

Modern Slavery Statement 2020



It's everyone's
business



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 2020 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 fifth 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.



About Royal London

Since we began our business in a London coffee shop in 1861, we have been helping people to help themselves; we innovate and focus on ambitious commitments to make a positive impact in society.

We are the UK's largest mutual life, pensions, and investment company. We provide pensions, protection and wealth management products and services in the UK, and protection products in Ireland. We work with advisers and customers to deliver long-term growth, income, and protection. We have 8.8 million policies across our businesses with £148 billion of assets under management (both as of December 2020).

As a mutual, 1.7 million of our customers are members (as of December 2020), with a say in how Royal London is run, and the vast majority have a share in our profits. Via ProfitShare, we have added more than £1bn to the value of eligible customers policies since 2007.

Our Purpose

**“Protecting today, investing in tomorrow.
Together we are mutually responsible.”**

‘Protecting today’ goes beyond insurance policies. We are responsible guardians of what our members and customers have entrusted us with, and we are here to support them today, even in the most uncertain times.

‘Investing in tomorrow’ means making decisions today that consider all our futures. We help our members and customers prepare for their future and we make investment decisions to help create a world we all want to live in. We ensure that our business is sustainable.

At the heart of our Purpose is the concept of being mutually responsible. We share responsibility with others including advisers and industry bodies, for our customers’ financial well-being.

Our Structure

We look after 5.5m closed book customers and sell our life and pensions products directly to consumers and via intermediaries. Our Irish subsidiary sells life products via intermediaries and manages a small legacy book of business that has a European customer base.

Our investment business (RLAM) is one of the UK's leading 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 October 2020 we welcomed colleagues and customers from the Police Mutual Assurance Society when they became part of Royal London. This business is focused on improving the financial well-being of serving and retired police officers, police staff, military personnel and their families - it will continue to provide this range of vital services.

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 People

We have around 4,000 employees (as of 31st December 2020) operating out of eleven offices across the UK and Ireland. We are ranked 40 on Glassdoor's Best Places to Work UK list for 2020. We can consistently report an industry leading level of employee engagement.

As a mutual, we're proud to have created an environment that helps colleagues to focus on our customers, whilst also providing them with support and opportunities in terms of their personal growth. To ensure we guarantee the best experience for our people, we created our People Promise. More information on this [Promise](#) can be found on our website.

Our Suppliers

We work with around 1,100 suppliers, spending over £420 million in 2020. 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 focus springs directly from our purpose. We will protect today, invest in tomorrow, and show that together we are mutually responsible by helping people to build resilience to and recover from life's shocks.

Shocks such as bereavement or losing a job are part of life. For those who are financially vulnerable, these shocks can quickly escalate into a crisis that is hard to recover from.

We've made 10 commitments which set out the specific actions we're taking to reduce our collective vulnerability to shocks and make a positive difference in the wider world. These include our Environment & Sustainability commitment covering our operations and supply chain because we believe businesses, including Royal London, need to take more responsibility for reducing environmental and social risks. In addition to environmental improvement and preventing modern slavery we are keen to work with suppliers, via our Sustainable Sourcing Working Group, to build resilience to Life Shocks in our supply chain.

We will continue to develop our approach with updates being made available on our Social Impact [website](#) during 2021.

Our Community

Our community programme is strategically aligned to our Life Shocks focus. In addition to our Flagship Social Impact charity partnership with Turn2Us, national experts at the forefront of financial resilience issues, each of our offices have a local charity partner that supports people facing life shocks. In 2020 we invested over £1.1m in communities through a donation to the National Emergencies Trust for Covid-19 response, donations to our Flagship and local charity partners and in employee fundraising.

Through our new Changemakers Programme (launching in April 2021) we've committed to create, develop and invest in bold ideas and sustainable solutions that can build people's resilience to life shocks.



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. 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.

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 people 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, Whistleblowing.

Colleagues who are directly involved in Procurement and Supplier Management are provided with additional modern slavery training on an annual basis. We also provide the opportunity for all employees to attend workshops to raise the awareness of issues related to modern slavery and what they can do to reduce the risks associated with modern slavery in our business and supply chain.

