



# Western Union's Modern Slavery and Human Trafficking Statement for 2023

# Reporting Entities

This Modern Slavery and Human Trafficking Statement (“Statement”) is made by The Western Union Company (the “Company”) pursuant to the Australian Commonwealth Modern Slavery Act 2018 and section 54(1) of the UK Modern Slavery Act 2015 on behalf of the Company’s subsidiaries conducting business in Australia and the UK. This Statement is for the financial year ended December 31, 2023 and applies to and has been approved by the boards of the Company entities below.

Company	Company Number
Western Union Financial Services (Australia) Pty Ltd	082282773
Western Union Retail Services GB Limited	2383761
Western Union GB Limited	4129906
Western Union Payment Services GB Limited	11326797
Western Union International Bank GmbH	FN256184t
Western Union Payment Services Ireland Limited	471360

Our current Statement and those for previous financial years can be found at the link below.

<https://ir.westernunion.com/investor-relations/corporate-governance/governance-documents/default.aspx>



# Our Business, Structure, and Supply Chains



Western Union<sup>1</sup> is a leader in cross-border, cross-currency money movement, payments, and digital financial services, empowering consumers, businesses, financial institutions, and governments with fast, reliable, and convenient ways to send money and make payments around the world. From remote locations to large global capitals, we connect our diverse global customer base to one another and to the global economy with hundreds of thousands of retail locations and a vast digital network.

### **Consumer Money Transfer**

Money transfers from one consumer to another are the core of our business, representing approximately 92% of total consolidated revenues for 2023. A substantial majority of these transfers were cross-border transactions. Our money transfer service is mainly conducted through our retail agent locations worldwide but also includes our money transfer transactions conducted and funded through websites and mobile applications marketed under our brands.

### **Consumer Services**

Consumer Services primarily consists of our bill payment services in Argentina and the United States and our money order services. Consumer Services also include our retail foreign exchange services, prepaid cards, lending partnerships, and the non-money transfer aspects of our consumer ecosystem, such as our digital wallet, which allows consumers in certain countries to load and spend funds.

To conduct our services and meet our commitments to our customers and stakeholders, Western Union sources from suppliers around the world. As of December 2023, our active vendor base consisted of thousands of companies.

These suppliers provide a diverse range of goods and services, including cloud-based software services, software application support, development, hosting and maintenance of our operating systems, merchant acquiring services, call center services, and other operating activities.

<sup>1</sup>The term "Western Union" as used in this Statement refers collectively to The Western Union Company and its wholly-owned subsidiaries.

# Our Policies and Approach



Consumer trust depends on cross-border money movement that is safe, secure, and built on a foundation of integrity. We work with customers, regulators, and partners to uphold the integrity of our financial infrastructure. Through our Company values of integrity, respect, trust, and innovation, we aim to:

- Avoid causing or contributing to negative human rights impacts.
- Prevent or mitigate abuses that occur in our operations and through those of our business partners.
- Promote human rights by contributing to the global communities we serve.

Aligned with the requirements under the Commonwealth Modern Slavery Act 2018 and the UK Modern Slavery Act 2015, we condemn modern slavery and human trafficking. We do not use forced or involuntary labor and prohibit this in any part of our business or supply chains. We expect our suppliers and those involved in procurement processes for the Company to comply with these values. We are committed to acting ethically, demonstrating high professional standards, and complying with applicable laws and regulations. We expect the same high standards from those with whom we do business.

We recognize that the risks posed by modern slavery and human trafficking are constantly evolving, and so, too, must our efforts to combat it. Through our Anti-Human Trafficking Initiative, the Company detects, deters, and reports human trafficking issues. The Initiative includes educating Western Union's global network of agents, its employees, and its partners about human trafficking and other forms of modern slavery and also includes participating in external working groups.

## **Related Policies**

Western Union's commitment to enforcing ethical business practices, including the detection and prevention of slavery and human trafficking, is embedded in our policies and procedures. Our [Code of Conduct](#) serves as a guidepost for how we treat our employees, customers, business partners, and other stakeholders. Our employees confirm they have read and will comply with our Code of Conduct, which not only condemns human rights abuses and prohibits the use of forced or involuntary labor, but also defines our employees' responsibility to speak up when they believe there are possible violations of policies or law.

