

Modern Slavery Statement

Introduction

This statement is made pursuant to Section 54(1) of the Modern Slavery Act 2015 (the Act) and sets out the steps that Unity Trust Bank plc has taken in the financial year ending 31 December 2022 to ensure that slavery and human trafficking is not taking place in its supply chains or any part of its business. The steps outlined below relates to Unity's business and primary supply chain providing details of the diligence taken with its direct first tier suppliers.

About Unity

Unity Trust Bank was founded by Trade Unions and the Co-operative Bank in 1984 to serve the common good and make sustainable economic returns. Working together with like-minded organisations that share its values, Unity offers commercial banking to businesses that address social, economic and environmental needs in local communities. In doing so, Unity aims to deliver on the following purpose, vision and mission:

- Purpose - The purpose of Unity:
 - to be the bank with a social conscience;
 - to provide banking services to viable organisations, sole traders or individuals that contribute community, economic, social or environmental benefit to society, including, but not limited to, Trade Unions, co-operatives, charitable and commercial enterprises; and
 - to achieve sustainable returns for itself and its members as well as a social benefit. This is described as a “double bottom line” approach to all business Unity does.
- Vision - To become the bank of choice for all socially minded organisations in the UK.
- Mission - To help create a better society. Unity is the bank businesses can be proud to bank with. Customers rely on Unity to make a positive impact and invest with a social conscience by only funding organisations that want to make a better world.

Unity provides banking services to small and medium sized organisations in the UK with approximately 150 employees working from offices in Birmingham, Manchester, and London. Unity provides services through a national network of relationship managers and customer support through online and contact centres. Unity does not manufacture foods, handle raw materials or commodities.

As a financial services institution, Unity Trust Bank is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA).

Unity's organisational structure, including the group structure, is detailed in the latest annual report and accounts which can be found on its website. Please visit www.unity.co.uk, for more information.

Policies and procedures

Unity Trust Bank's purpose is to be a bank with a social conscience and to provide banking services to organisations contributing to positive social, economic or environmental impact in the UK. Unity's values ensure ethical and compliant behaviours sit at the heart of Unity's policies, procedures, and business practices. Therefore, across its policies relating to human resources management, third party supplier management and modern slavery, the following actions are embedded:

With respect to human resource management

- Standards of Conduct, which define the behaviours, standards and actions required from all employees. The Standards of Conduct reiterate Unity's commitment to operating in accordance with the Universal Declaration of Human Rights.
- People policies are designed to provide equal opportunities and create an inclusive culture, in line with Unity's values and in support of its long-term success. They also reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and International Labour Organisation (ILO) Declaration on Fundamental Principles and Rights at Work.
- Unity's whistleblowing policy allows anyone who has a concern to raise it anonymously and safely. To ensure independent review of concerns, Unity is setting up an external whistleblowing line available to staff. Whistleblowing is taken very seriously, and Unity investigates any concerns raised and, where relevant, appropriate action is taken.

With respect to third party supplier management

- Anti-Money Laundering (AML) policy sets out the minimum control requirements designed to ensure that Unity complies with the requirements and obligations set out in relevant legislation, regulations, rules, and industry guidance for the financial services sector. This includes the requirement to have adequate systems and controls in place to mitigate the risk of the firm being used to facilitate financial crime. This statement is relevant because modern slavery offences are often linked to money laundering and other financial crimes.
- Supplier Code of Conduct, which outlines the standards that Unity expects its suppliers to adhere to, including on human rights and modern slavery related issues.

Risk assessment and due diligence

Unity operates a simple business model with a simple supply chain primarily sourcing goods and services from the UK with no goods or services sourced from high-risk countries. This simplicity in the business model and supply chain assist Unity in monitoring risks of modern slavery our business and supply chain.

Unity performs risk assessments and due diligence procedures when entering relationships to ensure that slavery and human trafficking do not take place. Regular reviews of supplier relationships are conducted on a risk-based approach to address any material changes within the supply chain and in line with Third-Party Management Standards.

Unity's assessment of exposure to the risk of Modern Slavery is embedded within a comprehensive overall risk assessment and is not carried out separately. Given its size, structure, location, and supply chain, this approach provides a proportionate response to potential risks. Unity keeps this approach under constant review as it changes in size and complexity.