Recruitment

We have a well-managed approach to recruitment; all our salary ranges are underpinned by the Living Wage Foundation living wage and we only have offices in the UK and Ireland. We ensure that candidates are appropriately vetted and eligible to work in the UK or Ireland as part of this 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. In 2020 we developed and implemented 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.

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 support responsible investments

From an investment perspective, we integrate Environmental, Social and Governance (ESG) risks and opportunities into all our funds. This includes monitoring and managing the issue of modern slavery. We have a dedicated Responsible Investment team who work closely with fund managers to lead on ESG integration.

Engagement is a key part of our ESG integration strategy and modern slavery is a topic we regularly engage with holding companies on.



Our Progress in 2020

In 2020 we had four key areas of focus:

1 **Supplier Code of Conduct**

We developed our Supplier Code of Conduct in 2020. In 2021 we will be sharing this with our existing suppliers, and it will become one of our Key Performance Indicators.

2 **Enhancing our Due Diligence**

We have further developed how we assess our suppliers, including monitoring ongoing developments in their approach to modern slavery (where required). This allows us to have more detailed conversations with suppliers around potential gaps in their processes.

3 **Engaging with industry experts**

We worked with an external consultant during 2020 to address gaps in our knowledge, update our processes and training materials and help us develop our strategy.

4 **Supporting our Suppliers**

We continued, or started, conversations with our suppliers to understand the activity they were undertaking on modern slavery and where we could support them. We held training and awareness sessions with some of our suppliers to help them develop their approach to managing the risks associated with modern slavery. We also shared our due diligence tools and materials with suppliers where it was relevant or helpful.

Our Commitments in 2021

- 1. Roll Supplier Code of Conduct out to existing suppliers**

Whilst ensuring our new suppliers agree to comply with our Code of Conduct, we also want to engage with our existing suppliers. We're committed to ensuring that all our material suppliers are able to comply, so we will track this as a Key Performance Indicator.
- 2. Continue to improve training and awareness for our people**

We recognise that there will continue to be developments in our supply chain, and those of our suppliers. We will therefore be enhancing our training programme in 2021 and broadening the pool of people who undertake this training. We will also be improving our Key Performance Indicators to include more people focussed measures such as training and awareness.
- 3. Include our modern slavery tools and reference materials in our Supplier Management Handbook**

This will ensure knowledge and support on the topic is more widely available to help our engagement with suppliers.



4. Target support for our small and medium sized suppliers

Our suppliers responded positively to the training and awareness sessions run in 2020. In 2021 we will continue to offer these training and awareness sessions and will be working with external specialists to ensure that we continue to build on their content and effectiveness. Although we will offer support for all suppliers we will be targeting our smaller suppliers, as we recognise that it is more difficult for them to develop their tools and training material relating to modern slavery.

5. Build upon our current supplier due diligence

To support and develop our due diligence process, we will undertake assessments on sub-contractors for our material suppliers and create tools, to provide comparisons between suppliers.

6. Build a new Environmental, Social, Governance (ESG) dashboard

Within our asset management business, RLAM, we are launching an ESG dashboard which fund managers will be able to access. The dashboard will show an in-house ESG score, which will include a climate score comprised of underlying data points, with some linked to human rights metrics. The dashboard will also have the latest information on engagement and proxy voting. This information will support our fund managers to integrate ESG in their investment decision making.

Incidences of Modern Slavery in our supply chain

Any instances of modern slavery in our supply chain would be reported to our Executive Risk Committee. There have been no reported instances to the Committee of modern slavery in our business or supply chain in 2020.

Statement Confirmation

This statement was approved by the Royal London Group Board in May 2020.



Barry O'Dwyer

Royal London Group Chief Executive Officer





Royal London Subsidiaries

This above statement applies to the Royal London Group and all its subsidiaries which are listed below.

- Abacus Limited
- Cambridge Research Park Management Company Limited
- Hornby Road Investments Limited
- Mortgage Excellence Plc
- PM Advisory Limited
- PM Central Services Plc
- 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 Finance Bonds No. 5 PLC
- RL Marketing (CIS) Limited
- RLPPF Abingdon Limited
- RLUM Limited
- Royal London (UK) Holdings Limited
- Royal London Asset Management Bond Funds Public Limited Compan
- 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 Mutual Insurance Society Limited (The)
- Royal London Savings Limited
- Royal London Unit Trust Managers Limited

