



ENVIRONMENT, SOCIAL
AND GOVERNANCE (ESG) REPORT 2018

METRO BANK PLC



Craig Donaldson, Chief Executive Officer

Metro Bank started with the ambition of being the revolution in British banking. For far too long the British public and UK businesses had been taken for granted by the incumbent players, something we are really starting to change. Whether it is buying a new home, saving for the future or growing your business, we are there to offer simple and fair products with great service to help.

In doing so we aim to make our customers FANS – people who will promote us to their friends and family because of the outstanding level of service we provide. As well as our FANS, our stakeholders include our investors, colleagues, suppliers and regulators. We value the contribution all of our stakeholders make to the Bank's success.

This is our second environment, social and governance ("ESG") supplement and we have taken the opportunity to further demonstrate the many areas in which we have made a positive impact.

I would like to thank all of our stakeholders, whose continued support and insight is invaluable to us as we build Metro Bank.

Craig Donaldson
Chief Executive Officer
10 April 2019

ESG REPORT

Our approach to ESG

This report provides a summary of Metro Bank PLC's ("our", "we", "the Group") environmental, social and governance ("ESG") performance for 2018. It should be read in conjunction with our 2018 Annual Report and Accounts.

Creating and maintaining FANS is at the heart of everything we do, so our approach to environmental, social and governance ('ESG') policy at Metro Bank is simply about doing the right thing. We focus on putting FANS first, making Metro Bank a great place to work, supporting our communities and managing other impacts such as on the environment. Our AMAZEING culture is aligned to this and of course we are open and transparent about our responsible business activities.

ESG governance and prioritisation

The ESG landscape is evolving rapidly and we will need to adapt proactively in order to remain a sustainable business.

Oversight of ESG is at a Board and Executive team level, who approve the policies and procedures by which we operate. In addition, the Board is responsible for setting the Bank's strategic direction which has a major impact on our ESG priorities and how we manage them. This report has been overseen and approved by the Group's Board.

Ultimately, our AMAZEING behaviours underpin our belief that we should act with integrity, putting our customers and stakeholders first whilst being the most professional bankers. We know that by living by them, we will continue to do the right thing by our stakeholders every single day.

Our ESG priorities

Priorities	Description	Key themes
1. Our FANS	Providing excellent service each and every time	Customer engagement; customer satisfaction and complaints handling; use of technology and customer preferences; and customer respect and inclusion
2. Our colleagues	Creating FANS by providing excellent service to each and every customer	Culture and conduct; talent attraction and retention; developing careers; fair treatment of employees; remuneration practices; and health, safety and wellbeing
3. Our communities	Engaging with the communities we proudly serve	Entrepreneurial support; community investment and impact; financial education; and economic contribution
4. Data privacy and security	Protecting our customers' data, just as we do their money	Management of cyber threats; business continuity; and customer data privacy and use
5. Our planet	Being aware of our impact on the environment	Carbon emissions; environmental management; and climate-related risk management
6. Our suppliers	Working with suppliers whose values and behaviours are aligned to ours	Ensuring ethical considerations such as human rights, anti-bribery and corruption are included in procurement decision making

Materiality

In 2017, we asked Deloitte to assess our most material ESG priorities to inform our reporting on responsible business, and to highlight potential risks and opportunities that might inform the decisions we make. The six priorities are detailed in the materiality matrix. Our six ESG priorities are positioned on the materiality matrix according to the relative level of importance for our external stakeholders (y-axis) and relative level of importance for Metro Bank, as determined by senior management.

We continually monitor the changing environment in which we operate to ensure that those ESG issues that are important to our stakeholders are captured and managed. We believe that the key priorities have not changed for this year and endeavour to manage all our stakeholders' expectations in a transparent and fair manner.

Our materiality matrix



Engaging with our stakeholders

As a young and rapidly growing business, listening to the feedback from all our stakeholders is critical. If it matters to them it matters to us and we know ESG issues are valued and important. Ensuring we listen to their concerns and use this to help us to design and improve our products and processes is key to our ongoing and long-term success.

Our stakeholders range from individual FANS and customers to large institutional investors. The channels of engagement we use vary significantly depending on the stakeholder. Below is a summary of our key stakeholders, why they are important to us and how we engaged with them during 2018.

