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 72 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 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 2019.

Since publishing our last Modern Slavery Statement, we now have 3,860 colleagues, over 93% of whom are full time colleagues, paid no less than the National Living Wage.

Our policy on modern slavery

Our Policy, first approved by the Board in May 2017, and reviewed in 2019 and 2020, 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 previous 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. The responsibilities 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 Report was presented to the Board on 19 May 2020 and updated on activities undertaken during 2019, including:-

- Progress of the Modern Slavery Action Plan and presentation of the 2020 Action Plan
- The Bank joining the UK Finance working group on Responsible Business Conduct to share learning and best practice with other financial institutions
- Details of the work done by Supplier Assurance
- Details of the work done in relation to internal training on modern slavery and access to information for colleagues
- Engagement with the People Team (Recruitment) to address modern slavery risk in agency relationships
- Details of the work done on controls and processes in relation to onboarding customers and ongoing due diligence
- Feedback on the outcomes from The Modern Slavery Assurance Review undertaken by Risk & Compliance
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 2019, we continued to build on the work already commenced to enhance our systems and processes.

Supplier due diligence

To ensure all those in our business and supply chains comply with our Policy, during 2019, we continued to develop our supplier assurance programme.

We continue to operate a triaging approach based on risk. Where greater vulnerability to 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, 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.

We identified that we have 1,983 (2,266 last year) active third parties with whom we engage. Of these:

- 94.1% (95% last year) are UK based (Global rating score of 80.1%*)
- 0.1% (same as last year) are based in India (Global rating score of 45.9%*)
- 0.1% (same as last year) are based in South Africa (Global rating score of 49.2%*)
- 5.7% (4.86% last year) are based in countries that have a global rating score above 50%*

Of the 3 suppliers who are based in countries with a lower global rating score, the relationship with 1 has terminated and we are actively engaging with the other 2 to manage any exposure to modern slavery risk.

In 2019 Supplier Assurance assessed 153 new supplier relationships and identified 14 as vulnerable to modern slavery risk; these were looked at more closely, including, in some cases, undertaking onsite assessments, where no modern slavery red flags were observed. This work is ongoing.

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.

During 2019 we started work to enhance processes and controls to reduce modern slavery risk in customer relationships, at onboarding and as part of ongoing due diligence. This work is ongoing.

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 the annual computer based training package on modern slavery.

The training was reviewed and revised to include more detail on potential red flags to spot modern slavery risk and included links to external resources, to provide more information for colleagues on what modern slavery looks like in our world today. This training was completed by 99.9% of 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 Act 2015 and constitutes our Modern Slavery Statement for the financial year ended 31 December 2019. It has been approved by the Bank’s Board and will continue to be reviewed annually.

Daniel Frumkin, CEO
DATE: 19 May 2020

*Information sourced from The 2019 Global Slavery Index published as part of the Measurement Action Freedom independent assessment of government progress towards achieving UN Sustainable Development Goal 8.7, which aims to eradicate modern slavery. This 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, resulting in a global rating score. The lower the score, the higher the modern slavery risk. We assess that a global rating score below 50% requires us to engage further