



3i Group plc

Slavery and human trafficking statement made pursuant to Section 54 of the Modern Slavery Act 2015 for the financial year ended 31 March 2016

September 2016

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Slavery and human trafficking statement for the financial year ended 31 March 2016

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.

This statement was approved by the Board of Directors of the Company on 28 September 2016.

Overarching statement

3i is committed to acting as a responsible company, employer and investor. 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 investment company with three complementary businesses, Private Equity, Infrastructure and Debt Management, specialising in core investment markets in northern Europe and North America.

We have operations in ten offices across Europe, North America and Asia. At 31 March 2016 3i had a total of 281 employees, of whom just over two-thirds were located in our head office in London.

The map below shows the geographical distribution of 3i's employees as at 31 March 2016



Whilst 3i does not have (or consider that it should have) a formal human rights policy, our policies are consistent with internationally-proclaimed human rights principles. Summaries of our relevant policies are available on our [3i.com website](http://3i.com) and cover areas such as equal opportunity, diversity, recruitment & selection, health & safety and employee behaviour. We also have established grievance and disciplinary procedures and a 'whistle-blower' facility.

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.

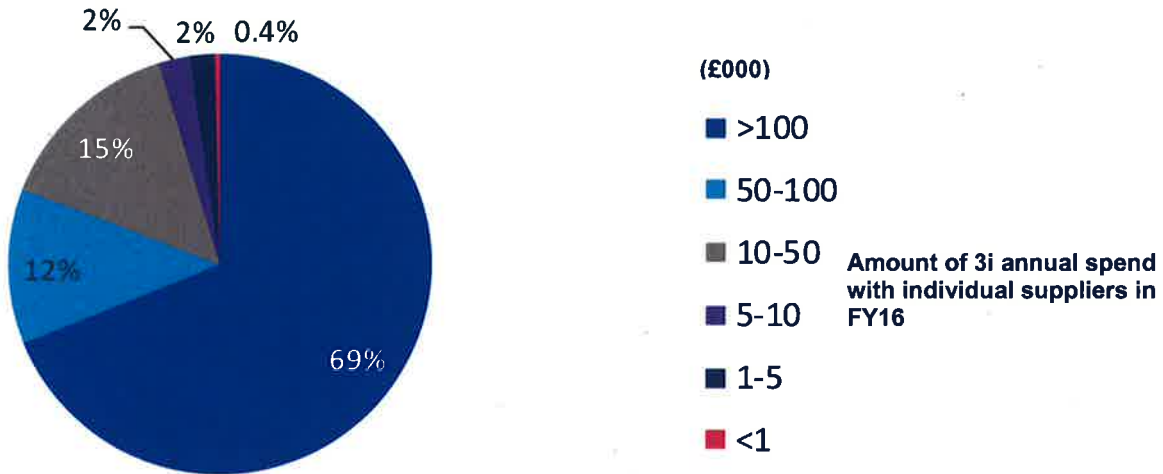
3i's governance structure

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.

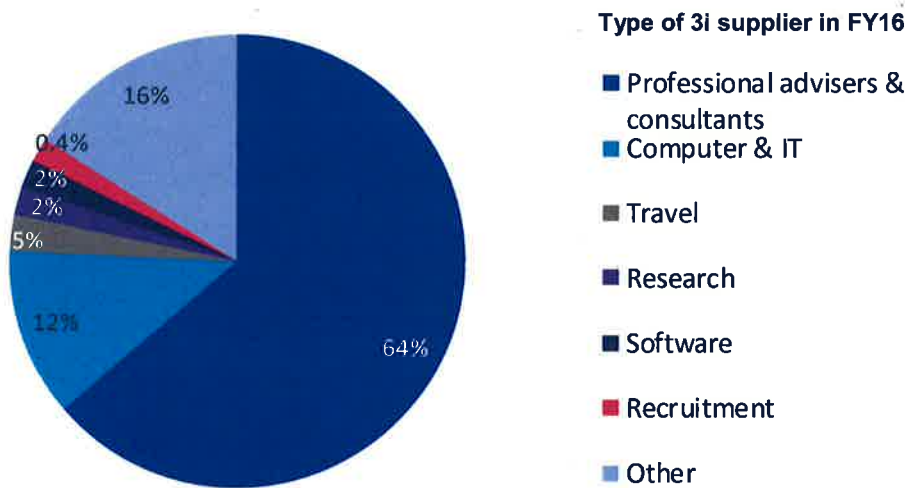
3i's supply chain

In the financial year to 31 March 2016 (FY16), 3i received goods and services from over 1,700 suppliers (this excludes supplies other than in the nature of goods or services such as rent payments to landlords and payments to national tax authorities in relation to staff income tax). The pie chart below shows the distribution of 3i's supply chain in FY16.

