

Board statement on slavery and human trafficking

2020

Introduction

Secure Trust Bank PLC and its subsidiaries, V12 Retail Finance Limited, STB Leasing Limited and Debt Managers (Services) Limited (“the Group”) are committed to tackling modern slavery and human trafficking and have taken steps to ensure it is considered and addressed in our business and throughout our supply chain, consistent with our obligations under the Modern Slavery Act 2015 (“the Act”).

The Group is registered with Transparency in the Supply Chain (TISC) Report and Modern Slavery Registry to further demonstrate its commitment to increasing transparency within its supply chain and within its own business, in tackling modern slavery and human trafficking. A copy of the Group Board Statements (from 2016 onwards) are published on [tiscreport.org](https://www.tiscreport.org) and [modernslaveryregistry.org](https://www.modernslaveryregistry.org) websites.

The Bank's Organisational Structure

Secure Trust Bank PLC is a retail and commercial bank, providing banking services as well as lending solutions and savings products in the financial services sector in the United Kingdom. The Group's head office is located in Solihull, West Midlands and, at 31 December 2020, the Group had 1,014 employees (including contractors) across the UK.

Our business is organised into a number of business units:-

- **Consumer Finance - motor finance and retail finance.**
- **Consumer Lending – residential mortgages.**
- **Consumer Leasing – electrical goods.**
- **Business Finance – asset finance, commercial finance and real estate finance.**
- **Savings – notice, deposit accounts and ISAs.**
- **Debt collection – debt collection activities on behalf of a range of clients.**

Our supply chain includes, but is not limited to:-

- **Construction, manufacturing and utilities.**
- **Domestic service and cleaning work.**
- **Hospitality and catering.**
- **Recruitment and employment.**
- **Information technology and software development.**
- **Financial and legal services.**
- **Marketing and advertising.**

Policies in relation to slavery and human trafficking

Our Modern Slavery Policy reflects the Group's commitment to acting ethically and with integrity in all our business relationships. We reinforce our commitment to tackling modern slavery and human trafficking in the following internal Policies:-

- **Whistleblowing Policy;**
- **Recruitment Policy;**
- **Procurement Policy;**
- **Anti-Bribery and Corruption Policy; and**
- **Corporate Social Responsibility Policy.**

Due Diligence Processes for Slavery and Human Trafficking

As part of our commitment to combating slavery and human trafficking within our supply chain, we have implemented a proportionate system to:-

- **Identify and assess potential risk areas in our supply chain;**
- **Mitigate the risk of slavery and human trafficking in our supply chain;**
- **Monitor potential risk areas in our supply chain; and**
- **Protect whistle-blowers.**

We assessed 651 suppliers within our supply chain in 2020 and identified 47 that were potentially at risk to modern slavery and human trafficking. This is because the services they provide to us falls into an industry we have categorised as being at risk to slavery or trafficking. These industries are noted in the section below. We required these suppliers to provide us with assurance of the programme they have in place to address this risk.

Areas of risk for Slavery and Human Trafficking

We have actively taken steps to identify areas within our business where there is a risk of slavery and human trafficking. We do this at the point of on-boarding a new supplier and as part of an annual assessment programme of existing suppliers. During 2020, the following industries in our supply chain have been identified as potential areas where these risks may arise:-

- **Construction, manufacturing and utilities.**
- **Domestic service and cleaning work.**
- **Hospitality and catering.**
- **Recruitment and employment.**
- **Information, technology and telecommunication.**

We required the 47 suppliers assessed as being potentially at risk to slavery and human trafficking – due to the industry they operate in to provide us with information about their internal programme to identify and manage these risks. This could include the provision of a Modern Slavery Policy or reference to information on their website confirming the steps they have taken.

