

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 2020.

Santander Asset Management UK Limited

Modern Slavery Statement 2020

1. Introduction

Santander Asset Management UK Limited ("SAM UK") is a UK Asset Management Organisation that manages assets on behalf of institutional and Santander UK's 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 is Santander Asset Management's fourth statement pursuant to the Modern Slavery Act 2015 (the "Act") and sets out our steps 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, Santander General Code of Conduct Policy and SAM UK specific Code of Conduct Policy. SAM UK policies are reviewed on an annual basis. In addition to this, policies from both these departments are circulated to employees for annual attestations of understanding and compliance.

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

In accordance with SAM UK policy, our core third party suppliers must complete supplier due diligence as part of their on-boarding. This includes questions related to Modern Slavery and specific ones dependent on the type of service the supplier provides and the risks associated.

The owners of third party relationships at SAM UK are responsible for managing both their suppliers and services, and to support this they are required to complete service and risk assessments periodically.

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.

In our 2020 Employee Engagement Survey, 71% of our people told us if they raised a concern through the whistleblowing route, they are confident that it would be received positively and addressed. Our whistleblowing policy is supported by annual training for all colleagues, and we have a zero-tolerance approach to victimisation of whistle-blowers.

Additionally, all our employees undertake the following mandatory training modules on an annual basis, as a minimum: Financial Crime Essentials, Market Conduct Essentials, Operational Risk Management, Conflicts of Interest, Equality in the Workplace, and Health and Safety.

Notably, Anti-Money Laundering, Fraud, Anti-Bribery and Corruption, Sanctions and Tax Evasion are discussed in depth within Financial Crime Essentials. Whilst ethical, regulatory and legal responsibilities are covered within Market Conduct Essentials, and employee diversity and professional code of conduct are revised within the Equality in the Workplace module.

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

7. Actions taken in 2020

- Modern Slavery supplier assessment and attestations for new suppliers, and Bi-annual Modern Slavery Statement reviews across all 150 suppliers.
- Completion of mandatory training modules by all employees to include Financial Crime awareness, covering Anti-Money Laundering, Fraud, Anti-Bribery and Corruption, Sanctions and Tax Evasion.

8. Targets for 2021

- Continue to review and update our third party risk policies and supporting procedures and further enhance the monitoring of our outsourced services.
- Target 100% completion of our supplier assessment for new 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.
- Modern Slavery Statement Training for the entire SAM UK Workforce, alongside all other modules in the mandatory training suite.



Mehdi Kadhim
Chief Executive Officer, Santander Asset Management UK Limited
26 May 2021

The Modern Slavery Statement 2020 was approved by the Board of Santander Asset Management UK Limited on 26 May 2021.