In light of incoming statutory reporting requirements and the revised UK Corporate Governance Code, during 2019 we will review the stakeholder engagement activities we undertake, how we use this information in Board decision-making and our reporting on stakeholder engagement.

Stakeholder group	Why they are important to us	How we have engaged with them during 2018
Customers and the Communities we serve	Our business model depends upon attracting customers and turning them into FANS. Our reputation and creating FANS is at the core of our values.	• 'Voice of the customer' survey • Expressions of dissatisfaction responses and analytics • New store grand openings • Money zone, our educational programme • Networking and community events • Days to AMAZE volunteering
Colleagues	As a fast growing business we constantly need to attract new talent. We also want to ensure our existing colleagues are happy and engaged.	• 'Voice of the colleague' surveys • Have your say café, colleague meetings with leaders • Online Q&A with leadership (Yam Jams) • Internal news (Revolution Updates) • Metro Bank University
Investors	Our shareholders are fundamental to our growth. They believed in our vision at the beginning and they continue to support the Bank, helping us bring the Revolution to more and more FANS.	• Annual general meeting • Quarterly results announcements • Investor roadshows and conferences • Proxy advisor and institutional investor meetings • Governance breakfasts • Annual Report
Regulators	Following our Regulators' Principles, Rules and Guidance help us to make sure we put our customer outcomes at the heart of everything we do.	• Meetings with the Prudential Regulation Authority, Financial Conduct Authority, Payment Systems Regulator and Bank of England
Suppliers	We pride ourselves on doing the right thing and maintaining the highest values in everything we do and this extends to the suppliers we work with.	• Procurement • Meeting with suppliers • Site visits



OUR FANS

At Metro Bank we are committed to customer service and creating and maintaining FANS is at the heart of everything we do. We offer simple products that meet the personal and business needs of our customers.

 More information regarding our FANS can be found in the Annual Report.

Respect and inclusion

We recognise and value our diverse customer base and we know that in order to create FANS it needs to be a two-way conversation.

Supporting vulnerable customers

At Metro Bank we are all about providing unparalleled levels of service and convenience to all our customers. We want to make sure that customers choose products and services that are right for them and we work closely with our colleagues to make sure that they have the tools to be able to have great conversations to make this happen.

We support our vulnerable customers and we work hard to train our colleagues to make sure they give the best advice and support, with customers at the heart.

We strive to ensure customers facing financial difficulty are treated fairly.

We continue to invest in technology and stores

Our integrated model is a key element of our strategy because we believe we create FANS by surprising and delighting our customers across every channel. We know our customers value branches but we also want to give them choice so they can fit their banking needs to suit them.

We have now expanded our network to 66 stores, open 8am to 8pm on weekdays and also open at weekends, and make continuous improvements to our mobile banking app and website. This year it is also possible to open current accounts online, for those FANS who want to join the revolution but who aren't able to come into one of our stores.

To help our customers manage their money we have also released Insights, our highly anticipated in-app money management tool. Using artificial intelligence (AI) to generate bespoke tips and alerts, Insights enables personal mobile customers to manage their money more effectively.

 More information regarding our integrated model can be found in the Annual Report

Our relationship with our FANS

This year we were proud to achieve the top spot in the Competition and Market Authority's (CMA) Service Quality Survey among personal current account holders for its overall service. We also came second among business current account customers for overall service quality and were ranked in the top five for all qualifying business and personal services.

Complaint data is available for inspection on our website, where it is updated every six months. These outcomes are monitored by the Executive Leadership Team (ELT) and reported to the Board. The ELT is responsible for incorporating these findings into the decision-making process.

We use Magic Shops, our mystery shoppers, to make sure that all our customers receive the unmatched level of service they deserve and to make sure we are giving consistent customer service in all our stores.

We believe in treating customers fairly and our policy reflects our goal to create FANS through the delivery of consistently AMAZEING outcomes. The Board approves the Conduct Risk framework which underpins our zero tolerance approach to unfair customer outcomes.

