

ANNUAL MODERN SLAVERY STATEMENT

Modern Slavery Act 2015

NFU MUTUAL STATEMENT FOR 2018

The Modern Slavery Act (the “Act”) was introduced in 2015 to cover slavery, servitude, human trafficking and forced labour (“Modern Slavery”). NFU Mutual is committed to acting with integrity in all areas of business and to putting effective systems and controls in place to safeguard against any form of Modern Slavery taking place within our own business or in our supply chain. This is NFU Mutual’s Modern Slavery statement for financial year 2018.

Our business and our supply chain

NFU Mutual is a financial services group offering a wide range of personal, business and farming insurance, investment and financial services. The business is UK based with over 3500 employees and a business turnover over c. £1,500m.

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

Policies, procedures and ways of working

The nature of the financial services industry and the fact that NFU Mutual operates solely within the UK, limits the direct exposure towards forms of Modern Slavery.

However, NFU Mutual is not complacent and expects and requires that its employees and each of its suppliers conduct business with integrity and in a lawful manner and we have a number of policies and procedures to manage the risk of Modern Slavery, including:

- Guiding Principles for all employees that place ‘Integrity at the heart of the business’ to ensure we always do the right thing

- **Speak Up Policy** incorporating the provision of a confidential whistleblowing service available to all our staff to report illegal, unethical or dishonest behaviour, including Modern Slavery
- **Our recruitment policies and processes** include screening checks to ensure eligibility to work in the UK.
- **Supplier, Outsourcing and Third Party Policy** ensures all suppliers go through the appropriate due diligence at selection stage, ensuring awareness and compliance with the Act where applicable.
- **Our standard services contract** includes a 'Supply Chain Transparency' clause which requires our suppliers to comply with the Act.

Due diligence processes, risk assessment & measuring effectiveness

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

- **An annual due diligence questionnaire** is used to ensure ongoing awareness and compliance with the Act.
- **Politically exposed person checks** and sanction checks
- **Where NFU Mutual intends to spend more than £2,500 with a new supplier**, we complete an initial supplier risk assessment that identifies if additional due diligence is required on that supplier.

In 2018, we continued to review our processes and assess the responses received from our suppliers' due diligence in order to measure the effectiveness of the practices and procedures we operate and manage and investigate any areas of concern.

We have created new contract clauses to set out our expectations regarding Modern Slavery. These are included in our standard template supplier agreements for any new contracts. We require our suppliers to procure that all persons who are providing services or goods in connection with the contract or to support performance of the contract in any part of the world:

- **comply with the Act and ensure that its personnel receives appropriate training on the same;**

- not engage in any activity that would be an offence under the Act;
- take all reasonable steps to ensure that Modern Slavery is not taking place in its business or supply chain; and
- ensure sub-contractors are bound by equivalent terms

We require our suppliers to provide us with evidence of its compliance with these requirements on request, and we have audit and record rights to oversee compliance.

Training and education

We are committed to raising awareness of the issues of Modern Slavery with our Procurement staff receiving training. In addition, we are rolling out a company-wide training programme as part of the Senior Managers & Certification Regime which covers the Conduct Rules. These rules define the minimum standards of behaviour required by our employees.

Process followed to issue this statement

This statement is made in accordance with Section 54(1) of the Modern Slavery Act 2015 and constitutes NFU Mutual's Modern Slavery statement for the financial year commencing 1 January 2018 and ending 31 December 2018.

This statement was approved by the Board of The National Farmers Union Mutual Insurance Society Limited and the Board of NFU Mutual (Service Company) Limited on 25th April 2019.

A handwritten signature in black ink that reads "Lindsay Sinclair". The signature is written in a cursive style and is positioned above a short horizontal dashed line.

Lindsay Sinclair

Group Chief Executive