

3i Group plc

Slavery and human trafficking statement for the financial year ended 31 March 2022 (“FY22”)

This statement is made by 3i Group plc (“**3i**”) pursuant to Section 54 of the Modern Slavery Act 2015 (“**MSA**”) and applies to all 3i’s subsidiaries (as defined in the UK Companies Act) whether incorporated within or outside the UK which are in-scope of the MSA. A full list of 3i’s subsidiaries is set out in note 30 to the 3i Group plc annual report to 31 March 2022 which is available on 3i’s [website](#).

This statement was approved by the Board of Directors of the Company on 28 September 2022.

Overarching statement

3i is committed to achieving its investment objectives in a sustainable way by behaving responsibly as an employer, as an investor and as an international corporate citizen. We take responsibility for our actions, carefully consider how others will be affected by our choices and ensure that our values and ethics are integrated into our formal business policies, practices and plans.

In particular, 3i is committed to ensuring that (i) there is no slavery or human trafficking in any part of its business or supply chains and (ii) the companies in which it invests are similarly committed to ensuring that there is no slavery or human trafficking in any part of their businesses or supply chains.

Meaning of slavery and human trafficking

Our understanding of slavery and human trafficking is based on the definitions set out in the MSA and is guided by the UN Universal Declaration of Human Rights and the conventions of the International Labour Organisation (ILO) particularly relating to forced or compulsory labour. We recognise that forced labour as a form of slavery includes debt bondage and the restriction of a person’s freedom of movement whether that be physical, non-physical or, for example, by the withholding of a worker’s identity papers.

3i’s business

3i is an international investor and investment manager with two complementary businesses, Private Equity and Infrastructure, specialising in core investment markets in northern Europe and North America. 3i’s total assets under management (“**AUM**”) as at 31 March 2022 were £22.9 billion, of which £14.3 billion comprised 3i proprietary capital.

Our **Private Equity** business invests in companies with an enterprise value of typically between €100m and €500m at acquisition primarily in its core investment markets of northern Europe and North America. The Private Equity business was responsible for £16.7 billion of AUM as at 31 March 2022, of which £12.4 billion represented 3i Group’s proprietary capital invested across 37 companies. The Private Equity portfolio is based in Europe and North America with just 3 of its 37 portfolio companies (with a total carrying value of £22 million) based elsewhere.

Our **Infrastructure** business invests principally in mid-market economic infrastructure investments across the UK, Europe and North America and operational PPP projects across Europe. The Infrastructure business was responsible for £5.7 billion of AUM as at 31 March 2022, of which £1.4 billion represented 3i Group’s proprietary capital. The Infrastructure business also acts as investment

manager of the 3i India Infrastructure Fund, a US\$1.2 billion fund raised in 2008 which has made no new investments since 2012 and has just one remaining asset which was valued at nil at 31 March 2022.

3i also holds a strategic proprietary investment in Scandlines which operates ferries between Denmark and Germany. 3i's investment in Scandlines was valued at £0.5 billion at 31 March 2022. Further details are set out below in the section headed "3i's portfolio".

We currently have operations in seven offices across Europe, North America and Asia. The average number of 3i employees during FY22 was 234 of which 152 (c65%) were employed in the UK. We comply fully with applicable human rights legislation in the countries in which we operate, for example covering areas such as freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination. For all matters relating to human rights, we comply with local laws, and if those laws provide lesser protection than UK law, we apply the principles enshrined in UK law.

We have a comprehensive suite of corporate responsibility policies, copies of which are available on our [website](#), including our global policies on Equal Opportunity & Diversity, Global Recruitment & Selection and Health & Safety. All 3i staff globally have access to an independent and confidential telephone service managed by Expolink which they can use to report any concerns. We are very confident that there is no slavery or human trafficking taking place in 3i's business.

