

Slavery and Human Trafficking Statement 2022

Sun Life Assurance Company of Canada (U.K.) Limited (“SLOC UK”) and SLFC Services Company (UK) Limited (“SLFC Services”) together carry on the UK business of Sun Life UK.

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

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

About us

Our business is the provision of financial services, and we have been looking after customers and 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.

SLOC UK’s business is the management of life and pension policies predominately sold before 2001. Apart from a few months during 2009/2010, we stopped selling new policies in 2001. SLFC Services’ business is to provide staff and administrative services to Sun Life UK companies including SLOC UK.

Our Employees

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

In addition to statutory employment rights, our employees have a forum that meets periodically which allows for their views to be taken into account when decisions are made that 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 financial services industry has not been identified as a high-risk sector for modern slavery and human trafficking and most of our employees work in roles that require specialist qualifications.

Our Suppliers

Our suppliers are managed and categorised internally based on their materiality to our business. The products and services we procure from our suppliers include, but are not limited to, policy administration, investment management, investment administration, custody services, actuarial services, printing, IT software and maintenance, professional services, catering, cleaning and recruitment services.

Each of our material supplier relationships are monitored by a dedicated member of staff. Since the Act came into force we have:

- ensured that compliance with the Act is included as a term of our supply contracts;
- ensured that supply contracts include a contractual right to audit suppliers at our discretion;
- sought regular assurances that suppliers are taking steps to ensure there is no modern slavery, human trafficking or child labour in any part of its business and supply chains; and
- performed appropriate and proportionate due diligence 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 supply contracts we undertake enhanced due diligence to ensure, not only that the services are likely to be supplied as promised and the supplier is financially stable, but also that the culture and ethics of the organisation is aligned with our own. We pay particular attention to the location from where services are provided and to those of our suppliers with overseas branches or sub-contractors involved in the proposed service delivery. Overseas inspection visits were made by our own staff pre-pandemic.

We have found our suppliers continue to present a low risk of modern slavery and human trafficking. No cause for concern has been identified to date and we remain vigilant.

In the event 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 Employees

All employees have access to specific guidance and receive training on the Act to ensure they have the knowledge and skills required 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 our business and in supply chains.

Policies and procedures

We retain and comply with a framework of Policies and Procedures to help us manage our business. The principle policies which assist us in achieving compliance with the Act are as follows:

- The Ethics Policy
- The Outsourcing Policy
- The Whistleblowing Policy
- 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 which underpins our values and reminds 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 are informed of the policy at their induction. It is 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 staff carrying out recruitment so they are aware of these obligations;
- employees are reminded annually to 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 are made on new and existing suppliers, which may detect modern slavery, human trafficking or child labour in our supply chain.

Steps taken in 2021

- We reviewed our full supplier listing to identify which may pose the highest risk and consequently should complete our tailored Modern Slavery Questionnaire.
- We reviewed our Questionnaire ensuring it remained appropriate for suppliers deemed medium or low risk.
- We requested a significant new Outsource Service Provider complete our Questionnaire with satisfactory results.
- We delivered bespoke training to the Board of Directors and Senior Managers. Those present included all our directors of SLOC UK and SLFC Services together with the seven senior managers with responsibility for all parts of the business.
- We reviewed and updated where necessary the policies listed above.

Plans for 2022

To continue to build on the steps we have taken to ensure our business and supply chains are slavery free we have planned the following actions during 2022:

- Maintain Board focus regarding modern slavery from both an Environmental, Social and Corporate Governance and a risk management perspective.
- Deliver refresher training to all employees and more focussed training to employees with supplier oversight responsibilities and new members of the senior management team including highlighting potential risks in lower supply chain tiers.
- Include modern slavery in risk-based assessments.
- Engage with our fund managers to understand the risk assessments they undertake when making investment decisions on our behalf.
- Complete the update of all fund managers' quarterly attestations in respect of our investment portfolios to expressly refer to modern slavery.
- Understand from our fund managers' what process they adopt should they detect modern slavery in a company in which they are invested or in that company's supply chain.
- Having included our requirements in respect of modern slavery in our Responsible Investing Principles, work with our fund managers towards alignment.
- Identify suppliers whose Statements should be reviewed and followed up with tailored Questionnaires.

Responsibility

We continue to take compliance with the Act seriously and our Head of Legal, a member of our Senior Management Committee, coordinates our response to the Act.

Our statement is reviewed and updated annually and we monitor that the supporting policies and procedures are complied with internally and with respect to our suppliers.

Board Approvals

This statement was approved by the respective Boards of Directors of Sun Life Assurance Company of Canada (U.K.) Limited on 28 March 2022 and SLFC Services Company (UK) Limited on 30 March 2022.

Katherine Garner

Chief Executive Officer and Director

Sun Life Assurance Company of Canada (U.K.) Limited and SLFC Services Company (UK) Limited

Date 4 April 2022