
MODERN SLAVERY STATEMENT 2021

This statement is made on behalf of Railpen Limited (“Railpen”), in compliance with the UK Modern Slavery Act 2015, for the financial year ending 31 December 2021.

Introduction

This statement is made on behalf of Railpen Limited (Railpen), in compliance with the UK Modern Slavery Act 2015, for the financial year ending 31 December 2021.

This Statement was reviewed and approved by the Railpen Board on 5 May 2022 and is signed by our CEO.

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 are taking to combat slavery and human trafficking at Railpen, and this statement sets out the steps we are taking 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.

Railpen

Railpen 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. Railpen 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 (RPIL), a company authorised by the Financial Conduct Authority (the FCA) to carry out investment management and related activities on behalf of the Trustee. RPIL, which currently manages approximately £35bn of scheme assets for the Trustee, does not employ its own staff; staff, and other resources, being procured from Railpen.

RPIL’s access to these resources is established through secondment letters for key individuals, and in a service agreement between the two companies. RPIL, its subsidiaries and all entities associated with the Trustee, must use Railpen’s centralised procurement and recruitment policies and processes, which take into account modern slavery risk.

Our Human Resources (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 employees.

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

Railpen is committed to building a resilient business and a secure environment for our people, working together to secure our members' future. Railpen 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.

In 2021 the 'Railpen Living Wage' was introduced, guaranteeing the minimum salary Railpen will pay is ahead of the National Living Wage. This will be reviewed annually.

Our Investment business

RPIL 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 RPIL'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 issues such as modern slavery.

From an investment perspective, the way companies treat their employees, supply chain and wider stakeholders can have a significant impact on their operational performance. To manage this risk, RPIL 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 Railpen has adopted in tackling modern slavery, our Sustainable Ownership Team requests engagement with identified companies, to discuss ongoing risks and areas for improvement. On an exceptional basis, RPIL will exclude companies from its listed equities portfolios for severe governance and conduct controversies, where concerns are not adequately addressed through engagement.

In particular, for example, taking into account the prevalence of modern slavery within the construction sector, RPIL continues to include clauses requiring compliance with the Modern Slavery Act 2015 in construction contracts for our property investments. ^[1]

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

[\[1\] ILO & Walk Free Foundation \(2017\). Global Estimates of Modern Slavery, p.32. Access here.](#)

Our Policies and Processes

Our policies and processes are designed to ensure effective risk assessment, including 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 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 third party providers, and all those in our supply chain, comply with our values and ethics, we have in place a supplier due diligence on boarding and appointment process, which is designed to ensure our suppliers, and their supply chains, meet our requirements.

Our contracts provide us with specific adherence to the Modern Slavery Act 2015 and 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 and the necessary escalation.

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

All HR policies were reviewed during the year as part our re-brand and we are satisfied that they comply with legal requirements. Training will be delivered across Railpen to raise awareness of key policies and to help embed our commitment to a zero tolerance approach to slavery and human trafficking.

Within our Learning Academy, a full e-learning module on modern slavery is available for colleagues to complete for awareness and education.

A handwritten signature in black ink, appearing to read 'John', with a large, stylized initial 'J'.

John Chilman

Chief Executive

Date: 5 May 2022