



The Charterhouse Modern Slavery Statement 2022

This is the Charterhouse statement pursuant to section 54 of the Modern Slavery Act of 2015 (“MSA 2015”) for the financial year ending 31 March 2022. It sets out the steps we have taken to ensure that slavery, servitude, forced and compulsory labour and human trafficking is not taking place in our own business operations or supply chains.

Members of the Charterhouse ESG Committee (responsible for overseeing the environmental, social and governance considerations in our operations and business) have overseen the preparation of this slavery and human trafficking statement on behalf of Charterhouse Capital Partners LLP and its affiliated entities, together the “Group”, for the financial year ending March 2022 (the “Relevant Period”).

ABOUT CHARTERHOUSE

Charterhouse was founded in 1934 and has an investment history of more than 80 years in the UK, and more than 40 years in Continental Europe. It was one of the pioneers of the UK leveraged buyout industry in the 1980s and has managed ten investment vehicles to date. All our investment activity is conducted through funds comprising limited partnerships whose General Partners are wholly-owned subsidiaries of Charterhouse. The Firm is headquartered in London, with an office in Paris and, towards the end of the Relevant Period, a new team in China.

GROUP STRUCTURE

The Group is wholly-owned and controlled by its partners and consists mainly of UK registered entities. Several Group entities are authorised and regulated by the UK Financial Conduct Authority. The ultimate controlling entity of the Group is Watling Street Capital Partners LLP.

POLICY ON MODERN SLAVERY AND HUMAN TRAFFICKING

We have been signatories of the Principles for Responsible Investment since 2013 and our commitment as responsible investors includes taking steps to address and mitigate the risks of any modern slavery or human trafficking in all parts of our business or our supply chains. We are committed to acting ethically and with integrity in all our business relationships and we take the opportunity to encourage others to do so. We regularly review the systems and controls we have in place to ensure that the risk of modern slavery and human trafficking in our business and supply chains is eliminated to the maximum possible extent.

The Relevant Period ending March 2022 witnessed unprecedented circumstances. As the Covid-19 pandemic unfolded, research evidenced that pre-existing vulnerabilities were exacerbated by the pandemic. In particular, women and children were disproportionately affected by the reduced economic opportunities, restricted access to education and exposure to violence. Restrictions and focus on the pandemic may have impacted efforts to raise awareness and prevent modern slavery in businesses and supply chains. Mindful of this, we addressed the state of modern slavery in pandemic times at our ESG Conference which we held virtually for our portfolio companies. The conference identified actions that companies can take to identify potential risk and avoid any human rights’ violations in their supply chain.

SUPPLY CHAINS

Our suppliers are mostly UK-based, including a few multi-national companies with a UK-presence. As an investment business, our suppliers include professional services such as lawyers, accountants, other consultants, IT providers, office equipment, maintenance services, and transport. Suppliers also include the businesses which help us run our premises, such as building managers, caterers, cleaners and security providers.

MODERN SLAVERY DUE DILIGENCE UNDERTAKEN ACROSS OUR BUSINESS AND SUPPLY CHAINS

We have established long-term relationships with first-tier suppliers and, given the nature of our business, find ourselves in a position where our engagement with suppliers does not result in demands in view of which suppliers might be encouraged to violate human rights. In fact, whilst continuing our engagement with suppliers – for example, continued dialogue with our cleaning services suppliers to ensure these remain on a salary which, as a minimum, meets the London Living Wage – we continuously seek ways to enhance our supplier engagement

During the Relevant Period, we reviewed our relationship with key suppliers and assessed our current exposure to modern slavery and human trafficking risk by examining the level of maturity of addressing human rights risk for suppliers of the Charterhouse Group.

The modern slavery risk to our sector is considered to be relatively low, and we deemed it appropriate to apply risk-based approach to due diligence of our supply chain.

For the risk assessment of the Group's own operations we:

- Focussed the bulk of our risk assessment analysis on high spend / high frequency suppliers, differentiating between low and significant slavery and human trafficking risk, and prioritising any supplier for which an aggregate spend in excess of a monetary threshold was recorded in the Relevant Period;
- Considered other factors such as industry-specific risk, product risk and jurisdictional risk in relation to modern slavery / human trafficking exposure;
- Scrutinised modern slavery statements issued by suppliers and identified certain suppliers who were required to provide information relating to steps they take to address modern slavery risk; and
- Also selected and engaged with suppliers which fell outside of the risk-based approach selection described above, but for which, based on advancing understanding of human rights risk in specific industries, engagement is necessary.

As responsible investors and PRI signatories, we continuously seek to influence and support our portfolio companies to undertake steps to mitigate the risk of any modern slavery which may exist in their supply chains. We increasingly see the adoption of supplier code of conducts and inclusion of human rights and environmental-related terms and conditions in supplier engagements. We have also conducted due diligence on supply chain analytical software products with a view to include this in our portfolio company toolkit to support the supplier screening, monitoring and engagement practices in this regard.

During the Relevant Period, we have not been made aware of any slavery or human trafficking incidents in our supply chains at the Firm itself or in its portfolio companies.

TRAINING

We continued with our training programme during the Relevant Period, introducing individuals joining Charterhouse to our obligations and responsibilities to mitigate Modern Slavery risk in our businesses and supply chain. All Charterhouse individuals also received Modern Slavery training as well as practical tools and support to address modern slavery and human trafficking in the supply chains of our portfolio companies.

EVOLVING STEPS

In terms of our own operations and supply chain, we are currently reviewing our procurement framework to establish how our commitment and expectations can be formally included in supplier engagement. We recognise the value of continuing the engagement and dialogue with suppliers we may identify to understand their actions taken to ensure that ethical standards are adopted beyond tier 1 of our supply chains.

We continue our support and work with our portfolio companies to enhance supply chain frameworks which address modern slavery and human trafficking risk.

APPROVAL

This statement has been approved for distribution by the ESG Committee on behalf of the Charterhouse Group.

Lionel Giacomotto
Managing Partner

September 2022