

Modern Slavery Statement 2021



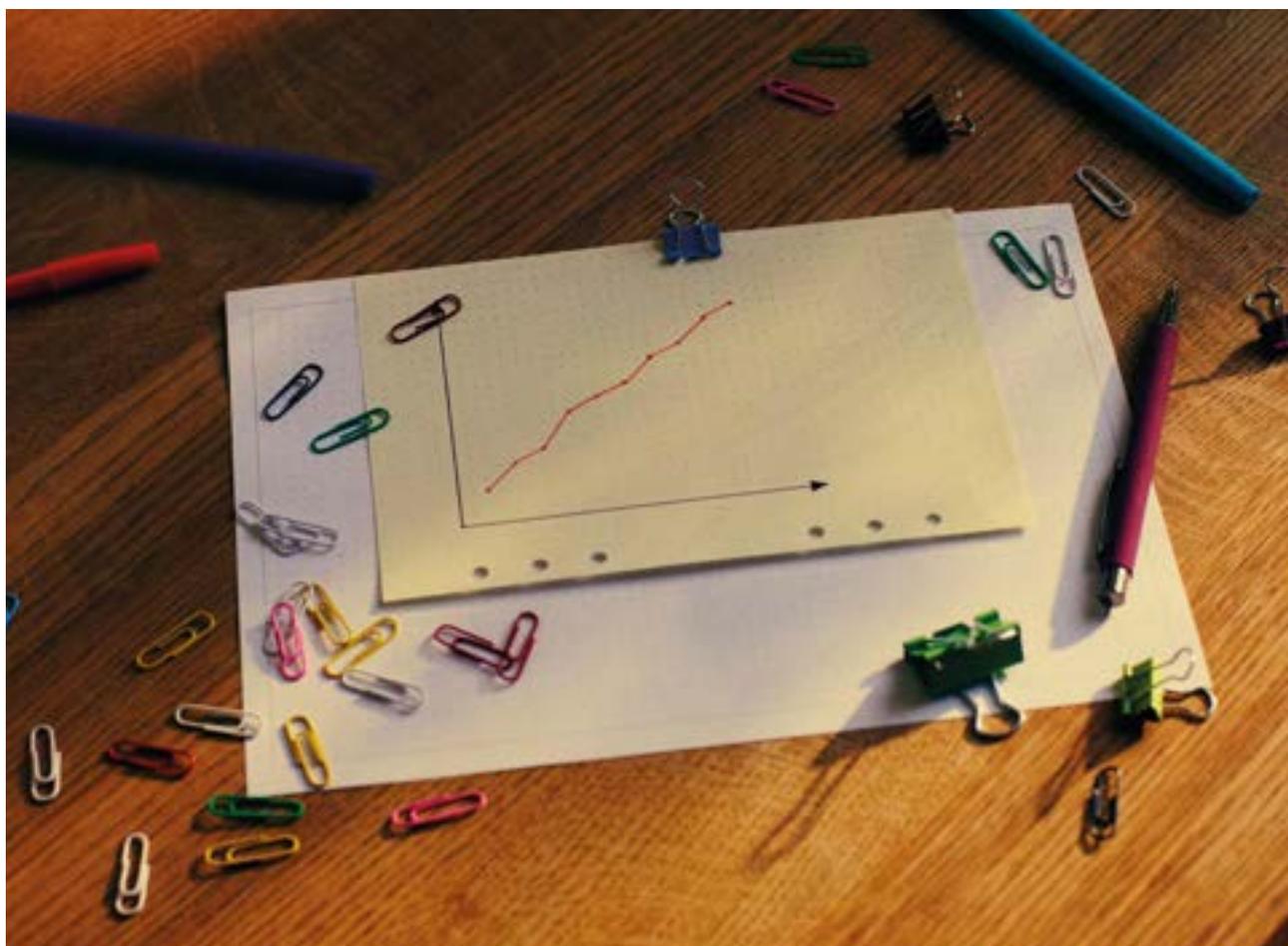
This statement has been published in accordance with Section 54 of the Modern Slavery Act 2015. It sets out the steps we have taken during 2021 to prevent modern slavery and human trafficking in our business and supply chain.



Introduction

As a purpose-driven modern mutual, Royal London is passionate about the positive impact we want to create for our colleagues, our members and wider society. This means being committed to conducting our business with honesty and integrity.

