

## MODERN SLAVERY ACT TRANSPARENCY STATEMENT 2023/24

Post Office Limited (Post Office), Post Office Management Services Limited (POMS) & Payzone Bill Payments Limited (Payzone).

This statement is made pursuant to section 54(1) of the Act. It sets out the steps taken by Post Office, POMS & Payzone during year ending 26<sup>th</sup> March 2023 to mitigate the risks of modern slavery and human trafficking in its business and supply chains.

Post Office, POMS & Payzone are committed to combating the risk of modern slavery or human trafficking in our supply chain and business operations. We are committed to taking appropriate steps to ensure that everyone who works for Post Office in any capacity, benefits from a working environment in which their fundamental rights and freedoms are respected.

This is our annual statement in which we report on our efforts to mitigate the risks of modern slavery in line with the requirements of the Act, with a focus on the rights and wellbeing of the people who work for Post Office and for our suppliers. Our statement provides details of our policies, our approach and the actions we have taken in the 2022/23 financial year to strengthen our programme and commitment to respect and uphold people's fundamental rights and freedoms.

### OUR BUSINESS AND SUPPLY CHAIN

Post Office is the UK's largest retail network and the largest financial services chain in the UK. We have provided services for more than 370 years and currently supply a range of essential products and services to communities' right across the UK.

Our UK Government mandate is to provide at least 11,500 Post Offices, some within certain geographical, demographic and social criteria that provide a unique operational challenge for Post Office compared to other wholly commercial retail or financial institutions. We are often at the heart of the local communities, some of which can be challenging environments to operate in.

Post Office directly controls around 1% of the Network of branches which consumers will generally recognise as the larger branches often situated in the centre of towns and cities across the UK. The remainder of the branches are managed on an agency basis by independent small retailers and shop owners operating Post Office services within their own store. Business owners may own more than one shop operating Post Office services and have a range of other non-connected business interests. We also have agent managed facilities within some larger high street commercial partners, who like the smaller independent retailers, provide their own trained and friendly staff to provide our Post Office services to consumers.

#### Banking services

Post Office banking services are provided in Post Office branches on behalf of the customers of UK banks.

#### Postmasters

Postmasters can operate one or more branches. As agents they have control over how their branches within their retail premises are run on a daily basis. All those working in an agency Post Office branch are employed directly by the retailer. The Retailer is self-employed and typically takes on a Post Office as a valuable community service provided within their own retail business. Post Office has no day to day control over the operation of these independent SME businesses but does have the ability to influence and inform. Post Office aims to support Postmasters with their Post Office operations and influence their behaviours.

#### Commercial partners

A large proportion of the agency network is managed by commercial partners – corporate retail organisations with familiar fascia brands who themselves have a number of high street stores.

#### Trade Unions

In our directly managed branch network, we work closely with the Communications Workers Union (CWU) and Unite (CMA) Communications Managers Association.

#### National Federation of Sub Postmasters (NFSP)

Postmasters are represented by the National Federation of Subpostmasters.

#### Third Party Suppliers

We also procure products and services from a range of managed suppliers, ranging from small and medium enterprises to large multinationals. Purchasing for our own managed Post Offices is controlled centrally by the Procurement team who also set the Supplier Relationship Management standards to ensure our teams maintain a consistent approach to supplier management.

## **OUR BELIEFS AND PRINCIPLES**

Respect for the dignity of the individual and the importance of each individual's human rights form the basis of the behaviours we expect in every workplace and are communicated through our Code of Business Standards. We will not accept any form of discrimination, bullying or harassment. We require all our managers to implement policies designed to ensure equality of opportunity and inclusion for all Post Office employees.

## **OUR POLICIES**

We operate a number of policies to ensure we are conducting business in an ethical and transparent manner. These include:

### **CODE OF BUSINESS CONDUCT**

Our Code is a centrepiece to our ethical culture. It sets out what we stand for, the principles we hold ourselves accountable to and the expectations we have for how we act and how we make decisions.

Our Code is for everyone working for and with Post Office including, employees, directors, contractors, postmasters, business and retail partners. Our Code is reviewed every three years and any modifications are approved by Post Office General Executive and Board.

