Modern Slavery **Statement**

2022

ROYAL LONDON

Contents

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 2022 to prevent modern slavery and human trafficking in our business and supply chain.

Mutually responsible

Royal London is a purpose-driven mutual.

Our Purpose, 'Protecting today, investing in tomorrow. Together we are mutually responsible', defines the impact we want to have. It shapes what we do on behalf of our members and customers, financial advisers, our colleagues and the communities in which we operate.

We offer protection, long-term savings and asset management products and solutions in the UK and Ireland. Using our position as the UK's largest life, pensions and investment mutual looking after 8.7 million policyholders, and entrusted to manage £147bn of customers' assets (as at end December 2022), we help build financial resilience while championing how we move fairly to a sustainable society. As a proud, committed and modern mutual, we take a longer-term view, ensuring we deliver positive, enduring change on behalf of our members and customers and their families, helping to protect the standard of living for this and future generations.

Our Purpose also shapes our commitment to conducting our business with honesty and integrity. We have zero tolerance to slavery and human trafficking and, in our seventh Modern Slavery Statement, we are able to show how we continue to make good progress in minimising the risk in our business, supply chain, and investments.

Our structure and key numbers

How we create and deliver value

Through a clear strategy, underpinned by our Purpose, we create value for the benefit of our stakeholders.

We provide high-quality solutions that support good customer outcomes. We help customers to save and invest for the future and to protect themselves and their families against potential life shocks.

	UK			Asset Management	Ireland
Access to customers	Providing propositions to customers and employers, primarily through independent financial advisers			Providing investment propositions to Royal London's life and pensions customers and to external institutional and wholesale clients primarily through intermediaries	Providing propositions to customers through brokers
Our propositions	1 **Long-term savings:** • Workplace Pensions • Individual Pensions • Annuities • Equity Release	2 **Protection** • Life Insurance • Illness and Income Protection • Business Protection	1 2 **Long-standing customers[1]:** • Pensions • Annuities • Protection	1 **Collective investment funds and segregated mandates:** • Equities • Fixed Income • Multi-asset • Private Assets	1 **Long-term savings:** • Individual Pensions 2 **Protection:** • Life Insurance • Illness and Income Protection • Business Protection
	2,100,000 policies	1,188,000 policies	4,970,000 policies	£147.2bn AUM[2] £107.6bn internal £39.6bn external	474,000 policies

How we generate revenue

We receive premiums and fees through two primary models:

1. Customers and clients pay fees for investing money with us.
2. Customers pay insurance premiums, protecting them from a life shock.

Reinvesting profits

We generate value for members, customers and wider society, not shareholders.

We use our profits to improve our propositions and services for customers and financial advisers, to maintain our financial strength and to support social impact initiatives. We also share profits with eligible customers, boosting the value of their savings.

1. Long-standing customers also includes funds closed to new business.
2. Asset Management AUM (assets under management) include external assets managed on behalf of third parties and internal assets managed on behalf of the Royal London Group.

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 4,200 colleagues (as of December 2022), operating out of eight offices across the UK and Ireland. We offer a hybrid way of working, with many colleagues working from both home and office. 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, take a look at our career pages on our website.

We continue to champion an inclusive culture, supporting our inclusion networks – DAWN (Disability AWareness Network), PRIDE, REACH (Race, Ethnicity And Cultural Heritage) and Women's Network – with a programme of activities and events. We launched our 'everyday inclusion' conversations toolkit, encouraging every team to consider their diversity and to work together to agree actions to further increase inclusivity.

Our suppliers

We worked with around 1,100 suppliers in 2022, spending approximately £400 million with them. 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.

In 2022 a range of charitable and social impact initiatives benefited from over £2m in donations and support, the equivalent of 1% of our operating profit. This included a donation of £250,000 to the British Red Cross Crisis Appeal in Ukraine and £214,000 to our social impact flagship partnership with national charity Turn2us, supporting individuals and their families to access funding and guidance.
In February 2023 we made a donation of £100,000 to the Disasters Emergency Committee's Turkey-Syria Earthquake Appeal to aid its efforts on the ground supporting those impacted by the devastating earthquake in the region.

We broadened our charitable giving to organisations that seek to prevent the onset and limit the impact of serious illnesses. Our protection policies help families that experience these kinds of life shocks, but we would all prefer to see fewer families suffer from the onset of a critical illness. As such, we made a donation of £700,000 in 2022 to Cancer Research UK to support its efforts in saving lives and we will be looking at additional opportunities to work more closely with them over 2023.