Our [Vendor Code of Conduct](#) sets out our expectations for vendors, suppliers, and others acting on Western Union's behalf, including guidelines regarding child labor, slavery, human trafficking, and other labor standards.

Our anti-money laundering program includes our **Global Anti-Money Laundering and Counter-Terrorism Financing Policy** that sets forth the principles for preventing Western Union's services from being used for illicit purposes. We also have policies that establish due diligence requirements for clients, agents, and partners, designed to detect and mitigate concerns of modern slavery and/or human trafficking. We conduct enhanced due diligence periodically to identify illicit activity over the lifespan of the business relationship with Western Union.

Our [Code of Ethics for Senior Financial Officers](#) provides principles of ethical conduct to which each senior financial officer of the Company is expected to adhere. This includes a commitment to promoting ethical behavior as a responsible partner among peers in the work environment and community.

Our **vendor risk policies** establish requirements to conduct appropriate risk assessments of potential vendors prior to engagement.

Our **global sourcing and procurement policies** govern the acquisition of products and services worldwide and address ethical purchasing and risk mitigation, including risk related to human trafficking and modern slavery.

Our [Human Rights Statement](#) outlines our approach to respecting and promoting human rights. It is guided by internationally recognized standards, such as the Universal Declaration of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the UN Guiding Principles on Business and Human Rights.

### **Business Integrity Helpline**

Our primary channel for reporting issues related to modern slavery and human trafficking is the Company's Business Integrity Helpline. It is a secure and confidential mechanism for receiving and processing whistleblower reports and other concerns. The Business Integrity Helpline allows employees and other reporters to raise concerns anonymously, subject to applicable law. Reports involving suspected human trafficking incidents can be made by visiting the Helpline internet site at [westernunionhelpline.ethicspoint.com](https://westernunionhelpline.ethicspoint.com) or by phone. Both avenues for reporting concerns are typically available 24 hours a day.

The web-based reporting tool is available to individuals in nine languages while the toll-free phone line supports calls in over 150 languages. The Business Integrity Helpline is administered by an external, independent, third-party vendor, and concerns reported through the Helpline are forwarded to the Western Union Business Integrity team for review. Western Union reviews concerns raised and investigates and takes action, as appropriate. Western Union prohibits retaliation for raising concerns in good faith.

In 2023, Western Union did not receive complaints through the Helpline involving suspected human trafficking incidents.



# Assessing and Managing Risk



In 2020, with the support of an external expert, our Company conducted an assessment that helped us identify and prioritize the negative human rights impacts that are most likely to arise in connection with our business and our business partners and develop mitigation and remediation strategies to address the impacts we identified. The assessment included:

Desktop research analyzing Company publicly available information and reports by NGOs and other stakeholders.

A review of internal documents, processes, and procedures Western Union leverages to identify and manage human rights risk.

Interviews with internal and external stakeholders.

A significant potential impact we identified is the wrongful use of our network by illicit actors to facilitate human trafficking and other human rights abuses that harm individuals and communities. Human traffickers can and do attempt to use platforms like Western Union's to recruit potential victims of human trafficking, finance the lodging and transportation of victims, and profit from victims' exploitation. We recognize some of these risks are inherent to our role as a global technology and financial services company, and some are due to external, contextual factors in the geographies where we operate, such as conflict, weak rule of law, and the uneven application of the law.

In addition, our compliance processes and dedicated teams that specialize in vendor risk, third party due diligence, and agent oversight seek to identify and mitigate third party risks.

# Steps We Took in 2023 to Address Modern Slavery

We take a multi-faceted approach to prevent our services from being used to facilitate illicit money movement associated with modern slavery and human trafficking. Our approach includes monitoring and analyzing transactions; educating our agents, employees, and partners about human trafficking and other forms of modern slavery; and partnering with external organizations.



## **Compliance Program**

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The bedrock of our efforts in combating modern slavery is our compliance program. Our global policies and procedures establish the framework for our compliance program, based on international standards created by organizations such as the Financial Action Task Force.