Whilst Unity believes there is a low risk within its business operation, the most salient risk of encountering Modern Slavery lies where Unity does not have direct management control or direct engagement downstream in its supply chain. This may include suppliers that provide support staff in, for example, catering, cleaning or security posts. Unity requires policies and procedures for suppliers as detailed below to reduce this risk.

Employees

Unity's Human Resources team follows the Recruitment and Selection Policy in vetting candidates for new roles. This process includes assessing the candidate's legal right to work in the UK, proof of identity and address verification, reducing the risk of hiring individuals who are being forced to work.

The Employee Handbook sets out Unity's Standards of Conduct making it clear that Unity fully supports the right of all potential or existing employees to work in an environment free from any form of harassment or intimidation. This commitment to respecting human rights in the workplace is evident in Unity's [values](#) and human resources policies and procedures.

Unity fosters a working environment where staff can be confident that their views are encouraged, and their concerns are attended to. Unity has a Whistleblowing Policy that allows its staff to raise concerns where the normal channels may be inappropriate. It is designed to ensure that staff can raise concerns about wrongdoing or malpractice within Unity without fear of victimisation, subsequent discrimination, disadvantage, or dismissal.

Concerns are resolved fairly and without retaliation, with conduct that does not conform to Unity's standards treated as a serious violation of its values and policies. Appropriate disciplinary action, which may include termination of employment, is taken against those who engage in poor conduct.

Suppliers

Unity requires suppliers to respect the human rights of their employees and the communities they operate in. Through Unity's Third-Party Management Standards, it challenges prospective suppliers to provide evidence of the policies and procedures they follow to prevent Modern Slavery.

Prospective suppliers are also challenged on their commitment towards the National Living Wage. As an accredited Living Wage employer, Unity is working on a plan to extend its Living Wage commitment to suppliers in high-risk sectors such as cleaning, catering and security services. Unity is reviewing contracts with suppliers in this category with the aim of helping them commit to and meet the Living Wage commitment.

Unity requires that suppliers demonstrate ongoing compliance with those policies including applicable laws and regulations.

The Third-Party Supplier Management Standards also set out the minimum evaluation requirements of due diligence required when Unity enters into new contractual agreements. The level of due diligence depends on Unity's risk assessment considering the type of supplier arrangement and value of the contract. As a minimum Unity will ask each prospective supplier to confirm they are aware of their responsibility under the Act and to demonstrate their compliance.

Performance indicators and reward

Unity understands that financial pressures or unreasonable delivery targets may unintentionally increase pressure on its staff and suppliers which can result in Modern Slavery. As such, Unity enters negotiations with a view to achieving a fair deal with reasonable expectations, fair and timely compensation for both staff and suppliers.

Unity's remuneration policies are designed to pay its people fairly and to attract, retain and motivate the best people, regardless of gender, ethnicity, age, disability, or any other factor unrelated to performance or experience.

Unity is a Living Wage Accredited employer – the first bank in the UK to achieve this award. Being a Living Wage employer means that Unity pays each of its employees a rate on or above the National Living Wage. The Living Wage is set on an annual basis and is significantly above the National Minimum Wage. The amount reflects the calculated cost of an acceptable standard of living. Unity’s commitment to paying the Living Wage stretches beyond its staff, to include subcontractors such as cleaners. In addition, Unity was accredited the Investors in People (IIP) Gold status in recognition of the value it places on its staff and their training and development. Unity extends this Living Wage to regular sub-contracted staff.

Unity’s policy is to pay suppliers within 30 days, Unity will be reporting on its supplier payment days for the first time in 2023.

Training

Unity uses UnityLearn, its e-learning portal, to raise awareness on several issues including Modern Slavery. Unity’s staff are required to complete a range of mandatory training activities as required by law and regulators. These activities include Whistleblowing and Customer Due diligence. In addition, an Anti-Slavery online course is available to employees as an optional module, from 2023 this will be included as part of the mandatory training modules.

Governance

This statement was approved by the Board of directors on 7 March 2023 and signed off on behalf of the Board by Deborah Hazell.

Deborah Hazell

Chief Executive Officer, Unity Trust Bank plc
7 March 2023