

2024 Modern Slavery Statement

What do we mean by Modern Slavery?

Modern slavery is a very real and present threat to society, harming some of the most vulnerable people in society.

The term covers all forms of slavery, servitude, forced labour, human trafficking, and exploitation for personal or commercial gain. That includes appalling, unacceptable practices like child labour, forced marriage and sex trafficking.

Modern Slavery can often be hidden from sight and difficult to spot. This makes it hard to measure the true impact, which is likely much larger than we're aware of.

This statement details our approach to preventing modern slavery and human trafficking across our business operations and supply chain, as well as our commitments to help combat this offence.

Fast Facts

- In 2021, an estimated globally 49.6 million people lived in modern slavery, with 27.6 million in forced labour, although measuring impact is difficult so numbers could be higher [\[1\]](#).
- There were 16,983 potential victims of modern slavery referred to the UK home office in 2022 which is a 34% increase from 12,706 cases in 2021 [\[2\]](#).
- The UK imported \$26.1 billion of goods at-risk of modern slavery in 2021 contributing to the demands of goods from higher-income countries. [\[3\]](#).

Who is Virgin Money?

We are the UK's 6th largest bank, with c.6.6m customers, a scalable digital platform and a national network of stores, contact centres and relationship managers. We are led by our purpose of *Making you happier about money* which establishes us as a bold, proactive, customer, colleague and community focused business with a desire to help people feel better about their relationship with money.

You can find more information on who we are and what we do on [our website](#).

Being a Force for Good

Our ambition at Virgin Money is to drive positive social and environmental impact through everything we do.

As a purpose-led business dedicated to *Making you happier about money*, we're focused on where we can make the biggest difference to the environment and society.

We are committed to the delivery of Sustainable Development Goals (SDGs), including the eradication of forced labour, modern slavery and human trafficking and the protection of labour rights, as described in SDG Goal 8.7. Signing up to the United Nations' Principles for Responsible Banking guides our strategy by providing a framework to enable us to continually improve our impact and contribution to society.

Virgin Money has a zero-tolerance approach to modern slavery. We are committed to protecting human rights and doing business with honesty and integrity. We believe in treating everyone with dignity and respect and we are committed to improving our employees' understanding of these offences to eliminate the practice from our supply chain, customer base and other stakeholder relationships.

Virgin Money works with regulators and law enforcement to help identify and tackle modern slavery and human trafficking in the communities and environment it operates in.

This is Virgin Money's fifth Statement on Modern Slavery and Human Trafficking, published in accordance with the Modern Slavery Act 2015, and refers to the financial year ended 30 September 2023. Our statement applies to all our group companies (Virgin Money UK PLC and its subsidiaries) and all employees and officers of our group companies. It was approved by the Board of Directors of Virgin Money UK PLC and its principal operating subsidiary Clydesdale Bank PLC on 27th March 2024.

Copies of previous statements, including those predating the combination of Virgin Money and Clydesdale Bank are available [here](#).

What are we doing about Modern Slavery?

Culture and Strategy

Modern slavery is firmly on our Board and senior management agenda, driving our zero-tolerance approach to modern slavery from the top down through all of Virgin Money.

Our goal is to consider modern slavery at every significant decision point or gateway, ensuring every colleague is empowered and committed to acting on any concerns they identify. This means building the risks of modern slavery into how we assess, manage, and protect customers, stakeholder relationships and suppliers.

Detect and Disrupt

We comply with the relevant laws and practices on how we should treat colleagues, customers, and stakeholders. However, our role extends beyond that, to the business practices and behaviours of everyone in our entire business ecosystem.

Modern slavery could appear in our suppliers' businesses, or further down the supply chain through the suppliers of our suppliers.

Our products and services could be used by modern slavery offenders, like slavery gangs and people traffickers.

Criminals may try to exploit our colleagues or customers in their efforts to launder their money and engage in financial crime.

It's vital that everyone in our business knows when, where and how to look for signs of modern slavery, supported with the right processes, systems, and controls to make sure we do everything possible to stamp it out for good, wherever it exists.

Policies, Process and Risk

We give our people a framework of policies, processes, and technical standards to run Virgin Money safely and effectively.

There are measures and guidance designed to help us identify, assess, and combat all aspects of financial crime, including money laundering, which is sometimes linked to modern slavery.

