

## **The Charterhouse Modern Slavery Statement 2024**

The Modern Slavery Act 2015 (“**MSA 2015**”) requires large commercial organisations to publish an annual statement on modern slavery and human trafficking. This statement constitutes Charterhouse Capital Partners (“**Charterhouse**”) modern slavery and human trafficking statement for the financial year ending 31 March 2024 the (“**Relevant Period**”). 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 for 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 eleven investment vehicles to date. All our investment activity is conducted through funds comprising limited partnerships whose General Partners / managing entities are wholly-owned subsidiaries of Charterhouse. The firm is headquartered in London, England with a satellite office in Paris, France and a representative 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.

During the Relevant Period, human rights and forced labour issues continue on a national and global scale, exacerbated by an increased number of migrants seeking better economic opportunities, a situation which leaves women and children significantly exposed to the risk of human trafficking and forced labour in particular. We recognise our responsibility to understand supply chains of the firm and of our portfolio companies and to raise awareness to enhance engagement and transparency.

### **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, consider the risk of modern slavery and human trafficking arising from our suppliers providing these services to be low. In fact, we continuously seek ways to enhance our supplier engagement for example through continued dialogue with our cleaning services suppliers to ensure these remain on a salary which, as a minimum, meets the London Living Wage.

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. We also considered ways to improve the dialogue with suppliers in case we identify any due to high-risk exposure to modern slavery and how our commitment and expectations could be better conveyed in supplier engagement.

The modern slavery risk to our sector is considered to be relatively low, and we deemed it appropriate to apply a 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 modern slavery and human trafficking risks 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 our suppliers and identified certain suppliers who were required to provide information relating to steps they take to address modern slavery risk; and
- 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 risks in specific industries, engagement is necessary.

As responsible investors and a PRI signatory, we continuously seek to influence and support our portfolio companies 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. Modern Slavery training, as well as practical tools and support, was made available to all Charterhouse individuals to address modern slavery and human trafficking in the supply chains of our portfolio companies.

## **EVOLVING STEPS**

We seek to build on the steps we have taken in the Relevant Period to improve the screening of and engagement with our suppliers, by updating the policies relating to responsible purchasing and supplier engagement. In doing so, we shall continue to gain a better understanding of high-risk suppliers' actions taken to ensure that ethical standards are adopted beyond tier 1 of our supply chains. We shall continue to raise awareness of Charterhouse partners and employees and 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 2024