Royal London has zero tolerance to slavery and human trafficking and, in our sixth Modern Slavery Statement, we are able to show how we continue to make good progress in minimising the risk of modern slavery in our business and supply chain. We have also set out our investment approach, as we recognise that engaging with those companies we invest in has a significant impact.



About Royal London

We are the UK's largest life, pensions and investment mutual. We offer protection, long-term savings and asset management products in the UK, and protection products in Ireland. We think differently to companies with shareholders and we exist to meet the needs of our customers. We use our profits to invest in improving what we do for our members and customers. Members are able to have a direct say in how we run our business by voting at our Annual General Meeting and eligible customers, the vast majority of whom are members, also directly benefit from our ProfitShare scheme.

Our Purpose is **'Protecting today, investing in tomorrow. Together we are mutually responsible.'**

At Royal London we have a strong sense of our Purpose. We believe that we are mutually responsible for protecting the standard of living of this and future generations.

Our Purpose impact areas are focused on helping build financial resilience and enabling us to move fairly to a sustainable world. We have committed to cutting the carbon footprint of our investment portfolio and operations. We have focused our social impact programmes on supporting those in wider society to build financial resilience, and are developing new programmes to support the move to net zero and the transition to a sustainable world.

Our Structure

At the end of December 2021, we looked after 8.8m life and pension policies.

We offer long-term individual and workplace savings, protection and asset management propositions in the UK, and protection propositions in Ireland.

Our investment business, Royal London Asset Management (RLAM), is one of the UK's largest asset management companies, investing on behalf of a wide range of pension funds, intermediary and private clients. We deliver investment management services across all major asset classes: fixed income, equities, property and cash.

In 2021, we acquired Wealth Wizards, a digital platform for financial advisers with market-leading technology to help improve efficiency in the provision of advice. This has helped us to expand our digital capabilities.

Key Numbers

Total number of
policies held

8.8m

Total number
of members

1.8m

ProfitShare
since 2007

More than
£1.2bn

Total assets under
management

£164bn

You'll find full details of our [businesses](#) on our website, and a list of our subsidiaries can be found at the end of this statement. Our annual reports and other [corporate information](#) can also be found on our website.

Our Colleagues

We have over 4,000 colleagues (as of December 2021), operating out of nine offices across the UK and Ireland. We operate a hybrid way of working, with many colleagues working from both home and office where beneficial. We consistently report an industry-leading level of colleague engagement. We are proud to have a culture that focuses on our customers and provides our colleagues with support and opportunities for personal growth. Our Group values are to empower colleagues, to encourage collaboration, to be trustworthy and to achieve. Together they help make Royal London a rewarding and enjoyable place to work. For more information, please take a look at our [career pages](#) on our website.

Our annual People Commitments provide a focus to make sure all colleagues feel able to do their best and are supported with the right tools. Our People Commitments for 2021 focused on developing a diverse and inclusive workforce and ensuring colleague wellbeing. New initiatives include diversity and inclusion learning and training for colleagues, and mentoring programmes with colleagues from our Women's, REACH (Race, Ethnicity and Cultural Heritage), PRIDE and EARL (Enabling disability confidence At Royal London) inclusion networks.

Our Suppliers

We work with around 1,100 suppliers, spending over £400 million in 2021. Our suppliers provide goods and services categorised into Outsourced Services, IT & Telecoms, Professional Services, People, Customer and Workplace Services.

We proactively manage our supply chain and expect high ethical standards from our suppliers.

Social impact

We've always been a responsible business, doing the right things for our customers, members, colleagues and wider society. But we're committed to having an even greater positive social impact.

Our social impact work focuses on tackling financial vulnerability and supporting our customers to build their financial resilience. We all face unforeseen shocks, from being made redundant or coping with an illness, to losing a loved one. These life events can have a big impact on our finances, particularly for those who are financially vulnerable. We are addressing this need through major new initiatives: supporting those already affected through our flagship partnership with national charity Turn2us, and accelerating innovation in financial resilience through our Changemakers programme. True to our roots, we are also supporting those facing funeral poverty through our partnership with Down to Earth, allowing people to access help with organising a funeral, finding ways to reduce costs or applying for grants. Last year, Royal London committed over £1m to initiatives aimed at enabling thousands of people to build their financial resilience through a range of social impact initiatives. In 2022, we are also broadening our scope and focus to include those who will be most impacted by the move to a net zero world.