3i's governance structure

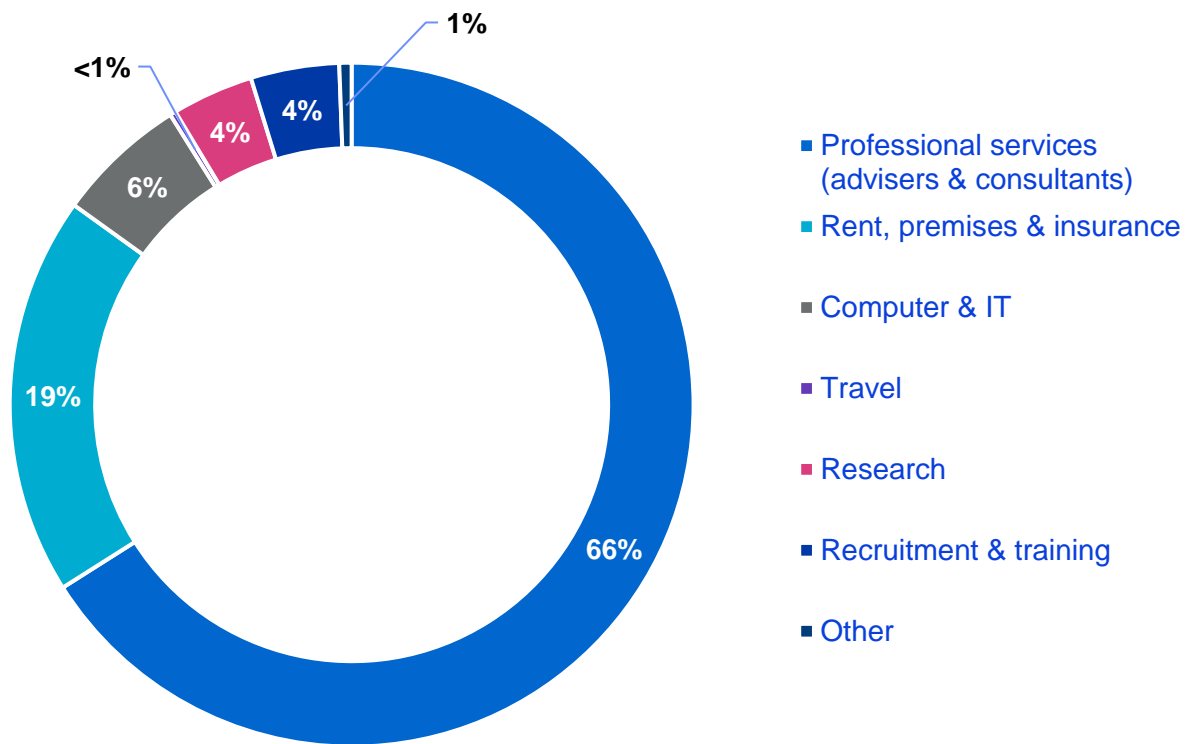
The Board is responsible for corporate responsibility, including issues such as slavery and human trafficking. The Board and its committees review our approach and policies in this important area and address specific issues if they arise. Day-to-day responsibility rests with executive management and, in particular, the Chief Executive. The Chief Executive has also established a number of committees to oversee and monitor policies and procedures and to address issues if they arise, including the Executive Committee which he chairs.

3i's supply chain in FY22

The pie charts below show the breakdown of 3i's total in-scope spend with suppliers in FY22 by reference to the type and location of those suppliers.

"In-scope" spend relates to goods and services supplied to 3i during FY22 and excludes spend such as staff remuneration & pension costs, taxes, social security costs, fees paid to regulatory authorities and charitable donations which we exclude for MSA purposes.

