

Modern Slavery Act Statement

Slavery and Human Trafficking Statement made on behalf of Al Rayan Bank further to section 54 of the Modern Slavery Act 2015

Organisation and Structure

Al Rayan Bank is the UK's oldest and largest Sharia compliant retail bank based in Birmingham, United Kingdom, Al Rayan Bank was previously known as the Islamic Bank of Britain. However, in 2014 it was acquired by Masraf Al Rayan, part of the MAR group of companies, which is one of the largest Islamic banks in the world. The acquisition, which joined 2 complementary organisations resulting in the renaming of the Bank.

Al Rayan Bank is the first British bank to operate, in accordance with Islamic Principles, although the Bank welcomes people of all faiths and is becoming increasingly popular with non-Muslims looking for an ethical alternative to conventional banking.

Al Rayan Bank has one highly trained contact centre, secure online banking services and 24-hour automated telephone banking service. Al Rayan Bank provides Sharia compliant savings, finance, and current account products to personal, business, and premier customers.

Al Rayan's supply chains

The Bank does not manufacture or supply any goods. The Bank's suppliers support our functions and the retail financial services we provide to our customers. The Bank's suppliers are subject to due diligence checks before we enter contracts, as well as regular ongoing risk monitoring.

The Bank's call centre is UK-based, as are the majority of the Bank's suppliers.

Our Approach to Slavery and Human Trafficking

The Bank has zero tolerance to slavery and human trafficking and is committed to taking all reasonable steps to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

Due to the nature of the Bank's business and its supply chains, following careful consideration, we believe that the risk of the presence of slavery or human trafficking in our supply chains is low. However, the Bank is not complacent in relation to these issues.

The Bank's procurement policy is to require all our suppliers to comply with all applicable legal requirements, including those related to modern slavery and human trafficking.

In addition, Al Rayan Bank does not invest in or engage with any business that is involved in alcohol, gambling, pornography, speculation, tobacco, arms, and / or other activities not in keeping with Banks ethical and Sharia principles.

Organisational Approach

Operational Approach & Policies in relation to slavery and human trafficking:

The Bank is confident with its core policies, risk assessments, due diligence, and training, that Modern Slavery Obligations are met.

We operate a policy governance Framework across the Bank. Each policy is owned by a subject matter expert and then approved via stakeholder engagement, a sub-committee and a decision-making committee which is always at Executive Committee Level or above.

The Bank operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations.

- **Whistleblowing Policy:** The Bank encourages all its colleagues, customers, and other business partners to report any concerns related to the direct activities, or the supply chains of, the Bank. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. The Bank's whistleblowing procedure is designed to make it easy for colleagues to make disclosures, without fear of retaliation.
- **Colleague expectations:** The Bank has transparent policies and an employee handbook in place to make clear to colleagues the actions and behaviour expected of them when representing the Bank. We strive to maintain the highest standards of colleague conduct and ethical behaviour when operating and managing its supply chain.
- **Code of Conduct:** The Bank also has its Code of Conduct Policy which is in line with the Bank's behaviours and values. The Code of Conduct sets out standards which we are all bound by. The Bank's success is based on continuous hard work and its commitment to honesty and integrity in everything we do. It is vital that we conduct our banking with the highest standards of ethics and integrity.
- **Procurement Policy:** The Bank is committed to ensuring that its suppliers adhere to the highest standards of ethics. All vendors during the contracting process and as part of their vendor audits are required to provide a copy of their publicly available Modern Slavery Statement where they are required to have one in place under the Modern Slavery Act 2015. In addition to this all vendors are requested to provide details of measures they have in place to comply with the said Act and how they further check their supply chains are also complying with The Modern Slavery Act 2015.
- **Recruitment Policy** We use only specified, reputable employment agencies to source labour and we always verify the practices of any new agency it is using before accepting workers from that agency. Recruitment agencies undergo the same due diligence checks as part of our procurement policy, including reviews of a firms' Modern Slavery Statements.

Risk Assessments and Due Diligence in relation to slavery and human trafficking:

The robust governance approach ensures the Bank considers all its responsibilities, including our Modern Slavery obligations. We operate a policy Governance framework across the Bank.

- The procurement function focuses on ensuring appropriate due diligence and compliance checks are undertaken within our supply chain. All vendors go through a robust risk assessment before we agree to work with them.
- As a Living Wage employer, we have a dedicated HR team who focuses on creating a culture which delivers more than our statutory obligations.

Ongoing Controls & Oversight

During 2020 the Bank had three key areas of focus to support and build on modern slavery and human trafficking awareness, which the Bank will look to continue to develop further over the next 12 months:

- **Procurement:** Our procurement team will be building on our already established foundations, including completing a full review of our supply chain and embedding our new Procurement Policy. This will include reviewing any recruitment partners we work with and ensuring they are signed up to our new recruitment agreement.
- **Colleague awareness:** We will continue to roll out an eLearning module and look to support and build colleague awareness on how to highlight any concerns through lunch and learns sessions

Sharia compliance statement

The Bank operates within Sharia principles and all colleagues are to be vigilant in their practices to ensure that all their actions do not conflict with Sharia principles and do not undermine these principles in any way. If staff are in doubt, then they must seek guidance from the Sharia Compliance team.

All colleagues will be responsible for reporting to their Line Manager any procedure or activities that might have an impact on the Bank's compliance with Sharia.

The Sharia Compliance team will always be included in the sign-off process for new or amended products, services and associated procedural documentation.

Next Steps

The Bank will continue to regularly review our approach to tackling modern slavery and human trafficking. This helps us engage with suppliers to identify any ethical trading issues and incidents of slavery or human trafficking and take appropriate action.

The Bank will be focusing on awareness-raising programmes in 2021.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Bank's slavery and human trafficking statement for the financial year ending 31 December 2020.

The Bank's Slavery Statement has been reviewed and approved by the Bank's Board on 1 July 2021.