

Statement on the Modern Slavery Act 2015

March 2020

This statement is made on behalf of Sun Life Assurance Company of Canada (U.K.) Limited (“SLOC UK”) and the other subsidiaries of SLF of Canada UK Limited (together the “SLF UKH Group”).

We are committed to ethical practice in all of our business dealings and are taking steps to prevent modern slavery, human trafficking and child labour in our business and our supply chains.

We make the following statement in support of that aim and also in compliance with section 54 (1) of the Modern Slavery Act 2015 (“the “Act”).

About us

The SLF UKH Group is a group of companies whose business is the provision of financial services, and we have been looking after customers and employing staff in the UK since 1893. We are based in Basingstoke and we are part of the global Sun Life Financial Inc. Group whose headquarters are in Toronto, Canada.

Apart from a brief interlude between 2009 and 2010, the SLF UKH Group ceased selling new individual life and pension business in 2001. SLOC UK continues to manage individual life, pension and annuity policies which constitutes a closed book of business.

Our Staff

Our employees enjoy all the statutory employment rights to which they are entitled in the UK and our Human Resources department ensures our employees have the legal right to work in the UK. Employees, and any temporary staff who we engage, are paid above the minimum wage, are provided with safe working conditions and are treated with dignity and respect.

In addition to employment statutory rights, our employees have a forum that meets periodically and allows for their views to be taken into account when the SLF UKH Group makes decisions which affect them and ensures matters are addressed in a timely and efficient manner. Our employees also take part in an annual employee engagement survey which allows them to provide feedback and raise any issues.

The insurance sector has not been identified as a high risk sector of modern slavery and human trafficking and the majority of our employees work in roles that require specialist qualifications.

Our Suppliers

SLF UKH Group’s supply chain comprises various outsourcing arrangements and third party suppliers (together “suppliers”), which are tiered and categorised based on their materiality to the SLF UKH Group. The range of products and services procured from our suppliers include, but are not limited to, policy administration services, investment management services, IT software and maintenance, professional services, catering, cleaning and recruitment services.

These business relationships are appropriately monitored, proportionally to their risk, and:

- 1) since the Act came into force we have ensured that compliance with the Act is included as a term of our supply contracts;
- 2) supply contracts include a contractual right to audit our suppliers at our discretion;
- 3) regular assurances are sought that suppliers are taking steps to ensure there is no modern slavery, human trafficking and child labour in any part of its business and supply chains; and

- 4) appropriate and proportionate due diligence, and enhanced due diligence where necessary, is undertaken to understand a supplier's position on modern slavery, human trafficking and child labour and whether they have sufficient controls in place.

When entering into major contracts we always undertake enhanced due diligence to ensure, not only that the services can be supplied and the financial stability of the third party organisation, but also that the culture and ethics of that organisation is aligned with our own. We have paid particular attention to those of our suppliers with overseas subsidiaries, offices and employees.

We found our suppliers represent a low risk of modern slavery and, to date, we have not identified any causes of concern.

In the unlikely event that responses from our suppliers are inadequate, or that we have other causes for concern, we will take suitable actions, including reporting where appropriate.

Training for Staff

All staff have access to specific guidance and receive training on the Act to ensure they have the knowledge and skills when dealing with and assessing our suppliers, as well as awareness of our internal reporting procedures and the risks of modern slavery, human trafficking and child labour in SLF UKH Group's business and in our supply chains.

Those involved in the recruitment of our employees or with procurement have been given specific guidance on the terms of the Act.

Policies and procedures

All SLF UKH Group policies are governed by a master framework which describes the development, approval and management of policies. The principle policies of SLF UKH Group which assist us in achieving compliance with the Act are as follows:

- The Ethics Policy
- The Whistleblowing Policy
- The Modern Slavery Act Statement
- The Health and Safety Policy
- The Remuneration Policy
- The Sun Life Code of Business Conduct

All employees are required to complete an annual attestation to the Sun Life Code of Business Conduct (the "Code"), which underpins our values and places an obligation on employees to report any suspected breaches of the Code.

Our Whistleblowing Policy promotes the reporting of concerns and provides protection for any employees who do so. New employees will be informed of the policy at their induction. It is already an embedded principle within the Code that employees must be treated with respect and dignity and any allegations to the contrary, or that the working conditions have been made unsafe, will be treated with the upmost seriousness.

These, together with other internal procedures ensure that:

- recruitment procedures do not engage in or procure slavery, servitude, child labour or human trafficking;
- guidance is available to those who recruit on behalf of the SLF UKH Group so they are aware of these obligations;
- training to all employees is given to ensure they report any modern slavery concerns to the Head of Legal;
- protection for employees making such reports is provided in the form of a Whistleblowing Policy; and

- appropriate checks on new and existing suppliers, which may detect modern slavery, human trafficking or child labour in our supply chain.

Objectives

In the last financial year the SLF UKH Group has:

- carried out an assessment of those suppliers who could pose the highest risk to modern slavery;
- requested assurance from high risk suppliers who do not publish a modern slavery statement;
- assessed our due diligence and enhanced due diligence assessment process and procedures to ensure they continue to be appropriate;
- reviewed our key performance indicators;
- continued to carry appropriate and proportionate due diligence and enhanced due diligence where necessary on new and existing suppliers;
- given training to employees and contractors, which included information about the Act, sectors which have been identified as high risk and, identifying and reporting any actual or suspected cases of Modern Slavery in our business or supply chain; and
- continued to include appropriate clauses in material supply contracts to ensure compliance with all applicable laws, including those relating to modern slavery and human trafficking.

As part of SLF UKH Group's commitment, in 2020 we will:

- continue to engage with our suppliers, including carrying out appropriate and proportionate due diligence and enhanced due diligence where necessary on new and existing suppliers;
- continue to monitor, embed and evolve the way we identify and mitigate modern slavery and human trafficking risks in our business and supply chain;
- continue to raise employees and contractors awareness through training sessions or as appropriate; and
- continue to include appropriate clauses in material supply contracts to ensure compliance with all applicable laws, including those relating to modern slavery and human trafficking.

Responsibility

We have taken compliance with the Act seriously and we have appointed the Head of Legal, a member of our Senior Management Committee, as the Sponsor of our response to the Act.

The Head of Legal will review and, if necessary, update this statement at least annually and ensure that it and the underlying policies and procedures are complied with internally and with respect to our suppliers.

Board Approval

This statement has been approved by the Board of SLF of Canada UK Limited on behalf of its relevant subsidiaries.

Name Fleur Hobbs

Position Company Secretary

Date 25 March 2020