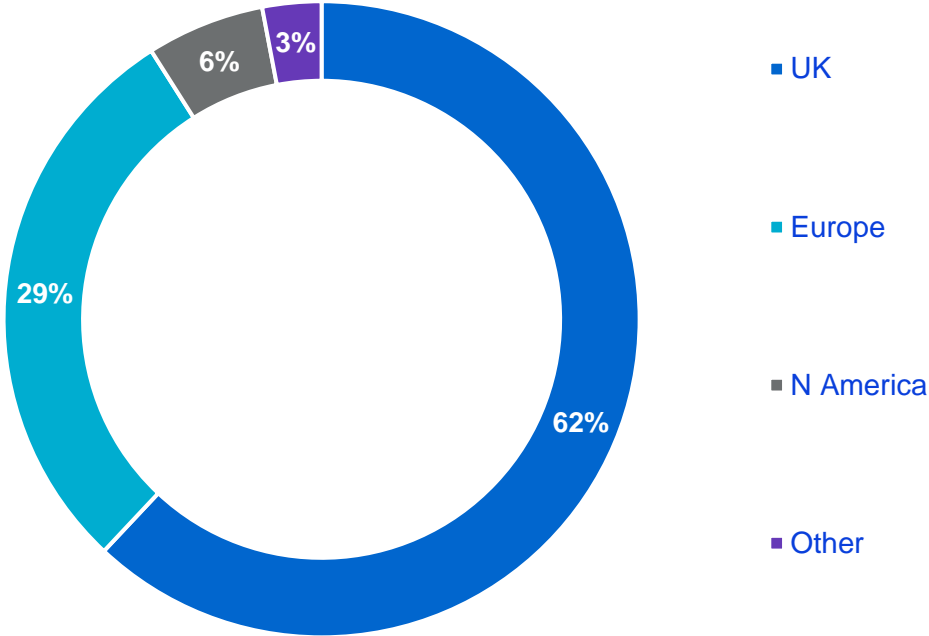
Total in-scope 3i Group supplier spend in FY22 broken down by type of supplier



The first pie chart above shows that the largest category of supplier (professional advisers & consultants) accounted for c66% of 3i's total in-scope supplier spend in FY22 (compared with c61% in FY21). We consider this category to be relatively lower-risk in terms of potential exposure to modern slavery.

We identified the provision of cleaning and catering services to 3i's offices as one area of potential exposure to modern slavery in 3i's direct supply chain. Approximately 65% of 3i's employees are based at 3i's headquarters in London where cleaning and catering services are provided by ISS which is a leading global provider of facilities management services employing c36,000 staff in the UK and over 350,000 staff globally. ISS's own Section 54 Statement (June 2022) includes commitments to (i) ensuring that there is no modern slavery or human trafficking in its supply chains or in any part of its own business, (ii) fair pay for its staff and (iii) ensuring that its workers have the right to work in the UK. ISS UK is also a member of the Living Wage Service Providers Leadership Group. For these reasons, we consider ISS to be a relatively lower-risk supplier in terms of potential exposure to modern slavery.

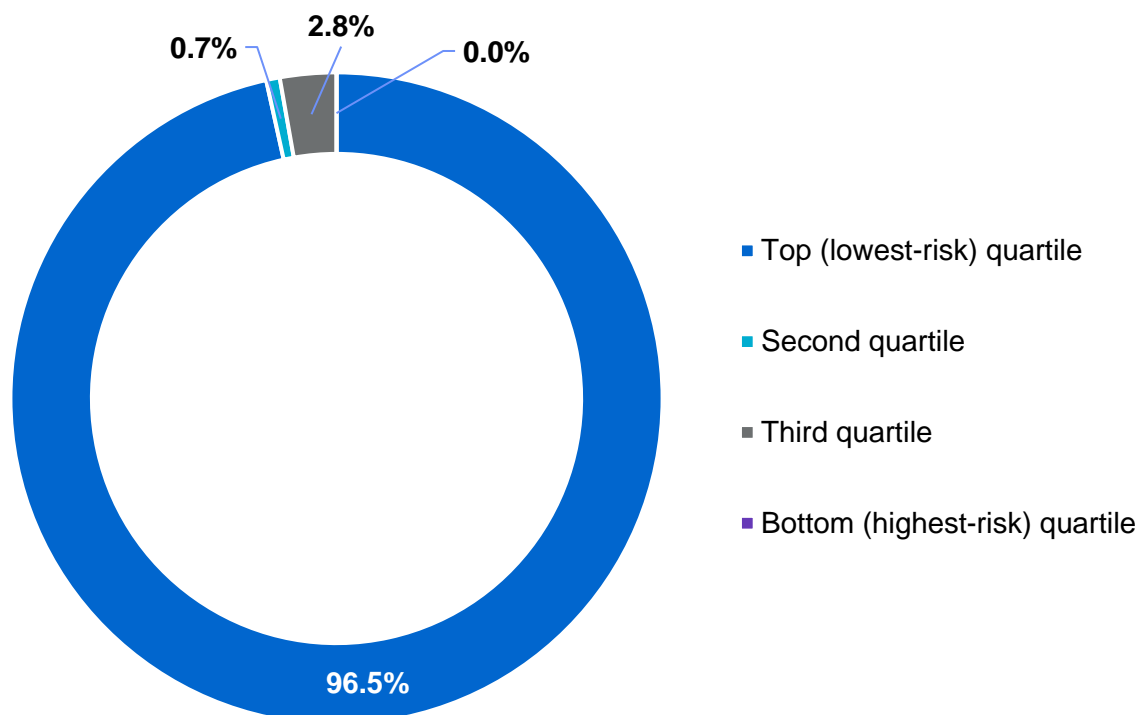
Total 3i Group in-scope supplier spend in FY22 broken down by region



