This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Legal & General Group plc and its global subsidiaries during year ending 31st December 2020 to prevent modern slavery and human trafficking in its business and value chains.”

Legal & General Group
Modern Slavery Statement 2020
A year of action

2020 was an extraordinary year, with Covid-19 being the greatest challenge to our way of life in recent times. Our workforce rose to the challenge of providing essential financial services to our customer and we posted resilient financial results for 2020.

The pandemic did not alter our commitment to eradicate Modern Slavery and support human rights.

Legal & General has a great deal of opportunity to influence and effect positive outcomes on these issues. We are a global organisation with ten million customers and 10,000 employees. We invest approximately £90bn as principals using our own balance sheet. Our investment management business is the UK’s largest investor with over £1.25 trillion of assets under management, largely as agents on behalf of our customers and clients.

Whether in our direct operations, as investors ourselves or on behalf of others, we are guided by our commitment to inclusive capitalism, an approach which requires us to do business in an economically and socially useful manner. This underpins our approach to understanding Modern Slavery and taking all possible steps to address the issue.

Dr Nigel Wilson
CEO, Legal & General Group
Our business

As a leading provider of life insurance, pension and investment products, we are experts in safeguarding people’s financial futures.

Our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. This inspires us to use our long-term assets in an economically and socially useful way to benefit everyone in our communities.

Our purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. This inspires us to use our long-term assets in an economically and socially useful way to benefit everyone in our communities.

Our business model enables us to capitalise upon our strengths and capabilities. We aim to be leaders in four key areas: retirement, investment management, capital investment and insurance. We benefit from scale in each of our businesses. By taking a long-term approach to inclusive capitalism, our businesses work together to make a difference.

£1.3tn
of assets under management.

Largest
life provider in the UK

No.1
provider of UK lifetime mortgages

Institutional Retirement
We take on pension scheme liabilities from corporate schemes in both the UK and the US. This ‘pensions de-risking’ gives companies greater certainty over their liabilities whilst providing guaranteed payments to individuals within their schemes.

Retail Retirement
We help our customers accumulate pensions savings and transform them into the income they need to have a colourful retirement.

Investment Management
We manage the assets our clients hold to cover their DB pension scheme liabilities and manage their risk through matching their assets to their liabilities. We are a leading defined contribution (DC) pension manager, aiming to invest DC customers’ pension assets to generate returns. We have an increasingly global business with over £388 billion of international assets under management.

Capital Investment
Our direct investments generate returns for pensions and on the Group’s capital, as well as benefitting society through socially responsible investing. The long-term nature of these investments makes them attractive to our retirement businesses as they can select investments that match the duration of their liabilities.

Insurance
We started offering life insurance cover in 1836 and are the UK’s number one individual life insurance provider. We also offer ‘level-term’ life insurance in the US and our group protection business in the UK offers life insurance and income protection products to individuals through their employers. We now have 5.5 million UK individual life insurance customers, 1.8 million people in group protection schemes and 1.3 million US life insurance customers.
Our Approach

We are working toward the eradication of all forms of forced labour and Modern Slavery and we fully understand our duty to respect human rights.

As a diversified global organisation with over ten million customers and an international value chain, we accept that there may be human rights impacts within our value chains, but we will not tolerate a culture that does not take these impacts seriously.

We have been working with Stronger Together through 2020 to build a five-year strategy to ensure we can identify areas where we can make our systems and processes better to ensure that we have robust mechanisms to identify, report and remediate issues.

This document sets out the progress made during 2020 and our new five-year strategy for Modern Slavery and human rights.

Strategic change and progress for 2020

2020 was a year of significant challenge and change for our business and we recognise the human rights impact that Covid-19 had within our business and supply chains. In 2020 we set about reviewing our Human Rights and Modern Slavery strategy with the aim of improving our performance and creating robust mechanisms to lead to the eradication of Modern Slavery.

The new strategy has been built on a framework aligned to the United Nations Guiding Principles on Business and Human Rights.

Our approach was:

- to ensure commitment within the business;
- to assess our operational and supply chain risk;
- to plan the application of due diligence within our business and supply chains;

Each one of the 40 million people trapped in Modern Slavery today is a person, like you and I, and we must individually and collectively take responsibility to bring an end to this great human rights abuse. I truly believe that responsible businesses hold the key to effecting this global change. Stronger Together will work with you on this journey.”

David Camp, Programme Lead, Stronger Together - one of L&G’s partners in developing our approach to eradicating Modern Slavery
Full internal review
To do this, our process began with a full internal review, including stakeholder interviews across our business, designed to gain an understanding of the current level of due diligence applied in the area of Modern Slavery. These discussions helped us to understand the key areas of focus.

