

Modern Slavery Statement 2022

**animal
Friends**
Pet Insurance

INTRODUCTION

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and will be reviewed for each financial year.

In line with AFI's values and principles we are committed to contributing to the eradication of modern slavery and human trafficking.

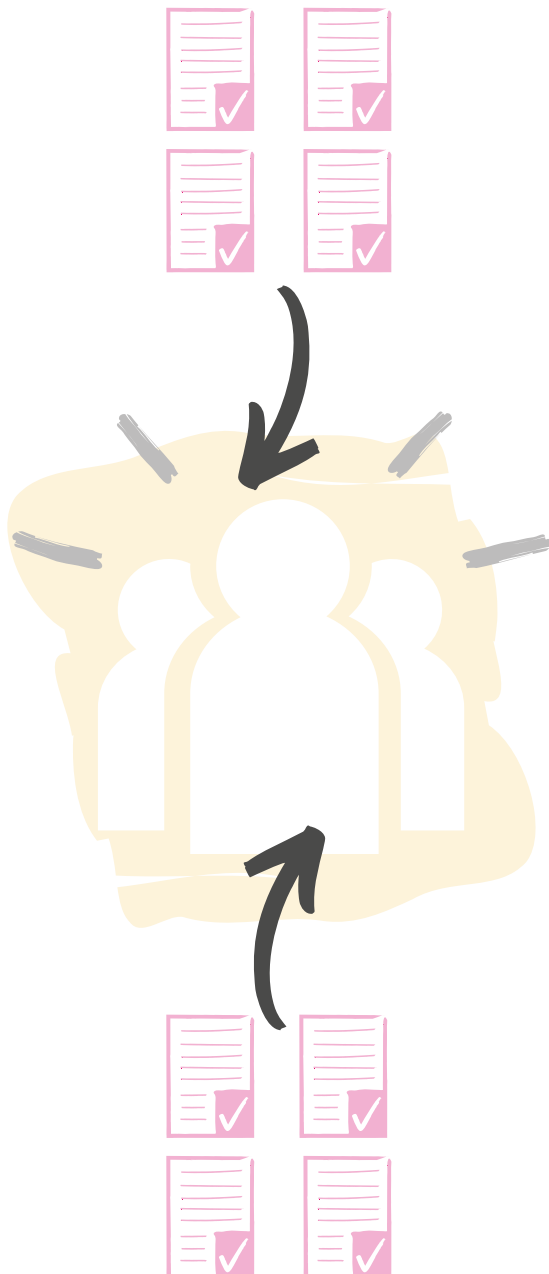
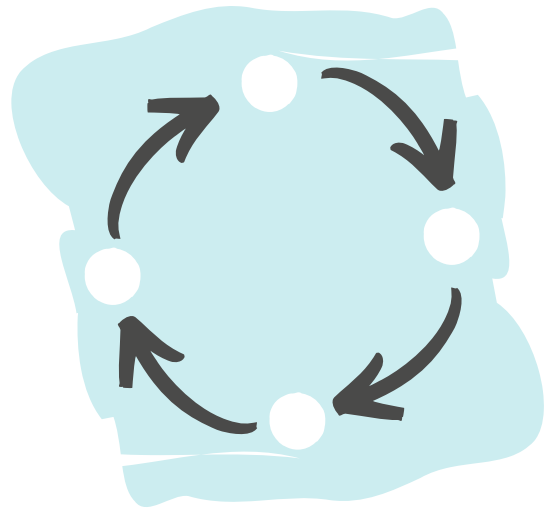
We have various measures in place to reduce the risk of modern slavery and human trafficking occurring anywhere in our organisation or supply chain.

We outline below the efforts and activities we have undertaken during the financial year ending 31 December 2022 to improve in our abilities to identify and prevent modern slavery and human trafficking.



ORGANISATION STRUCTURE, BUSINESS AND SUPPLY CHAINS

Animal Friends is an insurance intermediary firm distributing pet insurance. Our supply chain involves the provision of goods and services to support our business in delivering insurance and claims services to policyholders. Almost all of our business is conducted in the UK, with a small portion being performed outside the UK via an outsource partner. As a provider of insurance, AFI have evaluated the risk of modern slavery to be low.



POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

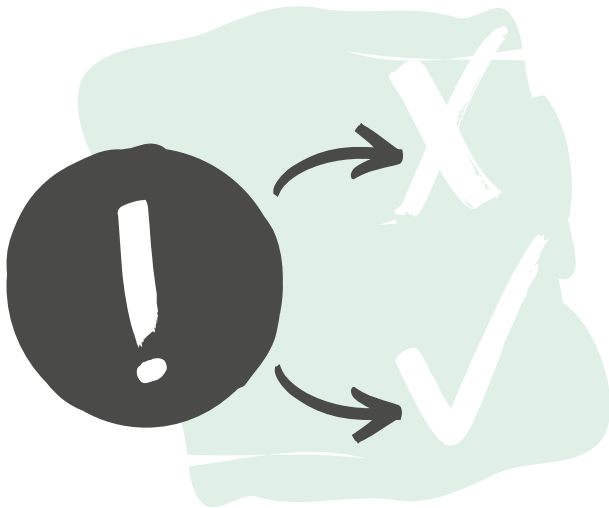
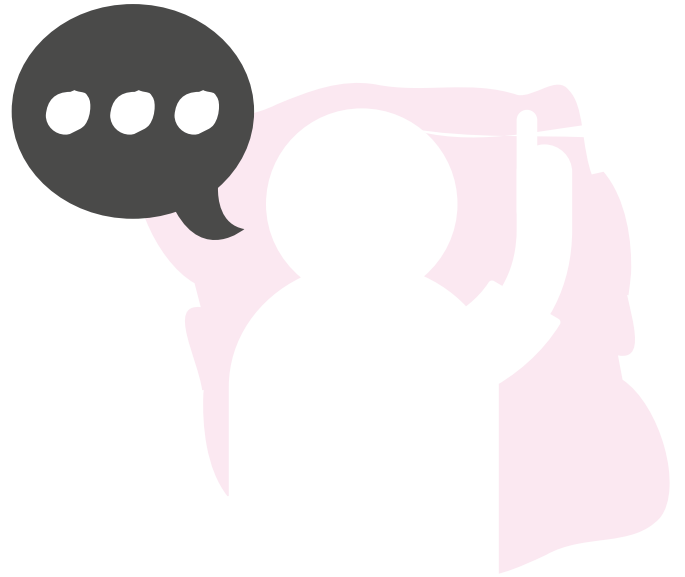
At Animal Friends, we have clear and accessible Policies promoting human rights to ensure all colleagues are aware and comply with our zero-tolerance approach to modern slavery. Policies include:

- 🐾 Modern Slavery Policy
- 🐾 Equality & Diversity Policy
- 🐾 Whistleblowing Policy
- 🐾 Outsourcing Policy
- 🐾 Recruitment Policy
- 🐾 Reward Policy (externally benchmarked)
- 🐾 Overtime Policy (includes working time directive compliance)
- 🐾 Disciplinary Policy

We moved to a new screening provider in mid-2022 to provide us with a higher level of checking prior to candidates joining us. They are also set up ready for the digital right to work checks, removing risk and ensuring compliance.

OUR REPORTING MECHANISMS AND COMMUNICATIONS

During 2022 we built on previous work to improve our communications to colleagues with a new easily accessible on-line Colleague Handbook which highlights the various methods we have in place to raise concerns regarding unethical conduct, including modern slavery related concerns and any potential human right violations. We encourage a healthy “speak up” culture through strong governance and clear Policies that support our colleagues, customers and suppliers to be treated with dignity, fairness and respect.



OUR APPROACH TO RISK MANAGEMENT AND DUE DILIGENCE

The overall risk of modern slavery at AFI remains low with the majority of our colleagues continuing to work in low-risk office and home-based roles, for example Customer Services and IT. Any risks that may exist are likely to be through our use of third-party suppliers, to mitigate this risk we complete detailed due diligence and background checks on new and existing suppliers to identify key concerns including any known involvement in modern slavery, people trafficking or other human rights abuse.



PEOPLE, TRAINING AND AWARENESS

At AFI we continue to provide a variety of methods of training, learning and resources to reinforce and ensure key changes to modern slavery practices are communicated effectively. Annual refresher training is delivered to all colleagues as part of our Mandatory training schedule to ensure that we achieve compliance with regulatory standards.

For colleagues who join us and are new to AFI, awareness of our Policies is ensured through our respective onboarding programs, with the training materials designed to address the needs of our colleagues according to the area of the business in which they operate.

In 2022 as part of our Strategic pillars we started to redevelop our Diversity and Inclusion policies, processes, and associated training. This work is continuing throughout 2023 and whilst not directly linked, will provide our colleagues with further guidance on how to treat protected characteristics and demonstrates our inclusiveness as a workplace.

We recognise the need to continually review and develop additional tools and training materials as needed particularly in areas that may be deemed high risk, therefore, we will continue to monitor and learn from industry best practices as they develop and consult with external stakeholders as appropriate to help strengthen our efforts.

We have robust Policies for recruitment, including conducting “eligibility to work in the UK” checks for all employees to safeguard against human trafficking or individuals being forced to work against their will. We have a Reward Policy which outlines our approach to remuneration and benefits where we commit to rewarding and paying everyone fairly. All roles are allocated a salary band using external market data from Willis Towers Watson, taking into account the following: seniority of the role, management responsibilities and function of the role.