The second pie chart above shows that suppliers located in 3i’s main markets of the UK, Europe and North America represented c97% (FY21: 96%) of 3i’s total in-scope supplier spend in FY22.

We use the Global Slavery Index produced by Walk Free as a guide to the prevalence of modern slavery in particular countries. The GSI ranks 167 countries according to their estimated prevalence of slavery per 1,000 population. The country with the lowest estimated prevalence of slavery (Japan, with 0.3 per 1,000) is ranked 167th whilst the country with the highest estimated prevalence of slavery (North Korea, with 105 per 1,000) is ranked 1st. We then divided the 167 countries into quartiles by ranking, with the top (lowest-risk) quartile consisting of the countries ranked 127th to 167th and so on. In terms of the geographic regions in which 3i’s in-scope suppliers were based, the relevant GSI rankings are as follows:

Total 3i Group in-scope supplier spend in FY22 broken down by GSI ranking of the countries in which 3i's suppliers were based



Almost 97% of 3i's total in-scope supplier spend in FY22 was with suppliers based in countries appearing in the top (lowest-risk) quartile. The lowest ("worst") ranking country was Turkey (ranked 48th with an estimated prevalence of 6.5 people per 1,000 population) which accounted for c0.03% of total supplier spend. The second lowest ranked country was India (ranked 53rd with an estimated prevalence of 6.1 people per 1,000 population) which accounted for c2.7% of total in-scope supplier spend in FY22. c80% of the supplier spend in India related to one supplier (Infosys) which provided outsourced financial and accounting services from its centre in Bangalore. Infosys is a NYSE listed global consulting and IT services company and a signatory to the United Nations Global Compact. We consider Infosys to be a relatively lower-risk supplier in terms of potential exposure to modern slavery.

3i's portfolio

Whilst 3i's investment portfolio does not fall within the ambit of Section 54 of the MSA, as a responsible investor 3i is committed, where we have influence, to ensuring that the companies in which it invests are themselves committed to ensuring that there is no slavery or human trafficking in any part of their businesses or supply chains.

3i's approach to modern slavery in the context of its investment portfolio is incorporated within its Responsible Investment policy ("**RI policy**"). 3i's policy has, for some time, been to avoid investing in certain businesses which we view as unethical, including those which do not respect the human rights of their workers. In 2011, our policy was formalised into our rigorous RI policy, a summary of the current version of which is available on our [website](#). The RI policy sets out 3i's approach to responsible investing and, in particular, describes how 3i seeks to incorporate Environmental, Social and Governance ("**ESG**") issues into its pre-investment due diligence screening of new investment opportunities and its ongoing portfolio monitoring processes. Since 2011, 3i's RI policy has been