We will continue to develop our approach with updates being made available on our Social Impact [website](#) during 2022.



Our policies and how they relate to modern slavery

We strive to ensure that there is no modern slavery or human trafficking in our supply chain or in any part of our business and have a number of internal policies that are relevant to identifying and mitigating modern slavery risks. These are hosted internally and available to all employees. Those applicable to suppliers are shared with them. The following policies are relevant to how we achieve that:

Code of Conduct

This sets out our core values and behaviours, specifically of trust and respect for each other and the communities we operate in. It helps ensure that we operate within the law and take account of the various regulatory frameworks that apply to our business.

Outsourcing and Supplier Management Policy

This policy outlines how we engage with suppliers and outsourcers and have controls in place to identify, report and manage risks relating to the relationship, which include those related to modern slavery.

Procurement Policy

This policy governs our procurement processes, which includes the due diligence that is carried out in relation to modern slavery.

Recruitment Policy

This policy outlines how we undertake internal and external recruitment, which includes due diligence on any contractors, and the eligibility checks we undertake on candidates.

Supplier Code of Conduct

This sets out the standards we expect from our suppliers. It highlights the UK Modern Slavery Act 2015 as well as other areas regarding labour standards and ethical treatment of staff. The UN Guiding Principles on Business and Human Rights and the Core Conventions of the International Labour Organisation were consulted in the development of this code, to ensure alignment.

Whistleblowing Policy

This policy helps promote high standards of service and encourages high ethical standards throughout the Group. It ensures that there is a procedure in place for colleagues to raise concerns of malpractice and ensure they are investigated.

How we support our colleagues

Training and Awareness

All our colleagues undertake annual training on topics that relate to modern slavery: Anti-Bribery, Anti-Money Laundering, Fraud Prevention and Whistleblowing.

Colleagues who are directly involved in procurement and supplier management are provided with additional modern slavery training on an annual basis.

Recruitment

We have a well-managed approach to recruitment. We are a UK Real Living Wage employer, with all of our salary ranges underpinned by the levels set by the Living Wage Foundation. Our offices are based solely in the UK and Ireland, and we ensure that candidates are appropriately vetted and eligible to work in the UK or Ireland as part of the recruitment process.



How we work with our suppliers

Procurement

We engage with suppliers through a formal process which is governed by our Procurement Policy. We review suppliers' modern slavery statements (where one is applicable) and undertake due diligence depending on the associated risk.

In our contracts, we require suppliers to comply with the Modern Slavery Act 2015 ("Act") and to have their own policies and procedures with respect to compliance with the Act.

We also have clear expectations regarding our right to audit or to request that suppliers undertake their own independent audit, which allows us to focus on modern slavery if there is a perceived risk in this area.

Supplier Management

We appoint relationship managers to our material and strategic suppliers. We have a Third-Party Risk Management Framework, which outlines the way we manage our suppliers. This Framework includes our Outsourcing & Supplier Management Policy, which is key to the management of our suppliers. We undertake ongoing due diligence on our suppliers across a range of topics. This includes checking on key aspects of modern slavery.

We ensure that all supplier employees who are working on our premises are paid the Real Living Wage set by the Living Wage Foundation.

Our business, including our Procurement & Supplier Management operations, is underpinned by a three lines of defence risk and compliance model. More information about our approach to risk can be found in our [annual reports](#) and [corporate governance](#) on our website.

How we invest responsibly

We are committed to acting and investing responsibly. Environment, Social and Governance (ESG) risks and opportunities are integrated into our investment approach, including considering the issue of modern slavery. Engagement is a key part of our ESG strategy and, if required, modern slavery may be a topic we consult with investee companies on.

Within our asset management business, RLAM, we have launched an ESG dashboard which internal fund managers have access to. The dashboard shows an in-house ESG score, which includes a social score comprised of underlying data points, including human rights metrics. The dashboard also has the information on engagement and proxy voting.

This information supports our fund managers to integrate ESG into their investment decision making.