All employees are issued with an employment contract informing them of both their contractual and statutory rights, such as holiday pay, sickness pay and any other benefits to which they may be entitled.

All employees are required to attest to the fact that they have read and understood the related Policies and will uphold the standards required of them. We review and assess our corporate risk and regulatory training requirements annually.

All colleagues within our business are encouraged to report any concerns regarding slavery and/or human trafficking in accordance with our Whistleblowing Policy.



PROCUREMENT AND OUTSOURCING

At AFI we consider the risk of modern slavery as part of our ongoing approach to identifying and assessing current and emerging risks. As noted previously, we have assessed the risk of modern slavery to be low at AFI due to the nature of the service and activities we carry out.

Any risks we do face, are most likely to occur through our use of third-party suppliers. Procurement have strengthened the risk assessment and due diligence processes for suppliers at AFI. We have implemented measures to ensure we reduce and prevent the risks associated with using third-party suppliers, running detailed due diligence and background checks on any new and existing suppliers to help us identify any risks relating to modern slavery, corruption, bribery, sanctions, and other forms of noncompliance.

The Procurement team, along with Information Security, Data Protection and Risk have introduced a new Supplier risk register to assess where the risks and opportunities are within our business and supply chains. This is reviewed and updated on a regular basis to ensure that any new concerns are identified and addressed as soon as possible, with input from various stakeholders from across the business including Risk, Data Protection and Compliance.

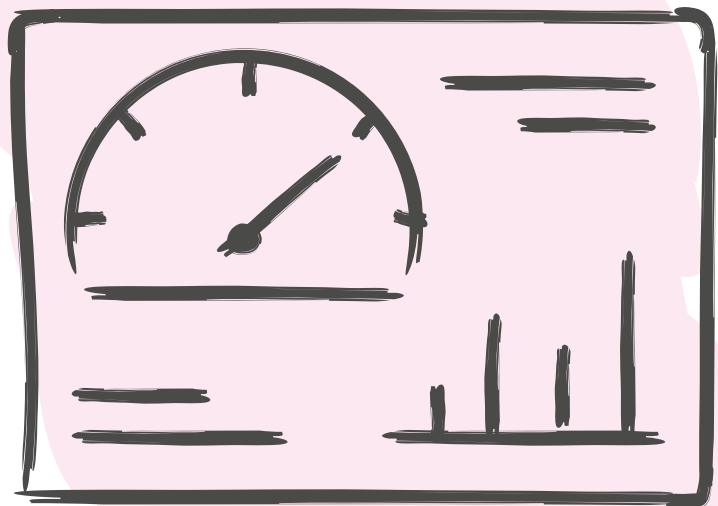
OUR KEY PERFORMANCE INDICATORS

At AFI, we understand that it is difficult to measure some of the outcomes and gauge the impacts in relation to our approach to human rights and endeavours to tackle modern slavery, as these are complex matters.

We rely on KPIs to summarise performance against identification and mitigation activities, as follows:

- 🐾 Number of cases of modern slavery discovered at AFI or in our supply chain – 0
- 🐾 Number of modern slavery threat assessments conducted on high-risk suppliers – 0
- 🐾 Number of AFI's third parties/supply chains/ partnerships that have received modern slavery training – 5
- 🐾 Number of speak up cases connected to modern slavery or related issues – 0

We continually create, assess, and amend Policies, procedures and controls that directly link to our supply chains and outsourcing arrangements.



Plans 2023/2024

- 🐾 Continue to strengthen our understanding and approach to identifying, mitigating, and managing modern slavery risk via our due diligence process across AFI and our supply chains.
- 🐾 Continually test and improve our internal risk and control framework.
- 🐾 Audit our own progress to improve in our abilities to identify and prevent modern slavery and human trafficking.
- 🐾 Continue exploring how we can use our influence to mitigate and manage human rights infringements using our relationships with our supply chains and our controls within AFI.
- 🐾 Continue to redevelop our Diversity and Inclusivity Policies, processes and associated training and provide our colleagues with further guidance about how to treat protected characteristics.
- 🐾 The creation of a new Policy which will support our efforts to identify and mitigate modern slavery/human rights abuses:
 - Background Screening Policy
 - Provide up to date relevant modern slavery training and distribute to all colleagues to increase understanding and awareness.
 - Review our anti-modern slavery and human rights related KPIs.
 - Review and update our modern slavery related Policies to ensure effectiveness.

We will publish an update on our website next year.

The Animal Friends Board have reviewed and approved this statement. The Animal Friends Chief Executive Officer has signed this on behalf of the Board.



Westley Pearson,
Chief Executive Officer

27th June 2023