Case Study

WALK OUT TRADING

This year we have succeeded in surprising and delighting our business account customers with the release of our 'Walk Out Trading' service. With the length of time it takes to get up and running being a critical factor in determining how successful a new business will be, business current accounts can be set-up on-the-spot in store without an appointment. Customers receive their card and PIN, as well as being registered for internet and mobile banking then and there and can now also benefit from a ready-to-go card payment terminal. The quick and simple process delivers an instant decision, meaning businesses can start accepting card transactions as soon as they leave the store.



OUR COLLEAGUES

Our colleagues and our unique culture are key to our success. They create a customer experience to surprise and delight our customers and create FANS for the long-term success of our business.



More information regarding our Colleagues can be found in the Annual Report.

Our AMAZEING behaviours



Attend to every detail



Make every wrong right



Ask if you're not sure – bump it up!



Zest is contagious, share it!



Exceed expectations



Inspire colleagues to create FANS!



Nurture colleagues so they grow



Game change because this is a revolution

Culture and our AMAZEING behaviours are at the heart of our business. It is so important that it's the first thing our colleagues learn about when they join the bank in our two day long cultural immersion programme – Visions . This training is followed by up to a further six weeks of training for customer service roles, and then, regular training after that.

During the year we created over 800 jobs and promoted more than 730 colleagues.

Culture and Diversity

At Metro Bank we are all equal and our inclusive approach celebrates diversity. Our diversity and inclusion policy sets out our commitment to employment policies which follow best practice based on equal opportunities for all employees and the Board.

Our colleagues represent the communities we serve and the locations where we are based. We encourage our colleagues to bring their whole selves to work through our supportive and open culture.

Our colleague networks, include WOW (Women on Work), Mpride for our LGBT+ colleagues and Mbrace for our Black, Asian and Minority Ethnic ('BAME') colleagues. All networks are open to all colleagues, regardless of race, gender or sexual orientation and all have the aim of helping everyone be at their very best.

The networks hold a variety of internal and external events that provide support to network members and raise awareness across our business. For example: MPride held an event on 'LGBT+ Myth Busting'; MBrace held one on 'Why is diversity in the workplace important?'; and WOW held a number of 'Confidence in the Workplace' events.

Each network is supported by an Executive Sponsor, providing a link between the inclusion networks and senior management. Our Inclusion Committee oversees the activities of our three inclusion networks and facilitates an intersectional approach to our diversity and inclusion activities. We hold a number of events that bring the networks together through an intersectional theme, for example encouraging colleagues to bring their true self to work at Metro Bank.

Gender diversity

Metro Bank is a signatory of the Women in Finance Charter. We are working towards achieving a target for 35% of our senior management population to be female by 31 December 2020, in line with the Hampton-Alexander review. Variable remuneration at Metro Bank features incentives linked to the diversity of our senior management population.

During 2018 we published our gender pay gap figures for the first time, in line with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017. Our median gender pay gap for the snapshot date of 5 April 2017 was 13.5% and our median gender bonus gap was 24%. Our analysis found that

the disparity between pay for men and women is caused by the higher proportion of men in more senior roles. We have a range of initiatives focused on supporting women into leadership roles. As well as our Women on Work network (see above), we run mentoring programmes, leadership training and provide diverse candidate lists to hiring managers. We also offer flexible working arrangements and 14 weeks parental leave for all new parents, regardless of gender.

Listening to our Colleagues

We could not offer our unparalleled customer service without our colleagues, they are at the heart of our business and we work hard to understand how they feel about Metro Bank as an employer, as a place to work and as a provider of banking services.

To help us make sure we are listening to all our colleagues we run a voice of the colleague survey every year. In our 2018 survey, over 90% of colleagues took time to share their views. The results of the survey, including text analytics, are closely monitored by the Executive Leadership Team and Board.

The headlines from this years survey are:

- 94% of colleagues feel Metro Bank is an inclusive employer and that they can be themselves at work
- 96% of colleagues understand how their role contributes to the overall success of Metro Bank
- 95% of colleagues feel encouraged to escalate an issue, or 'bump it up'
- 96% of colleagues think that Metro Bank is a good place to work

We also hold regular 'Have your say Café' sessions to allow colleagues the chance to raise any concerns they have with senior members of the Bank.

