

# Modern Slavery Statement 2023

This Statement has been published in accordance with Section 54(1) of the Modern Slavery Act 2015 (the 'Act') and constitutes NFU Mutual's Modern Slavery Statement for the financial year commencing 1 January 2023 and ending 31 December 2023.

NFU Mutual is committed to acting with integrity in all areas of its business. We recognise that Modern Slavery and Human Trafficking ('MSHT') is a serious crime. We understand our responsibility to have effective systems and controls in place to safeguard against any form of MSHT and to build upon our response to MSHT over time.

This Statement sets out the steps taken by NFU Mutual in 2023 to prevent any form of MSHT taking place in our business operations and supply chain.

## **Our Business and Supply Chain**

NFU Mutual is a financial services business offering a wide range of personal, business and farming insurance, investment, and financial services. NFU Mutual (Service Company) Limited is a wholly owned subsidiary company who employs all of the UK based staff of the NFU Mutual Group.

NFU Mutual operates through approximately 300 offices across Great Britain and Northern Ireland, the Isle of Man and the Channel Islands, supported by customer support centres and our online provision. We have over 4400 employees and an annual business turnover in excess of £2,200m.

Our own hiring practices are robust and existing procedures are designed to ensure that no modern slavery exists within our directly hired employee population.

Our supply chain is predominantly UK based and is managed by a team of NFU Mutual procurement and vendor management specialists.

## **Our MSHT Policies**

NFU Mutual expects and requires that our staff and suppliers always behave with integrity and in a lawful manner. We have several policies and due diligence procedures in place to manage the risk of MSHT which are available to all staff through the NFU Mutual intranet, comprising:

- NFU Mutual's 'Guiding Principles' for all employees. This places integrity at the heart of our business and requires our people work to high standards to ensure that we always do the right thing.
- Our Supplier, Outsourcing and Third-Party Policy. This requires our suppliers meet our due diligence requirements at selection stage, including an awareness of and compliance with the Act. This Policy specifically sets out the process for reporting both MSHT and financial crime.
- Our recruitment and selection policies and processes which include screening checks to confirm individuals' identification and eligibility to work in the UK.
- Our Anti Money Laundering Policy includes specific reference to MSHT to make this issue significantly more visible to our staff.

These policies set out the standards required of our staff and include details of the mechanisms in place which can be used to report issues or concerns about MSHT linked to our business. We actively enforce our extensive policies and practices addressing how the business will operate in a sustainable manner. NFU Mutual remains committed to regularly assessing our policies and due diligence procedures to ensure that these meet legal requirements and reflect good industry practice.

### **Our Reporting Mechanisms**

Using a Speak Up Hub on our internal web pages, we clearly communicate and signpost to our staff how they can raise any concerns regarding illegal, unethical or dishonest behaviour including MSHT related risks or issues. Our 'Speak Up Procedure' provides our staff with guidance on how they can raise concerns relating to the activities of NFU Mutual which are in the public interest. The Procedure explicitly signposts MSHT.

If our staff feel unable, for whatever reason, to raise a MSHT concern directly with someone at NFU Mutual, we provide all staff with access to Safecall, an external and independent company which runs a 24 hour / 7 days a week confidential reporting service.

### **Our Approach to Risk Management and Due Diligence**

NFU Mutual regularly assesses supplier risk and classifies suppliers to ensure that they are managed appropriately. We carry out due diligence and risk assessment of our suppliers in a variety of ways:

- NFU Mutual is a member of the Financial Services Qualification System ('FSQS') which is a community of financial institutions, including banks and insurance companies, collaborating to agree a single standard for collecting third-party information needed to demonstrate compliance to regulators, internal policies and governance controls. FSQS contains a set of questions on MSHT and labour standards for completion by our suppliers and this was reviewed in 2023 to gain a more thorough understanding of our suppliers' position. FSQS forms a key part of the due diligence process during the supplier selection and ongoing supplier management. This not only allows NFU Mutual to understand how our supply chain complies with the Act but also gives us data to challenge and ask more questions of our suppliers.
- Where NFU Mutual plans to spend more than £2,500 with a new supplier, we conduct an initial supplier risk assessment to identify whether additional due diligence is required on that supplier.
- Politically exposed person checks and sanction checks.

NFU Mutual is a signatory of The Principles for Responsible Investment ('PRI') and our investment approach incorporates Environmental, Social & Governance ('ESG') considerations. When engaging with investee companies we make our ESG priorities clear, including compliance with the Act. In early 2023, we joined the Votes Against Slavery initiative through the PRI Collaboration platform. The initiative, led by Rathbones, targets UK-listed FTSE 350 companies which fail to comply with Section 54 of the Modern Slavery Act (2015).

### **Our Contractual Controls**

Throughout 2023, we have continued to introduce strong MSHT clauses into our new service contracts, and at contract renewal, to support supply chain transparency. Our suppliers are required to:

- comply with the Act and all applicable laws, regulations and guidance relating to it and to ensure that their staff have received appropriate training on the same.

