

MODERN SLAVERY STATEMENT

Year ended 31/12/2022

Introduction

Wesleyan Assurance Society is committed to acting ethically and with integrity in our business dealings. We have robust 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 customers.

Scope of Statement

This statement represents our Group's slavery and human trafficking statement for the financial year ending 31st December 2022. 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, Medenta Finance Limited, Wesleyan Unit Trust Managers Limited and any other subsidiary companies. Wesleyan Assurance Society is the overall parent company of the Group.

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 manage 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.

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

- ▶ Birmingham
- ▶ Oswestry or
- ▶ home-based spread across the UK.

We provide a range of personal and professional products and services designed to meet the needs of our 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.

Previously, our Modern Slavery Statement has included Wesleyan Bank, but due to the sale of the Bank in February 2022, activities associated with the Bank are not covered within this statement.

Our policies on Modern Slavery and Human Trafficking

- ▶ Our commitment to robust 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. These include:
 - Our Employee Conduct Policy which defines the behaviours, standards and actions required from all employees.
 - Our Recruitment Policy outlines the checks we conduct to ensure fitness and propriety and right to work on all prospective employees.
 - 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.
 - 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 Procurement and Supplier Management Policy sets the standards for procurement and management of suppliers throughout the Wesleyan Group.
 - Our Sustainability Strategy is aligned to the United Nations Sustainable Development Goals (UN SDGs). Whilst there is not a direct modern slavery goal, alignment with the SDGs ensures appropriate steps will be taken to operate in a sustainable and just way to support the communities we work in.

Our Supply Chain

Risk Assessment

- ▶ 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.
- ▶ We have a risk-based approach to oversight of our supply chain which includes the identification of our most strategic and critical suppliers. These suppliers are subject to a detailed due diligence assessment that includes modern slavery evaluation and on-going oversight to ensure compliance remains throughout the term of the relationship.

Due Diligence

- ▶ We expect all suppliers to comply with our values. We publish a Supplier Charter which sets out our expectations of suppliers. This is published on our website and is referenced in our sourcing processes.
- ▶ The Supplier Charter sets out our expectations that our suppliers should keep us apprised of the work they are doing in relation to modern slavery, including audits, education programmes and conducting investigations. All suppliers are also asked to confirm their compliance with the requirements of the Modern Slavery Act 2015 section 54, part 6 (especially relating to transparency in the supply chain) 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, upon any material change to a supplier and in our supplier health check which is undertaken at regular intervals for on-going supply relationships 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 – this has been affirmed by our 2022 Supplier Charter.
- ▶ 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. We signpost in our sourcing document a link to our whistleblowing policy and reporting process.

Our Customers

Risk Assessment

- ▶ 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 whilst onboarding customers and continue this throughout the relationship by undertaking suspicious activity reporting. In addition, product risk assessments take place regularly that include an assessment of the risk that products could 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.
- ▶ If we were to identify a potential risk, we would carry out enhanced monitoring, and introduce additional controls, to mitigate the risk.

Due Diligence

- ▶ During 2022 we regularly reviewed our clients for signs of money laundering including the profits from modern slavery and human trafficking. We did not establish business relationships with any commercial clients considered to be operating in high-risk sectors.
- ▶ Our business areas considered the risk of modern slavery presented by their products and services when completing the Financial Crime Risk Assessment, and no areas of risk were found that were not already mitigated by our general client due diligence processes
- ▶ No suspicions of modern slavery were reported during the year.

Our Employees

Risk Assessment

- ▶ Our in-house Human Resources and Recruitment teams ensure employees and job applicants are treated equally and fairly and are eligible to work in the UK. We are an equal opportunities employer and acknowledge our obligations under the Equality Act 2010. We endorse the codes of practice

relating to this legislation. We complete appropriate right to work checks on all prospective employees and have agreements in place with all our third-party suppliers to ensure all contractors are also appropriately checked. As we are a regulated business, we also conduct DBS checks for a number of employees.

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 (specific HR teams) know and understand the legal requirements around appropriate right-to work checks.
 - Ensuring we speak to recruitment agencies and make sure they undertake appropriate due diligence.
 - We ensure that all recruitment agencies we engage are signed up to a preferred supplier list which involves them signing our terms of business. We talk to them regularly to ensure 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 the decision to accept the terms of their employment should always be at the individual's discretion.
 - 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 benchmarking.
 - Our entry salary level is always aligned to at least the voluntary 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.
 - Whilst individuals are working from home, managers regularly conduct one-to-one online meetings via Microsoft Teams.
 - We have updated and refreshed our 'Conscious Inclusion' awareness training providing managers and employees an 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 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.

Investments

Risk Assessment

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

Due Diligence

- ▶ We regularly evaluate our holdings in order to limit exposure to any actual or potential violations of modern slavery risks. The Investments Team 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 Sustainable Investment (SI) 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.
- ▶ If a potential instance of modern slavery is identified, 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 have not identified any potential instances of modern slavery in the period to which this Statement relates.

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 Money Laundering Reporting Officer is the key control function in relation to our customers.
- ▶ Our Investments 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, upon any material change to a supplier, and we carry out supplier health checks in relation to our strategic and critical suppliers and key outsourcers.
- ▶ 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 2022.

- ▶ We complete due diligence on all of our clients and will exit a business or customer relationship where any involvement in financial crime or 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.

