

MODERN SLAVERY STATEMENT 2018

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 21st May 2019 and signed by our CEO, who is the owner of and responsible for the day to day implementation of, the Modern Slavery Policy (the 'Policy').

Introduction

Since opening our doors on the High Street in 2010, the Bank's vision has remained the same, to create FANS by providing each and every customer with unparalleled levels of service and convenience. We are equally committed to conducting our business in a manner that prevents modern slavery.

Underpinning this is our culture, which is at the heart of our business. We recruit, train and lead our colleagues to create FANS in each of our communities. We are inclusive and diverse and we believe this approach means that our colleagues and us, as an organisation, are well placed to uphold the standards set out in our Policy.

Organisation Structure & Business

We are committed to making a difference and delivering a different type of banking, keeping our products and services as straightforward as possible. We now have 66 stores based in the south east and developing out to the midlands and, during 2019, the north of England. Our Head Office is at One Southampton Row, London, WC1B 5HA. We also have the following subsidiary companies, with offices in the south east and Sheffield:-

- SME Invoice Finance Limited
- SME Asset Finance Limited
- RDM Factors Limited

We are principally a deposit-taking and lending business, servicing our retail and business customers through simple, transparent products.



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

The organisation and structure of our business has not changed materially since the publication of our previous Modern Slavery Statement in June 2018.

Since publishing our last Modern Slavery Statement, we now have over 3,900 colleagues, over 93% of whom are full time colleagues, paid no less than the National Real Living Wage.

Our Policy On Modern Slavery

Our Policy, first approved by the Board in May 2017, and reviewed in 2019, 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.

We also operate a Whistleblowing Policy which 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 2018 Statement, there have been no disclosures relating to modern slavery.

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

In 2017 we appointed a Modern Slavery Champion, who is a member of the Board. A statement of responsibilities was approved by the Board and is annexed to the Policy as an Appendix. As part of the review of the Policy in 2019, it was not considered necessary to amend the Statement of Responsibilities, as it remains fit for purpose.

In May 2018, the Modern Slavery Champion provided the first Modern Slavery Report to the Board. The Report provided background and set out the actions in course and completed in 2017/2018 in relation to our approach to modern slavery.

The 2019 Modern Slavery Report was presented to the Board on 21st May 2019 and confirmed:-

- The first review of the Policy
- An update on the Modern Slavery Action Plan
- The proposed approach to the Modern Slavery Statement, taking into account guidance issued by Home Office

During 2018, we registered with the Home Office Contact database, to enable us to receive modern slavery reporting guidance and resources. We will access these to help improve and inform our approach to managing modern slavery risk within our business and supply chains.

Managing The Risk Of Modern Slavery At Metro Bank

As part of our Policy we undertake increased due diligence in respect of our business and supply chains on a risk basis. During 2018, as promised, we built on the work already commenced to enhance our systems and processes and we introduced our Procurement and Supplier Management Policy, together with supporting standards. This underpins increased risk assessment, including whether modern slavery is likely to occur, taking into account factors such as country, sector etc.

Supplier Due Diligence

To ensure all those in our business and supply chains comply with our Policy, during 2018, we further developed our supplier assurance programme.

We continue to operate a triaging approach based on risk. When modern slavery risk is identified, we ask suppliers to:-

- Implement due diligence to ensure that its officers, employees, associated persons and downstream suppliers comply with the Act
- Attest that they have modern slavery guidelines in policies and standard terms, conduct regular risk assessments in relation to modern slavery, undertake modern slavery training and have not been subject to investigation or conviction as a result of activities relating to modern slavery, Suppliers are required to update this attestation on an annual basis

Our programme continues to develop and we have started with first tier suppliers but, during 2019, we are beginning to gather information on second tier suppliers.

We identified that we have 2,266 active third parties with whom we engage. Of these:-

- 95% are UK based
- 0.1% (3) are based in India (Modern Slavery Prevalence Index Rank 53/167 and Vulnerability to Modern Slavery score 54.49/100*)
- 0.04% (1) are based in South Africa (Vulnerability to Modern Slavery score 53.76/100*)
- 4.86% are based in countries that either do not rank within the Top 60 of the Modern Slavery Prevalence Index or do not have a Vulnerability to Modern Slavery score over 50*)

Of the 4 suppliers who are based in higher risk countries or have a higher vulnerability score, we are undertaking further assessment.

In our 2018 Modern Slavery Statement, we reported that 10 out of 85 suppliers who had revenue of more than £36M, had not published a Modern Slavery Statement. Since publication:

- 4 have been exited
- 4 have now published a Statement
- 2 are based in the UK and USA where modern slavery risk is relatively low but we intend to engage with them in relation to non publication.

We have also reassessed 122 existing supplier relationships. Of these, we identified 18 may be vulnerable to modern slavery risk. We did on site assessments of 6 of them, as part of a separate audit programme, and we did not observe any



modern slavery red flags. We will continue our programme to follow up with the remaining suppliers in 2019 to determine what processes they have in place to comply with the Act.

Customer due diligence

As a Bank, we are aware that the risk of modern slavery extends beyond the supply chain, potentially to customers. We have due diligence processes in place in relation to onboarding customers, to mitigate these risks, including Anti-Money Laundering (AML) Know Your Customer (KYC) checks at account opening and ongoing during the relationship.

Training

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 again required all colleagues to complete a computer based training package on modern slavery. As previously stated, this will continue to be completed annually by all colleagues.

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, in high risk areas, 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 2018. It has been approved by the Bank's Board and will continue to be reviewed annually.

Craig Donaldson, CEO
21st May 2019

*Information sourced from The 2018 Global Slavery Index which provides a country by country ranking of the number of people in modern slavery, as well as an analysis of the actions governments are taking to respond, and the factors that make people vulnerable.