

PSP Investments Holding Europe Limited – Modern Slavery Statement

1. Introduction

PSP Investments Holding Europe Limited (“PSP Europe”) is committed to upholding the highest standards of corporate governance and ethical conduct and we are taking steps to try to prevent all forms of modern slavery in our operations and supply chains. PSP Europe acknowledges the important role the financial services sector has to play in the identification and prevention of modern slavery and human trafficking. The following Statement sets out PSP Europe’s response to Section 54 of the UK Modern Slavery Act (MSA) 2015 and outlines our efforts to identify, assess, address, and mitigate modern slavery for the financial year ending 31st March 2023.

2. Business Structure and Supply Chains

a. Our Business and Structure

PSP Europe is a wholly owned subsidiary and service provider of the Public Sector Pension Investment Board (“PSPIB”), one of Canada’s largest pension investors, managing the amounts transferred to it by the Government of Canada for the Canadian public sector pension plans. As of the 31st March 2023, PSPIB employed 997 colleagues across its headquarters in Ottawa and offices in Montreal, New York, London, and Hong Kong. It manages the amounts transferred to it by the Government of Canada for the funding of benefits earned from April 1, 2000, by members of the pension plans of the federal Public Service, the Canadian Forces (Regular Force), the Royal Canadian Mounted Police (RCMP) and, since March 1, 2007, the Canadian Forces (Reserve Force) (collectively the “Plans”). PSPIB invests across private and public markets, indirectly through funds and directly across Capital Markets, Private Equity, Credit Investment, Real Estate, Infrastructure and Natural Resources.

PSP Europe is incorporated in and managed from the UK. PSP Europe acts as a regional investment platform to acquire a diversified portfolio of European private market direct investments, including Real Estate, Private Equity, Natural Resources, and Infrastructure.

PSP Europe invests in line with PSPIB’s long-term investment mandate to manage amounts that are transferred to it in the best interests of the contributors and beneficiaries under the acts related to the Plans and invest its assets with a view to achieving a maximum rate of return, without undue risk of loss, having regard to the funding, policies, and requirements of the Plans to meet their financial obligations.

UK Investment Governance Structure

All Real Estate, Private Equity, Natural Resources, and Infrastructure investments that are intended to be held by PSP Europe must be presented to the Board of Directors or the Investment Committee of PSP Europe for consideration and approval.

All investments considered by PSP Europe’s governance forums must be in compliance with PSPIB’s applicable policies and approval processes. This may include approval from the Investment and Risk Committee of the Board of PSPIB, the Risk and Investment Committee or members of senior management within the business teams, depending on the risk level – including modern slavery - and type of transaction. For more information on PSPIB’s investment governance structure, please see our [Sustainable Investment Report](#).

b. Our Supply Chains

PSP Europe procures a range of goods and services, including professional services such as legal and recruitment, as well as office equipment, hardware and software, facilities and maintenance services, and travel. PSP Europe procures internationally from over 300 suppliers. PSP Europe’s procurement is primarily managed centrally from PSPIB’s Montreal office.

3. Policies and procedures in relation to modern slavery and human trafficking

PSPIB’s approach to modern slavery risk management is upheld by a policy framework which encourages and enables its employees to identify and mitigate forced and compulsory labour risks. The controls and processes set out within the policies and procedures below, whilst not specifically designed to target modern slavery risks, are leveraged to support its approach to modern slavery risk management.

Examples of policies and procedures that support our approach to modern slavery risk management	
Cross Functional Risk Management	The Risk Appetite Overview sets out our appetite thresholds for a variety of risks that may arise across our business and as such provides basic parameters for our due diligence processes. The Risk Appetite Overview encompasses considerations related to modern slavery set out as part of our ESG investment risks and non-investment risks, including risks to people; legal, contractual, or regulatory risk arising from non-compliance with laws or regulations; financial crime and fraud risks; and operational risks including health and safety.
Our Colleagues	Our <u>Code of Conduct</u> (“Code”) outlines the common guiding principles PSPIB’s directors, employees, and consultants are expected to adhere to. This includes an expectation to act appropriately and with integrity, promote respect, inclusiveness, and fairness in the workplace, and foster a safe, respectful, and responsible work environment. The Code details the Speak Up Mechanisms through which directors, employees, consultant, and external stakeholders can report concerns or breaches of the Code without fear of retaliation. PSPIB aims to ensure anonymity where possible. Non-compliance with the Code may result in disciplinary measures. Our Code is supported by several internal policies and procedures covering harassment, workplace violence, equality, inclusion, and diversity.
Our Investment and Credit Business	<p>The Reputational Due Diligence Procedure governs our approach to conducting reputational due diligence on our investments. Our procedure aims to mitigate the risk involved in dealing with managers / partners with material background or reputational issues, including modern slavery issues.</p> <p>Our Sustainable Investment Procedure and Sustainable Investment Policy are together intended to ensure that sustainability-related factors, including human capital management and human rights, are considered throughout the investment process and across all of our investments, including at the pre-investment due diligence stage and throughout the investment lifecycle via ongoing monitoring. Our approach to identifying and mitigating sustainability-related risks may include assessing modern slavery risks that may be present in our investments.</p> <p>Our Playbook for conducting ABC, AML and Sanctions Due Diligence expands on the Code by settings forth our approach to ABC, AML and Sanctions matters.</p>
Our Procurement of Goods and Services	Our Procurement of Goods and Services Procedure governs our approach to transparent and fair procurement practices.

