

*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It constitutes the Santander Asset Management UK Slavery and Human Trafficking statement for the financial year end 31 December 2019.*

## **Santander Asset Management UK Limited**

### **Modern Slavery Statement 2019**

#### **1. Introduction**

Santander Asset Management UK Limited ("SAM UK") is a UK asset management organisation that manages assets on behalf of institutional and retail investors.

SAM UK is strongly opposed to slavery and human trafficking and will not knowingly support or conduct business with any organisation involved in such activities. We are committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way, treating all stakeholders with honesty and integrity and doing business with organisations that share this commitment.

This statement sets out our approach to preventing slavery and human trafficking in our workforce and supply chain.

#### **2. Approach and Risk Profile**

Following the introduction of the Modern Slavery Act 2015 (the "Act") we review how effectively we prevent slavery and human trafficking in our business and supply chain. We want to take all reasonable steps to make sure we are not supporting modern slavery.

Our Santander Group Human Rights policy sets out our umbrella commitment on protecting human rights in its relations with stakeholders. This policy takes into account the UN Guiding Principles on Business and Human Rights, and explicitly rejects forced labour and child exploitation. At SAM UK, our position is that we will not enter into or maintain relationships with persons and/or entities known to be involved in human rights abuses such as child labour and modern slavery. SAM UK does not have any business dealings, including travel to, from or through any sanctioned territory subject to the UN, EU and/or US sanctions regimes.

Given the nature of our business and our workforce, the modern slavery risk within our own workforce is extremely minimal. The principal area of modern slavery risk for SAM UK arises in relation to our relationships with third parties, particularly our supply chain.

#### **3. Structure and Supply Chain**

We currently work with a range of external suppliers and intra-group companies to purchase the goods and services we need to run our business. The vast majority of which are based in the UK, Western Europe or North America; places identified by the Walk Free Foundation's Global Slavery Index 2018 as having low prevalence and vulnerability levels for Modern Slavery and high levels of government response. In addition the main categories of purchasing spend at SAM UK relate to technology, operations, and investments which are generally considered to present a lower risk of modern slavery.

However, we continue to assess the modern slavery and risk presented by our supplier profile on an ongoing basis.

#### **4. Policies in Relation to Slavery and Human Trafficking**

SAM UK recognises the importance of risks arising from the supply of services or goods and we have a series of policies and processes to manage these. As with all SAM UK policies, these are reviewed on an annual basis as standard.

Our specific "Third Party Risk Management and Outsourcing Policy" and supporting guides include processes to identify, assess, manage, and report potential risks in our supply chain. These mandate the requirement for an assigned Service Director and Service Manager (i.e. contract managers) for each supplier, with responsibility to minimise risk, including risks relating to modern slavery.

From a Human Resources and Compliance perspective, SAM UK has a number of policies that help prevent Modern Slavery and Human Trafficking. These include the company's Employee Handbook, Referencing & Vetting policy, Whistleblowing policy, Anti-Bribery & Corruption Policy and Code of Conduct. SAM UK policies are reviewed on an annual basis. In addition to this, Human Resources' policies are circulated to employees for annual attestations of understanding and compliance.

#### **5. Due Diligence Process in Relation to Slavery and Human Trafficking**

For the purposes of supplier due diligence, our core third party suppliers must complete a Financial Services Qualification System (FSQS) assessment, an online tool that enables them to submit assurance and compliance data to us. This is completed on a self-assessment basis prior to the start of the contractual relationship with SAM UK and annually thereafter to ensure they meet our minimum standards.

This process includes specific questions related to modern slavery, the response to which are subject to specific review as part of the on-boarding / annual review process. Out of our 79 in-scope suppliers, at the end of the year 33 had fully completed our FSQS assessment and 16 were in progress.

To support this process all third-party goods, services, or activities are also added to our Third-Party Risk Management System which is used by Service Managers to manage their service relationships, determine their relevance rating and risk segmentation using assessments in line with our risk appetite. These assessments are refreshed as a minimum annually and are monthly for suppliers of the highest risk services.

#### **6. Our People, Culture and Training**

As our workforce is predominantly made up of professionally qualified and skilled employees we consider the risk of modern slavery occurring directly within SAM UK, to be extremely minimal.

We are committed to supporting our colleagues in an inclusive environment which empowers people, encourages individuality and promotes collaboration. We support our people to achieve a balance between their work and personal commitments through generous family leave policies which offer a range of flexible working arrangements.

We are a living wage employer and have committed to meeting the living wage for all our employees. Every employee has a contract of employment that sets out the terms and conditions of their employment. Part-time employees have the same terms and conditions and the same access to benefits

as our full-time colleagues. All employees are signposted to our employee handbook which makes it clear we oppose all forms of unfair discrimination or victimisation.

We engage with third party suppliers to provide additional staff resource based on business demand. These staff receive no less favourable terms and conditions than our permanent workforce and we work in compliance with the UK's Agency Worker Regulations. In addition, from time-to-time, we also engage specialist contractor resource on specific projects.

All of our employees and contractors are required to go through a vetting process, which includes ensuring they have a right to work in the UK. This is effective at ensuring our employees and contractors have not been subjected to human trafficking.

All new joiners to SAM UK, including contractors based at our sites, undergo a corporate induction and mandatory training programme. This introduces new staff to the standards and values we operate under and the conduct we expect from our employees.

We encourage a "speak up" culture in our business. In our 2019 Global Engagement Survey, 80% of our people told us that they feel that they can report unethical behaviour or practices without fear of retaliation. Our people can raise concerns about any malpractice with us through internal and external reporting channels, and this would include any issues relating to modern slavery or human trafficking. Our whistleblowing policy is supported by annual training for all colleagues, and we have a zero-tolerance approach to victimisation of whistle-blowers.

We work with a recognised trade union, Advance, and consult and engage representatives on significant initiatives within the business at a local level.

## **7. Targets for 2020**

- Review and update our third party risk policies and supporting procedures and further enhance the monitoring of our outsourced services, and fully embed the in-service management of services with team owners.
- Achieve completion of our supplier assessment by 100% of suppliers and attestations to ensure all suppliers have issued a human trafficking and modern slavery statement, where applicable, or Management are satisfied through alternative assessments.



Mehdi Kadhim  
Chief Executive Officer  
Santander Asset Management UK Limited

12 May 2020

*The Modern Slavery Statement 2019 was approved by the Board of Santander Asset Management UK Limited on 12 May 2020.*