

## **Section 172 (1) Statement - LLP**

We, the Board Members of BlueBay Asset Management LLP (“the LLP”) consider, both individually and collectively, that we have acted in a way that we consider is in line with the requirements of s. 172 of the Companies Act 2006 (“the Act”), which is in good faith and promotes the success of the LLP both for the benefit of the Members as a whole, whilst taking into consideration the remaining stakeholders contained within s. 172 (1) (a - f) of the Act, when taking decisions as a Board during the period 1 November 2019 to 31 October 2020.

The following stakeholders, as defined in s. 172 of the Act, have been identified as key for the BlueBay Group (“the Group”):

- Employees;
- Customers;
- Community/environment;
- Members;
- Regulators; and
- Third-party service provider.

The BlueBay Group is headed by the Board of the LLP, which meets at least quarterly and is a very experienced and diverse Board, comprising of two Independent Non-Executive Board Members, four Non-Executive Board Members and three Executive Board Members. The Board receives appropriate information in a timely manner ahead of each Board Meeting, in addition to many of the Independent Non-Executive Board Members and the Non-Executive Board Members meeting with Management separately to Board Members throughout the year, with a very open dialogue.

The purpose, culture and values that the Board has established, in line with the Group, guide how the factors of s. 172 are applied in its decision making, particularly to ensure that the Board promotes success for shareholders; and below sets out how the Board have considered the matters set out in s. 172 of the Act in Board discussions, decision making and how they affect the development and implementation of strategy in line with the Group; and what the Board and Management plan to do in the future.

### **High standards of business conduct:**

- Culture and values - The BlueBay Group believe it is its culture and integrity that sets it apart. To us, this means a deep understanding of our clients’ needs, and the collaboration of strong talent. We are continuously evolving in our efforts to offer compelling investment propositions to clients through relevant products with the goal of superior performance. A key element of this is to attract and retain high quality staff who share our goal and vision.
- The firm takes Anti-Money Laundering (“AML”) seriously, with clear policies in place and one hundred percent of staff had undertaken Compliance Training (including AML) within the deadline.
- Pursuant to the Modern Slavery Act 2015, the Board reviews a Modern Slavery Statement annually, which is posted on the firm’s website.
- Pursuant to the Business Payment Practices and Performance Regulations, the Board reviews and publishes information about its payment practices.

### **Impact of the LLP’s operations on the community and the environment:**

- The BlueBay Group recognises the impact that its activities may have on the wider community and environment, which it takes seriously.

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- The BlueBay Group created a Corporate Responsibility Committee (“CRC”) during 2020, which is a Group wide initiative for all entities within the BlueBay Group, which is responsible for proposing, implementing, monitoring and reporting on the BlueBay Group’s Corporate Responsibility Framework to the Management Committee and the LLP Board and there are four pillars which make up the CRC Framework:
  - o Responsibility to Our People;
  - o Responsibility for Our Conduct;
  - o Responsibility to Our Communities; and
  - o Responsibility for Our Environment.
- The Responsibility to Our Communities Pillar has two priorities; (i) Active participant in the communities in which we operate; and (ii) Using our capabilities to assist the communities in which we operate; with the Charity Committee acting as a working group that feeds into the CRC and assists with the pillar.
- The Responsibility to Our Environment Pillar has two priorities; (i) Understand the impact of our operations on the physical environment; and (ii) Where possible remove, minimise or mitigate our impact on the environment.

### **Engaging with our employees:**

- With the implementation of the CRC Framework in 2020, the Responsibility to Our People Pillar was formed, which has three priorities; (i) Diversity and Inclusion; (ii) Health and Wellbeing; and (iii) Talent Management. With various working groups filtering into the Pillar, including; (i) the Employee Forum; (ii) the Diversity and Inclusion Forum; and (iii) the Social Committee.
- The BlueBay Group has a strong culture, supported by a transparent approach to keeping staff informed, which includes regular CEO Updates, CIO updates, COO/CRO Dashboards, Financial Dashboards and Townhalls; with the updates being enhanced in response to staff working remotely in response to the COVID-19 pandemic.
- Diversity is a key focus within the BlueBay Group, with the Diversity and Inclusion Forum having a Diversity Statement.

### **Engagement with our clients:**

- Delivering long term investment performance for the BlueBay Group’s client base is critical to the firm’s success as an active fixed income specialist, structured to deliver outcomes tailored for investors seeking to enhance the returns of their portfolios.
- The Board is kept informed of the engagement with clients through the Chief Investment Officer’s Update which is tabled at every Board Meeting, and such discussions were a focus during the additional Board Meetings that were held during COVID-19.
- The BlueBay Group established a Conflicts of Interest Committee in 2017 to reinforce governance and oversight of the identification, management and monitoring of conflicts of interest within the BlueBay Group’s business.

### **Engaging with our Sole Shareholder:**

- To support the BlueBay Group’s Sole Shareholder with a long-term investment plan, it is important for the BlueBay Group to fulfil its strategic plan.
- The Board has Non-Executive Board Members that represent the sole Shareholder, which enables direct engagement with the Shareholder.
- During COVID-19 there was increased engagement with the Sole Shareholder to keep them informed on how the pandemic was impacting the BlueBay Group and what action was being taken to mitigate such impact both on performance and the working conditions/environment of its staff.

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### **Engaging with our Regulators:**

- The BlueBay Group operates in a number of jurisdictions, with a number of different regulators.
- The Compliance Team have strong working relationships with the regulators and where appropriate are involved in deep dives, industry body working groups, consultations, etc.
- No enforcement actions were brought against the BlueBay Group during the reporting period.

### **Engaging with third-party service providers:**

- The BlueBay Group uses the services of a number of third-party service providers across business functions and there were no material/significant changes in any outsourced agreements wherein a service/key process/activity had been delegated to a third party to be performed within their environment, which would otherwise be undertaken by BlueBay itself.
- Periodic due diligence is performed on all key third-party service providers and the results are reported to the BlueBay Group's Operating Committee.
- To understand the impact of COVID-19 on key third parties, a set of questionnaires related to COVID-19 action/impact/mitigation were sent to the BlueBay Group's key third parties, with the results assessed and no significant/material findings being identified from the assessment.

### **Planned Action for the coming year:**

The BlueBay Group will be undertaking a review of its Board Agendas, Board Papers and Board Minutes in the coming year, with a view to tailoring its template Board Agendas and Board Packs to include reminders of s.172 of the Act.

In addition, a refresher training for the Board on s.172 of the Act will be arranged for the coming year.