



## LAPFF Modern Slavery Statement

Forced labour of any description is not only illegal, it is morally repugnant. This practice causes harm to individuals, families and communities, and creates reputational, legal and financial risks for businesses. LAPFF therefore expects investee companies and supply chain partners to be able to develop successful business strategies and operate successful business models that do not employ forced labour in any way.

To this end, although the Local Authority Pension Fund Forum (LAPFF) is not required to publish a modern slavery statement as it is not a commercial organization, the Forum has taken a decision to publish such a statement to reflect its focus on human rights as a key feature in its approach to responsible investment and company engagement. This decision reflects LAPFF's support for the Modern Slavery Act and its aims, as well as encouragement for its member funds to publicise their own modern slavery statements.

LAPFF also has a ***contracting chain***<sup>1</sup> that includes commercial entities. The Forum is adamant that these suppliers must not engage in activities that constitute forced labour of any kind, including modern slavery. To this end, they must comply with The United Nations Convention for the Suppression of the Traffic in Persons and of the Exploitation of the Prostitution of Others, The UN Convention against Transnational Organised Crime and its two protocols – the Trafficking in Persons Protocol and the Smuggling of Migrants Protocol - as well as ILO Conventions 29 and 105 on forced labour. The Forum would also expect compliance with the New York Declaration.

Additionally, compliance with the Slavery Convention and the Supplementary Convention on the Abolition of Slavery, the Slave Trade, and Institutions and Practices Similar to Slavery, the Universal Declaration of Human Rights, the International Covenants on Civil and Political Rights, and the Convention on the Elimination of all Forms of Discrimination Against Women is expected.

This LAPFF statement has been drafted in consideration of the above international law and the reporting requirements established in Section 54 (Transparency in Supply Chains) of the Modern Slavery Act 2015. The statement

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<sup>1</sup> The contracting chain covers the suppliers with which the Forum contracts for goods and services, including suppliers of suppliers whether part of the formal or informal economy.

has been approved by the LAPFF Executive Committee and has been signed by the LAPFF Chair.

### **Organisation structure and supply chains**

LAPFF is a membership organization representing 82 local government pension schemes and six pooled funds with around £250 billion in assets under management. The Forum does not have any employees, but is rather a network of its member funds who send representatives to LAPFF Executive and Business Meetings and authorize Forum activities on responsible investment.

Although LAPFF itself is not a commercial entity, member pools and public member funds have employees and engage in commercial contracts and activities through their investment mandates. Furthermore, as public entities, LAPFF member funds have a duty to protect, respect and fulfill their human rights obligations. The Forum also contracts with commercial entities who provide services that allow LAPFF to carry out its activities.

### **Policies in relation to slavery and human trafficking**

LAPFF's mission is to protect the long-term investment interests of beneficiaries by promoting the highest standards of corporate governance and corporate responsibility amongst investee companies. Promotion of these standards reflects the incorporation of environmental, social and corporate governance (ESG) considerations into LAPFF's policies and research. LAPFF's [Responsible Investment Policy Guide](#) is publicly available on the Forum's website.

A number of these policies address modern slavery concerns, including zero hours contracts and precarious work, human rights and the sustainable development goals (SDGs). This statement has now been included as part of the Forum's Responsible Investment Policy Guide on the LAPFF website.

### **Due diligence processes**

In the appointment of its Research and Engagement Partner, LAPFF utilises a public tender process. This provider is assessed for its ability to perform outstanding research and engagement on ESG issues, including modern slavery. The Forum also undertakes due diligence in conducting responsible investment research and engagement on investee companies, both through its status as a signatory to the Workforce Disclosure Initiative and through bespoke research and engagement on investee companies.

### **Risk assessment and management**

Risk assessment is performed through the tender process mentioned above. Additionally, the Forum submitted a consultation response to the UK government on the Modern Slavery Act, making a number of suggestions for data points to be considered in an appropriate risk assessment and for compliance with international law and standards relevant to modern slavery. The Forum will continue to monitor developments with the Modern Slavery Act, including

compliance and enforcement activities, and will undertake necessary activities through its own research and engagement mandate to facilitate such compliance and enforcement by investee companies.

### **Key performance indicators to measure effectiveness of steps being taken**

Part of the consultation response included recommendations for key performance indicators that should be considered in assessing whether effective measures are in place to prevent, end and compensate for activities amounting to modern slavery. LAPFF will use the updated Act to inform its engagements with investee companies. Additionally, it will review assessments from leading organisations in the field such as Ergon Associates and the CORE Coalition to evaluate the quality of companies' modern slavery responses to ensure companies are taking effective steps to eradicate modern slavery in their supply chains.

### **Training on modern slavery and trafficking**

As part of its quarterly member meetings, LAPFF has had a legal expert on the Modern Slavery Act explain the Act's provisions and trends in compliance. The Forum will continue to develop its training offerings for member funds, as well as seeking to update its policies and procedures as appropriate in line with the developments to the provisions of Section 54 of the Act.



Cllr Doug McMurdo  
Chair, LAPFF

For further information on this statement, please contact Lara Blecher at [lara.blecher@pirc.co.uk](mailto:lara.blecher@pirc.co.uk).