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# **Modern Slavery Act Statement**

## **1. Statement of commitment of the Board of the Pension Protection Fund**

The Board of the Pension Protection Fund (“the Board”) remains committed to preventing acts of modern slavery and human trafficking from occurring within its business and supply chain.

## **2. Structure of the organisation**

The Board is a statutory corporation established by section 107 of the Pensions Act 2004. The Board operates from two locations. The main office is located in Croydon, Surrey & the Board’s investment team office is based in the City of London. The PPF employs circa 340 employees.

The Board holds, manages and applies the Pension Protection Fund and the Fraud Compensation Fund which are statutory funds. As at 31<sup>st</sup> March 2019, the assets in the Pension Protection Fund amounted to c. £31.0 billion. The function of the Board is to:

- Pay Pension Protection Fund compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer, and where there are insufficient assets in the pension scheme to cover the Pension Protection Fund level of compensation.
- Administer the Financial Assistance Scheme and the Fraud Compensation Fund.

To find out more about the nature of our business, please click <https://ppf.co.uk/>

We work with a range of suppliers mainly investment fund managers, suppliers of facilities and corporate services, professional services and administration services. We also maintain investor relationships concerning our statutory investment and ancillary activities.

## **3. Policy**

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business or within our service providers.

## **4. Our approach to supplier due diligence and risk assessment**

As a public sector organisation we carry out assessments on our direct suppliers in accordance with the Public Contracts Regulations 2015 (and have done so since the implementation of these Regulations). We have focus our annual Compliance checks on Group 1<sup>1</sup> direct suppliers and their contracts. These checks include a review of:

- the supplier’s approach to preventing slavery and human trafficking and relevant policies;
- whether the organisation (or any person within it) has been convicted under any slavery laws in the countries in which it operates within the last five years; and

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<sup>1</sup> We have identified Group 1 direct suppliers as those suppliers with contracts which are of high value or are of medium value and business critical for the Board’s operations and/or activities.

- the supplier's own slavery and human trafficking statement as published on their website.

## **5. Our business-wide due diligence and risk assessment framework**

We operate a robust business wide risk framework which takes into account broader business integrity issues. This is supported by an Operational Risk team and a Compliance and Ethics team. Although we invest funds in a range of industry sectors across multiple jurisdictions, we have robust monitoring and ongoing due diligence processes in place to mitigate key risks including slavery and human trafficking. As regards our direct supplier relationships, we have taken the specific approach described in section 4 above.

## **6. Training**

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our business, we provide training to all our staff.

## **7. Our effectiveness in combating slavery and human trafficking**

We promote a company-wide sense of responsibility to prevent modern slavery and human trafficking in our business operations. Our work around Modern Slavery is complemented by our existing framework of policies including Code of Ethics and Whistleblowing which reinforce cultural and ethical business practices. Details of annual actions completed by the PPF are:

- Annual review questionnaires for our Group 1 suppliers allowing us to identify and monitor possible issues around slavery and human trafficking.
- Operational due diligence processes when reviewing external manager investments, we take into account how firms comply with modern slavery requirements including how they monitor and verify supply chains of their portfolio investments.
- Modern Slavery is covered as part of our ongoing compliance monitoring and training programme. Awareness of the Modern Slavery Act 2015 is included in the Compliance and Ethics corporate induction for new starters.

## **8. Further Steps**

Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery or human trafficking in our supply chains we intend to take, and continue to take the following further steps to combat slavery and human trafficking:

- Implement an onsite visit programme for our key suppliers
- We will continue to review processes for assessing the risks arising from modern slavery and human trafficking and where appropriate will look to develop further performance indicators to report on the effectiveness of our approaches for ensuring modern slavery and trafficking is not taking place.

- We will continue to review existing supplier due diligence processes for assessing the risks arising from modern slavery and human trafficking, which can be complex and difficult to identify.

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes the Board's slavery and human trafficking statement for the financial year 2019/2020 covering the period from April 2019 to March 2020.

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Signed on behalf of The Board of the Pension Protection Fund

**Oliver Morley, Chief Executive Officer**

Date: 27<sup>th</sup> June 2019