

Modern Slavery Statement.

2020

Introduction.

Tackling Modern slavery and human trafficking remains a critically important issue for UK business and Tesco Underwriting takes its obligations in this respect very seriously. Modern slavery is a hidden crime which has no place either within our business or supply chain and Tesco Underwriting has adopted a zero tolerance to it.

This statement refers to the financial year ending 31 December 2020 and Board approval was given on 4th May 2021. It sets out the steps that Tesco Underwriting has put in place to prevent modern slavery and human trafficking and what action we will be taking over the coming year to continue to tackle the issue and ensure our strategy responds to changing risks.

Our business.

Tesco Underwriting is a financial services company providing non-life insurance products within the UK – from the 4th May 2021 it will be a wholly owned subsidiary of Tesco Bank.

Headquartered in Reigate, Surrey, we serve the UK retail financial services market. We employ around 400 colleagues, who serve our customers from two main centres in Reigate and Newcastle.

We have a supply chain with around 200 active suppliers, a number of these are long term relationships. Our main categories of purchasing spend are technology, claims fulfilment services, property and consultancy. The majority of our suppliers provide services from within the UK, with only a small percentage from Europe and an even smaller number from the rest of the world.

Tesco Underwriting Policy.

Tesco Underwriting understands that people lie at the heart of this legislation. Our business is built around people – our customers, colleagues, suppliers, the communities that we serve – and we recognise our responsibility to respect their human rights.

Tesco Underwriting does not tolerate slavery, human trafficking, forced labour, child labour or child exploitation.

Procedures to manage slavery risk.

As a UK-based financial services organisation, we believe the risk of modern slavery within our own business to be low. We recognise, however, that through our supply chain we could be indirectly exposed to the risk of modern slavery and human trafficking.

We continue to review our processes and supply chains to identify areas where workers are more vulnerable to abuses like slavery.

We consider the types of service provided by our suppliers and the type of labour used, (e.g. seasonal, permanent or agency). We also review the country of origin of our suppliers and the country from which services are provided to identify any issues which may feature further down the supply chain, for example in relation to the sourcing of materials and components.

1. Tackling Modern Slavery – Our Supply Chain.

Tesco Underwriting engages with a wide range of external suppliers who help to deliver high quality services to our customers. We engage with suppliers of facilities management services, such as cleaning providers. As an insurer it also engages with suppliers of goods and repair services when customers' property has been lost or damaged, and medical and assistance services when customers have suffered accident or injury. Tesco Underwriting recognises that there is a risk that modern slavery and human trafficking may occur in supply chains of this nature.

We expect all our suppliers to operate in an ethical, responsible, open and transparent manner and be compliant with all applicable laws and regulations.

To manage this, we have a rigorous approach to Procurement & Supplier Management.

Our due diligence processes verify suppliers' compliance with the Modern Slavery Act and we check regularly they have an up to date Modern Slavery Statement as well as checking that they have appropriate policies for their business and supply chain.

Where possible and appropriate, we also include clauses in new contracts with suppliers requiring them to at all times maintain and implement policies designed to ensure that there is no modern slavery in their business or supply chains.

2. Tackling Modern slavery – Our business.

Recruitment and Employment

Tesco Underwriting has appropriate recruitment processes and procedures in place, including conducting eligibility to work in the UK checks for all employees to mitigate against human trafficking or forced labour.

The majority of our colleagues are employed on permanent or fixed term contracts, however, when temporary staff are needed, Tesco Underwriting only uses reputable employment agencies. All recruitment agencies are also subject to additional due diligence.

All temporary staff are Pre- Employment Screened (PES) in accordance with our permanent and Fixed Term Contractors (FTC) Pre-employment Screening standards to ensure consistency of approach.

Education, Training and Ethical Standards

In addition to having suitable policies in place, Tesco Underwriting understands that a key part of our commitment to the Modern Slavery Act is to ensure all colleagues understand what modern slavery is and comply with the highest ethical standards and integrity. We have embedded this in our business via the Tesco Underwriting Values and training in support of colleague duties under the FCA's Conduct rules.

Whistleblowing

In order to ensure that we detect, report and importantly prevent modern slavery within our organisation and supply chain, we encourage all colleagues to raise any concerns or suspicions at the earliest possible stage, without fear of reprisal. All colleagues are, therefore, given guidance on our whistleblowing policy and procedures, and have access to an external and anonymous hotline

3. Impact and monitoring.

We will continue to review and report on the following indicators to assess the effectiveness of our actions:

- Number of reports of modern slavery through our external hotline:
 - In 2019/20 we had no reported incidents of human rights breaches, slavery or trafficking.

Next Steps

Over the next 12 months we will continue to strengthen our approach to managing the risk of modern day slavery within our business and ensure our strategy is responsive to changing risks. In particular, we aim to:

- Continue to monitor our suppliers to ensure they continue to take appropriate measures to comply.
- Develop Tesco Underwriting's long term strategy and action plan for tackling modern slavery and human trafficking within the supply chain as part of our wider Supplier Management activities

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

Signed



Steve Kingshott
CEO