

# Modern Slavery Statement 2021

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 2021 and ending 31 December 2021.

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 2021 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 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 4000 employees and an annual business turnover in excess of £1,800m.

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

In 2021, we have enhanced our Anti Money Laundering Policy to include 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 report issues or concerns about MSHT linked to our business. 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**

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 updated '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 Scheme ("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 2021 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 has applied to become a signatory of The Principles for Responsible Investment (PRI) and our investment approach incorporates Environmental, Social & Governance (ESG) considerations. We aim to engage with investee companies to make our ESG priorities clear, including compliance with the Modern Slavery Act 2015.

In 2021, the first group-wide Financial Crime risk assessment of MSHT was completed by NFU Mutual's Compliance department. This resulted in recommendations to mature and develop NFUM's approach to MSHT which are supported by senior leadership across different areas of the business.

### **Our Contractual Controls**

Throughout 2021, 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 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 rights over our suppliers to oversee and ensure 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 2021 NFU Mutual continued to focus on raising awareness of MSHT across our business in a variety of ways:

- In April and November 2021, a company-wide briefing was circulated to all staff to raise awareness of MSHT issues. This provided guidance for staff on how to report any MSHT concerns and signposted them to NFU Mutual's Modern Slavery Statement.
- 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. In 2021, we added specific training material on MSHT to increase staff awareness and to provide a reminder of how to report concerns.
- We created 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.

## **Effectiveness**

In 2021, we 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.

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 2021 which have been assessed on a case-by-case basis and did not result in any reports to law enforcement.

## **Approval**

Approved by the Board of The National Farmers Union Mutual Insurance Society Limited and the Board of NFU Mutual (Service Company) Limited on 28 April 2022.

The Statement is signed by Nick Turner, Group Chief Executive.

**Nick Turner**  
**Group Chief Executive**  
**28 April 2022**