We will continue to develop our approach with updates being made available on our Social Impact website.

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. We 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 in which we operate. It helps to ensure that we operate within the law and take account of the various regulatory frameworks that apply to our business.

Procurement and third party management policy

This policy governs our procurement processes and the ongoing oversight and management of our supplier relationships, including the controls in place to identify, report and manage risks relating to the relationship, which include those related to modern slavery. The policy also includes our approach to initial and ongoing due diligence, which includes that carried out in relation to modern slavery.

This policy combines and replaces the Procurement policy and the Outsourcing and Supplier Management policy, that were both noted in previous statements.

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. We have also added a modern slavery module to our learning platform, accessible to all colleagues. This provides additional material on the topic, including UK Home Office reports and Non-Governmental Organisations (NGO) created podcasts, with the objective of driving up overall awareness and understanding.

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

In 2022, we combined our Procurement and Outsourcing & Supplier Management policies into a single Procurement and Third Party Management policy ('the policy') to further integrate the procurement and supplier management processes.

We engage with suppliers through a formal process which is governed by our 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 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 and 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. Enviromental, 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, Royal London Asset Management (RLAM), we have an ESG Dashboard for internal fund managers. The Dashboard shows our in-house ESG and C (Climate) scores, 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 can be used as a tool to support integration of ESG into investment decision making.

Our progress and commitments in 2022 and commitments for 2023

Focus area	Commitment	Progress in 2022	Actions planned for 2023
Our colleagues	Training and awareness	We have developed a modern slavery learning module on our internal HR system, which is available to all colleagues. This learning module provides access to a range of materials on modern slavery and includes an optional module (with an assessment) that will become mandatory in 2023, for colleagues who manage suppliers. We have delivered presentations on modern slavery to our Supplier Management community and other colleagues who have responsibilities relating to suppliers.	We will continue to provide training and support to all colleagues, with a specific focus on those who have interactions with our suppliers. We will be promoting the learning module several times during the year, via our intranet and to interested groups/teams, to drive up interaction and engagement. We will be developing a new modern slavery reporting dashboard in 2023, which will include management information on the use of the learning materials.
Our suppliers	Ongoing due diligence	We have continued to undertake due diligence on our suppliers and subcontractors, and have updated processes to simplify how we do this.	The reporting dashboard (as noted above) will include management information on the due diligence undertaken on suppliers, which will help us better understand the progress we have made and where further due diligence is needed.

Focus area	Commitment	Progress in 2022	Actions planned for 2023
	Supplier Code of Conduct ('Code')	We have updated the Code and continue to share it with our prospective suppliers. We have reviewed our material suppliers' Codes of Conduct.	We will continue to share our Code with suppliers and will be including levels of engagement in the reporting dashboard mentioned above. We will also continue to request material suppliers' own Codes of Conduct, where relevant. We will be adding the Code to our website (www.royallondon.com), for additional visibility and transparency.
	Targeted support	We have continued to offer support to our suppliers, engaging with them on the topic of modern slavery at joint governance forums.	We will continue to offer support to our suppliers where it helps them improve their controls relating to modern slavery.
	Comprehensive reviews	New commitment for 2023.	We will be undertaking a number of 'deep dive' reviews with material suppliers, to review different aspects of their approach in greater detail. This will include running joint workshops and exploring any opportunities to collaborate on specific areas.
Our Investments	ESG Dashboard	We have continued to build out the capability our internal ESG Dashboard and Power BI solutions provides to fund managers and analysts. This includes adding additional climate-related information.	We will continue to develop our ESG Dashboard and Power BI solutions. Specifically, this will include building technical solutions to support us in meeting our ESG regulatory disclosure requirements. This development will include reporting on climate, environmental, social and governance metrics for a number of our funds.

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 2022.

Statement Confirmation

This statement was approved by The Royal London Mutual Insurance Society Limited Board in May 2023.

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
- PMGI Limited
- PMHC Limited
- PM Holdings Limited
- Police Housing Fund Limited
- RL Finance Bonds No. 2 Plc
- RL Finance Bonds No. 3 Plc
- RL Finance Bonds No. 4 Plc
- RL Wizard Holdings Limited
- RLUM Limited
- Royal London (UK) Holdings Limited
- 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

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