We manage modern slavery risks in our customer relationships by doing our due diligence while onboarding and then refreshing the customer data we hold periodically throughout the customer lifecycle.

Our Sensitive Sectors Statement sets out industry sectors, activities, and customers where ESG risks are considered unacceptably high, and we have limited or no lending appetite. The purpose of this Statement is to make it clear who we lend to, and how we see potential clients operating in sensitive sectors. Our Credit Policy requires us to assess ESG risks which feature or could impact business lending customers, including modern slavery.

We keep our policies under regular review, including our Group Anti-Money Laundering & Counter Terrorist Financing Policy Standard, continuing to ensure we have the right controls in place for detection of Financial Crime Risks. These controls support the mitigation of modern slavery-related offences in our operations.

We monitor customer account activity to identify suspicious activity which might indicate modern slavery or related offences. Where there's cause for concern, we make extra checks and follow the necessary reporting. This might be escalating to the National Crime Agency or the Banking Protocol – an initiative between banks, the police and trading standards which aims to identify vulnerable victims or suspicious activity, helping prevent crimes such as modern slavery. It could even be both, depending on the situation.

We work closely with external agencies and law enforcement, as well as attending industry meetings to stay on top of emerging modern slavery trends. The intelligence we get from this helps us strengthen our capabilities to recognise red flags through our customer reviews.

In the year ahead we are upgrading some of our other detection controls, including additional adverse media screening to ensure we identify media articles where customers/suppliers may be linked to criminal activity. Our future roadmap includes a wider use of advanced analytics and data modelling.

In FY22, we commissioned an independent third party to conduct a risk assessment of our Modern Slavery processes and approach across the Group, with the results highlighting clear examples of proactive risk management alongside several opportunities to continue to review our processes to ensure best practice is in place.

Our relaunched Modern Slavery Working Group has centralised the coordination of our prevention efforts, by bringing relevant experts together from across the Group to assess what best practice looks like. The working group has made good progress in supporting the implementation of changes and raise awareness of what Modern Slavery looks like today throughout the organisation.

Training and Awareness

We've maintained our focus on educating our people, using our suite of learning tools to educate colleagues on the knowledge, approaches, and best practices to dealing with modern slavery that are important to a Purpose-led business like ours.

Our mandatory 'Risks in Banking' training achieving a 97% completion rate for 2023, represents an all-encompassing online risk course educating our people on financial crime, fraud awareness, market abuse and whistleblowing. It includes a financial crime training module, raising awareness of all financial crime risks, where guidance on spotting red flags in relation to modern slavery is covered.

Our risk assessment highlighted our stand-alone modern slavery training module to be a comprehensive and inclusive training course, which educates our people on what we mean by modern slavery, drawing on real examples. It covers how to spot signs of the offence with case studies, how we build a safe space for our customers, the role we play in mitigating these crimes, including our escalation process.

During FY23 we delivered enhanced and supportive training for people with roles in our stores that are customer facing with a fresh focus on cases of Modern Slavery and spotting the signs, whilst all colleagues follow a clear process to escalate concerns. We also supported Anti-Slavery Week by sharing statistics and connections between Modern Slavery and Climate Change with all our colleagues.

Our front-line operations and risk functions play a vital role in the identification and escalation of modern slavery. We review the modules annually to confirm they remain aligned with legislative requirements and market practices, along with internal policy and process changes and to ensure colleagues have the necessary skills and capability to support our customers.

Suppliers

We function in a responsible, ethical, open, and transparent way, so it's no surprise that we expect the same from the suppliers and stakeholders we work with. We want to ensure they uphold the same standards as we do, encouraging greater transparency within company supply chains to stamp out modern slavery-related offences.

Virgin Money has an extensive supplier base. We operate a risk-based approach to initial and ongoing due diligence which includes a review of suppliers' ethical and social responsibility credentials. Our sourcing and due diligence processes are regularly reviewed to ensure they are fit for purpose and reflective of current risks and we include a modern slavery clause in our contracts with suppliers.

[Our Supplier Code of Conduct](#) sets out the standards, principles, and behaviours we expect from our suppliers. Above all, we want to do right by our people. We protect and respect human rights and essential labour standards, including the International Labour Organisation Core Conventions.

