

## BlueBay Asset Management LLP BlueBay Asset Management (Services) Ltd

### BlueBay Transparency Statement on the UK Modern Slavery Act 2015

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement ("Statement") for the financial year ending 31 March 2015 for BlueBay Asset Management LLP ("BlueBay LLP") and 31 October 2015 for BlueBay Asset Management (Services) Ltd ("BlueBay Services") (together, "BlueBay entities").

This Statement outlines BlueBay LLP and BlueBay Services policy, approach and status in relation to the Modern Slavery Act 2015.

#### **Policy on slavery for the BlueBay entities**

It is the policy of the BlueBay entities not to tolerate slavery and human trafficking practices within their business and supply chains. The BlueBay entities will take appropriate and reasonable measures to minimise the risk of this taking place in line with the nature of services provided to either firm.

This Statement, including the policy, approach and status will be reviewed annually and updated where necessary to reflect changes in circumstances and actual practice. The Statement will be approved by the members of BlueBay LLP and the board of directors of BlueBay Services and be made publicly available on the BlueBay entities' corporate website.

#### **BlueBay's Modern Slavery Act approach**

The BlueBay entities seek to implement an appropriate risk-based approach to minimise the risk of slave labour. This includes consideration of supply chains and, for BlueBay LLP, investment portfolios. Whilst it is acknowledged that risk factors are present in all global supply chains and across all sectors, it is believed that the BlueBay entities' relative risk exposure to slavery, human trafficking and forced labour is low given the nature of business undertaken - financial services - and the skillset required in their supply chains; i.e. mainly skilled labour. This is as compared with other sectors<sup>1</sup> or characteristics of supply chains<sup>2</sup> which are considered 'high-risk'.

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<sup>1</sup> Such as agriculture, construction, domestic work, manufacturing, mining and utilities cited by the International Labour Office, 2012. *ILO Global Estimate of Forced Labour*.

<sup>2</sup> For instance when sourcing or other processes occur in countries with inadequate regulation and weak enforcement; industries which rely upon a low-skilled and temporary workforce with fluctuating seasonal work and/or those dependent on migrant workers; industries which are based on competitive pricing and where forced labour is used to minimise costs; where supply chains are complex, multi-tiered, global and span multiple countries. As cited by Finance Against Trafficking, November 2015. *Forced Labour, Human Trafficking & the FTSE 100 – a Review of Company Disclosure and Recommendations for Investor Engagement*.

However, the BlueBay entities will endeavour to include appropriate risk assessment, due diligence and management requirements designed to minimise the risk of slave labour within their employment, supply chain and investment management practices, as relevant to either firm.

The below details the scope of potential risk areas that the BlueBay entities will seek to manage:

**Directly:** The risk of employing a trafficked or exploited person within the business or through a subcontractor or recruitment agency. BlueBay staff are protected by relevant laws and regulations, which are fully reflected in the firm's policies and procedures. Contractors and consultants employed by BlueBay LLP carry out highly skilled activities and are therefore deemed low risk. BlueBay Services has no staff or contractors, only a Board of directors and company secretary.

**Indirectly:** Through the supply chain (through illegal subcontracting or through use of products and materials which have been produced by people under conditions of forced labour), and/or via BlueBay LLP's investment activities.

- **Supply chain:** The BlueBay entities have third party suppliers who either provide products and services for office buildings, as required (e.g. cleaning and security staff, utility suppliers etc.) or which enable the BlueBay entities to conduct their business (e.g. providers of financial data, office I.T. equipment & supplies etc.), or which the BlueBay entities use in the course of their business (e.g. travel and hospitality providers etc.).
- **Investments:** this risk exposure would potentially be through the investment portfolios managed by BlueBay LLP, as they may include debt exposure to issuers in sectors and markets (given the firm manages debt strategies spanning all sectors and all regions globally), where this can be a high-risk issue.

#### **The BlueBay entities' view on their slavery risk performance**

**Employment risk:** To the best of its knowledge, BlueBay LLP is not in breach of employment legislation for any of the jurisdictions in which it operates.

**Supply chain risk:** The BlueBay entities do not believe that any of their suppliers engage in slave labour practices.

**Investment risk:** Given the absolute number of debt issuers BlueBay LLP manages exposure to, BlueBay LLP cannot rule out that at any point in time, one or more of the investment portfolios which it manages may not have exposure to companies engaged in slave labour practices. Whilst BlueBay LLP has developed an ESG investment risk management framework to source intelligence on investment ESG risks, and monitor investment exposure, the process does not necessarily monitor for slave labour practices in a formal way.

James Brace  
General Counsel, and Designated Member  
BlueBay Asset Management LLP

Nick Williams  
Chief Financial Officer, Director  
BlueBay Asset Management (Services) Ltd

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