- not engage in any activity, practice or conduct that would be an offence under the Act.
- take all reasonable steps to ensure that MSHT is not taking place in its business or its supply chain.
- ensure that its sub-contractors (where there are any) are bound by equivalent terms.

We require our suppliers to provide us with evidence of their compliance with these requirements upon request. We also require contractual auditing and access rights over our suppliers and their subcontractors to oversee and ensure MSHT compliance.

NFU Mutual requires that its agency network also meets MSHT requirements through our Agency Agreement. This obligation extends to persons who are providing services or goods in connection with the Agreement.

### **Communication and Training**

In 2023 NFU Mutual continued to focus on raising awareness of MSHT across our business in a variety of ways:

- We run a company-wide training programme as part of the Senior Managers & Certification Regime ('SMCR'), which covers the Conduct Rules. The Conduct Rules set minimum standards of individual behaviour in financial services businesses, including acting with diligence and integrity. We require all our employees to complete SMCR eLearning every 2 years and to complete an annual attestation. We also require our new starters to complete the Conduct Rules eLearning and attestation as part of our induction curriculum.
- We have met our regulatory obligations by providing our staff with annual mandatory Financial Crime training which covers how staff can raise any financial crime concerns. This has specific training material on MSHT to increase staff awareness and to provide a reminder of how to report concerns.
- We have a centralised hub within the NFU Mutual intranet, focussing on Responsible Business within Procurement, where staff can find information on MSHT and how to report any concerns.
- We have evolved our Responsible Business Strategy to consider factors across an Environmental, Social and Governance (ESG) framework. To support the business with this approach, four strategic ESG ambitions have been created that the company will work towards over the long term. One of the strategic ambitions is 'Doing Business the Right Way', which outlines that we will continue to incorporate ESG factors in our decision-making, how we operate our business and our supply chain, where we place our investments and the products and services we provide. A key focus area under this ambition is Human Rights and Working Conditions. We have focused on both NFU Mutual's working practices and our employee rights, as well as those of individuals and businesses across NFU Mutual's entire supply chain.
- MSHT and guidance on how to report any MSHT concerns, has been added to the Procurement eLearning platform, which is mandatory annual training for those Business Relationship Managers who manage NFU Mutual's strategic or key suppliers.

NFU Mutual continues to partner with Slave-Free Alliance, an international social enterprise which supports organisations to address risks of modern slavery in their operations and supply chains and to carry out targeted training to specific groups of NFU Mutual staff to deepen awareness of MSHT and educate those most likely to encounter instances of MSHT harms.

- In 2023, we launched a MSHT awareness campaign specifically for our agents to align with the national Anti-Slavery Day. This provided us with an opportunity to publicise

coordinated NFU Mutual MSHT briefings using a number of communication channels, provide guidance to agents on how to report any MSHT concerns and to signpost them to NFU Mutual's Modern Slavery Statement.

### **Effectiveness**

We have continued to assess our suppliers' responses to our due diligence to consider the risk of MSHT taking place within their businesses or supply chains. We have assessed our suppliers' general approach to MSHT, such as them having in place a Modern Slavery Statement displayed prominently on their website.

Since launching our evolved Responsible Business Strategy, we have been working to establish measurable and meaningful targets to track our progress. In 2023, NFU Mutual's Board approved a set of flagship targets to assess delivery against each of our Responsible Business ambitions. To read more about our progress, what we delivered in 2023 and our longer-term aims, please read our Responsible Business Report.

To support our Responsible Business activity, NFU Mutual has an executive-level ESG Steering Group, which is chaired by CEO, Nick Turner. The responsibility of the ESG Steering Group is to review how the business is performing against the targets we set ourselves, whilst monitoring ESG risks and assessing opportunities in line with industry benchmarks. The Steering Group will also challenge whether we are doing enough and moving fast enough in this space – balanced against our overall business objectives. We will continue to monitor regulatory requirements in regard to the disclosure of ESG topics to ensure we adhere accordingly.

We have ensured that any cases recorded through our whistleblowing reporting mechanisms raising issues relating to potential MSHT concerns are handled appropriately and efficiently. We regularly review our processes and operate a continuous improvement plan.

We also have wide-ranging financial crime frameworks in place designed to combat financial and related crimes across our business, supply chain and customers. These have resulted in the identification of a small number of MSHT concerns during 2023 which have been assessed on a case-by-case basis. Where appropriate, disclosures are made to law enforcement and partner organisations.

### **Approval**

This Statement was approved by the Board of The National Farmers Union Mutual Insurance Society Limited on 25 April 2024 on behalf of itself and all of its subsidiaries and by the Board of NFU Mutual (Service Company) Limited on 25 April 2024.

The Statement was signed by Richard Morley, Finance Director and Nick Turner, Group Chief Executive on 25 April 2024.

**Richard Morley**

**Finance Director**

**25 April 2024**

**Nick Turner**

**Group Chief Executive**

**25 April 2024**