Our progress and commitments in 2021 and commitments for 2022

Focus Area	Commitment	Progress in 2021	Actions planned for 2022
Our Colleagues	Training and Awareness	<p>We continued to offer our colleagues training and awareness support on what modern slavery is, how they can help to identify modern slavery and what to do if they suspect that modern slavery is occurring.</p> <p>We updated our Supplier Management Handbook to include a detailed section on modern slavery, providing more knowledge for those critical to the successful management of our supplier relationships.</p> <p>We provided regular updates on modern slavery to our supplier management community, improving the ongoing awareness of the issues.</p>	<p>As part of our plan to broaden the number and type of suppliers covered by new governance controls, we will be providing training to a new and enlarged group of colleagues who manage suppliers.</p> <p>We will also be adding all training to our online platform, making delivery and tracking easier.</p>
Our Suppliers	Ongoing Due Diligence	<p>We continued to assess our suppliers on how they manage modern slavery in their businesses and supply chain, and provide feedback to them where we find gaps in their approach to modern slavery. We have found no material concerns with any of our suppliers.</p> <p>With the launch of the government's new central register on companies' statements and guidance on what to include, we updated our due diligence checks to reference these.</p> <p>We have been undertaking assessments of known sub-contractors. This has provided us with richer data which we intend to use to improve our assessments.</p>	<p>We will continue to undertake this due diligence on new and existing suppliers, as well as known sub-contractors.</p> <p>As noted in 'Our Colleagues', we are expanding the number and type of suppliers who have controls in place, including controls and due diligence relating to modern slavery.</p> <p>As we gain more data, in particular, through assessing sub-contractors, we will update our assessment processes.</p>

Focus Area	Commitment	Progress in 2021	Actions planned for 2022
	Supplier Code of Conduct	<p>Our Supplier Code of Conduct sets out our core values and behaviours, specifically of trust and respect for each other and the communities we operate in. It is shared with our suppliers during the sourcing process and acceptance of it is mandatory.</p> <p>In addition, our Supplier Code of Conduct has been shared with our existing material suppliers.</p>	<p>We will be updating the Code to reflect new standards across some key areas, specifically in relation to our environmental targets.</p> <p>We will be asking our material suppliers to provide their Supplier Code of Conduct, to broaden our understanding of approaches taken in the supply chain.</p>
	Targeted support	<p>We have engaged with suppliers at governance forums to understand any concerns they have with modern slavery (e.g. tools, training) and have offered support where necessary.</p>	<p>We will continue to offer this support to ensure that our suppliers are well informed on the issues relating to modern slavery.</p>
Our Investments	ESG Dashboard	<p>We have launched an ESG dashboard which internal fund managers have access to. The dashboard shows an in-house ESG score, which includes a social score comprised of underlying data points, with some linked to human rights metrics.</p> <p>The dashboard also has the information on engagement and proxy voting.</p>	<p>Our fund managers will continue to use this dashboard to support their decisions on investments, ensuring that ESG is fully integrated in this process.</p>

Incidences of Modern Slavery in our supply chain

Any instances of modern slavery in our supply chain would be reported to our Group Executive Risk Committee. There have been no reported instances to the Committee of modern slavery in our business or supply chain in 2021.

Statement Confirmation

This statement was approved by The Royal London Mutual Insurance Society Limited Board in May 2022.



Barry O'Dwyer
Group Chief Executive





Royal London Subsidiaries

The statement above applies to the Royal London Group (The Royal London Mutual Insurance Society Limited) and its operational subsidiaries which are listed below.

- Cambridge Research Park Management Company Limited
- Hornby Road Investments Limited
- Mortgage Excellence Limited
- PM Advisory Limited
- PM Central Services Limited
- PM Holdings Limited
- PMGI Limited
- PMHC Limited
- Police Housing Fund Limited
- RL Finance Bonds No. 2 Plc
- RL Finance Bonds No. 3 Plc
- RL Finance Bonds No. 4 Plc
- RL Marketing (CIS) Limited
- RL Wizard Holdings Limited
- RLPPF Abingdon Limited
- RLUM Limited
- Royal London (UK) Holdings Limited
- Royal London Asset Management Funds Public Limited Company
- Royal London Asset Management Holdings Limited
- Royal London Asset Management Limited
- Royal London Cambridge Limited
- Royal London Insurance Designated Activity Company
- Royal London Management Services Limited
- Royal London Marketing Limited
- Royal London Savings Limited
- Royal London Unit Trust Managers Limited
- Vision Park Management Limited
- Wealth Wizards Benefits Limited
- Wealth Wizards Limited

