



Metro Bank PLC

Modern Slavery

Statement 2021

This Statement is Metro Bank PLC's (the 'Bank', 'we' or 'us') statement on slavery, servitude, forced and compulsory labour and human trafficking ('modern slavery') and is published under the Modern Slavery Act 2015.

This Statement was reviewed and approved by the Board on 26 July 2022 and signed by our CEO, who is the owner of and, through the General Counsel, responsible for the day-to-day implementation of the Modern Slavery Policy (the 'Policy').

The Bank has a zero tolerance to Modern Slavery in our business or supply chains.

About Metro Bank

We aspire to disrupt retail banking by building a bank that puts customers at the heart of what we do. Our ambition is to become the UK's best community bank – a bank that is deeply rooted within local communities, allowing us to serve customers brilliantly in person, digitally and over the phone. We are equally committed to conducting our business in a manner that prevents modern slavery.

Our culture is at the heart of our business. Our colleagues deliver superior service and our unique people-people banking approach. We are diverse and inclusive and we believe this approach means that our colleagues and we, as an organisation, are well placed to uphold the standards set out in our Modern Slavery Policy.

We have 76 stores across the south east, south west and Wales, midlands and the north of England. Our Head Office is at One Southampton Row, London, WC1B 5HA. We have the following active subsidiary companies, with offices in the midlands, south east and the north of England:

- Ratesetter Motor Limited
- Ratesetter Trustee Services Limited
- Retail Money Market Limited
- SME Asset Finance Limited
- SME Invoice Finance Limited
- Vehicle Credit Limited
- Vehicle Stocking Limited

We are principally a deposit-taking and lending business, serving 2.6 million customer accounts.

We source goods and services from a variety of suppliers based in the UK and internationally, including for:

- IT – software and hardware;
- Facilities;
- Construction and architectural design;
- Operational Services such as cash, card and payment services etc;

Professional services such as marketing, legal, financial etc; and goods not for resale such as stationary, uniforms, furniture etc.

We provide the resources and infrastructure across the group, including colleagues and the sourcing of goods and services.

You can find out more about us in our Annual Report and Accounts, available on our website at:

https://www.metrobankonline.co.uk/globalassets/documents/customer_documents/intermediaries/metro-bank-annual-report-2021.pdf

The organisation and structure of our business has not changed since the publication of our previous Modern Slavery Statement in 2021. In September 2020, we acquired Retail Money Market Limited ('RateSetter') an online platform which primarily originates unsecured personal loans. The subsequent integration of RateSetter and Metro Bank included integration of reporting for modern slavery purposes.

Governance

Our cross-organisational Modern Slavery Working Group is chaired by the General Counsel and includes representatives from Supplier Risk, Financial Crime, People, Legal, Information Security, Compliance and Corporate Affairs.

The Working Group was launched in 2020 and continued to meet throughout 2021. We plan to re-constitute the Working Group in 2022 with our new General Counsel as Chair. The purpose and responsibilities of the Working Group include:

- **monitoring** and reviewing Metro Bank's and colleagues' compliance with, and the effectiveness of, the Policy and compliance with the Act;
- **reporting** on progress and compliance to Audit Committee and the Board via the Modern Slavery Champion;
- **preparing** the annual Modern Slavery Statement engaging with external bodies to enhance knowledge and gather information to inform the Policy, compliance and the Modern Slavery Statement;
- **identifying** and managing legal, regulatory, reputational and financial risks for the Bank in connection with compliance with the Policy and the Act; and
- **providing** input to training, internal and external, as required.

In 2017 we appointed a Modern Slavery Champion, who is a member of the Board. The responsibilities of the Modern Slavery Champion include presenting a report, at least annually, to the Board on the operation and effectiveness of the controls and processes in place for the Bank's Modern Slavery Policy.

The Modern Slavery Champion's 2021 Report was presented to the Board on 26 July 2022.

Our Policy confirms that we will conduct all business with integrity and that we have a zero tolerance approach to modern slavery. We continue to be committed to acting professionally and fairly in all our business dealings and relationships wherever we operate, including enforcing appropriate systems and controls to ensure, on a risk basis, that modern slavery is not taking place in our business or supply chains.

2022 PLAN - to re-constitute our internal Modern Slavery Working Group with our new General Counsel as chair.

Response to the Covid pandemic

We have been relentless in supporting our customers, colleagues and communities during the Covid pandemic. We are aware that modern slavery can proliferate in a pandemic environment, and by providing our customers and communities with ongoing access to financial services we may have helped to mitigate this risk.

We have helped our customers and communities adapt to the ongoing challenges presented by the pandemic, working together to find solutions that meet our customers' specific financial needs. We have always been available, and through 2020 and 2021 the majority of our stores remained open seven days a week. Our support has included:

- offering capital repayment deferrals, interest roll ups and waiving overdraft arrangement fees;
- lending £1.6bn finance under Government-backed support schemes to 37,000 businesses;
- understanding that access to cash is a vital part of many people's everyday lives, we helped customers access cash when self-isolating by nominating another person to collect cash on their behalf, with appropriate security checks; and
- in 2021, our AMAZE Direct contact centres served 2.3 million customer calls, 17,000 customer emails and 15,000 postal enquiries as well as 45,000 tweets and Facebook messages, while maintaining-best-in-class service levels, with customers waiting on average just 60 seconds to get through to us.

