

Modern Slavery Statement

2021



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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 (with the exception of CALA Homes) during year ending 31st December 2021 to prevent modern slavery and human trafficking in its business and value chains. CALA's separate Statement can be found on that entity's website."

Legal & General Group
Modern Slavery Statement 2021

CEO introduction

We recognise that modern slavery is a global issue, and in the past year, we have remained committed to playing our part in supporting the global aim to eradicate it. This is our sixth Modern Slavery Statement, and it outlines the steps we take as a business to prevent slavery and human trafficking in our own operations and supply chain. This document sets out the progress we made during 2021.

We are a global organisation with over 10,000 employees; our investment management business has £1.4 trillion of assets under management, including investments in the world's largest companies. We are acutely aware that our position enables us to influence, lead and drive positive change in the communities in which we live and work. We take this responsibility very seriously.

Whether in our direct operations or as investors of our shareholder capital and on behalf of clients, we are guided by our commitment to inclusive capitalism: a principle 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.

We continue to grow our knowledge and understanding of where modern slavery exists and how it can infiltrate legitimate business. We understand that there are challenges and that there is always more that we can do, but we feel confident in rising to the task.

Sir Nigel Wilson

CEO, Legal & General Group

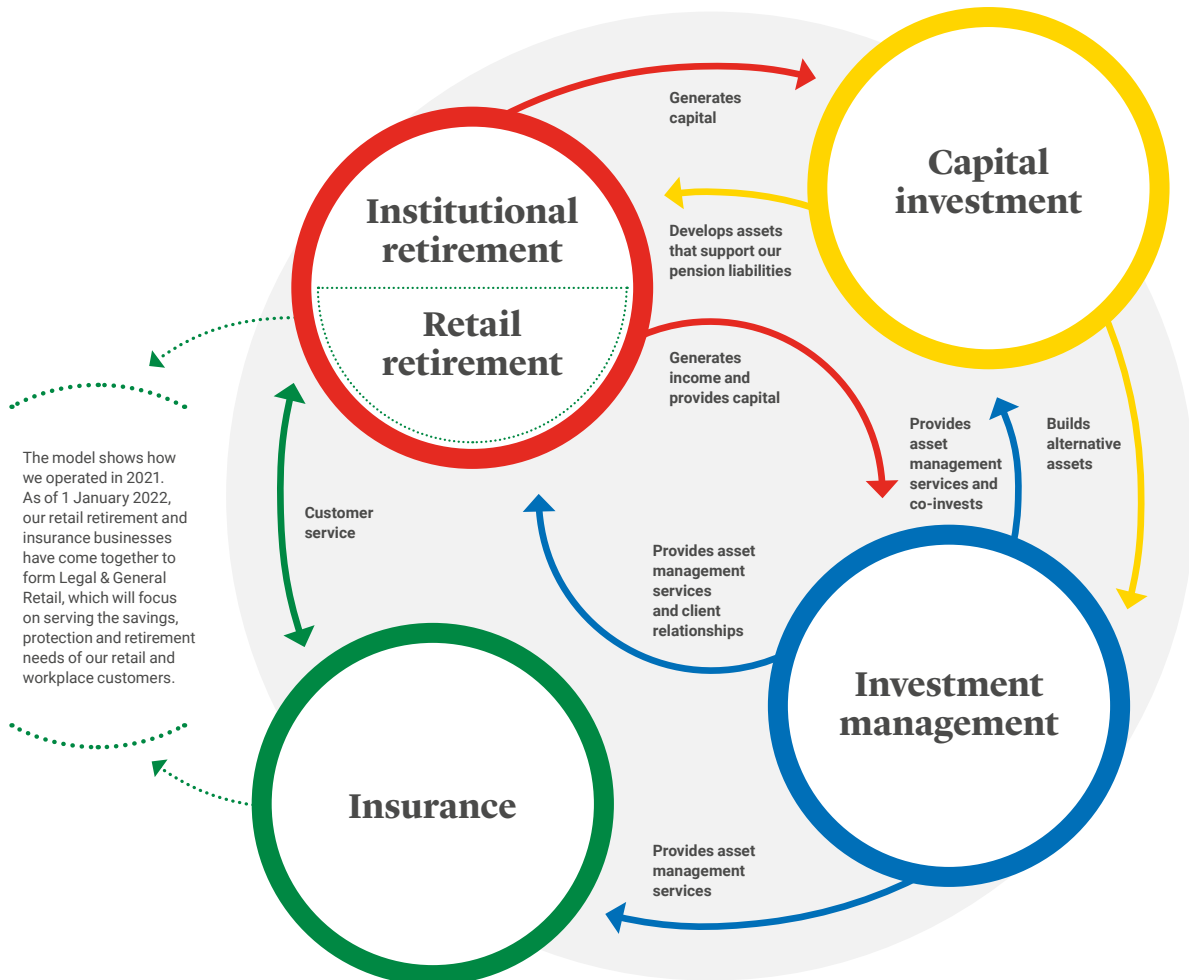


We have remained committed to playing our part in supporting the global aim to eradicate modern slavery.”

