2023 Modern Slavery Statement

This statement comprises the Slavery and Human Trafficking statement of Redwood Bank Limited pursuant to section 54(1) of the Modern Slavery Act 2015 ('MSA') for the financial year ending 31 December 2023.

Business Structure

Redwood Bank (Bank) is a specialist bank which exists to serve the needs of British businesses with fast, simple, transparent loans and savings accounts, whilst also offering savings accounts to clubs, associations, charities and societies.

Given the nature of the Banks's business and operations the Bank is at very low risk of direct exposure to modern slavery and human trafficking issues. However, the Bank continues to take its responsibilities seriously and has sought ways to champion better processes and working relationships to raise awareness of the issues of modern slavery and human trafficking.

Redwood Bank's Board of Directors (the Board) and the Executive Management maintain open and transparent relationships with its regulators, The Financial Conduct Authority (FCA), and the Prudential Regulation Authority (PRA). The Bank's governance framework is designed to enable effective communication and information flow across structured Executive and Board Committees; key issues including those related to modern slavery, human trafficking or conflicts of interest may be raised through these channels or via the speak up channels in situ within the Bank.

People

Redwood Bank is committed to providing a workplace culture that conducts its business with honesty and integrity and where all staff are openly encouraged and supported to report any concerns. The Bank's Whistleblowing Policy details a robust process for staff to report wrongdoing in confidence.

All staff undergo compulsory pre-employment checks before joining the Bank to ensure they are suitable for the role they have applied for. These checks are undertaken by a specialist independent screening provider; checks include identity, financial crime, criminal record, reference, right to work, and where applicable professional and educational checks.

All new staff undertake a suite of mandatory training on joining (and annually) to ensure understanding and compliance of the Bank's regulatory requirements.

Policies

Redwood Bank recognises the role it shares with its suppliers in tackling modern slavery and human trafficking. The Bank has zero tolerance to slavery and human trafficking and operates various practices, procedures and policies to ensure compliance with all human rights and UK employment laws. Key policies include (but are not limited to):

Colleague Handbook	Documents the written statement of terms and conditions for all staff to adhere to and the expectations of all Redwood Bank staff in order to act with integrity and transparency

Third Party and Outsourcing Policy	Defines Redwood Bank's approach to procurement and supplier management ensuring all material/outsourced suppliers meet Redwood Bank's expectations and regulatory standards
Whistleblowing Policy	Documents Redwood Bank's commitment to its culture of transparency where all staff are openly supported and encouraged to report concerns and wrongdoings
Conflicts of Interest & Gifts & Hospitality Policy	Defines the approach Redwood Bank takes to ensure it prevents detriment to the bank or its customers arising through conflicts of interest and received/provided gifts and/or hospitality
Financial Crime Policy	Documents Redwood Bank's approach and framework to reduce or eradicate the risk of its staff, products and processes being open to abuse or risk of criminal activities including money laundering, terrorist activity, fraud, bribery and corruption, and modern slavery

Our Supply Chain

As a financial services provider which does not manufacture, produce or sell any physical goods, and has no retail premises, Redwood Bank has a relatively straightforward supply chain compared to other sectors.

We strive to achieve mutually advantageous supplier relationships, built on common values and expectations. It is our commitment to conduct business in a responsible and sustainable manner that underpins our engagement with third party suppliers, only working with those that resonate with our core values.

In order to take a proactive stance against modern slavery, Redwood Bank requires that all of its staff and suppliers behave ethically at all times during the sourcing and supply of goods and services for the Bank.

During 2023 Redwood Bank enhanced its procurement process with respect to modern slavery risk, which is now included in the wider financial crime risk assessment which is undertaken when onboarding new suppliers. Redwood Bank periodically reviews the due diligence and contractual terms in place with its preferred suppliers to ensure they remain appropriate. These records are monitored on a regular basis by the Procurement team and any breaches escalated.

Redwood Bank has in place processes and controls to ensure compliance with regulatory requirements on outsourcing, which require us to take all reasonable steps to avoid undue additional operational risk and to take all reasonable steps to ensure that a service provider has the ability, capacity, and authorisation required by law to perform their outsourced functions, services or activities ethically, reliably and professionally.

Our Customers

With respect to Redwood Bank's customers, as part of our customer due diligence standards we look to identify and verify control and ownership structures for all entities, and complete appropriate ongoing monitoring. We undertake to:

- Conduct due diligence on our customers before onboarding, and on an ongoing basis.
- Ensure our systems can detect unusual activity, and to investigate customers that may be linked to modern slavery.
- Raise all suspicious activity reports to the Money Laundering Reporting Officer (MLRO) who will assess and determine if a report is required to be submitted to the National Crime Agency (NCA) in line with regulatory requirements.

Additionally, as part of our risk assessment process, we have factored in industry risk scores that may have an inherently higher risk for modern slavery and human trafficking. These customer risk scores then drive additional due diligence requirements and heightened ongoing monitoring.

Due diligence processes

Although modern slavery and human trafficking concerns are of a generally low risk to the business, Redwood Bank continues to ensure ongoing monitoring of suppliers. We assess and review anti-slavery matters with existing suppliers at the time when each contract is reviewed and/or renewed, and at inception with any new supplier.

The Bank's Third Party and Outsourcing Policy governs the onboarding process and reinforces the importance of due diligence and supplier governance in relation to modern slavery and human trafficking issues.

To ensure we meet the requirements of the MSA, our due diligence processes:

- Ensure our suppliers are assessed using a risk-based approach
- Enable early identification of supply chain issues, including any related to modern slavery
- Ensure suppliers are monitored in accordance with its risk assessment, throughout the lifecycle of the contract

Looking ahead

Redwood Bank is committed to undertake continuous improvements and enhancements across its approach to Modern Slavery to ensure, on a risk lead basis, that modern slavery is not taking place in our business or supply chains. In 2024 our plan is to:

- Implement a new dedicated Modern Slavery Policy – which all colleagues will be required to read, adopt and embed as standard practice
- Enhance due diligence processes across all third party suppliers – onboard FSQS (Financial Services Qualification System) who are industry leaders for managing third-party risk and compliance data
- Embed the requirement to comply with a Redwood Bank Supplier Code of Conduct by all third party suppliers
- Introduce new bespoke Modern Slavery training for all colleagues to complete through mandatory training
- Enhance monitoring and reporting through Key Performance Indicators (KPIs)

Board Approvals

This statement was reviewed by the Bank's Executive Committee and approved by the Redwood Bank Board on 6th June 2024.

Gary Wilkinson
Chief Executive Officer
On behalf of:
Redwood Bank Limited
6th June 2024