

FSCS - Modern Slavery Statement

Introduction

This statement sets out the Financial Services Compensation Scheme (FSCS) actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 April 2022 to 31 March 2023.

As part of the financial services sector, FSCS recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

FSCS is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Scheme structure and supply chains

This statement covers the activities of FSCS.

FSCS protects customers of authorised financial services firms by paying compensation to those customers if the authorised firm they are dealing with fails and owes them money. It can only do this when claims cannot be paid by the firm or anyone else.

FSCS's primary role is to protect consumers who have incurred financial losses when firms regulated by the Financial Conduct Authority (FCA) and/or the Prudential Regulation Authority (PRA) (and its predecessors) are unable, or likely to be unable, to pay claims against them. FSCS protection covers: insurance, mortgages, pensions, payment protection insurance, investments and debt management and Funeral Plans.

FSCS operates in the United Kingdom.

FSCS assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

- FSCS is committed to fulfilling its obligations to adhere to the Public Contract Regulations when sourcing suppliers into its supply chain. It utilises the Cabinet Office standard selection questionnaire which includes a section on modern slavery. This questionnaire requires suppliers to confirm whether they are a relevant organisation under Section 54 of the Modern Slavery Act and if so whether they are compliant with the annual reporting requirements imposed by section 54.

High-risk activities

FSCS does not undertake any activities that are considered to be at high risk of slavery or human trafficking.

Responsibility

Clear corporate policies ensure that there is no slavery or human trafficking within FSCS's business or supply chains.

Relevant policies

FSCS operates the following policies:

- **Whistleblowing policy** – FSCS encourages all its workers, customers and other business partners to report any concerns related to the direct activities or the supply chains of the organisation. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. FSCS's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
- **Employee code of conduct** – FSCS's code makes clear to employees the actions and behaviour expected of them when representing the organisation. FSCS strives to maintain the highest standards of employee conduct and ethical behaviour when operating and managing its supply chain.
- **Grievance Policy** – FSCS's policy makes clear to employees how concerns relating to work, working environment and working relationships can be made and how they are to be resolved and clearly informs employees that matters related to illegal activities should be raised via the Whistleblowing Policy.
- **Diversity and Inclusion Policy** - An inclusive workplace is an environment where everyone is treated with dignity and respect, where the talents and skills of different groups are valued, and where productivity and customer service improve because the workforce is happier, more motivated and more aware of the benefits that inclusion can bring. This policy is fully committed to the elimination of unlawful and unfair discrimination, both direct and indirect, victimisation, or harassment and values the benefits of a diverse workforce.

Due diligence

FSCS undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. The organisation's due diligence and reviews include:

- evaluating the modern slavery and human trafficking risks of each new supplier;
- reviewing on a regular basis all aspects of the supply chain based on the supply chain mapping;
- ensuring that its suppliers adhere to the highest standards of ethics. Suppliers are required to demonstrate that they provide safe working conditions where necessary, treat workers with dignity and respect, and act ethically and within the law in their use of labour; and
- using only specified, reputable employment agencies to source labour and always verifying the practices of any new agency it is using before accepting workers from that agency.

FSCS has reviewed its approach to modern slavery and as a result can demonstrate a robust approach to modern slavery and human trafficking within its supply chains. FSCS will continually review its existing supply chains in relation to its commitment to the Modern Slavery Act 2015.

Training

Members of the Procurement Team have passed the Chartered Institute of Procurement and Supply's Ethical Procurement & Supply Training, which incorporates modern slavery.

Awareness-raising programme

During the last financial year it is mandated that all FSCS staff undertake the essential learning module in Modern Slavery. This learning module helped explain to staff the basic principles of the Modern Slavery Act 2015 including:

- forms of Modern slavery
- how employers can identify the signs of slavery and prevent slavery and human trafficking;
- what employees can do to flag up potential slavery or human trafficking issues to the relevant parties within FSCS; and
- what external help is available, for example through the Modern Slavery Helpline.

Board approval

This statement was approved on 16 May 2023 by FSCS's Board of Directors, who review and update it annually.

Signed on behalf of the Board by:



Fiona Kidy
Chief Financial Officer
Financial Services Compensation Scheme