

BOARD STATEMENT ON SLAVERY AND HUMAN TRAFFICKING

Introduction

Secure Trust Bank PLC and its subsidiaries, V12 Retail Finance 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 and 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 30 June 2019, the Group had 999 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.
- 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 our Whistleblowing Policy, Recruitment Policy, Procurement Policy and Corporate Social Responsibility Policy. In 2019, we updated our Anti-Bribery and Corruption Policy as we recognise that an offence under anti-bribery and corruption can also be linked to offences under the Modern Slavery Act. The updates we have made to policies have been communicated to our staff.

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 645 suppliers within our supply chain in 2019 and identified 34 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 and all were able to provide us with this.

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 2019, 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.

Where we identify a supplier as being potentially at risk to slavery and human trafficking, we require them 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 similar setting out the steps they have taken.

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 2019, 887 staff completed Modern Slavery e-learning via our internal Learning Management System.

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.

In October 2019, in recognition of Anti-Slavery Day, we published an article in our internal TeamTalk magazine on Modern Slavery and the work we have done and will continue to do to ensure our business and our suppliers are fully aware of our approach to tackling modern slavery and human trafficking.

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.

At the end of the 2019 financial year:-

- 887 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.

Furthermore, in 2019 we commissioned an independent review by way of technical analysis of our 2018 Modern Day Slavery Board Statement against Home Office criteria for Section 54 of the Modern Slavery Act to provide us with further assurance that our actions as detailed in our statement is sufficient in demonstrating



compliance with the Act. Following a review of the recommendations, we made minor amendments to our 2018 Statement such as providing further clarify around the activities we conducted during that financial year. We will also register with the Home Office Contact database to allow us to stay abreast of updates or changes to modern slavery reporting requirements.

Through our membership with TISC and Modern Slavery Registry, we are aware there are some companies who have annual revenue of more than £36 million who have not published a Modern Slavery Statement. We do not want to expose the Group to the risk that one of our suppliers is non-compliant with the modern slavery reporting requirements therefore, we will review our supplier assessment process during 2020 to identify how we can address this risk. This may mean, for example specifically asking our 'at risk' suppliers to confirm their annual revenue.

This Statement is made pursuant to section 54(1) of the Modern Slavery Act and has been approved by the Board on 26th February 2020. It constitutes the Group's Modern Slavery and Human Trafficking Statement for the financial year ending December 2019.

Signed on behalf of the Board:

A handwritten signature in dark ink, appearing to read "Paul Lynam", written over a horizontal line.

PAUL LYNAM

Secure Trust Bank PLC Board Member and Chief Executive Officer

Dated: 26th February 2020