We maintain an Anti-Money Laundering Risk Assessment Framework to detect, deter, prevent, and report illicit transactions with dedicated teams of employees who are responsible for risk assessment, risk modeling, and ongoing analysis. This framework requires a multifaceted approach to assess and manage risk, including:

- Consumer-level monitoring, investigation, and reporting
- Agent-level due diligence, monitoring, investigation, and oversight
- Product risk assessment
- Country and regional level risk assessments
- Emerging risk and strategic intelligence analysis
- Control testing and audits

Our compliance program is designed to manage complexity across geographies. Transactions between specific countries and cities pose varying risks. We manage nuanced transaction risks across thousands of geographic connections. For example, we might treat a transaction from Madrid to Marrakesh differently than one from Barcelona to Casablanca. Although they are both Spain to Morocco, the risks of transactions between these locales may differ depending on a variety of factors, including the specific cities involved, the amount of the transfer, other behaviors associated with the involved consumers, and the type of product.

We developed and implemented controls and alerts designed to target patterns and geographies that pose higher risk for human trafficking. We screen our transactions, as well as the data associated with our customers, clients, partners, and agents, against a range of government sanctions and other internal and external watch lists. We seek to identify prohibited parties and potential illicit activity and may freeze or reject funds and transactions where required. Our transaction screening takes place while the money is moving and allows for real-time collection of data to separate false positives from true matches.

## **Employee Training**

We educate our employees on ethical conduct and reporting misconduct in our annual online Code of Conduct training. The training also requires employees to certify they read and understood the Code of Conduct, which prohibits the use of forced or involuntary labor. Our employees are required to complete compliance training at least annually, covering anti-money laundering, fraud prevention, anti-corruption, and other areas. Ongoing targeted training also provides topic-specific education based on factors such as geography or employee job function.

Additionally, our Financial Intelligence Unit (FIU) staff – comprised primarily of Investigators, Analysts, and Outreach personnel – both facilitate and undergo regular, advanced training on the human trafficking typology. Staff attend external webinars and other training events and raise awareness around relevant trend information obtained from law enforcement, NGO partners, and open sources.

To enhance comprehension of evolving human trafficking dynamics, the FIU annually refreshes a variety of reference materials that contain human trafficking trends, investigative resources, and transaction patterns.

## **Third Party Due Diligence**

We know it is important to do business with the right people for the right reasons and are committed to complying with applicable laws, including applicable economic and trade sanctions designed to support national and international security, policy, and human rights interests. Concerns related to human-trafficking are among the criteria that these sanctions programs use to impose sanctions on individuals or entities.

We also implement due diligence procedures to vet our agents and other business partners and seek to comply with Know Your Agent (KYA) and Know Your Customer (KYC) requirements. Under these processes, we collect and verify identifying information to make sure we know with whom we are conducting business. This information helps us identify sanctioned parties and others with whom we are prohibited from doing business and allows us to identify risk indicators and prevent transactions when necessary.

## **Vendor Risk Oversight**

Western Union maintains a Vendor Risk Oversight program to formalize how we review potential new vendors. We take a risk-based approach to assess vendors for potential human trafficking or modern slavery within their business. We conduct due diligence before we enter into third party contracts to identify potential risks and mitigate risks as appropriate.

The Vendor Risk Committee is responsible for developing and monitoring our Vendor Risk Oversight program. The Committee is made up of senior leaders from across the organization and met throughout 2023.

Prior to working with Western Union, certain prospective vendors must complete a risk assessment process, which includes a survey that is analyzed for risks related to human trafficking and modern slavery. Western Union's contractual agreements require suppliers and business partners to comply with applicable laws and regulations, including those prohibiting human trafficking and modern slavery.

## **Agent Training and Oversight**

Because many of our transactions are initiated or completed by third-party agents, it is important that these partners comply with applicable laws and regulations. In addition to conducting due diligence on our agents, we conduct risk-based reviews of their compliance programs.

Western Union also trains our new and existing agents to detect, prevent, and report suspicious activity, including activity potentially related to human trafficking and modern slavery, to Western Union or the appropriate regulatory agencies. New agents identify a compliance officer who completes compliance program training before providing our services to consumers. Annually, agents train employees across their network on our compliance program. We give our agents kits, newsletters, alerts, and an online Agent Resource Center to help combat illicit activity.

In addition to providing general human trafficking awareness content available in agent compliance program manuals, job aids, newsletters, and online training, Western Union also provides targeted training on a risk-based approach. For example, in 2023 we launched targeted training on Human Trafficking awareness in Oman, which was updated to include specific red flags observed there. In Europe, targeted Human Trafficking training was deployed to selected agents in UK, Spain, Netherlands, Ireland, Luxembourg, Denmark, and Belgium. We also included a new human trafficking case study in the annual US Compliance Bulletin, which was distributed to agents in the United States.