Engagement and Training

- ▶ Our employees receive mandatory training so that they understand the standards and conduct expected of them when it comes to issues of modern slavery, the risks of modern slavery occurring within our suppliers, clients and colleagues, and how to report concerns.
- ▶ Specific training is provided for colleagues working in Procurement, Investments and Risk and involved in our supply chain and investments to ensure they are aware of recent examples of modern slavery reported globally. We monitor the completion of mandatory training modules raising awareness of financial crime and modern slavery.
- ▶ Our mandatory annual financial crime training was updated in 2022 to include a section raising awareness of modern slavery, how to identify it and how to report suspicions. This was completed by 91% of all eligible staff. In 2023 we will be asking all colleagues to undertake this training.
- ▶ Wesleyan also publish on our Group website the Whistleblowing Policy to ensure confidential reporting of concerns to anyone who should require it.

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 this issue over the coming twelve months:

- ▶ **Investments:** We will introduce and maintain a list of countries where we believe there is a higher risk of modern slavery occurring. For investee companies that have substantial operations, or headquarters, in these 'higher risk' countries, an SI analyst will undertake more detailed analysis to determine if they are likely to be exposed to modern slavery.
- ▶ **Employees:** We will continue to develop our risk assessment criteria and enhance onboarding checks.
- ▶ **Training:** We will mandate our modern slavery training course for all colleagues.
- ▶ **Governance:** We will review activities and processes anticipated under the proposed new modern slavery legislation.
- ▶ **Procurement:** We will publish and verify information about the country of origin of sourcing inputs in our supply chain.

Signed:

Mario Mazzocchi
Group Chief Executive
Wesleyan Assurance Society

mario mazzocchi
mario mazzocchi (Apr 24, 2023 10:13 GMT+1)

Mario Mazzocchi
Director
Wesleyan Administration Services Limited

mario mazzocchi
mario mazzocchi (Apr 24, 2023 10:13 GMT+1)

Richard Harrison
Director
Wesleyan Financial Services Limited

TR Harrison
TR Harrison (Apr 26, 2023 10:19 GMT+1)

Nathan Beckett
Director
Practice Plan Limited

NBeckett
Nathan Beckett (Apr 26, 2023 12:59 GMT+1)

Nathan Beckett
Director
DPAS Limited

NBeckett
Nathan Beckett (Apr 26, 2023 12:59 GMT+1)

Nathan Beckett
Director
Medenta Finance Limited

NBeckett
Nathan Beckett (Apr 26, 2023 12:59 GMT+1)

James Needham
Director
Wesleyan Unit Trust Managers Limited

James Needham
James Needham (Apr 26, 2023 13:00 GMT+1)











Modern Slavery Statement - Financial year ending 31.12.22

Final Audit Report

2023-04-26

Created:	2023-04-21
By:	Pippa Beard (pippa.beard@wesleyan.co.uk)
Status:	Signed
Transaction ID:	CBJCHBCAABAAi4wklyztfdb3DW0u-cPdFp1K9wvHMpU

"Modern Slavery Statement - Financial year ending 31.12.22" History

-  Document created by Pippa Beard (pippa.beard@wesleyan.co.uk)
2023-04-21 - 15:07:16 GMT - IP address: 155.190.33.6
-  Document emailed to mario.mazzocchi@wesleyan.co.uk for signature
2023-04-24 - 09:11:35 GMT
-  Email viewed by mario.mazzocchi@wesleyan.co.uk
2023-04-24 - 09:12:28 GMT - IP address: 155.190.33.6
-  Signer mario.mazzocchi@wesleyan.co.uk entered name at signing as mario mazzocchi
2023-04-24 - 09:13:08 GMT - IP address: 155.190.33.6
-  Document e-signed by mario mazzocchi (mario.mazzocchi@wesleyan.co.uk)
Signature Date: 2023-04-24 - 09:13:10 GMT - Time Source: server- IP address: 155.190.33.6
-  Document emailed to richard.harrison@wesleyan.co.uk for signature
2023-04-24 - 09:13:12 GMT
-  Email viewed by richard.harrison@wesleyan.co.uk
2023-04-25 - 10:10:30 GMT - IP address: 155.190.33.29
-  Email viewed by richard.harrison@wesleyan.co.uk
2023-04-26 - 09:18:36 GMT - IP address: 155.190.33.29
-  Signer richard.harrison@wesleyan.co.uk entered name at signing as TR Harrison
2023-04-26 - 09:19:06 GMT - IP address: 155.190.33.29
-  Document e-signed by TR Harrison (richard.harrison@wesleyan.co.uk)
Signature Date: 2023-04-26 - 09:19:08 GMT - Time Source: server- IP address: 155.190.33.29

 Document emailed to nathan.beckett@practiceplan.co.uk for signature

2023-04-26 - 09:19:10 GMT

 Email viewed by nathan.beckett@practiceplan.co.uk

2023-04-26 - 11:58:27 GMT- IP address: 104.47.11.126

 Signer nathan.beckett@practiceplan.co.uk entered name at signing as Nathan Beckett

2023-04-26 - 11:59:18 GMT- IP address: 193.115.195.66

 Document e-signed by Nathan Beckett (nathan.beckett@practiceplan.co.uk)


Signature Date: 2023-04-26 - 11:59:20 GMT - Time Source: server- IP address: 193.115.195.66

 Document emailed to james.needham@wesleyan.co.uk for signature

2023-04-26 - 11:59:24 GMT

 Email viewed by james.needham@wesleyan.co.uk

2023-04-26 - 11:59:51 GMT- IP address: 155.190.33.4

 Signer james.needham@wesleyan.co.uk entered name at signing as James Needham

2023-04-26 - 12:00:16 GMT- IP address: 155.190.33.4

 Document e-signed by James Needham (james.needham@wesleyan.co.uk)

Signature Date: 2023-04-26 - 12:00:18 GMT - Time Source: server- IP address: 155.190.33.4

 Agreement completed.

2023-04-26 - 12:00:18 GMT