

Modern Slavery Act Statement

Updated: September 2017

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

The Board of the Pension Protection Fund (“the Board”) is 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. Its sole office is based in Croydon, Surrey and employs circa 330 employees.

The Board holds, manages and applies the Pension Protection Fund and the Fraud Compensation Fund which are statutory funds. As at 31st March 2017, the assets in the Pension Protection Fund amounted to £28.7billion as stated in our 2016/17 annual report and accounts. 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 <http://www.pensionprotectionfund.org.uk/Pages/homepage.aspx>

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 distinct 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 our supply chain.

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). With effect from financial year 2016/17 we have focused on enhancing our annual compliance checks on Group 1¹ direct suppliers and their contracts. These checks included a review of:

- the supplier’s approach to preventing slavery and human trafficking and relevant policies;

¹ 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.

- 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
- 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. Our Progress and actions taken

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 our cultural and ethical business practices. We published our first statement in December 2016 and have included details of actions taken in the first half of 2017:

- We have completed an annual review questionnaire for our Group 1 suppliers allowing us to identify and monitor possible issues around slavery and human trafficking.
- We have introduced internal reporting on the outcomes of these questionnaires and have sought to engage positively with our Group 1 suppliers around the steps they are taking around managing the risk of modern slavery and human trafficking.
- As part of our 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.
- Awareness of the Modern Slavery Act 2015 is included as part of our Compliance and Ethics corporate induction programme for new starters.

7. Next Steps

We are committed to enhancing our approach to any possible issues around modern slavery and human trafficking within our business operations.

- We will continue to review our ongoing monitoring processes used to assess the risk from modern slavery and human tracking for Group 1 suppliers and external manager investments.
- We plan to introduce online based training of modern slavery through our Compliance & Ethics training programme.



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 2016/2017 covering the period from April 2016 to March 2017.

Signed on behalf of The Board of the Pension Protection Fund

Alan Rubenstein, Chief Executive Officer

Date: 28th September 2017