

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, which has been approved and published by NewDay Cards Ltd (the only NewDay undertaking required to publish such a statement), provides details of the steps that we have taken as a business towards ensuring that slavery and human trafficking are not taking place within our organisation or within our supply chain during the financial year ended 31 December 2019.

Organisation structure and supply chains

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

Our business: NewDay is a leading consumer credit provider offering a range of revolving credit and instalment-based products to serve the specific needs of prime and near-prime customers in the UK. We had 1,221 employees as at 31 December 2019.

For the financial year ended 31 December 2019, the Group reported total underlying income of £676m and underlying profit before tax of £135m. Group closing receivables, one of our key performance indicators, totalled £3,026m as at 31 December 2019.

Our most recent Annual Report and Financial Statements are available on our website at: <http://www.newday.co.uk/investor-relations/results-reports-presentations/>

Our supply chains: We work with approximately 400 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.

Policies in relation to 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 our 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 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;
- we have 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;
- 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
- 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.

Risk assessment and management

We carry 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.

We have put in place robust processes that aim to ensure we only work with appropriate suppliers who can meet the standards expected of them. Our primary supply chain focus is on areas of supply which potentially carry a higher risk, for example our sub-contracted workforce. Our general supplier 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.

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.

We have developed a Supplier Code of Conduct, which encourages consistent behaviours and practices within our supply chain. Our Supplier Code of Conduct requires 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. Potential new and existing suppliers can view our Supplier Code of Conduct via our company website. We are implementing a new Procurement system which will support us in asking all new suppliers to confirm their commitment to the code during the new supplier on-boarding process. In addition, we plan to use the system to collect annual supplier attestations of commitment to the code from our existing suppliers.

Due diligence processes

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.

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. Any risks identified will be escalated, reported and managed in accordance with NewDay's supplier risk management procedures.

Training on modern slavery and human trafficking

We provide on-going training to our Procurement team and key stakeholders involved in supplier management to ensure competence in monitoring our adherence to the Act and compliance with this statement.

Key Performance Indicators

| Measure | Current assessment | Future action |
|--|--|--|
| Applicable employee training is completed | Ongoing Procurement team training and key stakeholders involved in supplier management Requirement to read the Code of Ethics and Integrity as part of employee induction | Coverage in existing mandatory training suite |
| Frequent review of associated and related policies | Policies are categorised by level according to our Policy of Policies and are subject to review in line with the frequency outlined for the policy level | Continuing review of policies |
| Evaluation of suppliers before they are on-boarded into our supply chain | All new suppliers follow our general supplier risk assessment process which includes geographic risk segmentation Our supplier due diligence questionnaire includes questions specific to the Act Our Supplier Code of Conduct is published on our corporate website | Incorporate a supplier attestation process to confirm commitment to the code for all new suppliers |

Review existing suppliers regularly, according to criticality and risk

Top Tier suppliers are subject to annual or bi-annual review as defined by our supplier risk framework

We have further invested in our Supplier Assurance capability and have developed a centralised supplier assurance programme

Introduce an annual supplier attestation process for existing suppliers to confirm commitment to our Supplier Code of Conduct.

Continue to develop our supplier assurance processes

Conclusion

We are committed to helping combat modern slavery and human trafficking within our business and supply chains.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes NewDay's modern slavery and human trafficking statement for the financial year ended 31 December 2019. The statement was approved by the Board of Directors of NewDay Cards Ltd and signed on its behalf by:

Paul Sheriff
Chief Financial Officer
4 June 2020