

# Modern Slavery and Human Trafficking Statement

## Introduction

The NewDay Group (“NewDay”) aims to act fairly, ethically and openly in everything that we do. We are committed to carrying out our business responsibly, and this includes ensuring that slavery and human trafficking are not taking place in any part of our business or supply chain. The requirements of the Modern Slavery Act 2015 (the “Act”) aim to work towards eradicating modern slavery in commercial organisations with business operations in the UK. NewDay fully supports this goal.

This statement provides details of the steps that NewDay has taken as a business during its financial year ending 31 December 2016 towards ensuring that slavery and human trafficking are not taking place within our organisation, or within our supply chain.

## Our Structure and Business

(a) Our structure: our ultimate parent company, NewDay Group (Jersey) Ltd, incorporated in Jersey, together with its subsidiaries and subsidiary undertakings, comprise the NewDay Group.

(b) Our business: NewDay is a leading provider of credit to UK customers, specialising in the issuance of credit cards within the financial services sector in the UK. Our employees numbered approximately 800 employees as at 31 December 2016.

For the financial year ending 31 December 2016, we reported Total Underlying Income of £412.4m and Total Underlying Profit before Tax of £94.9m. Group closing receivables, one of the NewDay’s key performance indicators, stood at £1,815m as at 31 December 2016.

NewDay’s most recent statutory financial statements are available on our website at the following address:

<http://www.newday.co.uk/investor-relations/results-reports-presentations/>

(c) Our supply chains: NewDay’s supply chain is made up of direct suppliers and, where applicable, the suppliers’ extended supply chain, providing a range of products and services to NewDay’s customers, clients and employees.

## Our policies on modern slavery and human trafficking

A statement in relation to Human Rights, which outlines the relevance of human rights to our employment policies and practices, is included on our [website](#). Our commitment to combating modern slavery and human trafficking is embedded into NewDay’s policies. These have been reviewed and amended to take account of requirements of the Act, including:

- Our employment policies and procedures covering our obligations as an employer;
- Our Code of Ethics and Integrity policy outlining our expectations regarding honesty and integrity, and stating that standards of conduct must be aligned with NewDay’s Manifesto and Values. Our Values are core to the way we work and set the behaviours and standards we expect from our employees;

- Our Procurement Policy detailing the need to understand our supply chain risk, use best practice in the application of ethical standards and comply with relevant legislation;
- Our Procurement Governance Framework specifying the supplier on-boarding due diligence required as well as ongoing monitoring requirements; and
- Our commitment to fully supporting human rights. All aspects of our operations and, where material, our policies are guided by the Human Rights Act 1998 and the International Labour Organisation (ILO) core standards.

### **Employment policies and procedures**

All of our employment policies and procedures are underpinned by our Board People Policy, which outlines our commitment to fulfilling all of our obligations as an employer in line with all relevant UK employment law requirements and best practices.

### **Our supply chain – assessing risk**

NewDay works with approximately 340 third party suppliers, the majority of which are based within the UK or European Economic Area. Our supply chain is principally made up of direct third party suppliers who supply us with products and/or services which, in turn, help us to deliver services to our customers, clients and employees. A number of our suppliers use their own supply chain to deliver services to us, and thus we believe it is important that our suppliers share our commitment to combating modern slavery and human trafficking both within their own organisation and when overseeing their own third party supply chain.

Our primary focus is on areas of our supply chain which potentially carry a higher risk, for example our sub-contracted workforce. Our general risk assessment also allows us to understand and focus on our suppliers with operations in higher risk locations, particularly emerging economies and less developed countries.

### **Our supply chain – managing risk**

NewDay has put in place robust processes that aim to ensure NewDay only works with appropriate suppliers who can meet the standards expected of them. NewDay is developing a Supplier Code of Conduct, which will encourage consistent behaviours and practices within our supply chain. Our Supplier Code of Conduct will require suppliers to support freely chosen employment – that is completed voluntarily and without slavery, forced or compulsory labour and human trafficking, irrespective of the industry or location of the supplier. We will inform potential new suppliers of these requirements before committing to entering into a commercial arrangement with them.

Our supplier on-boarding due diligence process makes specific reference to the Act and its requirements. It requires suppliers to share their own Modern Slavery statements or, if not applicable, confirm they have policies in place to ensure that appropriate and coordinated action is taken throughout their business to ensure their business and supply chain is slavery free. This

supplier on-boarding due diligence generally applies to all supplier relationships regardless of the industry or geography in which they operate.

Where we enter into a contract with a new supplier on our standard terms and conditions, these require the supplier to comply with all applicable laws, which includes the Act.

See the monitoring section of this statement for details of NewDay's ongoing supplier monitoring processes.

### **Monitoring our effectiveness in combating modern slavery and human trafficking**

NewDay has robust and confidential whistleblowing procedures in place, underpinned by a Board level Whistleblowing Policy to allow employees and stakeholders to raise concerns about any aspect of NewDay's business practices.

We carry out annual reviews to ensure that our critical suppliers continue to adhere to our standards using a combination of annual supplier attestations, desktop assurance and on-site assurance visits. The required supplier attestations specifically reference the Act and its requirements. This process also generally applies to suppliers operating in high risk locations as identified from our general risk assessment process. NewDay is in the process of developing an escalation procedure to address the situation where a risk is identified.

NewDay carries out annual checks to ensure our employees' salaries are in excess of minimum wage requirements, together with ongoing checks to validate that benefits taken through salary sacrifice do not bring an employee's salary below the minimum wage.

### **Our training**

NewDay provides training to ensure competence, in line with role requirements and as such is developing specific human rights training for their Procurement team. The training material makes reference to the Act and its requirements.

### **Conclusion**

NewDay is committed to helping combat modern slavery and human trafficking within its business and supply chains.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes NewDay's slavery and human trafficking statement for the financial year ending 31 December 2016. It has been approved by the Board of Directors.

**NEWDAY CARDS LTD**