Our Code is available on the Post Office Corporate website, internal intranet pages, provided to new hires during onboarding and linked across many of our company policies.

Our Code was updated in 2018 to include a dedicated section on Modern Slavery. Following a review in June 2023 our Code has been endorsed by the Institute of Business Ethics.

### **SPEAK UP**

We operate a Speak Up Policy so that all Post Office employees know how to raise concerns regarding wrongdoing or dangerous practices. References to concerns about Modern Slavery are included in this policy.

There are a number of ways people can report any concerns regarding slavery or human trafficking within Post Office, by either contacting the Speak Up Team direct or via our confidential reporting service, which is operated by an independent company, on behalf of POL. This is regularly communicated to all employees, suppliers, and contractors and is overseen by our Speak Up Team. Every report submitted is assessed and investigated.

### **RECRUITMENT & ONBOARDING POLICY**

Our Recruitment and On-boarding Policy for Post Office employees sets out the overarching principles and controls to be followed and applied to ensure that personnel resourcing is conducted in a fair, open and transparent manner, including conducting eligibility to work in the UK checks for all employees.

## **DUE DILLIGENCE PROCEDURES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING IN OUR BUSINESS AND SUPPLY CHAIN.**

Post Office/POMS/Payzone employs solely within the UK.

Our recruitment procedures ensure that all prospective employees are legally entitled to work in the UK. All successful applicants must produce one of the following: their original passport, driving license or birth certificate. Additionally, to comply with the Asylum and Immigration Act 1996 requirements, if they are from a non-European Economic Area (EEA) country, evidence of a right to reside and work in the UK must be produced.

We carry out reasonable and practical due diligence in the sourcing of goods and services and ensuring that the Act's obligations form part of the procurement process. As part of this process we have conducted a review of the criteria used by Post Office to evaluate whether suppliers meet Post Office's minimum tendering requirements. We have also reviewed our standard form procurement contracts to ensure that they make explicit reference to the Act, as well as covering other areas of company information, policies and procedures. This enables the procurement team to assist Business Units to identify and assess any potential risks relating to the goods or services being procured.

## IDENTIFYING, ASSESSING AND MANAGING RISK

### WHERE ARE THE RISKS OF MODERN SLAVERY AT Post Office/POMS/Payzone

Post Office understands that our procurement of goods and services from third parties carry with it the risk of modern slavery and human trafficking.

We understand that a potential for risk of modern slavery sits within our agency network as there are a large number of people employed by independent retailers acting as Postmasters (including commercial partners) who are not direct employees of Post Office, POMS or Payzone.

### GOVERNANCE

We have a cross-functional steering group through which we develop and coordinate our approach to addressing modern slavery risks within our operations and supply chain. This group consists of expertise from the legal, procurement, compliance and operational functions in Post Office.

### TRAINING

We provide annual Compliance Awareness Training to all our employees and postmasters, which is tailored to ensure an appropriate level of understanding of issues such as modern slavery and the Act's requirements.