Developing careers

Colleague behaviours and delivery are captured during our AMAZEING Reviews. Objectives are set and agreed at the start of each year supported by monthly one to one meetings and more in depth conversations every six months. During Reviews we discuss behaviours, delivery, career progression and development. Metro Bank University is built to support every colleague to realise their career potential, and is arranged into three Colleges covering Customer & Relationship; Specialist Support and Leadership.

Over the past 12 months we have helped 90 new leaders 'Learn to Lead', supported over 280 colleagues on fast track schemes and specialist studies, and enabled over 440 colleagues to gain professional banking qualifications. We have also been joined by 70 new Apprentice Cashiers since we became an accredited Employer Provider at the end of 2017.

We have developed, and are committed to, our Recruitment and Selection Policy, which outlines our responsibilities in accordance with recruitment related legislation, regulation and our objectives.

Rewarding and retaining our colleagues

We take a consistent approach to remuneration for all our people with a focus on making everyone an owner through the award of share options.

We know that our colleagues are integral to growing our business. Our reward principles, which reflect this and apply to all colleagues, are designed to reward our colleagues for high performance and retain the talent upon which our business depends:

- Pay fair salaries and offer strong career and growth opportunities in an AMAZEING culture
- Make everyone an owner; aligning them to the Bank's long-term vision
- Reward colleagues based on Metro Bank's culture and performance and how they behave and deliver; both as part of the team and as an individual
- Keep reward as simple as possible, with one approach for all
- Take a retail approach to variable reward; no excessive cash bonuses or linear incentives which can skew behaviours and encourage unnecessary risk taking

Health safety and wellbeing

All colleagues benefit from Health & Safety training when they join Metro Bank. Colleagues are encouraged to participate in mental health awareness training and also have access to Employee Assistance and the independent and confidential Bank Workers Charity contact line that provides information, advice and expert support services.

Our Health and Safety policy protects our customers and colleagues and ensures we are compliant with our statutory duties and responsibilities.

Policy

Our Chief People Officer is the Executive Team member responsible for delivering our people objectives, and the Board's Remuneration and Nomination Committees set policy and monitor implementation relating to their areas of responsibility. Stuart Bernau was appointed as the designated Non-Executive Director for workforce engagement; we will report further on this in the 2019 Annual Report and Accounts.

At Metro Bank we are committed to creating FANS and doing the right thing for our customers. Our Whistle Blowing Policy ensures that all colleagues are encouraged to raise any concerns they may have about the conduct of others in the business, or, the way in which the business is run in good faith and without fear of unfair treatment. This protects our colleagues and customers, both of whom are integral to the continued success of the Bank.



OUR COMMUNITIES

As a community bank we are conscious of our community investment, impact and economic contribution.



More information regarding our Communities can be found in the Annual Report.

We are proud to be an integral part of the communities we serve. Stores are key to our unique model and we strive to make a positive difference: through the local colleagues we employ; the local businesses we lend to and; through the causes we support. By helping our communities thrive we believe our business will do too.

This year Metro Bank has opened 10 new stores, contributing to the revitalisation of high streets and their local communities in the UK and giving customers access to face-to-face banking, while our competitors are progressively closing their branch networks.

Metro Bank opens each new store with a grand opening, where we invite the local community to come and see our new store and meet our colleagues. We believe that Kids Rock! and Dogs Rule! and we want to make sure everyone can come and visit us in store, so we have customer toilets with baby changing facilities in every store as well as dog treats and water bowls for our canine FANS.

All of our FANS, including our SME customers, have access to private rooms at all of our stores, to hold meetings at a convenient location – enhancing the reputation of our stores as a hub for the local business community. Our extended opening hours, including weekend and bank holidays, allow our commercial customers to deposit their day's takings and to conduct their business at a time that suits them, rather than being restricted to inconvenient, conventional banking hours.

Each year we hold hundreds of local business networking events in our stores. These are opportunities to meet and network with fellow local entrepreneurs and to talk to us about how we can help their businesses.

Our relationship with our communities

As a major employer, investor and purchaser of goods and services, we make a significant contribution to the UK exchequer. In 2018, we paid £78.4 million in tax to HMRC and collected a further £41.9 million on its behalf.