Next, we undertook a review of each business’s key contracts and policies. This allowed us to review and establish some new policies and practices, such as the Human Rights Policy, Human Rights Supplier Requirements Policy and the Human Rights Escalation and Remediation Policy.

We already operate high standards within our own business, including being a Living Wage Employer, a signatory to the UN Global Compact, an advocate of the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. We support behaviours which are consistent with International Labour Organisation’s Core Conventions. Additionally, in 2020, we updated our Supplier Code of Conduct by adopting the internationally recognised Ethical Trading Initiative (ETI) Base Code within our Supplier Code of Conduct, to ensure labour standards within our supply chain.

Risk assessment
Our next step was to define the methodology for our risk assessment which we created in line with information from the Global Slavery Index, the ITUC and Verisk Maplecroft, for both country and industry risk. Once this was defined, we were able to start the process of risk assessing our varied supply chains. Due to the high numbers of suppliers our businesses work with, and the fact we anticipate changes in risk in the future, this work will continue. For the first phase of the work, we prioritised our first-tier supply chain; however, we are aware that in future we will need to address risk deeper into our supply chains.

Our main priority area for our UK operations was the construction sector, where we act via our home building and property investment management businesses. We already had certain measures in place, such as supplier questionnaires and clauses within supplier and partner contracts, requiring compliance to the Modern Slavery Act 2015. However, this prioritisation allowed us to focus on understanding what additional due diligence we needed to apply and set about establishing a “toolkit” of due diligence measures.

We are also interested in exploring the use of specialised ESG platforms tied to our own system management tools, to allow us to more easily manage our data within our supply chain. This work is currently ongoing.

Site audits
As part of our due diligence we undertook a series of construction site audits and assessments. The audits were completed by Achilles, an accomplished construction audit company and were carried out at several Legal & General Investment Management sites throughout the UK.

The audits were primarily focused on identifying Modern Slavery but they also examined working hours, wages and right to work in the UK. The audits consisted of high numbers of worker interviews by specialist auditors, allowing for broad worker testimony.

There was no evidence of Modern Slavery at the Investment Management sites and we were able to use the audit findings to identify areas for process improvements, which we believe will make it even harder for criminals or exploiters to infiltrate our businesses or construction sites.

Additionally, we undertook site surveillance assessments at a number of CALA Homes sites. The assessments consisted of a system review and on-site observations, completed by an external Modern Slavery consultant.

During one of the site surveillance assessments we encountered an issue we deemed to be potentially suspicious and investigated; this led to a report being made to the Gang Master and Labour Abuse Authority (GLAA). We were able to identify an area for improvement in our process to deter would be exploiters and have addressed the required improvements. All other systems and controls were found to be compliant.
Policy

We operate high standards within our own business, which includes being a Living Wage Employer, a signatory to the UN Global Compact, an advocate of the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. We support behaviours which are consistent with International Labour Organisation's Core ConventiON.

Figure 1 shows the policies in place relevant to Modern Slavery, all of which are signed off at Director level. This includes our Human Rights Policy, our Supplier Code of Conduct and our Whistleblowing Policy. The Code of Conduct details how suppliers can report under our Whistleblowing Policy.

We regularly review and update standard supplier contractual terms templates for suppliers, contractors and partners to include obligations on Modern Slavery Act risk assessment, controls, and notification of Modern Slavery findings.
Governance

We operate a robust layer of committee and governance structure to manage our obligations on Modern Slavery effectively. The Group’s Executive Sponsor on this topic is Lesley Knox, an Independent Non-Executive Director on the Legal & General Group Board. Lesley sits on the Modern Slavery and Human Rights Committee, and is directly involved in overseeing all relevant actions that are taken.

The Modern Slavery and Human Rights Committee brings together representatives from across our business and sets the agenda for the year. It reports on its progress to the Group Executive Risk Committee, chaired by Philip Broadley, Senior Independent Director, Legal & General Group Board; and to the Resources Board, chaired by Emma Hardaker-Jones, Group HR Director.

Training our employees to better understand Modern Slavery and Human Rights

In 2020 we reviewed our current Modern Slavery training across the business. Following the review, we acknowledged that there were improvements that could be made and subsequently developed training materials and modules to begin to meet the needs of our business more fully.

We understand that there are parts of our business where an in-depth knowledge of Modern Slavery issues is required, for example our operatives and management on construction sites. To this end we have developed training that meets the needs of the various employees within these higher risk areas of our business.

We are proud of the material we have developed. This material, which will be rolled out in 2021, will equip relevant staff with the practical knowledge and information to act appropriately should they ever come into contact with any aspect of Modern Slavery. Our aim will also be to make this available to the public through the supplier page on the Legal & General Group Website.

