



Metro Bank PLC

**Modern Slavery**

**Statement 2022**

This statement is Metro Bank Holdings 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 July 2023 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. Our ambition is to be the UK's best community bank – a bank that is deeply rooted in the local area around each store, 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, and we have zero tolerance to modern slavery in our business or supply chains.

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

We have 76 stores across the southeast, southwest and Wales, the midlands, and the north of England, with plans to open 11 new stores over the next three years. Our head office is at One Southampton Row, London, WC1B 5HA. We have the following active subsidiary companies, with offices in the southeast of England:

- Retail Money Market Limited (not currently trading)
- SME Asset Finance Limited
- SME Invoice Finance Limited

We are principally a deposit-taking and lending business, serving 2.7 million customer accounts.

We use a variety of UK and international suppliers to source goods and services in the following categories:

- 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 the [Metro Bank Annual Report and Accounts.](#)

The organisation and structure of our business changed in 2022, with the creation of a holding company, Metro Bank Holdings PLC. In response to the financial crisis in 2008, the Bank of England added a series of requirements to the financial service's regulatory framework, intended to enhance the resilience of banks in the event of insolvency and to avoid the need for government bailout. One of these requirements was to set up a holding company which essentially holds the equity of the operating company, but does not run the day-to-day operation of the bank. All banks are required to do this and many already have.

## 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 and 2022 with the bank's 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
- 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 2022 Report was presented to the Board on 25 July 2023.

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

## The response to the cost of living crisis

In response to the cost of living crisis caused by rising interest rates, rising energy costs and war in Ukraine among other things, the bank has set up a new section on its website dedicated to providing information on debt relief and other support.

The bank has teamed up with Simon Read, a leading UK personal finance expert and journalist, to produce blog articles which can be found on the bank's website. These articles are aimed at consumers and provide information such as top tips on managing the cost of living, how to save money in 2023 and how to avoid being scammed.

## Our colleagues

Our colleagues help to make us unique. We're big believers in people-people banking because we know that people value real human relationships with the people who help them handle their finances.

Our AMAZEING values underpin everything we do, helping to 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 several 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 or 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 company intranet.

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

To make sure that all colleagues are fully aware of our zero-tolerance position towards modern slavery in our business or supply chains, we require all colleagues to complete an annual computer-based training package. This training was completed by 99% of colleagues and will be updated again in 2023.

We provide information on modern slavery on our intranet, Metropedia, accessible to all colleagues. These pages include practical examples of how to escalate any concerns or suspicion. During 2022, this information was reviewed and updated. The availability of this information is also highlighted in the annual colleague compliance training.

**Our plan for 2023** is to continue improving the annual modern slavery training for colleagues and publish further information on Metropedia about the bank's efforts to combat modern slavery.

## Our suppliers

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

Supplier Risk Management update for the Modern Slavery Statement

- As part of our policy we undertake increased due diligence in respect of our business and supply chains on a risk basis. In 2022, we identified that we engage with 1636 active third parties (it was 1508 in 2021). 99.45% are based in countries with a 2018 Measurement Action Freedom: an independent assessment of government progress towards UN Sustainable Development Goal 8.7 score above 50
- 0.55% are based in countries with a 2018 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 several 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 30 of our active third parties. Of those 30, all demonstrated adequate controls to manage modern slavery risk in their business and supply chains.

Supplier Risk continue to support our suppliers in relation to the risk of modern slavery, to clearly explain our approach and our expectations of our suppliers.

**Our plan for 2023** is to continue reviewing and reporting on suppliers and engaging with those identified as higher risk.

## Our customers

As a bank, we are aware that the risk 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 these risks:

- We conduct due diligence on our customers before onboarding, and 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.
- We participate in a law-enforcement and industry working group to keep informed of the latest threats and typologies.
- We investigate information received from law enforcement and share intelligence with our peers.

During 2022 we continued to flag potential perpetrators and victims of modern slavery to the National Crime Agency. We have enhanced our financial crime control environment so that we are better at mitigating the risks of money laundering, which is often linked to modern slavery.

The Financial Crime team is an active participant in the bank's Modern Slavery Working Group, helping define the bank's plan to meet our commitments to eliminate modern slavery.

## Identifying modern slavery

Metro Bank PLC has a dedicated function which develops threat intelligence on various types of criminal activity. They have engaged directly with a number of law-enforcement agencies on cases concerning suspected Modern Slavery Human Trafficking (MSHT) offences, and provided information which has led to action taken against suspected offenders.

**Our plan for 2023** is to continue to embed enhanced processes and controls to reduce financial crime, including our 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 2022. It has been approved by the bank's Board and will continue to be reviewed annually.



Daniel Frumkin, CEO

25 July 2023