4. Risk Assessment and Due Diligence

a. Our Colleagues

PSP Europe typically presents a lower risk of forced and compulsory labour across its employment practices due to its reliance upon skilled, full time, permanent employees who are paid not less than the Living Wage.

Nonetheless, PSP Europe makes efforts to mitigate any potential risks via due diligence processes during employee on-boarding. Prior to joining PSP Europe, prospective employees and consultants undergo background checks including education, criminal records, and credit checks. Adverse media checks and previous employer references are also required. PSPIB also reviews the salaries of consultants recruited by third-party agencies. Any risks identified are escalated to the Human Resources Business Partner.

Employees are signposted to the Code as well as the Employee Handbook and relevant Compliance policies within their contract of employment and are regularly reminded of their responsibilities under these polices via firmwide communications and training.

b. Our Investment and Credit Business

Prior to making any investment recommendations, Investment teams are required to conduct due diligence to determine if an investment is suitable and consistent with PSPIB’s policies. Due diligence is often conducted alongside investment partners, in conjunction with lawyers and with PSPIB employees.

Material risks identified through due diligence, which may include modern slavery risks, are required to be escalated to various functions within the organisation for further discussion.

The following sections outline the direct due diligence processes conducted by PSPIB.

1. Sustainability-related Due Diligence

As a long-term investor, PSPIB believes that proactively integrating material sustainability-related factors into our investment processes contributes to a better total fund long-term return profile. PSPIB's investment approach is based on the Sustainability Accounting Standards Board (SASB) framework, and other standard setters, and includes evaluation of the following social risks and opportunities: Labour standards (including forced and bonded labour), human rights, health & safety, and supply chain risks.

PSPIB's Sustainability and Climate Innovation (SCI) Group is responsible for supporting investment teams in identifying inherent material sustainability-related risks – which include risk of modern slavery – in investments and in monitoring and mitigating sustainability-related factors that are, or could become, material to long-term financial performance.

Our engagement approach is tailored to the investment type, exposure, investment time horizon, the objectives sought, the likelihood of success, and varies between public and private markets. Active ownership may include monitoring and re-assessment of material sustainability-related risks, monitoring of controversies through screening tools, shareholder engagement and proxy voting. For more information on our approach to sustainability-related integration including potential human rights risks please see our Sustainable Investment Report.

2. Operational and Reputational Due Diligence

PSPIB's Operational Due Diligence Advisory team also supports in managing the risks associated with investments. Reputational Due Diligence screening, background and sanctions checks could identify modern slavery and human rights issues which would also be escalated within various functions within the organisation for further discussion.

c. Our Procurement of Goods & Services

PSPIB are in the process of developing a Supplier Code of Conduct ("Supplier Code") to be finalised and adopted in the medium term. The Supplier Code is expected to set out the standards and values PSPIB expects its suppliers to uphold and to include provisions on fair and safe working conditions, appropriate compensation, and prohibition of any form of forced or child labour. Suppliers will be expected to sign the Supplier Code, to provide training to their employees, and to comply with it throughout their business relationship with PSPIB.

5. Working in Partnership

PSPIB is a signatory of the UN-supported Principles for Responsible Investment (PRI) since August 2014 and our investment approach is aligned with the UN PRI. Where appropriate, PSP Europe and PSPIB also try to collaborate with institutional investors, investment partners, industry associations, regulators, academia, and other non-governmental organizations to promote local or global sustainability-related standards and establish disclosure and measurement of best practice.

6. Training

PSP Europe believes that training is fundamental to raising awareness within organisations and building employee capabilities to mitigate risks and appropriately escalate concerns.

a. Our Colleagues

All employees receive training on the Speak Up Mechanism as part of the Code training. Training on the Code for all employees is annual and employees are required to complete quarterly confirmation that they are complying with the Code. New joiners are required to complete mandatory training on the Code upon joining PSP Europe.

b. Our Investment and Credit Business

The SCI Group organises training sessions on an annual basis to strive to ensure colleagues are kept abreast of ESG trends, risks and opportunities and are provided with the tools they need to identify, mitigate, and monitor ESG risks.

7. Effectiveness

PSP Europe recognises that the review and assessment of our actions to identify, assess and address modern slavery and other human rights issues across our operations and supply chains will be an ongoing and evolving process.

Next year, we will continue to review our approach to measuring effectiveness, including developing KPIs to enhance our monitoring approach over time, in line with continuous improvement. We also expect to:

- Conduct a maturity assessment of our UK modern slavery programme with the assistance of a third party.
- Implement a new sustainability-related due diligence and risk assessment tool.
- Continue to develop a Supplier Code (including modern slavery provisions).
- Revisit our reputational risk framework.


8. Approvals

PSP Europe is committed to upholding high standards of corporate governance. The Board of Directors of PSP Europe has primary responsibility for reporting under UK Legislations (including the UK Modern Slavery Act), together with the Company Secretary.


PSP Europe's approach to reporting under the UK Modern Slavery Act is led by the legal affairs department, drawing on cross-functional resources.

This Statement has been approved by the Board of Directors of PSP Europe on 27 September 2023 and signed by two directors.

Director Name: Nicola Tassell

Signature: 
Date: 28 Sept 2023 409C1FDB743048C...

Director Name: Michael Adams

Signature: 
Date: 28 September 2023