Our business

As a leading provider of life insurance, pensions, 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. We call this Inclusive Capitalism and by taking a long-term approach to investing capital and providing important financial services, our businesses work together to make a difference.



● Retirement

We provide guaranteed retirement income for corporate pension scheme members and we transform individuals' pension savings so they can live a colourful retirement.

● Capital Investment

We use some of our customers' pension assets, as well as the group's shareholder capital, to make long-term investments in assets such as clean energy, housing and SME finance.

● Investment Management

We are one of the world's largest asset managers and a major global investor.

● Insurance

We are the UK's number one individual life insurance provider and provide level term insurance in the US.

Our overarching approach



We recognise that modern slavery is a global issue and we are committed to playing our part in supporting its eradication.

This is our sixth Modern Slavery Statement, and it outlines the steps we take as a business to prevent slavery and human trafficking in our own operations and supply chain. This document sets out the progress made during 2021.

As a diversified global organisation with an international presence, we acknowledge 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 understand our responsibility to prevent, mitigate and remediate where necessary the risks of human trafficking, forced, bonded and child labour; and to respect human rights in our operations and our supply chain.

Our commitment to our customers and stakeholders is very clear: we will always treat people in our business and supply chain fairly.

We have continued our work with the multi-stakeholder, modern slavery initiative, Stronger Together, through 2021 and expect to do so through 2022. We are continuing with our five-year strategy to identify areas where we can improve our systems and processes and ensure that we have robust mechanisms to identify, report and remediate issues.

In 2020, we set about reviewing our Human Rights and Modern Slavery strategy, aligned with the United Nations Guiding Principles on Business and Human Rights, with the aim of improving our performance and creating robust mechanisms to lead to the eradication of modern slavery. Last year, we started working to embed this within the organisation. We acknowledge that the ongoing impact of Covid-19 on our business has slowed down our implementation of this strategy.

[CEO Introduction](#)

[Our Business](#)

[Our Approach](#)

Continuous improvement

Our approach to addressing modern slavery forms part of our wider human rights agenda. Our strategy is supported by our Supplier Code of Conduct and Human Rights policies, which apply across the Legal & General Group and its subsidiaries (excluding CALA Homes), and sets out our obligations to customers, employees and communities in our own operations and supply chain.

We review our processes and policies to ensure that we are meeting our requirements under our five-year strategy and to ensure the effectiveness of our response to modern slavery.

We take any breach of our policies or allegations of labour abuse extremely seriously. We provide independent and confidential whistleblowing hotlines that enable our employees, suppliers, and their staff around the world to raise concerns.

Policies

Our human rights agenda holds us to account in operating to high standards within our own business. We are a Real Living Wage Employer, a signatory to the UN Global Compact and an advocate of the UN Guiding Principles on Business and Human Rights and the UN Sustainable Development Goals. We continue to support behaviours which are consistent with International Labour Organisation's Core Conventions. We have incorporated the internationally recognised Ethical Trading Initiative (ETI) Base Code within our Supplier Code of Conduct.

The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice. It stipulates the following nine provisions:

- Employment is freely chosen
- Freedom of association and the right to collective bargaining are respected
- Working conditions are safe and hygienic
- Child labour shall not be used
- National Living wages are paid
- Working hours are not excessive
- Discrimination is not practised
- Regular employment is provided
- No harsh or inhumane treatment

Governance

We operate a robust committee and governance structure to manage our obligations on modern slavery effectively. The Group's Board Sponsor on this topic is Nilufer von Bismarck. Nilufer is a non-executive Board member and member of the Audit, Risk, Nominations and Corporate Governance and Technology Committees. In 2022, she was appointed as the designated non-executive director for workforce.

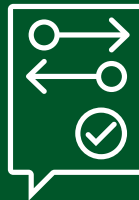
The Modern Slavery and Human Rights Committee brings together representatives from across our business and sets the agenda for the year.

In 2021, we created a Group Sustainability team which oversees all aspects of social sustainability including modern slavery for the Group. While accountability for day-to-day prevention of modern slavery remains with our operating businesses, the Group team provides a central point of oversight which helps us to coordinate governance and reporting of modern slavery issues.