### WHAT DID WE DO THIS YEAR

Proposals from 2022/23 Statement	Progress on 2022/23 proposals
Run targeted communications across Post Office, our supply chain, branches and our suppliers, to raise awareness of Modern Slavery and its identifying factors	<p>We ran a number of targeted communications across the year including:</p> <ul style="list-style-type: none"> <li>• Our Postmaster Support Guide</li> <li>• Modern Slavery Statement publication</li> </ul> <p>Modern Slavery awareness training</p>
Deploy our annual supplier evaluation audit via our Procure-to-Pay system, using a risk-based selection methodology, with the aim of auditing a sample of suppliers.	<p>We continue to reiterate to all suppliers, their obligations to Modern Slavery mitigation. Through our Procure-to-Pay system we have completed 8 audits with our suppliers.</p> <ul style="list-style-type: none"> <li>• Suppliers audited: <ul style="list-style-type: none"> <li>○ Corona Energy Retail Ltd</li> <li>○ Entserv UK Ltd</li> <li>○ Giesecke &amp; Devrient</li> <li>○ Global Payments UK</li> <li>○ Kings Security Systems Ltd</li> <li>○ Red Brick Road</li> <li>○ Ricoh UK Limited</li> <li>○ Telecom Service Centres Ltd</li> </ul> </li> </ul> <p>Our audits have not uncovered any concerns that required further investigation</p> <ul style="list-style-type: none"> <li>• We continue to reiterate to all suppliers, their obligations to Modern Slavery mitigation.</li> </ul>
Review and update all annual Modern Slavery awareness training and deploy this to all Post Office and Payzone employees, supporting them to robustly spot the signs of Modern Slavery.	<p>Training is now deployed to all Post Office Employees.</p> <ul style="list-style-type: none"> <li>• We achieved a 98.2% participant completion rate against a target of 95%.</li> <li>• We also surveyed colleagues who completed the Modern Slavery training and found that, after receiving a 83.2% response rate to the survey; <ol style="list-style-type: none"> <li>a) 96.9% of candidates understood the learning objectives and agreed that they will be able to apply the training to their role.</li> <li>b) 96.4% agreed or strongly agreed that they are confident of the process to report potential modern slavery incidents.</li> </ol> </li> </ul>
Integrate Modern Slavery updates into the Conformance Champion network to more effectively take	<p>Greater awareness through our field teams saw 16,466 observations being completed last year. This is an increase on the previous year where 7,206 observations were completed.</p>

MS awareness to regional network teams.	
Align Post Office Modern Slavery risk mitigation activity to that of our Key Strategic Partners through the Post Office Strategic Partner Account Management Team.	Modern Slavery survey proposal completed to be shared this calendar year with Strategic Partners following the completion of desk research to ensure there is no crossover/duplication of information requested.
Develop and deploy additional training for our branch network field team to increase their understanding of the Network Investigation process and the possible consequences of Modern Slavery being found in our branch network.	Additional training was delivered through the Central Investigations Unit, setting out the Speak Up function and the impact of Modern Slavery. Our branch network investigation process is in place and the Modern Slavery Steering Group continue to review its use.  Our investigation process moves through 6 stages with defined documentation at each stage.
Run specific training for our Procurement team to ensure understanding and enhanced management of the risks of Modern Slavery.	The Modern Slavery for Procurement Professionals was rolled out to 26 of our Procurement and Contract Management staff. A recording of the training was subsequently offered to members of the Legal team working with Procurement and other senior staff involved with risk, health & safety and operations.

## WHAT COMMITMENTS ARE WE MAKING TO TACKLE MODERN SLAVERY IN THE YEAR AHEAD

As part of our initiative to identify and mitigate risk throughout 2023/24 we are committed to:

1. Drafting a Modern Slavery & Human Trafficking policy to support business processes and underpin the Modern Slavery Statement
2. Considering options for an independent assurance check on Post Office's Modern Slavery processes. In previous years we engaged an external consultant 'Good Values' to inform and validate our approach to Modern Slavery.
3. Continuing to review and update all annual Modern Slavery awareness training to ensure that all Post Office and Payzone employees are able to robustly spot signs of Modern Slavery
4. Raising awareness of Modern Slavery across the branch network, working with the NFSP to raise awareness and incorporating Modern Slavery awareness into annual compliance training for Postmasters and their staff.
5. Deploying our annual supplier evaluation audit via our Procure-to-Pay system, using a risk-based selection methodology, with the aim of auditing a sample of suppliers.
6. Running specific training for the Retail Team to ensure understanding and enhanced management of the risks of Modern Slavery when in Post Office branches.

## REMEDIATION PROCESSES

If you have any concerns about the issues raised in this statement or if you think you have identified signs of Modern Slavery, then please contact us on the below contacts:

- Post Office's Speak Up Officer: [speakup@postoffice.co.uk](mailto:speakup@postoffice.co.uk)
- The Government's Modern Slavery Helpline on 0800 0121 700.

We encourage any individual who has concerns about unethical behaviour in any part of our business or operations to speak up and to do so without fear of retaliation. We will review all instances of non-compliance, on a case-by-case basis and will implement appropriate remedial action.

## REVIEW

This statement shall be reviewed and published annually