In 2020, we produced a guide called ‘Modern Slavery in Construction – Red Flag Guide’ for the Commercial Finance and Real Estate Finance divisions of the Group, setting out key identifiers for modern slavery, human trafficking or forced labour in the construction industry. The guide was produced to help employees to be vigilant of the signs that could indicate these poor practices when carrying out site visits to construction sites where STBG has funded the construction project. The business areas have updated their Client Review forms to ensure a record is maintained of each visit and whether any indicators have been found or whether the independent appointed surveyor, acting on behalf of STBG has made a notification to the relevant agency themselves where any indicators are found. The outputs of these reviews will be assessed in 2021.

Supplier Adherence to our Values and Ethics

We operate a supply chain management process which involves the assessment and ongoing monitoring of ‘critical’ contractors and suppliers in line with the Supplier Management Policy and Procedure owned and managed by the Procurement Team. We inform contractors and suppliers of our zero-tolerance approach to modern slavery and human trafficking at the outset of our business relationship and as part of our ongoing supplier review process.

Training and Awareness

We recognise the importance of providing training to our staff in order to raise awareness of the risks our business may face from modern slavery and human trafficking. In February 2020, 1,945 staff completed Modern Slavery e-learning via our internal Learning Management System.

We updated the mandatory annual e-learning to reflect enhancements made to the escalation and reporting of incidents process. Where incidents of modern slavery, human trafficking or forced labour are found within our supply chain, for example from a client or service review, employees can make a direct report via the Modern Slavery Helpline, to the Health and Safety Executive or to the local Police. Notification should also be made to the Compliance Team.

Our commitment to tackling modern slavery and human trafficking is referenced in our Whistleblowing Policy, Recruitment Policy, Corporate Social Responsibility Policy, Anti-Bribery and Corruption Policy and Procurement Policy and is communicated to our staff. We openly encourage our staff to raise concerns about any issue or suspicion of modern slavery, in line with our Whistleblowing Policy.

We continue to maintain our registration with the Home Office Contact database to allow us to keep on top of updates or changes to modern slavery reporting requirements.

Effectiveness in Combating Slavery and Human Trafficking

We use the following key performance indicators (KPIs) to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:-

- **All current staff to have completed anti-slavery and human trafficking training;**
- **The number of whistleblowing reports relating to modern slavery and human trafficking made by staff and resulting action; and**
- **The number of contractors and/or suppliers evaluated using our supplier risk assessment programme.**

¹ The number of staff trained excludes those on long-term absence and maternity leavers at the time the training was assigned and therefore will not match the number of employees noted as at 31 December 2020.

At the end of the 2020 financial year:-

- **945 staff completed our e-learning training on anti-slavery and human trafficking;**
- **There were zero whistleblowing reports made by staff relating to modern slavery or trafficking; and**
- **We assessed all of the suppliers in our supply chain using our supplier risk assessment programme.**

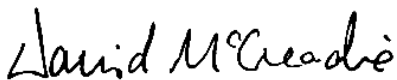
We will review and monitor the effectiveness of our KPIs on a regular basis.

In our 2019 Board Statement, it was noted we had identified that some of our suppliers who met the annual revenue threshold of more than £36 million had not published a Modern Slavery Statement, as required by the Modern Slavery Act 2015. We recognised this could expose the Group to the risk that one of our suppliers is non-compliant with the modern slavery reporting requirements. We committed to reviewing our supplier assessment process during 2020 to identify how we can address this risk. However, due to other priority risks identified during 2020, this action has not been closed but has been earmarked as part of the review process in 2021.

We engaged with TISC Report in 2020 who carried out a technical analysis of our 2019 Modern Day Slavery Board Statement for the Group against the Home Office criteria for Section 54 of the Modern Slavery Act. Our Group Board Statement passed the review.

This Statement is made pursuant to section 54(1) of the Modern Slavery Act and has been approved by the Board on 24 February 2021. It constitutes the Group's Modern Slavery and Human Trafficking Statement for the financial year ending December 2020.

Signed on behalf of the Board:



David McCreadie

Secure Trust Bank PLC Board Member and Chief Executive Officer

Dated: 24 February 2021