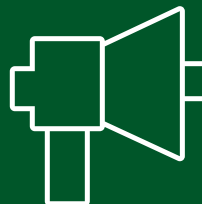
The following policies apply to our business, regarding modern slavery:



Human Rights Policy
Find out more



Supplier Code of Conduct
Find out more



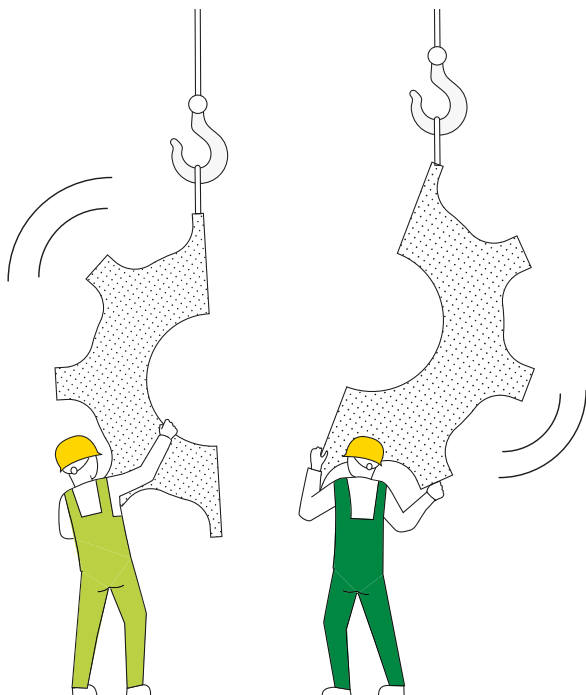
Whistleblowing Policy
Find out more

Risk assessment

Our main priority area for our UK operations continues to be in the construction sector. Our home building, real estate investment and asset management businesses all operate in this area. We have seen significant impact on worker recruitment and retention from Covid-19 and the new UK immigration legislation. We are aware that unscrupulous businesses and criminal gangs continue to target construction businesses and consequently we remain vigilant to the threat of forced labour and modern slavery in our construction businesses especially.

In 2021, we engaged third-party experts to help us build and deliver training to procurement team members and supplier relationship managers to help us adapt what we procure and how we source; scrutinise our procurement suppliers; and influence them to improve. This helped to promote the topic of sustainable procurement, what it means and why it is important.

Alongside this activity, we took steps to improve elements of our supply chain governance. This included further refining our sustainable sourcing principles statement to aid ease of use, make the case for the importance of sustainable sourcing and provide tangible actions. With the additions of key focus areas like diversity and inclusion, modern slavery and the living wage, we have now created what we consider to be a more compelling document which will engage and inspire people in our business to become part of our sustainable sourcing mission.



We also completely redesigned our supplier sourcing due diligence questionnaire on sustainability, increasing the weighting of sustainability in applicable tenders from 10% to 15% by June 2022 and a target to raise to 20% by December 2022. This incorporates 35 questions on themes including modern slavery, living wages and working hours.

Whilst our priority is on the UK labour market and the construction industry, we understand that there are other geographical and sectoral risks within our business and our value chains. For example, we procure wood, steel and bricks and these value chains can be at higher risk of modern slavery practices in certain places around the world.

Due diligence

For the past five years, we have had methods of due diligence in place, such as supplier questionnaires and clauses within supplier and partner contracts, which ensure compliance with the Modern Slavery Act 2015.

In 2021, we developed a more robust “toolkit” to draw from including audits and assessments of our suppliers. We continued to work with Achilles [for our Real Assets business], which undertakes specialist construction site audits. The resultant findings are consistent with audit findings from the construction sector as a whole.

No incidents of modern slavery were noted or reported in 2021.

In 2021, we started our investigation into the use of specialised Environment, Sustainability and Governance (ESG) platforms tied to our own system management tools, to allow us to manage our data more easily within our supply chain. Whilst we didn't finalise this work in 2021, we are currently exploring the market to see what software and tools are available to help us capture more key data points as well as better manage the sustainable sourcing, ESG and modern slavery risk across our supply chain.



Training

In 2020, we developed training materials with Stronger Together to reach different stakeholders across the business. A module designed to educate colleagues on the risk of modern slavery in workplaces, how to spot potential victims of modern slavery and how to report any instances was developed and will be made available to all employees in 2022.

We have collaborated with peer businesses and have run workshops with those stakeholders designed to drive better understanding best practice within our industry and how we can support each other on helping to eradicate forced labour within our supply collective chains.