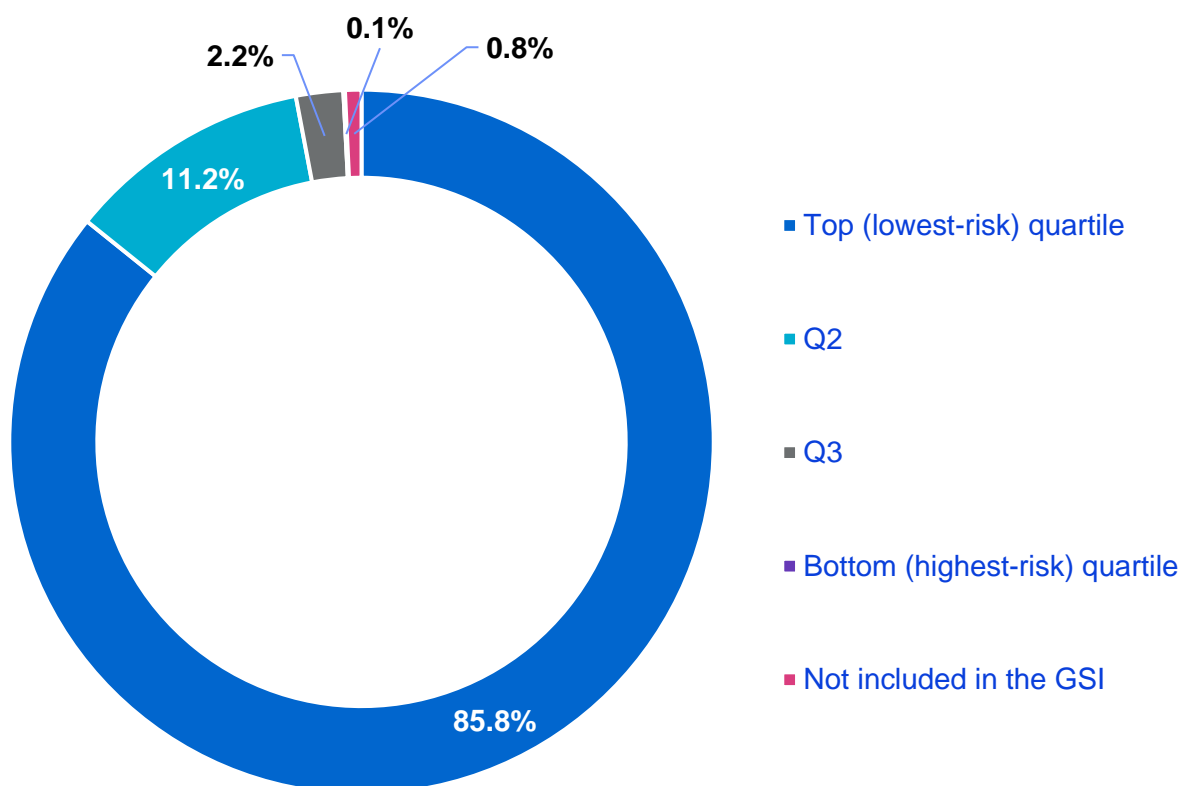
embedded in our investment and portfolio management processes and is supported by detailed guidance notes, external advisers and internal resource. It informs our investment decisions and our behaviours as a responsible steward of our assets.

We have also been signatories to the UN Principles of Responsible Investment since August 2011 and a copy of our latest PRI Transparency Report for 2020 is available on the [PRI website](#). We are very proud to have received an “A” rating for Strategy and Governance, which assesses our policies and protocols around ESG at 3i Group level and “A+” for both the Private Equity and Infrastructure assessments which review how our policies are applied in practice.

With particular regard to modern slavery, one of the specific objectives set out in our RI policy is that 3i will only invest in businesses which are committed to: respecting the human rights of their workers; maintaining safe and healthy working conditions for their employees and contractors; treating their employees fairly; upholding the right to freedom of association and collective bargaining; and respecting the health, safety and wellbeing of those adversely affected by their business activities.