We recognise and value the benefits for society that arise from fair, effective and predictable tax regimes. We are committed to acting with integrity, honesty and transparency in all matters related to tax and ensure we adhere to the highest standards of corporate governance.

Metro Bank prides itself on helping the local communities it serves and last year supported over 3,500 community and in-store events, such as local fairs, charity events and business networking sessions. We host events in store so we can get to know our local communities including free pumpkin carving, Christmas and Easter craft workshops.

Learning about money is crucially important and we are passionate that the young people in the communities we serve have the opportunity to do so. Our Money Zone initiative introduces pupils to financial skills, helping them understand how money, saving and banking work. Our sessions are incorporated into the school curriculum, and are linked to the wider government curriculum guidelines. In 2018 over 41,000 young people went through the scheme.

We are proud to support two designated charity partners; Alzheimer's Research UK and Place to Be. During 2018 we raised over £140,000 through a range of fundraising activities.

We clocked up hundreds of hours of 'Days to Amaze', where our colleagues give time out of their working day to support the causes close to their hearts.

The communities we operate in are important to our Executive Leadership Team and our community actions are reported to and monitored by them.



DATA PRIVACY AND SECURITY

Protecting our customers' data, just as we do their money, is central to building the trust of our customers and creating FANS. Our business is built on our FANS recommending us to their friends, family and colleagues and we know how important trust is to them.

Our Chief Executive Officer is accountable for the delivery of secure and resilient IT services to our FANS and colleagues. Performance is reported and monitored by the ELT and Board.



More information regarding Data Privacy and Security can be found in the Annual Report.

The General Data Protection Regulation ("GDPR")

Every colleague, no matter where they work, must take a training course in data protection before joining the bank, with annual refreshers. We worked hard to make sure we were ready for the implementation of GDPR on 25 May 2018 and this included a full review of the Metro Bank Data Policy.

Fraud Prevention

At Metro Bank we take the protection of our Customers, their money and the Bank extremely seriously. We apply a multi-layered approach to fraud controls in the majority of areas. An example of this is where we have invested heavily in leading technology to allow the risk assessment of sessions for our Remote Channels, providing strong protection.

To raise fraud awareness with our FANS we've undertaken a number of campaigns to share how they may be targeted by fraudsters and the actions they can take to protect themselves. We continue to support the Take 5 industry wide fraud campaign.

Business continuity

Our model is built to ensure that customers have access to their banking when they need it, with access to our app, online banking, 24/7 telephony 365 days a year and stores open early until late 362 days a year. We work with multiple call centres, data centres, and offices in order to ensure no single point of failure in our operations. We have processes in place in the unlikely event that an incident occurs. This includes colleagues being able to relocate to other stores or locations and a call cascade tree which enables urgent messages to be passed to colleagues including out of hours, which is tested biannually. A member of the management team is also on call 24/7 to react to any out of hours incidents, who is empowered to escalate where necessary.

Our Customer Support and Operational Risk teams are responsible for putting our business continuity policy and arrangements into practice.

Case Study

BE YOUR OWN HERO

Metro Bank is proud to support the 'Take Five' campaign headed up by Financial Fraud Action UK which aims to help customers protect themselves against fraud by giving them the knowledge and confidence to deal with financial fraud attempts.

The five steps are:

- 1 Never disclose security details, such as your PIN or full banking password
- 2 Don't assume an email, text, or phone call is genuine
- 3 Don't be rushed – a genuine organisation won't mind waiting
- 4 Listen to your instincts – you know if something doesn't feel right
- 5 Stay in control – don't panic and make a decision you'll regret



OUR PLANET

 More information regarding Our Planet can be found in the Annual Report.

As we bring the revolution in British banking to more and more FANS we want to make sure we are doing what we can to encourage environmentally responsible behaviours. It is important to us to offer our customers choice and, across our entire store network, we give our customers the option to go paperless, reducing the amount of excess waste.

We have recycling programs in all our locations, for example we've installed hand dryers to replace paper towels in our stores' toilets. Over 90% of our waste is handled by a supplier that sends zero waste to landfill.