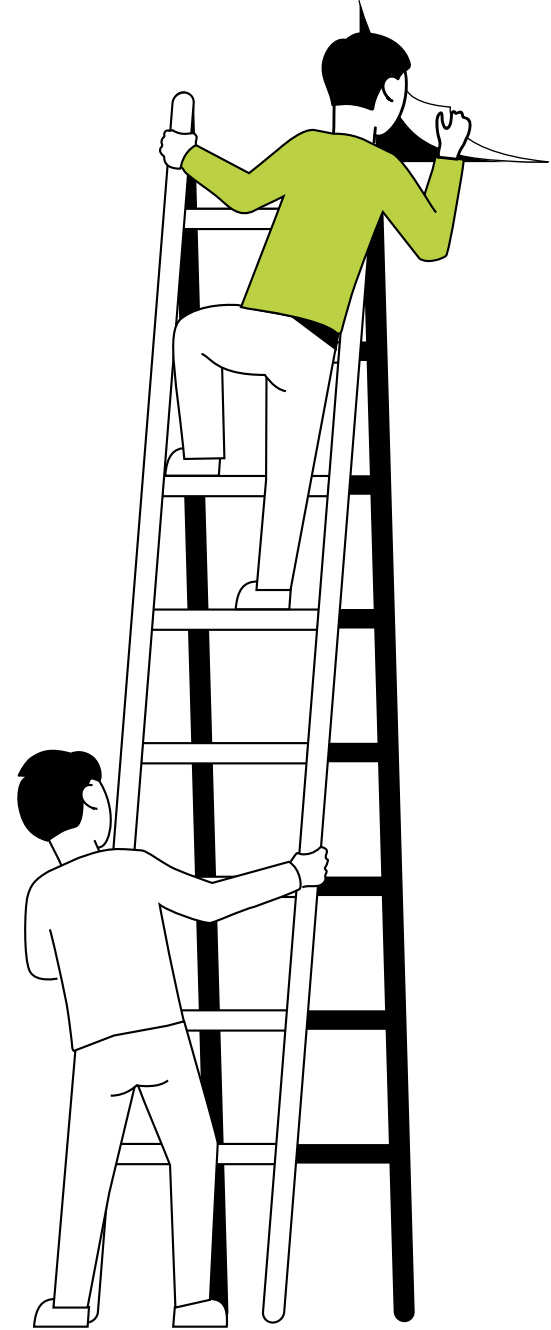
Industry Collaboration

We have been active in seeking out our peers and organisations which 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.

We are members of 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 2021, we were part of a natural work team within the Construction Clients Leadership Group researching current modern slavery initiatives and providing members with an overview of what initiatives were available. We presented to this group regarding the level of risk and consequences of inaction in the sector.

In 2019, we were invited to be a member of a new global group of companies, Business for Inclusive Growth (B4IG), established by the Organisation for Economic Cooperation and Development (OECD) to support inclusive growth. We continued our work with this body in 2021.



In our capacity as an asset manager and an investor in listed companies, we are participants in an initiative, spearheaded by Rathbones, to call to account any FTSE 350 companies that may not be complying with the Modern Slavery Act 2015.

We are part of these groups because we understand how important these collaborations are in ensuring all businesses continue to raise awareness of key human rights issues such as modern slavery. Being part of these groups also enables us to support peer businesses, learning from each other and challenging each other.

Supplier selection

It is important to us to ensure that we only work with suppliers who share our values and vision, particularly on issues as important as human rights and modern slavery. Our Supplier Code of Conduct sets out the standards, ethics, rights and responsibilities that govern the relationships our business has with its value chain partners.

We hold regular discussions with key suppliers about working standards within the value chain and, after onboarding, continue to work with each supplier to drive improvement within the business.

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](#).

We are also further enhancing our due diligence during the sourcing process to ensure that we appropriately test, measure and score suppliers bidding for new business to ensure we only select those aligned with our values.

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 and we grow globally. We have tested our escalation process and as such have reviewed the policy and made positive changes to improve internal and external escalation procedures.

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

Our Supplier Code of Conduct requires our suppliers to provide effective grievance mechanisms for their own workers and to display posters with access to whistleblowing helplines, such as GLAA and Stronger Together posters, to ensure any instances of human rights and modern slavery abuse can be identified and reported. We check for posters and whistleblowing mechanisms during site visits and in audits where they are deployed.

Performance practices

Legal & General is an ambitious and sustainable business. Our clear purpose is to improve the lives of our customers, build a better society for the long term and create value for our shareholders. We believe that protecting people and the planet is vital to the ongoing strength of our business. We embrace difference, ensure dignity and inclusion at work, and manage our people effectively and continue to aim to protect them and those in our value chains from the threat of modern slavery.

Our policies addressing these important aspects of our business can be accessed at <https://legalandgeneralgroup.com/sustainability/esg-governance-and-policies/policies>

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

It has been approved by the Board of Legal & General Group plc in May 2022 and signed by Sir Nigel Wilson, CEO, Legal & General Group plc.



May 2022

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