Our colleagues

Our colleagues help to make us unique. We're big believers in people-people banking: a genuine belief that people value human relationships when it comes to their finances.

Our values underpin everything we do and are ingrained throughout our organisation helping us drive our customer centric approach:

- A**ttend to every detail
- M**ake every wrong right
- A**sk if you're not sure - bump it up!
- Z**est is contagious, share it!
- E**xceed expectations
- I**nspire colleagues to create FANS!
- N**urture colleagues so they grow
- G**ame-change because this is a revolution



We promote colleague communication via a number of channels including bumping-up any issues to their manager, and our regular 'Voice of the Colleague' surveys. We also encourage colleagues to raise concerns regarding modern slavery immediately by raising Suspicious Activity Reports or through whistleblowing. Our Whistleblowing Policy encourages disclosure from any person, internal and external. The Bank thoroughly investigates any disclosure, overseen by the Whistleblowing Champion, who is a member of the Board and reports, at least annually, to the Board on the effectiveness of the Whistleblowing Policy. Since publication of our previous Statement, there have been no whistleblowing disclosures relating to modern slavery.

All the Bank's policies are available for colleagues to access on Metropedia, our Intranet site.

As a regulated UK financial services business, our colleague population is highly skilled and at lower risk of modern slavery.

To ensure that all colleagues are fully aware of our zero tolerance position and commitment to ensuring that there is no modern slavery in our business or supply chains we require all colleagues to complete an annual computer based training package on modern slavery. This training was completed by 99% of all colleagues and it will be updated again in 2022.

We provide information on modern slavery on our intranet, Metropedia, accessible by all colleagues. These pages include practical examples and how to escalate any concerns or suspicion. During 2021, this information was reviewed and updated. The availability of this information is also highlighted in the annual colleague compliance training.

2022 PLAN – continue to develop and roll out updates to modern slavery training for colleagues. Add more detail to the modern slavery section on Metropedia for all colleagues to access.

Our suppliers

As part of our Policy we undertake risk-based due diligence on our suppliers.

In 2021, we engaged with 1508 active suppliers (1415 in 2020) including those novated from our acquisition of RateSetter in 2020. Of these:

- 99.47% were based in countries with a 2019 Measurement Action Freedom:
- an independent assessment of government progress towards UN Sustainable Development Goal 8.7 score of above 50;
- 0.53% were based in countries with a 2019 Measurement Action Freedom: an independent assessment of government progress towards UN Sustainable Development Goal 8.7 score of less than 50.

We took the view that suppliers based in countries with a score below 50 have higher likelihood of modern slavery risk in their business.

In addition, through our ongoing use of the Financial Services Supplier Qualification Scheme (FSQS) – a due diligence tool we use to gather information about our high and medium risk suppliers, we identified suppliers operating in industries with higher exposure to modern slavery risk.

We conducted a modern slavery control review for 28 suppliers operating in higher risk countries and industries. Through walkthroughs and reviewing of supporting evidence, all 28 demonstrated adequate controls to manage modern slavery risk in their business and supplier base.

Our Procurement and Supplier Risk Teams continue to support our suppliers through clear contractual expectations and ongoing risk based modern slavery control reviews.

2022 PLAN – continue to review and report on suppliers and engage with suppliers identified as higher risk of modern slavery.

Our customers

As a Bank, we are aware that the risk of modern slavery extends beyond the supply chain to customers. Modern slavery is a crime and the money involved is proceeds of crime.

Our Anti-Money Laundering and Combating Terrorist Financing Policy sets out how we identify and mitigate the risk of money laundering and terrorist financing. We conduct due diligence on our customers before onboarding as well as on an ongoing basis. Our systems detect unusual activity and we investigate customers that may be linked to modern slavery. Our colleagues receive training to help them identify cases of modern slavery.

We raise suspicious activity reports to the National Crime Agency.



Case studies - identifying modern slavery

During the past year, our colleagues identified both suspected perpetrators and victims of modern slavery within the sex industry.

A store colleague identified a business customer depositing counterfeit money and our investigation revealed transactions associated with red flags for modern slavery. Our investigation concluded that the business was a front for concealing activity originating from the human trafficking of vulnerable women. This resulted in a suspicious activity report being raised to the NCA and closure of the customer's account.

We also acted on information we received from a Law Enforcement Agency concerning a possible victim of modern slavery. Our investigation into the customer and their transaction history revealed the customer was likely to be vulnerable, as they received personal independence payments (normally received for mental or physical health conditions) and had been exploited in the sex industry since a child.

A suspicious activity report was raised to the NCA, citing our suspicions that the customer was vulnerable, which would have resulted in immediate oversight from Law Enforcement and intervention to protect the customer.

2022 PLAN - continue to embed enhanced processes and controls to reduce financial crime, including modern slavery risk.

We will continue to develop our approach to demonstrating the effectiveness of our Policy and processes to address the risk of modern slavery and remain committed to ensuring, on a risk basis, that modern slavery is not taking place in our business or supply chains.

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 and constitutes our Modern Slavery Statement for the financial year ended 31 December 2021. It has been approved by the Bank's Board and will continue to be reviewed annually.



Daniel Frumkin, CEO

DATE: 26 July 2022