Our integrated approach is essential to the growth of Metro Bank and as we open new stores, we continually look for ways to reduce our energy consumption, with initiatives including: installation of LED lighting; turning some signage off overnight and adjusting store door heating. New store design has a solar filament added to reduce heat gain. Washroom areas have single leaf dispensers reducing the paper usage in the waste system while also reducing carbon emissions associated with delivery and storage. Bathroom taps are being changed to percussion taps to minimise water usage. During the year we have also implemented a tool to reduce the power usage of desktop computers if they are left on overnight.

We are working towards all vehicles being Hybrid by 2020 and we are reducing transport costs where possible.

We believe our straight-forward business model increases our resilience to climate-related risk. Our focus on supporting small and medium-size enterprises, based in the United Kingdom, helps to mitigate our exposure to material international environmental risks.

We consider a variety of issues when working with new customers, including exposure to high-risk industries. Such industries include mineral extraction, where for example, any decision regarding the account would require further investigation and escalation to management.

Emissions disclosures – We've reported on our emissions in line with the requirements of the Companies' Act 2006 (Strategic and Directors' Reports) Regulations 2013.

GHG Emissions	2018 (TCO ₂ e)	2017 (TCO ₂ e)	2016 (TCO ₂ e) Baseline Year
Scope 1 Emissions	2,306	1,312	1,160
Scope 2 Emissions	4,064	4,668	5,044
Total Scope 1&2 GHG Emissions	6,369	5,980	6,204
Full Time Employees (FTE)	3,803	3,002	2,417
Total Scope 1&2 Emissions per FTE	1.67	1.99	2.57

This is our third year of GHG reporting and is aligned with our financial year, 01/01/2018 to 31/12/2018. There has been a 2.7% increase in absolute GHG scope 1 and 2 emissions in 2018 from the baseline year, 2016, which can be mainly attributable to our continuing growth and addition of new stores. However, when viewed as an intensity metric, our emissions have reduced by over 34.7% per full time equivalent employee.

Metro Bank has chosen operational control as our consolidation approach and our boundary includes all entities and facilities either owned or under our operational control.

The methodology used to calculate our CO₂e emissions is the operational control approach on reporting boundaries as well as utilising the carbon emissions methodology as defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard, Revised Edition. Emissions factor data source: BEIS 2018 conversion factors.

The table above includes restated figures for our total annual emissions for 2016 (baseline year). These figures were published correctly in the 2016 Annual Report and Accounts, but then restated in the 2017 Annual Report and Accounts and the 2017 ESG Report, using 2017 emissions factors. The figures published last year in relation to 2017 are unaffected. We have restated these figures here to accurately reflect our emissions in each period.

Where properties are covered by Metro Bank's consolidated financial statements but are leased to tenants who are invoiced for utilities, these emissions are not included in the GHG calculations. For properties where Metro Bank is the tenant, the landlords of these properties provide Metro Bank with utility bills which are included in our emissions reporting.

Scope 1 covers direct combustion of fuels, predominantly mains gas, fuel use within company-owned vehicles and hire cars as well as refrigerant use and associated fugitive emissions.

Scope 2 covers the emissions from electricity purchased used on Metro Bank premises.



OUR SUPPLIERS



You can find more information regarding Our Suppliers in the Annual Report.



www.metrobankonline.co.uk
Modern Slavery Statement

Our business model is built on creating FANS and actions by our suppliers that are not in keeping with our values expose us to reputational damage and risk through association. We manage this by reviewing the controls put in place by our suppliers to prevent and detect bribery, corruption, modern slavery, child trafficking, unfair wages, unacceptable working conditions and labour rights abuse.

In 2018 we did not identify any instances of breaches.

We also protect our customers and the Bank by setting out and regularly training our colleagues on our Anti-Bribery and Corruption Policy. This helps us to make sure all our colleagues are conducting business in an honest and ethical way, which reflects our zero tolerance approach to bribery and corruption.

