

**METRO BANK PLC
MODERN SLAVERY
STATEMENT 2020**

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 25 May 2021 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').

About Metro Bank

We aspire to disrupt retail banking by building a bank that puts customers at the heart of what we do. This is helping us achieve our ambition 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. We recruit, train and lead our colleagues to create FANS. We are inclusive and diverse 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 Policy.

We are committed to making a difference and delivering a different type of banking, with a focus on customers and our communities. We now have 77 stores based in 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 also have the following active subsidiary companies, with offices in the midlands, south east and the north of England:-

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

We are principally a deposit-taking and lending business, serving 2.2 million customer accounts.

We continue to source goods and services from a variety of suppliers based both 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
- 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 at <https://www.metrobankonline.co.uk/globalassets/investor-relations/metro-bank-annual-report-2020.pdf>

The organisation and structure of our business has changed since the publication of our previous Modern Slavery Statement in June 2020. In September 2020, we acquired Retail Money Market Limited ('RateSetter') a peer to peer lender which primarily originates unsecured personal loans. RateSetter has not met the reporting threshold as a large business and therefore has not been required to publish a Modern Slavery Statement.

2021 PLAN - as we integrate the RateSetter business further, we will engage to expand modern slavery reporting to include the RateSetter business, where appropriate

Governance

During 2020, we have developed a cross organisational Modern Slavery Working Group, chaired by the General Counsel. The Working Group includes representatives from Supplier Risk, Financial Crime, People, Legal, Information Security, Compliance and Corporate Affairs. The Working Group meets monthly to review progress and exchange ideas.

The purpose and responsibilities of the Working Group include:

- monitoring and reviewing Metro Bank 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

- 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 Policy.

The 2020 Modern Slavery Champion Report was presented to the Board on 25 May 2021.

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.

2021 PLAN – during 2019 Bank representatives joined a working group set up by UK Finance on Responsible Business Conduct, to share learning and best practice ideas. Unfortunately, due to the COVID-19 pandemic, no meetings took place in 2020, but we will continue to engage if meetings resume and with other relevant external bodies, in order to continuously develop best practice

Reponse to the covid-19 pandemic

The services we provide are critical and we have been relentless in supporting our customers, colleagues and communities during the COVID-19 pandemic.

It is unfortunately true that at times of stress such as the COVID-19 pandemic, there is increased vulnerability for customers, colleagues and our communities and this will inevitably include increased risk for victims of modern slavery. During 2020 we were involved in a number of initiatives to help those most impacted, including:

- keeping all of our stores open
- granting payment deferrals, interest roll ups, increased overdrafts and waiving overdraft arrangement fees
- lending out nearly 1.5 billion of government support loans to 36,000 businesses
- adapting our sickness policy to ensure colleagues were paid in full while recovering or self-isolating
- increasing paid emergency leave for parents and carers
- colleagues supporting the NHS through a number of initiatives including making scrubs, preparing drinks and meals for NHS staff, supporting food banks and those in our communities isolated by COVID-19

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 culture and our AMAZEING behaviours are at the heart of our business and communities:

- 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

During 2020, we continued to promote colleague communication to ensure colleagues have a voice, feel informed and are best placed to help our customers and communities. This is done through a number of methods, including 'Voice of the Colleague' surveys. We also encourage colleagues to raise concerns, including any concerns of modern slavery, 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.

Since publishing our last Modern Slavery Statement, we now have 4,285 colleagues, over 93% of whom are full time colleagues, paid no less than the National Living Wage.

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.

The training was reviewed and updated in 2020. This training was completed by 98% of all colleagues.

During 2020, working with store colleagues, we began developing a pack, to enable more in depth training on modern slavery and red flags for our frontline colleagues.

The intention is to pilot this training during 2021 and then roll out on a phased basis to stores in areas at higher risk of modern slavery, followed by all stores.

We also 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 2020, this information was reviewed and updated. The availability of this information is also highlighted in the annual colleague compliance training.

2021 PLAN – continue to develop more detailed and in depth training for frontline colleagues and roll out on a phased basis during 2021

Our suppliers

As part of our Policy we undertake increased due diligence in respect of our business and supply chains on a risk basis. During 2020 and early 2021, we continued to build on the work already commenced to enhance our systems and processes.

In 2020 and early 2021 we identified that we have 1801 active third parties with whom we engage (1,983 in 2019 – 182 inactive third parties we no longer use have been removed from the list). Of these:

- 99.56% are based in countries with a 2019 Measurement Action Freedom: an independent assessment of government progress towards UN Sustainable Development Goal 8.7 score above 50
- 0.44% are 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 have taken the view that a country risk score below 50 requires us to further investigate suppliers based in those countries.

As well as country risk, we also identified higher risk industries, through our ongoing use of the Financial Services Qualification Scheme (FSQS). FSQS is a tool by Hellios used to assess third party suppliers across a number of areas, including risk of modern slavery. We require all high and medium risk suppliers to sign up to FSQS.

Higher country and industry risk identified in relation to certain suppliers resulted in us undertaking a more in depth review, focusing on modern slavery risk, of 24 of our active third parties. Of those 20 demonstrated adequate controls to manage modern slavery risk in their business and supply chains and we terminated 4 third party relationships.

During 2020, we developed a slide pack for Supplier Risk to engage with suppliers who may need more support on our requirements in relation to the risk of modern slavery, to clearly explain our approach to modern slavery and our expectations of our suppliers.

2021 PLAN – continue to review and report on suppliers and engage with suppliers identified as higher risk

Our customers

As a Bank, we are aware that the risk of modern slavery extends beyond the supply chain, potentially 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 will work to help prevent financial crime and terrorism. We have due diligence processes in place in relation to onboarding customers, to mitigate these risks at account opening and ongoing during the relationship. These are supported by due diligence minimum standards, transaction monitoring and suspicious activity reporting.

Ongoing work on processes and controls to reduce modern slavery risk, in customer relationships, at onboarding and as part of ongoing due diligence, has continued in 2020.

During 2020, a colleague from Financial Crime joined the cross organisational Modern Slavery Working Group to help us to better understand and highlight the risk of modern slavery to our business.

During 2020, as part of the ongoing work within the business, we were able to identify instances of suspected modern slavery in our customer population, both victims and perpetrators.

Case Study - Identifying victims of modern slavery

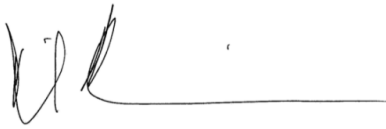
During 2020, our colleagues identified several possible victims of modern slavery, specifically victims of forced labour in a high risk industry for modern slavery. These victims were identified by us, in a joint effort with other UK banks and law enforcement agencies.

Colleagues identified instances where the same contact details (email addresses and phone numbers) were being used by multiple customer accounts and it was further discovered that any income was immediately withdrawn from these accounts in cash, with no apparent funds for living expenses. Following investigations by our colleagues, together with law enforcement agencies, it was assessed that the account holders were the victims of modern slavery effectively earning significantly below the national minimum wage.

2021 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 2020. It has been approved by the Bank's Board and will continue to be reviewed annually.

A handwritten signature in black ink, consisting of a stylized 'D' and 'F' followed by a horizontal line.

Daniel Frumkin, CEO
DATE: 25 May 2021