

Tesco Underwriting Modern Slavery Statement.

2022/23

Introduction.

The UK Modern Slavery Act 2015 (the 'Act') requires businesses to state the actions they have taken during the financial year to ensure modern slavery is not taking place in their operations and supply chains.

Modern slavery and human trafficking is a hidden crime which has no place within our business or our supply chain. Tesco Underwriting has adopted a zero-tolerance approach and we firmly support transparency and collaboration to eliminate the risks of modern slavery.

This statement refers to the financial year ending 28 February 2023 and covers Tesco Underwriting Ltd. It sets out the steps that Tesco Underwriting has put in place to prevent modern slavery and human trafficking in our own operations and within our supply chains.

Over the past 12 months we have continued to train new colleagues joining the business to ensure all Tesco Underwriting colleagues understand their responsibilities in relation to modern slavery.

In the year ahead we will continue to develop our approach to managing the risk of modern slavery within our business and supply chains, and ensure our strategy continues to respond to changing risks as we aim to eradicate modern slavery.

This statement was approved by the Board of Tesco Underwriting Ltd on 11th July 2023

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our group's slavery and human trafficking statement for the financial year ending 28 February 2022.



Gary Duggan

Chief Executive Officer

11th July 2023

Our business.

Tesco Underwriting, a wholly owned subsidiary of Tesco Bank, is a financial services company providing non-life insurance products within the UK.

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.

At the heart of everything our colleagues do is our renewed core purpose – serving our customers, communities, and planet a little better every day. This means we always keep customers at the heart of what we do, while also reflecting our responsibilities to the communities we serve, source from, and to society more broadly.

These values reflect that our responsibility for the welfare of people goes far beyond those we employ directly. We want everyone who works for or with Tesco Underwriting to have their human rights respected and we know our customers, colleagues and suppliers do too.

Starting with our own business operations and service providers, and then increasing the visibility we have of our supply chains, we work to identify actual or potential risks of modern slavery and help ensure remediation where cases are identified.

A major focus this year has been continuing to manage the impact of the Cost of Living crisis on our colleagues and customers – ensuring people continue to have access to critical financial services. In addition, we are managing the impact of the Ukraine conflict on our repair network in terms of delays to parts in relation to repairs for our customers.

We have a supply chain with around 200 active suppliers, most of which 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.

This purpose is underpinned by our three values:

- 1** No one tries harder for customers
- 2** We treat people how they want to be treated
- 3** Every little help makes a big difference

Policies and Governance.

At the heart of our approach to human rights are a number of important internationally recognised declarations, standards and codes. These are the foundations for how we work across the Tesco Group, and include:

- The UN Universal Declaration of Human Rights.
- The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.
- The UN Guiding Principles on Business and Human Rights.
- The UN Global Compact.
- The Base Code of the Ethical Trading Initiative (ETI).

Our approach to addressing modern slavery sits within this wider human rights agenda. It is supported by our Code of Business Conduct and human rights policy, which set out our obligations to customers, colleagues and communities in our own operations and supply chain.

We take any breach of our policies or allegations of labour abuse extremely seriously. We provide an independent and confidential Protector Line service, that enables our colleagues, suppliers and their staff to raise any concerns. Any concerns regarding human trafficking or modern slavery are reported through colleague reporting lines and our supplier risk channel.



Human rights due diligence.

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. In addition, the financial services industry has a responsibility to identify patterns and behaviours which might indicate where our customers may be subject to modern slavery.

Aligned with the steps taken elsewhere in the Tesco group, we continue to review our processes and supply chains to identify areas where customers or workers are more vulnerable to abuses like slavery.

We assess the potential human rights risks of our supply chain by considering 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.



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

We engage with suppliers of facilities management services, such as cleaning providers. As an insurer we also engage 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.

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.

Whistleblowing service

We provide suppliers with our whistleblowing service, Protector Line, which is available 24/7. All calls received that relate to the provision of goods or services to Tesco Underwriting are reviewed, and the appropriate action taken. (Calls which do not relate to Tesco Bank will not be passed on, but the Protector Line service provider will endeavour to contact the caller's company to alert them of a possible concern.)



Awareness raising and capability building.

In addition to having suitable policies in place, Tesco Underwriting understands that raising awareness of modern slavery across our business is a key part of our commitment to the Modern Slavery Act; ensuring all colleagues understand the drivers of modern slavery and comply with the highest ethical standards and integrity.

We have embedded this in our business via the Tesco Values, our colleague Code of Business Conduct, and training in support of colleague duties under the FCA's Conduct rules.

Over the past year, we have continued to run online training for all new colleagues joining the business to ensure all colleagues are appropriately skilled in the identification of indicators and signs of modern slavery within financial services, and how this should be escalated where appropriate. This training is updated frequently to ensure our case studies remain relevant.



Tackling modern slavery – our business operations.

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.

We have long-standing relationships with the majority of agencies, and are assured of their practices from previous experience and their reputation in the marketplace. If we engage any temporary staff from agencies, they are always thoroughly checked prior to their appointment by the agency, which safeguards against modern slavery.

All staff (permanent/fixed term contract/day rate contractor/temporary worker) are screened in line with our employment screening policy to ensure consistency of approach.

Whistleblowing

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 given guidance on our whistleblowing policy and procedures, and have access to an external and anonymous Protector Line. Contact details for reporting to external organisations are included in the training materials and on our intranet site.

Impact and monitoring.

We will continue to report annually within this statement on the below Key Performance Indicators and measures to assess the effectiveness of our actions

Measure	Status
Number of Tesco Underwriting colleagues trained on modern slavery	336
Number of whistleblowing cases with modern slavery indicators	0
Number of modern slavery cases successfully remediated	No cases in 2022/23.

Plans for 2023/2024

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. We will act immediately to address any concerns identified.