The pie chart below shows the distribution of 3i's supply chain in FY16 in terms of amounts spent per supplier



Suppliers who were each paid over £100,000 for goods or services in FY16 ("**Significant Suppliers**") accounted for c.69% of 3i's total supplier spend in FY16. There were 93 Significant Suppliers equating to c.5% of total suppliers by number. The pie chart below shows the breakdown of Significant Suppliers by type of supplier.



Approximately 64% (by spend) of Significant Suppliers were professional advisers and consultants who were engaged to advise 3i on potential investments, divestments and other matters in relation to its portfolio and on various corporate matters.

3i works with Proxima to help manage its global procurement activities across the group. Proxima carried out a high-level risk-based analysis of 3i's top 200 suppliers¹ and identified 4 whom it classified as higher risk ("**Higher Risk Suppliers**") either in terms of the nature of the goods or services supplied or the countries in which the suppliers operate. 3i has been in contact with each of these Higher Risk Suppliers to understand in more detail (i) the extent to which each such supplier is itself required to publish a statement under Section 54 of the MSA and (ii) the steps which each supplier is taking to mitigate the risks associated with slavery and human trafficking in their respective businesses and supply chains. 3i will continue to monitor the risk profile of its suppliers.

3i has included specific MSA wording in its standard request for proposal document which it issues to potential suppliers when 3i procures the supply of goods or services. In addition, in FY16 3i introduced a new tool to help monitor the performance of certain of its existing suppliers. Specific MSA language has been included in this tool to ensure that MSA issues are addressed regularly as part of 3i's ongoing monitoring of those suppliers.

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 policy has, for some time, been to avoid investing in certain businesses which we viewed as unethical, including those which do not respect the human rights of their workers – our policy was formalised into our [Responsible Investment policy](#) in 2011, the current version of which is available on our website.

During the financial year, we carried out a risk-based analysis of our Private Equity and Infrastructure portfolios to identify those portfolio companies which we believe will themselves be subject to the MSA. We are in dialogue with the relevant companies to confirm what actions they are taking / planning to take to ensure their own compliance with the MSA.

In relation to our Private Equity and Infrastructure portfolio companies which we believe are not themselves subject to the MSA, we commissioned KPMG to carry out a high-level desktop public records review to identify whether certain portfolio companies may have a higher risk of slavery, principally as a result of their country of operation or industrial sector. This review identified a small number of companies, principally in our India portfolio, which have a potentially higher risk of slavery and we plan to carry out further work to better understand the risks.

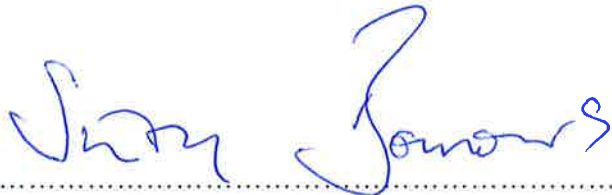
Monitoring and review

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.

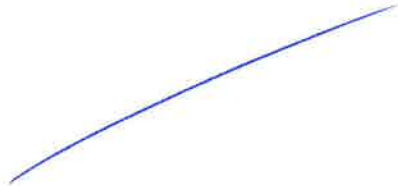
¹ The top 200 suppliers are those who received £50,000 or more in FY16 and, in aggregate, accounted for c.81% of 3i's total supplier spend in FY16.

Training and staff awareness

We will consider implementing targeted training for 3i staff who manage key supplier relationships and 3i staff who are responsible for managing 3i's investments in those portfolio companies identified as having a potentially higher risk of slavery.

A handwritten signature in blue ink, appearing to read "Jimmy Jones", is written above a horizontal dotted line.

**Chief Executive
3i Group plc**

A long, diagonal handwritten signature in blue ink, likely the same person as the signature above, is written below the dotted line.