We expect our suppliers to be as committed as we are in embracing vital regulation such as the Modern Slavery Act 2015. We will continue to enhance monitoring of existing and emerging modern slavery risks in our business. Working with our Supplier Relationship Management team we are reviewing our supplier processes and policies with a focus on approaching good practice across key high-risk segments which helps us to conduct business ethically and react appropriately.

When we work with suppliers for permanent recruitment services, we make sure they apply the same high standards that Virgin Money does. We expect them to verify ID and check the right to work in the UK before submitting candidates for vacancies. All candidates made a job offer are subject to our pre-employment checks which includes credit and criminal record checks, CIFAS & Sanctions checks and employment references. For temporary or contract resource, we expect our suppliers to maintain our verification standards, and to conduct the same pre-employment checks as we do for our permanent hiring. Taking these steps help us learn who we're employing to identify whether someone is connected to modern slavery-related activities, as perpetrator or victim.

We want everyone to feel happier about money, but we rely on the people we work with (like our suppliers) to make it happen. We know that by working closely together with a shared purpose and values, better things are bound to follow.

Our Commitments

We want to take the same approach to combating modern slavery as we do for delivering exceptional customer experiences that go beyond banking. That means being straight up, offering heartfelt service and staying red hot relevant.

We are always searching for new ways to tackle modern slavery, challenging everyone we interact with to act, and use all opportunities to achieve best practice. Transparency is key to eradicating modern slavery and we welcomed the launch of the Government's Modern

Slavery Statement Registry – a central source to enhance accessibility and clarify company action. [Our 2024 statement application](#) details the positive steps we're taking for this cause.

We've previously engaged with the Independent Anti-Slavery Commissioner, who published her findings on ['The role of the financial sector in eradicating modern slavery: CEOs respond to the Independent Anti-Slavery Commissioner.'](#) We continue to develop our approach, aligned to evolving recommendations and guidance.

Modern slavery is a distressing reality. We believe it's everyone's responsibility to change that, and we know that Virgin Money and its people can be a positive force in that cause.

We're always looking for ways to improve our modern slavery and human trafficking controls in the workplace, across our customer base, or in the way we work with third parties.

Looking forward

Our focus is on actions that move towards best practice following our risk assessment, and to continue educating the people we identified as playing a vital role in the identification and mitigation of modern slavery-related crimes. This will give them the tools to best support our customers, businesses, and suppliers.

Over the last 12 months our Modern Slavery Working Group has focused on raising awareness, educating our colleagues, recording risks and putting fresh controls in place. Our efforts from FY23 will continue to drive action throughout the organisation to maintain the positive progress we're making through FY24 which includes:

- Using updates to our third-party management tool and procedures to continue recording any risks with added detail;
- Working with areas around the organisation to enhance processes, policies and procedures to detect potential incidents of Modern Slavery and for investigation;
- Continuing to review our training and resources that exist for specialist roles to be confident that our detection rate and coverage is effective.

It's vital that Virgin Money's response to modern slavery is fully aligned to our Purpose of 'Making you happier about money', our values, and is fully embedded in our strategy. That means being honest about the prevalence of modern slavery in our ecosystem, taking responsibility for doing something about it, and following through on those commitments.

We're proud to report we're continuing to make good progress with initiatives such as our aspiration to protect our customers from paying the poverty premium. This is the extra cost that low-income households pay to access basic services.

We know how important it is to support and protect those that have been exploited and we must do away with the premium to remove additional burdens forced upon victims on their road to recovery. However, we know there's still much more to do.

On behalf of the Virgin Money Board, we confirm our commitment to working with not just colleagues but also our suppliers, customers, and many other stakeholders to continue to drive change and help make modern slavery a thing of the past.

A handwritten signature in black ink that reads "David J. Duffy". The signature is written in a cursive style with a large initial 'D'.

David Duffy, Group Chief Executive Officer

For and on behalf of the boards of Virgin Money UK PLC and Clydesdale Bank PLC

27 March 2024.

Source name:

1. [ILO, Global Estimates of Modern Slavery: Forced Labour and Forced Marriage 2022](#)
2. [2021 UK Annual Report on Modern Slavery](#)
3. [Global Slavery Index | Walk Free](#)