

Statement

Modern Slavery Act 2015: Statement
2021

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Introduction

This statement is made on behalf of RPMI Limited (“RPMI”), in compliance with the UK Modern Slavery Act 2015, for the financial year ending 31 December 2020.

Modern slavery, in all its forms of slavery and servitude, forced or compulsory labour and trafficking is a crime, and a violation of fundamental human rights, which will not be tolerated within our own business, or in any of our supply chains.

We are proud of the steps we have taken to combat slavery and human trafficking at RPMI, and this statement sets out the steps taken against modern slavery in our business and our supply chains. We have a zero-tolerance approach to modern slavery, and are committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls.

We are also committed to ensuring there is transparency in our approach to tackling modern slavery throughout our supply chain, and we expect the same high standards from all of our contractors, suppliers and other business partners.

RPMI (RAILPEN from 1st June 2021)

RPMI is a subsidiary of Railways Pension Trustee Company Limited (the “Trustee”), which is the corporate trustee of the principal UK railways industry-wide pension schemes. RPMI provides a full range of pension services, including pension administration and trustee services, for railway pension schemes and third party clients.

The Trustee wholly owns Railway Pension Investments Limited (“RPMI Railpen”), a company authorised by the Financial Conduct Authority (the “FCA”) to carry out investment management and related activities on behalf of the Trustee. RPMI Railpen, which currently manages approximately £30bn of scheme assets for the Trustee, does not employ its own staff, with staff, and other resources, being procured from RPMI. RPMI Railpen’s access to these resources is established through secondment letters for key individuals, and in a service agreement between the two companies. RPMI, its subsidiaries and all entities associated with the Trustee, must use RPMI’s centralised procurement and recruitment policies and processes.

Our HR Policies

We have robust HR policies and procedures in place, and an employee Code of Conduct to ensure the fair treatment of all employees. We comply with all applicable employment legislation relating to employee terms and conditions, including payroll, and we invest in supporting the health and wellbeing of our staff.

We carry out fair and transparent recruitment processes and ensure that our recruitment agencies comply with these requirements in the provision of agency staff, through regular meetings in which practices are reviewed.

Remuneration

RPMI is committed to building a resilient business and a secure environment for our people, working together to secure our members’ future. RPMI periodically reviews remuneration paid to each

employee across the business. The purpose of this is to review employees' relative position against the market rate for their role, and to ensure all employees and workers continue to receive fair remuneration for the job they perform.

Our Investment business

RPMI Railpen expects its portfolio companies to operate within the parameters of widely accepted business practices, such as the Ten Principles of the UN Global Compact (UNGC). As part of RPMI Railpen's commitment to responsible investment, and as a member of the Workforce Disclosure Initiative (WDI), it works with other institutional investors to collect comparable data from companies, on labour issues such as modern slavery.

The way companies treat their employees, supply chain and wider stakeholders can have a significant impact on their operational performance. To manage this risk, RPMI Railpen screens its listed equities portfolios annually, to identify companies involved in severe governance and conduct controversies, including cases of modern slavery. In recognition of the role RPMI Railpen has adopted in tackling modern slavery, The Sustainable Ownership Team requests engagement with identified companies, to discuss ongoing risks and areas for improvement. On an exceptional basis, RPMI Railpen will exclude companies from its listed equity portfolios for severe governance and conduct controversies, where concerns are not adequately addressed through engagement.

Our [2020 Statement of Investment Principles](#), [2019 Sustainable Ownership Report](#), [Voting Policy](#) and [Engagement Policy](#) contain additional detail on our approach to exclusions and social topics. RPMI Railpen is working to incorporate human rights risks, including modern slavery, within due diligence processes across its asset classes.

Our Systems

Our systems are designed to ensure effective risk assessment and management in relation to slavery and human trafficking risks:

- Identify and assess potential risk areas in our supply chains;
- Mitigate the risk of slavery and human trafficking occurring in our supply chains;
- Monitor potential risk areas in our supply chains; and
- Protect Whistle Blowers

Our Supply Chain

We consider that we are a relatively low risk operation in respect of modern slavery. Our supply chain generally extends to goods and services for our UK office operations, including:

- Communications and IT equipment services
- Temporary/Agency staff
- Various professional services
- Office equipment and supplies
- Utilities
- Facilities management services

Supplier adherence and our values and ethics

We have a zero tolerance policy to slavery and human trafficking. To ensure our contactors, and all those in our supply chain, comply with our values and ethics, we have in place a supplier due

diligence and appointment processes, which are designed to ensure our suppliers, and their supply chains, are compliant

As part of our contracting processes, we include specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adult or children.

Our contracts generally provide us with the right to audit suppliers or undertake on-site assessments, dependent on the nature of the goods or services being provided and in the industry sector in which the supplier operates. If an audit reveals risks of modern slavery, this would result in termination of the supplier's contract.

We encourage anyone, including employees, subcontractors, suppliers and customers to report, in good faith, any issue or concerns about potential unethical business practices, such as fraud and bribery or slavery and human trafficking through our confidential whistle blowing procedure.

Training

In light of the COVID-19 pandemic, work is ongoing on the full review of HR Policies and Practices. Once the full review has been completed, training will be completed by our HR and Procurement teams and relevant teams across RPMI and RPMI Railpen, to embed our commitment to a zero tolerance approach to slavery and human trafficking.

John Chilman
Chief Executive
Date: 5 May 2021