

## WESLEYAN GROUP MODERN SLAVERY STATEMENT

### Introduction

Wesleyan Assurance Society is committed to acting ethically and with integrity and transparency in all business dealings, and to implementing effective systems and controls to safeguard against any form of modern slavery taking place within our business or our supply chain. Wesleyan has a zero tolerance to slavery and human trafficking. This statement covers our direct operations and supply chains. It also looks at the steps we are taking to combat the risk of modern slavery and human trafficking within our investment business and our client and customer base.

### Wesleyan - Our business

We are a long established mutual founded in 1841, providing specialist financial advice and solutions to doctors, dentists and teachers. Being a mutual is integral to how we think about our business and the way we look after our members, customers and our communities. It means we can focus on their long-term needs and what's right, rather than maximising short term profitability for the benefit of shareholders

The Wesleyan Group is a UK based group with employees operating from offices based in:

- Birmingham
- Oswestry
- and home-based workers spread across the UK

We provide a range of personal and professional products and service designed to meet the needs of our professional customers at every stage of their life. This includes:

- Specialist Financial Advice
- Savings and Investments
- Mortgages
- Pensions and Retirement Planning
- Life Assurance and Protection
- General and Commercial Insurance
- Dental Membership Plans.

In previous years our Modern Slavery Statement has included Wesleyan Bank, but due to the sale of the Bank in February 2022, a separate statement is being prepared to cover its activities.

### Our policies on modern slavery and human trafficking

Our commitment to effective systems and controls to safeguard against any form of modern slavery taking place within our business or our supply chain is embedded in our relevant policies and statements, which are instrumental in managing our approach to modern slavery risk. These include:

- Our Employee Conduct Policy which defines the behaviours, standards and actions required from all employees, communities, and provision of products and services to clients and customers.
- Our framework of Financial Crime Policies sets out minimum standards and controls required for Group companies to comply with relevant anti-money laundering regulations. These mitigate the risk of our firms being used to facilitate financial crime, including modern slavery offences.

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- Our general employment policies and practices, which reflect employment law, encompassing the provisions of the Universal Declaration of Human Rights, are designed to create an inclusive culture.
- Our Supplier Policy sets the standards for procurement and management of suppliers throughout the Wesleyan Group.

## Our supply chain - Risk Assessment and Due diligence

### Risk

Overall risk for the Group related to Modern Slavery Act compliance is deemed to be low to moderate, for the following reasons:

- The Group is UK based and operates in the field of financial services;
- Our supply chain is limited to goods and services which are required to support an organisation of this nature (e.g. support services and computer hardware / software);
- We have a commitment to seeing UK standards in our supply chain and our due diligence and governance programme supports this aim.
- The Group's expenditure with third parties is c.£50m per annum. 64% of this expenditure is with 25 firms identified as either high value and/or high criticality to Wesleyan, who are subject to a detailed due diligence assessment that includes modern slavery evaluation and on-going oversight to assure compliance remains throughout the term of the relationship. We negotiate a right of audit into all of our relevant contracts.

### Due Diligence

- We expect all suppliers to comply with our values. To demonstrate this commitment all suppliers are asked to confirm their compliance with the requirements of the Modern Slavery Act 2015 before we commence working with them. This is included in our mandatory due diligence checks which are carried out on all new suppliers to the business and in our supplier health check which is undertaken in relation to our strategic and critical suppliers and key outsourcers. We also include obligations to comply with Modern Slavery legislation within our standard form contracts.
- We endeavour to establish and build professional relationships with our suppliers and clearly state our expectations of business behaviour.
- Where non-UK based suppliers are used, our point of contact is preferably with a UK company or branch and we expect these entities to have suitable anti-slavery and human trafficking policies and processes in operation throughout any group structure.
- We expect each supplier to adopt at least 'one-up' due diligence on the next link in the chain. It is not practical for us (and every other participant in the chain) to have a direct relationship with all members of the supply chain or have systems in place to encourage the reporting of concerns and the protection of whistle blowers.

