the policy of CB Payments to take a thoughtful approach to entering into any third party relationships. As is further referred to in the Due Diligence Processes section below, the Coinbase group Third Party Risk Management team maintains a robust framework for assessing third party vendors and vendors are reassessed throughout the duration of their relationship with CB Payments.

The Third Party Risk Management Policy provides a framework for assessing, selecting, monitoring, and reviewing third parties who provide services for or on behalf of CB Payments and provides context for CB Payments operational procedures for third party management. It is the policy of CB Payments to effectively manage the lifecycle of all third party relationships in order to responsibly steward resources and minimise the inherent risk associated with engaging third parties to perform critical services. Third Party Management consists of the following phases of review which applies at the start of a Third Party relationship as well as on an ongoing basis:

- Initial Consideration
- Third Party Review Request
- Due Diligence
- Contract Negotiation and Management
- Third Party Oversight
- Contingency Planning

All recruitment and hiring procedures comply with the relevant local regulations and standards; we adopt a fair and equitable approach when scouting for talent; and all wages are compliant with local laws and regulations. CB Payments also advocates freedom of employment, which means all work should be done voluntarily. No individual should be forced to work against their will. Our personnel may terminate their employment or contractor relationship by giving any required contractual or statutory notice. Child labour and the employment of children below the applicable minimum legal age is strictly forbidden at CB Payments.

**Whistleblower Protection** - We encourage all of our personnel to report any concerns related to the direct activities, or the supply chains of, CB Payments. We operate a separate whistleblower protection policy which is designed to make it easy for employees to voice concerns that would be in the public interest for CB Payments to resolve, without fear of retaliation; to that end, CB Payments operates a dedicated website and hotline ([coinbase.ethicspoint.com](https://coinbase.ethicspoint.com)) to which employees can submit confidential and anonymous reports.

### **Due Diligence Processes, Risk Assessment and Management**

As described above, we undertake due diligence when considering engaging any third parties, from suppliers of critical software to contractors for workplace maintenance. We also consistently manage and review existing third party suppliers on a periodic basis through our

Third Party Risk Management processes. For suppliers identified as critical or high risk to Coinbase, comprehensive due diligence assessments are conducted routinely to ensure compliance with Coinbase's policies and standards across all relevant risk domains. Due diligence assessments involve in-depth review of the third party's control environments and how they meet our standards. This ensures all sensitive Coinbase and customer information is protected.

The Third Party Risk Management team maintains a robust framework for assessing third party vendors, including completing an Inherent Risk Assessment, carefully analysing the following five key risk areas in relation to that vendor:

- Information Security & Compliance
- Physical Security
- Business Continuity
- Potential Regulatory Impact
- Reputation & Brand

Based on the Inherent Risk Assessment, the level of Due Diligence Assessment on the vendor is determined as well as the frequency of reassessments.

The majority of CB Payments' third party vendors provide software and technology services and therefore do not pose a high risk of involving modern slavery or human trafficking. Where we procure hardware and equipment, we do so from established and reputable companies such as Apple and Google. Where we are selecting service providers in other, higher risk, sectors (e.g. catering, cleaning staff or company branded clothing) we similarly select established and reputable providers and any vendors are carefully evaluated through a thoughtful Request for Proposal process which asks questions around business, operations and international footprint.

### **Our effectiveness in combating slavery and human trafficking**

We will continue to develop our approach to combating slavery and human trafficking during the current financial year. As our business grows and evolves, we will continue to assess and manage any slavery and human trafficking risks on an on-going basis and look to develop our policies and working practices accordingly.

### **Training**

To ensure a high level of understanding of the risks of slavery and human trafficking in our business and supply chain, we are considering the provision of training to our staff in the future.

*This statement was approved by the Board of Directors of CB Payments, Ltd on 23 May, 2022.*

*Signed by Alesia Haas, director of CB Payments, Ltd on 26 May, 2022.*

# **CB Payments, Ltd Modern Slavery and Human Trafficking Statement - Financial Year 2020**

## **Introduction**

This statement is made by CB Payments, Ltd (“**CB Payments**”), and comprises our slavery and human trafficking statement in respect of financial year ending 31 December 2020, in accordance with section 54 of the Modern Slavery Act 2015.

CB Payments recognises that it has a specific responsibility in the UK under the Modern Slavery Act 2015, but, just as importantly, also has a general social responsibility to avoid slavery and human trafficking. As an organisation, we are committed to preventing slavery and human trafficking in our business dealings and relationships, and to ensuring as far as possible that our supply chains are free from any such activities.

## **Organisational Structure and Supply Chains**

The Coinbase group operates a digital currency exchange and is headquartered in San Francisco, California (USA), with offices located throughout the world (including in Portland, OR (USA) New York, NY (USA), London (UK), Dublin (Ireland), Tokyo (Japan), Manilla (Philippines) and Singapore). We are available to access in over 100 countries in the world, although our supply chains are predominantly based in the countries in which we have offices.

