Modern slavery statement
2019
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 2019 to prevent modern slavery and human trafficking in its business and value chains.”

Legal & General Group
Modern Slavery Statement 2019
A year of action

2019 was another year of action for Legal & General’s commitment to eradicate modern slavery and support human rights. Our new five-year strategy will see our businesses focus even more than ever before on these vital issues.

L&G is a global organisation with ten million customers and 7,000 employees and we know that big responsibilities come with such scale. We understand the impact of our actions on the lives and welfare of all the people in our businesses, but, we also know that the decisions we take can have a big impact on people in our wider value chain, and ultimately in the societies we belong to and rely on.

We want an end to modern slavery but to get there we need a society where tackling modern slavery is a natural action. We always want to partner with the best people whatever we do, so we are working with Stronger Together to embed a Modern Slavery agenda within our business. We have increased resources and are designing and introducing an improved range of due diligence measures that we will report on in detail next year.

In the future, we will ask more of ourselves and our suppliers. We will want them to ensure that they call their own value chain to account. We will also expect them to proactively identify, report, and remedy instances of Modern Slavery. In the future we will require them to report their findings on an annual basis, as a minimum.

We know that modern slavery is one of the greatest human rights issues of our time. We are working to support the end of this terrible abuse and provide decent work and treatment for all in our supply chain.
Our business

For nearly 200 years we have provided financial services to customers across the UK, and now the US. As the UK’s largest provider of individual life insurance products and the biggest manager of corporate pension schemes 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.

We are built on understanding people, how long they live, what risks they are comfortable with and their changing needs throughout life.

What we do:

c£1.1tn+
of assets under management.

Largest
life provider in the UK

No.1
provider of UK lifetime mortgages

Institutional (LGRI)
We take on pension scheme liabilities from corporate schemes in the UK, North America and Europe. This ‘pensions de-risking’ gives companies greater certainty over their liabilities whilst providing guaranteed payments to individuals within their schemes

Legal & General Capital (LGC)
We manage shareholder and customer assets, aiming to improve returns through putting money into direct investments. This includes investments of over £26 billion in:

1. future cities through urban regeneration schemes
2. the development of clean energy
3. principal investing which provides finance to small businesses

We operate a number of homebuilding businesses such as L&G Homes, CALA Homes and Inspired Villages and have a factory in Yorkshire which manufactures modular homes.

Investment Management (LGIM)
We are the UK market leader in providing pension asset management services to institutional clients. We manage the assets they hold to cover their DB pension scheme liabilities, managing their risk through matching their assets to their liabilities. We are also a leading defined contribution (DC) pension manager, aiming to invest DC customers’ pension assets to generate returns. We are continuing to expand into personal investment services and have an increasingly global business with over £370 billion of international assets under management.

Insurance (LGI)
We started offering life insurance cover in 1836 and are the UK’s number one individual life insurance provider. We 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 over five million UK individual life insurance customers, over two million people in group protection schemes and in excess of one million US life insurance customers.
Our Approach

We want to work 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 ten million customers and an international supply chain, we accept that there may be human rights impacts within our supply chains, however we will not tolerate a culture that does not take these impacts seriously.

We have undertaken a Stronger Together Modern Slavery Organisational Performance Assessment to 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 2019 and our new five-year strategy for modern slavery and human rights.

What was new in 2019?

- We are actively investigating providing access to 3rd party whistleblowing mechanisms for our suppliers.
- We are reviewing how we conduct audits of high risk assessed suppliers against our supplier code of conduct.
- We are updating our standard supplier contractual terms templates for suppliers, contractors and partners to include obligations on the Modern Slavery Act risk assessment, controls, and notification of Modern Slavery findings.

There is no typical victim of slavery. Victims are men, women and children of all ages, ethnicities and nationalities and cut across the population. However, it’s normally more prevalent among the most vulnerable or within minority or socially excluded groups. In 2018, the UK Modern Slavery Helpline indicated that 3,280 potential victims of modern slavery cases were men, while 1,476 were women. Child victims are victims of child abuse and should therefore be treated as such using existing child protection procedures and statutory protocols.”

Unseen, one of L&G’s partners in developing our approach to eradicating Modern Slavery
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 Conventions.

Figure 1 shows the policies in place relevant to Modern Slavery, all of which are signed off at director level.

We are currently updating our 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

The governance of Modern Slavery within the Legal & General Group can be found in figure 2.

The Legal & General Group Board reviews and approves the Modern Slavery Statement.

The Group Executive Committee role is to agree and review the Modern Slavery strategy and Human Rights policy across the group.

The Corporate Responsibility & Ethics Committee receives updates on the progress against the Modern Slavery strategy from the working group.

This includes our Human Rights policy, our Supplier Code of Conduct, and our Whistleblowing Policy.

In addition, as new measures come into place during 2020, we may require our suppliers to adhere to the internationally recognised Ethical Trading Initiative (ETI) Base Code, and we may require audit of high risk assessed suppliers and supply chains against this Code.

Figure 1 The Modern Slavery Policy Framework

Figure 2 The Governance of Modern Slavery within L&G Group
**Action**

**Embedding Human Rights and Modern Slavery actions into our Value Chain**

During 2019 we worked with Stronger Together to understand more about our performance regarding how we address Modern Slavery. The outcome of this exercise is a new “toolbox” of due diligence measures as well as a clearer view on where the risks are in our supply chain. We are working towards developing a five-year strategy to further embed modern slavery and human rights in the culture of our own business and our wider value chain.