## Our customers and clients - Risk Assessment and Due Diligence

### Risk

As a customer focused business, we are aware that the risk of modern slavery extends beyond the supply chain and can potentially directly impact our customers' lives. Our policies on Financial Crime and Anti Money Laundering & Countering Terrorist Financing together with our Financial Crime Risk Appetite Statement set out how we work to help prevent financial crime and terrorism being enabled through Wesleyan.

We have robust due diligence processes in place in relation to onboarding customers and throughout the relationship supported by suspicious activity reporting. In addition, product risk

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assessments take place regularly that include an assessment of the risk that they facilitate financial crime, including Modern Slavery.

We do not consider that we operate in high-risk sectors or locations because we are solely UK based and focus on the financial planning needs of society's most trusted professions. We also do not have a branch network offering payment accounts, and our products are designed either to provide protection against life events or are longer term savings vehicles.

Where we have identified a potential risk, we amend our product/service features, carry out enhanced monitoring, and introduce additional controls, to mitigate the risk.

## Our staff - Risk Assessment and Due Diligence

We regularly evaluate the nature and extent of our exposure to the risk of modern slavery occurring within our staff by:

- Making sure our hiring managers and those responsible for recruitment (Resourcing and ESS) know and understand the legal requirements around appropriate right-to-work checks.
- We ensure we speak to recruitment agencies and make sure they undertake appropriate due diligence.
- We ensure that all recruitment agencies we engage with are registered and speak to them to make sure they're undertaking appropriate due diligence.
- Our Employee Code of Conduct makes clear that we expect our own people, whether permanent or temporary, to be treated with respect and dignity at work and we believe employment should always be chosen.
- Our recruitment process is managed centrally to ensure there is no forced, bonded, or involuntary labour.
- Wesleyan are committed to paying our employees a fair wage, and regularly review our salaries in line with Market bench marking.
- In addition, our entry salary level is aligned to the real Living Wage as this supports our remuneration philosophy.
- Employees are not required to lodge monies or identity papers (other than those legally required) to be able to work.
- Employees are free to leave employment after the giving of reasonable notice.
- All employees are required to register a mobile number of both themselves and an emergency contact and regular Employee Notifications are sent to the individual.
- Whilst individuals are working from home, managers regularly conduct online meetings via Microsoft Teams with individuals.
- Our 'Conscious Inclusion' awareness training provides managers and employees understanding of their own prejudices to support a zero-tolerance to all forms of discrimination.
- We ensure that the minimum age for recruitment is 18.

We do not consider that we operate in high-risk sectors or locations because we are a UK based business with minimal locations and the majority of our roles are regulated. Our recruitment processes are managed centrally, and regular contact is made by managers with candidates.

Where we have identified a potential risk, this can be reported through line managers or HR. In addition, our 'Speak Out' Policy, allows employees to reach out to various senior managers and our 'Whistleblowing Champion', for them to listen to, and investigate any concerns an individual may have. Everyone can also contact our ethics helpline, "Safe call" which is an independent third party who will act on the individual's concerns.

## Investment Department - Risk Assessment and Due Diligence

We regularly evaluate the exposure of our holdings to modern slavery risks in order to limit our exposure to any actual or potential violations. The Investment Department uses the data and research of a specialist independent environmental, social, and governance (ESG) service provider to highlight where an existing or potential company we are exposed to is involved in a controversy relating to modern slavery or where it has weak controls in place to mitigate this risk. Our team of dedicated Socially Responsible Investment (SRI) analysts work with the broader investments team to ensure actual or potential cases of modern slavery are investigated, brought to the attention of the Fund Managers, and incorporated into the investment decision making process.

Where we have identified a potential instance of modern slavery, our first course of action would be to initiate a detailed investigation into the matter and engage with those companies exposed to further our understanding of the issue. When we have a better understanding of the underlying problem, we would approach those companies involved and provide suggestions of how to best resolve the issue. However, where engagement is unsuccessful, this may necessitate further action such as voting against management or divesting completely from the company.