As a provider of financial services, CB Payments does not have a particularly long or complex supply chain. Our main suppliers include providers of IT and professional services. In addition, CB Payments predominantly operates in the UK and Europe where the risk of slavery and human trafficking is relatively low. We therefore consider our business and supply chain to be at relatively low risk of engaging in practices of slavery and human trafficking. Nonetheless, we remain committed to ensuring policies and procedures are in place to ensure any risks are identified and acted upon as quickly as possible.

## **Relevant Policies**

We operate the following policies which are relevant to identifying modern slavery risks and informing the steps we take to prevent slavery and human trafficking arising in our operations:

**Key Corporate Values** - Our key corporate values include Respect and Integrity, and we make clear to our employees what behaviour and actions are expected of them. These values underpin the ethos of the CB Payments business and are clearly articulated to employees (both at the point of their joining CB Payments, and throughout their employment). We strive to maintain the highest standards of employee conduct and ethical behaviour in all parts of our business.

**Code of Business Conduct and Ethics Policy** - We are committed to the highest standards of legal and ethical business conduct, and the Conduct and Ethics Policy (which employees are required to read and acknowledge before they join the group) summarizes the ethical standards for all officers and employees of CB Payments. All CB Payments officers and employees are required to deal honestly, ethically, and fairly with each other, with customers, partners, suppliers, competitors, and other third parties. We also maintain a Trading Policy, Anti-Corruption Policy, and Legal Compliance Policy.

**Third Party Risk Management Policy and Process** - It is the policy of CB Payments to take a thoughtful approach to entering into any third party relationships. As is further referred to in the Due Diligence Processes section below, the Coinbase group Vendor Management team maintains a robust framework for assessing third party vendors and vendors are reassessed throughout the duration of their relationship with CB Payments.

The Third Party Risk Management Policy provides a framework for assessing, selecting, monitoring, and reviewing third parties who provide services for or on behalf of CB Payments and provides context for CB Payments operational procedures for third party management. It is the policy of CB Payments to effectively manage the lifecycle of all third party relationships in order to responsibly steward resources and minimize the inherent risk associated with engaging third parties to perform critical services. Third Party Management consists of the following phases of review which applies at the start of a Third Party relationship as well as on an ongoing basis:

- Initial Consideration
- Third Party Review Request
- Due Diligence
- Contract Negotiation and Management
- Third Party Oversight
- Contingency Planning

All recruitment and hiring procedures comply with the relevant local regulations and standards; we adopt a fair and equitable approach when scouting for talent; and all wages are compliant with local laws and regulations. CB Payments also advocates freedom of employment, which means all work should be done voluntarily. No employee should be forced to work against their will. Our employees may terminate their employment by giving any required contractual or statutory notice. Child labour and the employment of children below the applicable minimum legal age is strictly forbidden at CB Payments.

**Whistleblowing Policy** - We encourage all of our employees to report any concerns related to the direct activities, or the supply chains of, CB Payments. We operate a separate whistleblowing procedure which is designed to make it easy for employees to voice concerns that would be in the public interest for CB Payments to resolve, without fear of retaliation; to that

end, CB Payments operates a dedicated website and hotline (via a third party provider to ensure anonymity) to which employees can submit confidential and anonymous reports.

### **Due Diligence Processes, Risk Assessment and Management**

As described above, we undertake due diligence when considering engaging any third parties, from suppliers of critical software to contractors for workplace maintenance. We also consistently manage and review existing third party suppliers on a periodic basis through our Vendor Management processes.

The vendor management team maintains a robust framework for assessing third party vendors, including completing an Inherent Risk Questionnaire, carefully analysing the following five key risk areas in relation to that vendor:

- Information Security & Compliance
- Physical Security
- Business Continuity
- Potential Regulatory Impact
- Reputation & Brand

The majority of CB Payments' third party vendors provide software and technology services and therefore do not pose a high risk of involving modern slavery or human trafficking. Where we procure hardware and equipment, we do so from established and reputable companies such as Apple and Google. Where we are selecting service providers in other, higher risk, sectors (e.g. catering, cleaning staff or company branded clothing) we similarly select established and reputable providers and any vendors are carefully evaluated through a thoughtful Request for Proposal process which asks questions around business, operations and international footprint.

### **Our effectiveness in combating slavery and human trafficking**

We will continue to develop our approach to combating slavery and human trafficking during the current financial year. As our business grows and evolves, we will continue to assess and manage any slavery and human trafficking risks on an on-going basis and look to develop our policies and working practises accordingly.

### **Training**

To ensure a high level of understanding of the risks of slavery and human trafficking in our business and supply chain, we are considering the provision of training to our staff in the future.

*This statement was approved by the Board of Directors of CB Payments, Ltd on 2 March 2021.*

*Signed by Marcus Hughes, Chief Executive Officer of CB Payments, Ltd. on 2 March 2021.*