## **Educating Consumers**

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We work to educate the public about consumer fraud and how consumers can protect themselves from fraud, including fraud schemes related to human trafficking. We educate consumers about modern fraud schemes through digital and social media materials. To amplify educational fraud content, we present at consumer protection events and take part in panels and forums. We also partner and engage online through social media with relevant industry members, consumer advocacy organizations, and associations.

## **Coordinating Efforts to Prevent and Investigate Human Trafficking**

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We know our efforts to stop illicit activity through the use of our system are amplified when combined with the efforts of other organizations. Our FIU exchanges techniques, strategies and intelligence with third parties across the world to help combat threats posed by international criminal organizations.

### **Organizations and Associations:**

In 2023, our Anti-Human Trafficking Initiative—a team aiming to bring awareness to human trafficking issues to Western Union agents, industry partners, and others—continued to collaborate with partners. These partners include various financial institutions; nonprofits such as the International Justice Mission, Stop the Traffik, Child Rescue Coalition, and Polaris; and both the International and National Centers for Missing and Exploited Children (ICMEC and NCMEC). We continued our industry-first collaboration with Child Rescue Coalition (CRC). CRC’s mission is to rescue children from sexual abuse by building technology for law enforcement to track, arrest, and prosecute child predators. Western Union was the first financial institution in the world to leverage CRC data to enhance our investigations and we have continued this analysis for over four years. We are also a member of the U.S. Department of Homeland Security’s Blue Campaign, a national public awareness movement aimed at combating human trafficking.

### **Law Enforcement**

Western Union’s FIU coordinated with law enforcement and nonprofits to target and disrupt human trafficking financial flows. In 2023, we assisted with more than 700 human trafficking investigations. Our efforts and reported information resulted in numerous arrests of human traffickers and the recovery of human trafficking survivors around the world. A large majority of these investigations were advanced by referrals from Romanian and other law enforcement entities in Europe. The team also participated in both the Europol Financial Intelligence Public Private Partnership (EFIPPP) and the Joint Money Laundering Intelligence Taskforce (JMLIT), led by the UK’s National Crime Agency, on investigations combating modern slavery and child sexual abuse.

# Steps Assessing the Effectiveness of Our Actions

As mentioned above, in 2020, we partnered with an external expert, who helped us identify and prioritize Western Union's salient human rights risks and assessed the degree to which we managed risks.

With respect to our overall compliance program, over the past five years we had approximately 500 exams, audits, and third-party reviews across the approximately 200 countries and territories where we operate, including 94 exams, audits, and third-party reviews in 2023. We regularly meet with regulators and banks from around the world to thoroughly review our programs.

Additionally, our internal audit department conducted over 40 reviews in 2023 to evaluate various aspects of our compliance program. These evaluations help us confirm that our programs are operating effectively. Western Union also publishes information on its efforts to prevent modern slavery and human trafficking in its annual [Environmental, Social, Governance \(ESG\) Report](#). The ESG report is prepared in reference to the Global Reporting Initiative (GRI) Standards. It also includes responses to select relevant metrics from the Sustainability Accounting Standards Board (SASB) Standards as well as the U.N. Sustainable Development Goals.





# Looking Forward



Western Union remains committed to leveraging our global footprint to combat human trafficking and modern slavery in 2024 and beyond. Going forward, we will continue to look for new opportunities to engage our employees, customers, business partners, and stakeholders on this important issue and will develop our efforts through various measures, including:

- Enhancing our Vendor Risk Oversight program to increase due diligence risk identification and implement an ongoing monitoring process to review vendors throughout the engagement life cycle.
- Continuing to update and expand training materials and investigative resources for employees and agents on how to identify, prevent, and report potential signs of human trafficking and modern slavery.
- Expanding the reach of our global anti-human trafficking and modern slavery initiatives by strengthening our partnerships with third parties.

### **Consultation and Approval**

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This Statement is Western Union's eighth statement. It was drafted in consultation with several internal stakeholders from departments across the organization, who provided feedback throughout the process. It was approved by pertinent affiliates of The Western Union Company on the dates set out below.

Please direct any questions on this statement to Western Union's Business Integrity Office at: [BusinessIntegrity@westernunion.com](mailto:BusinessIntegrity@westernunion.com).



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