Our relationship with our Suppliers

Metro Bank is committed to introducing responsible business practices that make it easier for our suppliers to do business with us. We are a member of the Financial Services Supplier Qualification System (FSQS), a collaboration between UK financial institutions (buyers) to provide a standard and simplified process for suppliers to give detail about the control environment they operate. The system helps our suppliers by reducing duplication of effort in responding to buyer due diligence requests, and benefits us by sharing resource and best practice with other buyers. Our suppliers began submitting information to FSQS in 2016 and over 96% of our key suppliers have now completed the process.

Management of principal risks and due diligence for ESG policies

We manage risk through a comprehensive governance and control framework, as described on pages [•] to [•] of the Risk section of the Annual Report and Accounts. The Risk Report also describes the principal risks to our business. Our risk management policies and controls are reviewed regularly to reflect changes in market conditions, regulations, and our activities.

All policies are approved by the Board or appropriate Board committees following recommendations by the relevant management committee. We also protect our customers and the Bank by setting out and regularly training our colleagues on our Anti-Bribery and Corruption Policy. This helps us to make sure all our colleagues are conducting business in an honest and ethical way, which reflects our zero tolerance approach to bribery and corruption.

Our Modern Slavery Policy approved by the Board in May 2017, 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.

ESG REPORT CONTINUED

Policy	Description	ESG Priorities
Treating Customers Fairly	The policy reflects our goal to create FANS through the delivery of consistently AMAZEING outcomes. This philosophy is embedded in our culture and is an integral part of our business model and strategy. Our zero tolerance for unfair customer outcomes is underpinned by our Conduct Risk framework which was approved by the Board.	1 2
Lending Policies (including residential mortgage, retail unsecured finance, private banking credit, commercial, arrears management)	These policies make sure that we're lending in the right way.	1
Anti-Money Laundering/ Counter Terrorist Financing	The policy sets out the systems and controls to identify, assess, monitor and manage financial crime risks and the procedures in place to assess their effectiveness.	1 2
Diversity and Inclusion	The policy means that we treat our colleagues fairly. It sets out our commitment to having a diverse workforce which reflects our customer base and to employment policies which follow best practice, based on equal opportunities for all colleagues.	2 3
Recruitment and Selection	The policy relates to all recruitment related activities and is relevant for all colleagues and any third party recruitment partners. The policy outlines responsibilities for hiring aligned to our company objectives/ethos and in accordance with the relevant legislation and regulation.	2
Board Diversity	The policy sets out our commitment to diversity and inclusion for the Board, which is based on our knowledge that a diverse Board, appointed on merit, with a broad range of skills, backgrounds, knowledge and experience, will be a more effective and responsible Board.	2
Health and Safety	The policy protects our customers and colleagues. It recognises our statutory duties and responsibilities under the relevant Health and Safety and Welfare legislation.	1 2
Whistleblowing	The policy encourages colleagues to disclose information, in good faith and without fear of unfair treatment, when they suspect any illegal or unethical conduct or wrongdoing affecting the Bank.	2
Anti-bribery and Corruption	The policy outlines our approach in managing the risk of bribery and corruption and to ensure we conduct business in an honest and ethical way, with a zero tolerance approach to bribery and corruption.	2
Conflicts of Interest and Related Parties	The policy provides consistent practical guidance to all relevant parties in relation to the identification, recording and maintenance of actual and perceived conflicts of interest.	2
Business Continuity	The policy makes sure we are able to continue delivering services to our customers at acceptable levels if something unexpected were to happen. It addresses impacts to the continuity of critical business activities in the case of man made disasters, natural disasters or other material events.	1 2 3 4 6
Data	The policy sets out our objectives and expectations in managing data and data governance practices. It makes sure that data is managed, governed, accessed, protected, utilised and disclosed appropriately. It also focuses on the quality of key data elements and their ongoing maintenance.	1 2 4
Procurement & Supplier Management Policy	The policy ensures that when we rely on an external supplier for key processes and activities, we take the reasonable steps to identify, monitor and mitigate the External Supplier risk.	1 6
Modern Slavery	The policy describes our approach towards preventing slavery, servitude, forced and compulsory labour and human trafficking in any of our operations or at any of our suppliers and, through them, our supply chains.	6

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Metro Bank PLC

Incorporated and registered in
England and Wales

Registered office

One Southampton Row
London
WC1B 5HA

Website: www.metrobankonline.co.uk