We do not consider that we operate in high-risk sectors or locations; the majority of our financial investments are in large companies operating in countries where the rule of law is well established and modern slavery is banned.

## Governance

Responsibility and accountability for the Group's compliance with the Modern Slavery Act 2015 lies with the Society's Board.

Our Procurement team is the key control function for the Society in relation to our suppliers.

Our Operations team is the key control function in relation to our customers.

Our Investment Department team is the key control function for Investments.

Our HR team is the key control for our employees.

Our Modern Slavery Statement reflects our continued commitment to upholding the highest standards of ethical conduct in all business relationships, and the implementation of effective controls in ensuring all suppliers comply with the requirements set out in the Modern Slavery Act 2015.

## Effectiveness and KPIs

We undertake the following activities to understand the effectiveness of our approach:

- We undertake due diligence checks on all new suppliers to the business and carry out supplier health checks in relation to our strategic and critical suppliers and key outsourcers.

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- We monitor the number of reports received from colleagues relating to suspicious activity and review transaction monitoring alerts. No incidents of Modern Slavery concerns were identified during 2021.
- We complete due diligence on all of our clients and will exit a business relationship where any involvement in financial crime, Modern Slavery is reported.
- We use third-party ESG data and research to identify any instances of controversies or poor risk controls in the firms we invest in, including modern slavery. Where specific issues are raised with a company we have exposure to, our SRI team will look to verify the findings of the specialist service provider and conduct a review of the matter.

## Engagement and Training

Our employees receive mandatory induction and computer-based learning to ensure that they are familiar with and benefit from policies which educate on the standards, conduct expected of them and risks to be aware of and the reporting processes available to them including the risk of Modern Slavery occurring within our suppliers, clients and colleagues.

Specific training is provided for Procurement, Investment and Risk employees involved in our supply chain and investments to ensure they are aware of current Modern Slavery reported globally. We monitor the completion of mandatory training modules raising awareness of financial crime and modern slavery

In 2021 mandatory annual financial crime training was updated to include a section raising awareness of Modern Slavery, how to identify it and how to report suspicions. This was completed by 99.8% of all eligible staff.

Wesleyan also publish on our Group website the Whistleblowing Policy to ensure confidential reporting of concerns to anyone who should require it.

## Scope of Statement

This statement represents our Group's slavery and human trafficking statement for the financial year ending 31st December 2021. It applies to Wesleyan Assurance Society and all of its subsidiary companies, which form the Group. The Group includes Wesleyan Administration Services Ltd, Wesleyan Financial Services Ltd, Practice Plan Ltd, DPAS Ltd, Wesleyan Unit Trust Managers Limited and any other subsidiary companies. Wesleyan Assurance Society is the overall Parent of the Group.

## Further actions and sign-off

Following our review of our actions this financial year to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps to tackle slavery and human trafficking over the coming twelve months:

- Consideration of issues in relation to Modern Slavery in the development of our Sustainability programme;
- Reviewing activities and processes anticipated under proposed new Modern Slavery legislation including:
  - how we publish and verify information about the country of origin of sourcing inputs in our supply chain; and

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- details of how we arrange for credible external inspections, external audits, and unannounced external spot-checks.

This statement is made in accordance with [section 54\(1\)](#) of the Modern Slavery Act 2015 and constitutes Wesleyan Group's slavery and human trafficking statement for the financial year commencing 1<sup>st</sup> January 2021 and ending 31<sup>st</sup> December 2021.

**Signed:**

**Mario Mazzocchi**

Group Chief Executive  
Wesleyan Assurance Society



**Mario Mazzocchi**

Director  
Wesleyan Administration Services Limited



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# Modern Slavery Statement (Financial Year 2021)

Final Audit Report

2022-04-27


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