The new strategy requires members of our supply chain to evidence their commitment to embedding human rights, and acting to end modern slavery, within their organisations. We will monitor improvement within our supply chains and report on our progress. The scrutiny of our supply chain is enhanced to include assessments, social audits, on-site inspections and other surveillance techniques. We will be undertaking, ad-hoc site inspections and visits, undertaken by key modern slavery trained employees, which will primarily take place on our construction sites and within any of the high-risk areas of our business and supply chain.

As we move through the five-year strategy we will seek to further understand where our impact is greatest and focus our actions in those areas. This year we have focused on our supply chain, however we note also our capacity in influence as an investor both of our own funds and as a manager of clients’ money through LGIM.

**Supplier selection**

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Supplier Code of Conduct

1. Protecting the environment
2. Protecting the employee
3. A safe and healthy workplace
4. Equality, Diversity, Inclusion and Ethics
5. Community Involvement.
6. Meeting our Customers’ needs

Identifying Modern Slavery risk in our value chains
Using data obtained from key risk analysis organisations and the Global Slavery Index, we have created a risk assessment tool to understand more fully the level of risk within our business and that posed by suppliers and value chains.

We also have in place a wide range of processes and controls to prevent modern slavery in our workplaces:

- right-to-work checks
- real living wages
- a strong union relationship with Unite
- focused training and an in-house support helpline for people concerned about colleagues in our workplace

For full details, please see:
Focus on Legal & General Homes
All contractors and subcontractors working with Legal & General Homes complete a modern slavery questionnaire. There are additional measures also in place relating to anti-bribery and corruption, whistle-blower policies, real living wage requirements and supplier codes of conduct. These measures cover:

- direct employment and indirect employment (including Security and IT workers)
- supply chain services
- service contracts
- supply chain materials
- supply chain construction contracts

In addition to identifying our immediate supply chains, we also use a new risk assessment tool that allows our business teams to understand where specific industries and countries could pose a risk.

Figure 3 sets out the prevalence of Modern Slavery by country as provided by The Global Slavery Index.

Additionally, we are investigating the use of a verification assessment tool which would provide additional risk assessment data and oversight of the true sustainability of our supply chain.
Training our employees to better understand Modern Slavery and Human Rights

Over 2019 we have worked directly with specialist partners, Stronger Together and Unseen, to develop focussed and leading-edge training that supports employees from many diverse areas of activity, and across a range of roles within L&G and in our supply chain, to better understand the issues relating to Modern Slavery and Human Rights.

We are working with colleagues who have frontline operational roles, such as facilities and site managers, to develop leading edge training to be able to spot indicators and report them effectively.

We are developing face to face training for our procurement teams so that they can understand the global context of slavery, identify where the highest risks are when sourcing products and services, and then mitigate and, or, remediate those issues.

We are developing an awareness raising module so that all employees are aware of the threat to people and businesses and are able to identify indicators, both within the business or in their own communities, and effectively report to the relevant internal or external mechanisms.

Collaborating to raise awareness of Modern Slavery and Human Rights

In November 2019 we held the first of our modern slavery workshops, where we invited some of our key strategic business partners and suppliers to our offices in London, to engage with them and raise awareness of modern slavery issues within supply chains. We intend to complete further workshops to enhance our collaboration and management of the issues.

We understand that collaboration is vital to tackling modern slavery in businesses and we will be reaching out to business peers and industry bodies to help deliver this agenda. 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 are also participants of an initiative, spearheaded by Rathbones, to call to account FTSE 350 companies that are not 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.

Supporting the Modern Slavery Helpline

In 2016 The Modern Slavery Helpline was launched, run and managed by the modern slavery charity Unseen.

Victims and survivors of modern slavery can contact the helpline to understand their options and to be connected into appropriate support services. The helpline is a valuable and vital resource in the fight against modern slavery.

The Modern Slavery Helpline requires funding from business in order to continue. In 2019/20 we were pleased to be able to support Unseen and the helpline by donating money to ensure that this vital work continues.

Remedy and Grievance Mechanisms

We have aligned our grievance mechanisms with the UN Guiding Principles on Business and Human Rights, so that our own grievance mechanisms, and those of our suppliers must be: legitimate; accessible; practicable; equitable; transparent and provide for sources of continuous learning.

To that end we have our internal whistleblowing mechanism, which is widely publicised within the business. It is active and effective at raising issues within the business. We are investigating options to provide a 3rd party whistleblowing hotline for our suppliers and supply chain.

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 alerted. This is checked during site visits and in audits where they are deployed.
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To date we have not had to remedy an instance of modern slavery, however we are developing a Human Rights Escalation and Remediation Policy, detailing actions required in the event of uncovering instances of modern slavery and other human rights issues.

**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, providing 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/](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 intend to list our key suppliers on our website so that consumers can view our key sourcing countries.

We understand that managing modern slavery in business and supply chains is a journey. Through our five year strategy we expect to see that changes we are making, to improve the robustness of our due diligence and human rights programme, positively impact those in greatest need and lead to the eradication of modern slavery.
The boards of Legal & General Group Board have reviewed and approved this statement. The Group CEO has signed the statement on behalf of Legal & General Group

Nigel Wilson
Group CEO

Date signed 3rd July 2020