Ongoing targeted training sessions have taken place with our key strategic suppliers, continuing to raise wider awareness of Modern Slavery and provide practical advice on all aspects of tackling Modern Slavery.

Collaborating to raise awareness of Modern Slavery and Human Rights

We have been active in seeking out our peers and organisations who face the same challenges, to leverage our purchasing power for good. We understand that collaboration is vital to tackling Modern Slavery in businesses and we will continue to work with business peers and industry bodies to help deliver this agenda.

To that end, in July 2020, we joined the Gangmaster and Labour Abuse Authority (GLAA) Construction Protocol.

We actively collaborate with industry bodies such as the Homebuilders Federation, the Chartered Institute of Building, and the Construction Industry Council; and participate and collaborate in initiatives such as the Construction Clients Leadership Group.

In 2019, Legal & General was invited to be a member of a new global group of companies called Business for Inclusive Growth (B4IG). B4IG is a new organisation established by the internationally respected Organisation for Economic Cooperation and Development (OECD) to support inclusive growth. We continued our work with this body in 2020.

We are also participants of an initiative, spearheaded by Rathbones, to call to account any FTSE 350 companies that may not be complying with the Modern Slavery Act 2015.

These important collaborations ensure that we can raise awareness of key Human Rights issues such as Modern Slavery. Not only do we raise awareness inside our own eco-system, our collaborations create greater leverage to make significant changes for the benefit of workers and potential victims of Modern Slavery.
Supplier Code of Conduct

1. Protecting the environment
2. Protecting the employee
3. A safe and healthy workplace
4. Equality, Diversity, and Inclusion
5. Ethics
6. Community involvement
7. Compliance

Supplier selection
We aim to work only with organisations that share our values and vision, particularly on issues as important as Modern Slavery and Human Rights. Our Supplier Code of Conduct sets out the rights and responsibilities that govern the relationships our business has with its value chain partners.

Our strategy recognises the need to directly engage with key suppliers and gather the most effective and robust data about their commitment to our Code of Conduct.

We have worked with carefully chosen specialists to identify the best way to deliver the due diligence our strategy requires. During onboarding and over the lifetime of a value chain relationship, we are committed to managing our suppliers as set out in the Code of Conduct.

Our relationship management technique includes traditional methods of screening alongside the use of digital tools to enhance governance. We also hold discussions with suppliers about working standards and the quality of jobs undertaken.

We updated our Group Procurement Supplier Code of Conduct in 2020 to include enhanced due diligence. The link can be found here: Legal & General supplier code of conduct
Performance practices
Legal & General is an ambitious business with a clear purpose to improve the lives of our customers, build a better society for the long term and create value for our shareholders. We believe that embracing difference, ensuring dignity and inclusion at work, and managing our people effectively is important. Our policies addressing these important aspects of our business can be accessed at https://www.legalandgeneralgroup.com/csr/our-approach/our-policies/

Transparency
Our Human Rights related polices are available to view through the links in this statement and on our corporate website.

We understand that managing Modern Slavery in business and value chains is a journey. While there is always more to do, over the years we expect to see that the changes we are making now will improve the robustness of our due diligence and Human Rights programme, positively impact those in greatest need, and contribute to the eradication of Modern Slavery.

Applying remedy
We have not had to apply Human Rights remedy within our supply chain, but we are aware that this may become a reality as we begin to investigate further within our supply chains.

We have developed our Human Rights Escalation and Remediation Policy which sits alongside our internal whistleblowing mechanism and is widely publicised within the business. It is active and effective at raising issues within the business.

All direct employees have access to the Employee Handbook, which contains details of all our Human Rights related policies, such as Whistleblowing, Grievance and Disciplinary.

We require our suppliers to have effective grievance mechanisms in place for their own workers and to display posters with access to whistleblowing helplines, to ensure any instances of human rights abuse can be flagged. This is checked during site visits and in audits where they are deployed. In the UK, government and charity-led reporting mechanisms can lead to forms of remedy for potential victims of trafficking and slavery. However, we know that this is not necessarily available in other countries at present.

This statement is made and published in accordance with Section 54 of the Modern Slavery Act 2015.

It has been approved by the resources board of Legal & General Group and signed by Nigel Wilson.

Nigel Wilson
Chief Executive Officer
Registered office:
One Coleman Street
London
EC2R 5AA

T  0203 124 2000
F  0203 124 2500
legalandgeneralgroup.com

Legal & General Group Plc is a holding company, subsidiary undertakings of which are authorised and regulated by the Financial Conduct Authority and/or Prudential Regulation Authority, as appropriate.