3i specialises in its core investment markets in northern Europe and North America, which typically have a relatively lower estimated prevalence of slavery according to the GSI. We have analysed the worldwide turnover of 3i’s Private Equity and Infrastructure portfolio companies in FY22 by individual country and compared this to the GSI ranking of each relevant country. Our analysis of the countries in which our portfolio companies generated turnover during FY22 is as follows:

Total turnover of 3i's portfolio companies in FY22 broken down according to GSI ranking by geography



Our analysis shows that c97% of total portfolio turnover in FY22 was generated in countries appearing in the top two (lower-risk) quartiles. Only 0.1% of total portfolio turnover in FY22 related to countries appearing in the bottom (highest-risk) quartile (principally: Greece, Nigeria, Pakistan and Thailand).

However, we are aware that many of the companies we invest in have operations and/or supply chains based outside northern Europe and North America, including in countries which have a higher estimated prevalence of slavery according to the GSI. 3i's investment in Action, the international non-food discount retailer, is an example of such a company.

Action - update

3i's largest investment is in Action, an international non-food discount retailer with 1,983 stores employing nearly 52,000 staff in nine countries across Europe serving c12 million customers each week the stores were open during 2021. As at 31 March 2022, 3i's investment in Action was valued at c£7.2 billion, which represented c50% of 3i's total proprietary capital value at that date.

Action's principal risk of potential exposure to slavery is through its supply chain. Over half (53%) of Action's products (by value) are manufactured in China, which is ranked 111th in the GSI (second quartile) with an estimated prevalence of 2.8 per 1,000 population.

Action has a total of 624 suppliers of which 132 are direct suppliers (mostly based in China) and the remaining 492 are EU-based wholesalers. All suppliers are required to accept and commit to Action's ethical sourcing policy. In addition, all direct suppliers are required to have an independent social compliance audit conducted prior to doing business with Action. Scheduled ongoing audits of direct suppliers are also carried out annually or on a biennial basis (depending on the risk-rating of the relevant direct supplier). In addition, 74 spot checks were carried out on direct suppliers in 2021, 14 of which identified significant actual or potential social impacts (mostly related to working hours and health & safety issues – all of which were remediated). In addition, 409 BSCI factory audits were carried out in 2021 and all 409 factories were rated 'A' in relation to child labour and bonded labour.

Action wants to deliver the same level of transparency into its non-direct suppliers and has set itself the target of achieving 100% transparency on labour conditions in all of its supply chain by 2025.

3i's investment and portfolio management processes

All potential new investment opportunities that reach an advanced stage in 3i's investment process are subject to a high-level review of their potential ESG risks (including human rights abuses such as unlawful child labour and slavery) and opportunities prior to commissioning comprehensive due diligence. This exercise will typically result in recommendations as to which ESG issues should be subject to more comprehensive, "deep-dive" due diligence pre-investment and which should be progressed post-investment. The key findings from the high-level review are summarised in the investment paper along with the results of any "deep-dive" due diligence. The material due diligence issues (including any ESG risks and opportunities) are considered by the Investment Committee, which may raise questions with the investment team and/or require further work to be done as part of its overall investment decision.

In relation to 3i's existing portfolio, every six months, typically in March and September, our investment teams carry out detailed reviews of each of their portfolio companies. The reviews in

March of each year include a detailed ESG assessment which seeks to track progress in relation to existing, identified ESG risks as well as identifying potentially new and emerging risks and opportunities. For certain relevant portfolio companies (e.g. retail companies with supply chains in Asia) there is a focus on the extent to which the company has a supply chain policy/code of ethics in place; who at board level has responsibility for monitoring supply chain issues; the extent to which supply chain audits are carried out, and by whom; and whether there have been any material issues in the supply chain in the past 12 months. Any material ESG issues are discussed at the six-monthly review meeting and relevant action points are minuted, followed up by the investment teams and reviewed at the following six-monthly meeting.

Further detail on our due diligence and portfolio monitoring processes are set out in our 2022 sustainability report which is also available on 3i's [website](#).

Monitoring and review

We will continue to monitor our supply chain and portfolio in relation to slavery and human trafficking through our regular supplier reviews and portfolio company reviews.



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Chief Executive
3i Group plc