2021 Modern Slavery Statement

This statement comprises the Slavery and Human Trafficking statement of Shawbrook Group plc and its wholly owned subsidiary Shawbrook Bank Limited. (together 'Shawbrook' and the 'Group') pursuant to section 54(1) of the Modern Slavery Act 2015 ('MSA') for the financial year ending 31 December 2021. This Statement does not cover Shawbrook Bank Limited's wholly owned subsidiary, The Mortgage Lender Limited ("TML"). Acquired by the Group in 2021, TML is not required to publish its own Modern Slavery Statement due to its turnover being below the statutory threshold. However, the Group has commenced a process of aligning TML's policies and procedures around modern slavery to those of the Group and will continue to progress this during 2022.

The Business

Shawbrook is a specialist UK savings and lending bank founded in 2011 to serve the needs of SMEs and individuals in the UK with a range of lending and savings products.

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

Supply Chains

As a financial services provider which does not manufacture, produce or sell any physical goods, and has no retail premises, Shawbrook has a relatively straightforward supply chain compared to other sectors. It is not authorised to conduct any financial services outside of the UK; however, some supply chains can be complex in nature and therefore some outsourcing professional activity takes place outside of the UK.

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, Shawbrook asks that all of its staff and suppliers, such as cleaning contractors, recruitment consultants, stationery providers, design agencies and catering contractors, are expected to behave ethically at all times during the sourcing and supply of goods and services for the Group. Shawbrook periodically reviews the contractual terms in place with its preferred suppliers to ensure that they remain relevant. These records will be reported to and monitored on a regular basis by the Procurement team.

During 2022 Shawbrook will update the financial crime risk assessment (which is part of its procurement process) to include a specific consideration of modern slavery risk.

Additionally, the Procurement team and Relationship Owners are asked to comply with the Chartered Institute of Purchasing & Supply's Code of Professional Ethics.

https://www.cips.org/cips-for-business/performance/ethics/corporate-code-of-ethics/

Shawbrook continues to comply 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 reliably and professionally.

In respect to Shawbrook customers, as part of our customer due diligence standards we look to identify and verify control and ownership structures for all entities, and then screen all relevant parties for adverse media. Additionally, as part of our risk assessment process, we have factored in industry risk scores that are inherently higher risk for modern slavery and human trafficking. The customer risk scores then drive additional due diligence requirements and heightened ongoing monitoring.

Policies in relation to Slavery and Human Trafficking

Shawbrook recognises the role it shares with its suppliers in tackling the growing issues of modern slavery. The Group has zero tolerance to slavery and human trafficking and places a duty on all staff to report any potential infringement arising either internally or externally. Detailed background checks are carried out by an independent firm prior to new employees commencing work with Shawbrook, which would capture any criminal records in respect of slavery and human trafficking offences.

Shawbrook also operates various practices, procedures and policies to ensure compliance with all human rights laws and UK employment laws. Key policies include the:

- Code of Conduct and Ethics;
- Dignity at Work Policy;
- Disciplinary Policy and Procedure;
- Equal Opportunities Policy; and
- Whistleblowing Policy.

Appropriate cross-references to modern slavery offences have been added to the above policies to further heighten awareness in circumstances where related matters are being addressed.

Furthermore, as a predicate offence to money laundering, modern slavery and human trafficking are addressed within our financial crime framework. Shawbrook monitors its risk exposure to the facilitation of modern slavery and human trafficking through risk assessments, due diligence and ongoing monitoring measures completed on our customers and associated parties such as brokers and intermediaries. Relevant policies to note include:

- Anti-Money Laundering and Counter Terrorist Financing Policy
- Intermediary Management and Oversight Policy
- Financial Crime Customer Due Diligence Standards
- Financial Crime Transaction Monitoring Standards

Actions Taken and Planned

During the 2021 financial year, the Group considered the risk of modern slavery in the context of its lending business. When lending to corporate customers in industries where the risk of modern slavery may be elevated, Shawbrook will from 2022 review its customer due diligence processes to enhance the control framework on modern slavery and will also look to strengthen its lending terms and conditions around modern slavery.

Due diligence processes

Although modern slavery and human trafficking concerns are of a generally low risk to the business, Shawbrook 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 always at inception with any new supplier. We are also part of FSQS (Financial Services Qualification System), which is a community of financial institutions. It is operated by a third party, Hellios, which

is recognised for providing total supplier information and risk management solutions and we are confident that this partnership strengthens our ability to systematically monitor supplier activity, ensuring full compliance with our values and relevant legislation, including the MSA.

The Group Procurement and Supplier Performance Management Policy governs the onboarding process and reinforces the importance of due diligence and supplier governance in relation to slavery and human trafficking issues, which as mentioned above requires our colleagues to act ethically and with integrity in all their business relationships.

MSA related clauses are now incorporated into all new contracts with suppliers we identified as being at risk. Contracts with other suppliers will require the supplier to comply with all applicable laws applying from time to time. References to "all applicable laws" would include the Modern Slavery Act 2015.

As noted above, due diligence is also carried out on customers, brokers and intermediaries that also reflect inherent risks from modern slavery and human trafficking.

By having the correct tools (such as the MSA Compliance database and FSQS) and regularly reviewing our policies, we can proactively assess MSA risk. Should any suspicions of modern slavery be identified, the Group will take internal action and escalate through the relevant governance framework for review. If any of these cases are confirmed, relevant authorities are notified and all relevant relationships suspended (i.e. employee, customer, intermediary or supplier).

Measuring effectiveness

In 2021 there were no reported instances of modern slavery within the Group or its Supplier Relationships. The Group will continue to review and monitor its approach to modern slavery amongst our colleagues and suppliers on a regular basis.

Training

In order to maintain awareness and understanding of the risks, specific Modern Slavery Act training forms part of all new employees' induction programmes and is included in mandatory annual refresher training for existing employees.

Board Approvals

This statement was approved by the Shawbrook Group Board on 22 March 2022.

Marcelino Castrillo
Chief Executive Officer

On behalf of:
Shawbrook Group plc and
Shawbrook Bank Limited