



CAB PAYMENTS HOLDINGS PLC

Disclosure Report
Date Submitted: July 21st, 2023



Disclosure Materials

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire that B Lab deems relevant for public stakeholders, then, as a condition of their certification, the company must:

- 1) Be transparent about details of the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue
- 3) Demonstrate that management practices are in place to avoid similar issues from arising in the future, when necessary.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit and integrity of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to a background check by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company



Disclosure Questionnaire

Industries and Products

	Yes	No
Please indicate if the company is involved in production or trade in any of the following. Select Yes for all options that apply.		
Animal Products or Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Biodiversity Impacts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Chemicals	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Alcohol	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Firearms Weapons	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Mining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Pornography	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Disclosure Tobacco	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Energy and Emissions Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fossil fuels Gambling	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Genetically Modified Organisms	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Illegal Products or Subject to Phase Out	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Industries at Risk of Human Rights Violations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Monoculture Agriculture	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Nuclear Power or Hazardous Materials	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payday, Short Term, or High Interest Lending	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Water Intensive Industries	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Advisory Services	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Outcomes & Penalties

	Yes	No
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Breaches of Confidential Information	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Bribery, Fraud, or Corruption	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company has filed for bankruptcy	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Consumer Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Financial Reporting, Taxes, Investments, or Loans	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Labor Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Large Scale Land Conversion, Acquisition, or Relocation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Litigation or Arbitration	<input type="checkbox"/>	<input checked="" type="checkbox"/>
On-Site Fatality	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Penalties Assessed For Environmental Issues	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Political Contributions or International Affairs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recalls	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Significant Layoffs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Violation of Indigenous Peoples Rights	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>



Practices

	Yes	No
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company prohibits freedom of association/collective bargaining	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Company workers are prisoners	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Conduct Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Confirmation of Right to Work	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Does not transparently report corporate financials to government	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Employs Individuals on Zero-Hour Contracts	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Facilities located in sensitive ecosystems	<input type="checkbox"/>	<input checked="" type="checkbox"/>
ID Cards Withheld or Penalties for Resignation	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No formal Registration Under Domestic Regulations	<input type="checkbox"/>	<input checked="" type="checkbox"/>
No signed employment contracts for all workers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Overtime For Hourly Workers Is Compulsory	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Payslips not provided to show wage calculation and deductions	<input type="checkbox"/>	<input checked="" type="checkbox"/>

	Yes	No
Sale of Data	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Tax Reduction Through Corporate Shells	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers cannot leave site during non-working hours	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers not Provided Clean Drinking Water or Toilets	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers paid below minimum wage	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Workers Under Bond	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Supply Chain Disclosures

	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Child or Forced Labor	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Environmental Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Negative Social Impact	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Disclosure Questionnaire Statement

Disclosure Questionnaire Category: Other disclosure industries

Topic	Provision of payment services involving countries classified as authoritarian regimes
Summary of Issue	<p>Crown Agents Bank is a UK regulated bank that connects emerging and frontier markets to the rest of the world, using Foreign Exchange (FX) and payments technology. The company facilitates FX and payments in a number of countries classified in 2022 as authoritarian regimes by the Economist Intelligence Unit (EIU) and currently has relationships with the government or government agencies of five countries: Djibouti, Eswatini, Rwanda, Mozambique and Haiti. Afghanistan and Bahrain have legacy government accounts that are now blocked and suspended.</p> <p>While CAB has no clients located in Russia or Belarus, there may be exposure to Russian or Belarusian related payments through their international clients. CAB only considers some very limited personal payments and payments relating to trade for Agricultural products are permitted in line with UK(INT/2022/2349952) and US (6C) General Licenses. Each payment is manually referred by their systems and requires Compliance sign-off.</p>
Size/Scope of Issue (e.g. \$ financial implication, # of individuals affected)	In FY2022, 4.57% of CAB's revenue came from transactions involving countries classified as having authoritarian regimes of which 1.22% is from central banks within those countries.
Impact on Stakeholders	<p>Crown Agents Bank services are focused on connecting traditionally hard-to-reach regions to global financial infrastructure. This enables international aid groups to reach groups in vulnerable or emergency situations. Providing services to countries classified as authoritarian regimes or conflict-affected areas also require extra due diligence and risk management procedures. According to OECD Guideline (2012) for Managing Risks in Fragile and Transitional Contexts, some of the risk outcomes associated with working in fragile contexts are: (i) the inadvertent fuelling of conflict by aid that becomes part of a war economy, making aid recipients vulnerable; (ii) unintended political bias in the effects of aid; (iii) strategic failure</p>

	<p>resulting from donors' inability to coordinate their political strategies; (iv) political risks for the recipient government associated with donor-driven rather than country-driven aid support; (v) negative impact of aid flows on macroeconomic stability; and (vi) economic risks and opportunities linked to using local instead of international procurement.</p> <p>B Lab has flagged the involvement of companies providing services in high risk contexts as a material issue and new standards will be available in Q1 2024 to address possible risks related to this matter. The company will be expected to meet new standards applicable to them in future recertification cycles.</p>
<p>Implemented Management Practices</p>	<p>As a UK bank regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA), CAB Payments have robust and rigorous governance and risk management policies and practices that are subject to periodic audits by an independent external party. The company has layers of governance bodies for decision-making to evaluate the risks involved for different services and clients:</p> <ul style="list-style-type: none"> • Financial Crime Risk Committee (FCRC) is chaired by Money Laundering Reporting Officer and assesses the Financial Crime risks relating to the company's strategy; • The FCRC escalates any issues as required into the Executive Risk Committee (ERC); • The ERC reports to the Executive Committee which oversees the overall strategy of the business and reports into the Board via the CEO; • The Board Risk Committee oversees the effectiveness of the overall Enterprise Risk Management Framework (EMRF) and reports into the Board. <p>The company has a Financial Crime Policy to detail the overall risk-based approach for providing services to sanctions regimes and prohibited and restricted countries. For authoritarian regimes transfers or services, CAB must apply Enhanced Due Diligence (EDD) measures commensurate to the level of risk identified, which may include higher risk for financial crime, strategic Money Laundering and Terrorist Financing (ML/TF) deficiencies ('high risk third countries'). In these scenarios, EDD must include specified measures which include obtaining additional information on the intended nature of the business relationship, source of funds and wealth, reasons for the transactions and senior management approval for the business relationship. Conducting enhanced monitoring</p>

