

# Modern Slavery Statement

This statement is made pursuant to Section 54, part 6 of the Modern Slavery Act 2015 (the **Act**), and constitutes our modern slavery statement for the financial year ended 31 December 2018. Modern slavery, as referred to in the Act, includes slavery, servitude and forced or compulsory labour, and human trafficking. Our previous statements setting out measures to ensure that modern slavery is not taking place in our supply chains are available on our website. This statement reaffirms these measures and sets out what we have done to ensure our business and supply chain remain free of modern slavery since last publishing our statement.

## **Our organisation's structure and business**

Barings (U.K.) Limited and Barings Europe Limited (together, **Barings Europe, we or our**), through its operating subsidiaries is an investment manager and part of a global asset management firm which is headquartered in Charlotte, North Carolina. Barings Europe is indirectly wholly owned by Massachusetts Mutual Life Insurance Company (MassMutual). Barings Europe has over 506 employees, and it operates in the United Kingdom and various other locations in Europe.

## **Supply chain**

The direct supply chain to Barings Europe is typical of companies in the financial sector and includes advisers, office supplies, maintenance and contracted staff.

## **Risk assessment**

Barings Europe has assessed the likely risks of modern slavery arising in its business and its supply chain; and

considers that its overall modern slavery risk is very low. The business model of Barings Europe means that it generally only deals with persons that are: (i) regulated (either within the financial sector or other sectors); (ii) reputable and well-established; (iii) based in jurisdictions which have low risk of modern slavery; or (iv) are usually themselves either subject to anti-slavery legislation or are conducting business whose brand could be very adversely affected by the use of modern slavery and therefore could reasonably be expected to be alert to avoiding modern slavery.

As part of its commitment to avoiding modern slavery, when engaging new suppliers, Barings Europe seeks appropriate compliance statements during the due diligence process from higher risk suppliers about their business practices. We check that new contracts contain wording that require suppliers to comply with the Act.

## **Ongoing monitoring**

The Organisational Risk function is responsible for ongoing monitoring of the supply chain and has risk rating processes to mitigate the risk of suppliers breaching the Act's requirements. The status of a vendor being deemed high risk will depend on various factors including whether they are deemed to be critical vendors, where the suppliers are based and if they are in a country that has a high prevalence of modern slavery or human rights violations; and assessing whether the goods or services supplied (in the UK) are provided by a company that could employ low skilled or migrant workers.

## **Our policies on modern slavery**

Barings Europe is committed to ensuring that there is no modern slavery in our supply chains or in any part of our business. The Barings Europe anti-modern slavery policy reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure modern slavery does not occur anywhere in our supply chains.

We have systems to:

- Identify and assess potential risk areas in our supply chains
- Mitigate the risk of modern slavery occurring in our supply chains
- Monitor potential risk areas in our supply chains
- Protect whistle-blowers

Where it occurs in the world, modern slavery can also involve financial crime offences. Barings Europe has several policies and procedures in place designed to prevent financial crime generally and specifically for the purpose of preventing and detecting money laundering, terrorist financing, breach of sanctions, fraud, bribery and corruption.

## **Training**

Key individuals attend relevant training about the Act, particularly those involved in the procurement process, and on the following governing bodies:

- European Management Team
- Board of directors of relevant entities
- Other committees as deemed appropriate

## **Our approach and due diligence**

We have identified higher risk vendors, considering geographical location and industry, and obtained attestations from those identified as higher risk vendors about their approach to eradicating modern anti-slavery. For new vendors, we conduct due diligence and continue ongoing monitoring of vendors via third party information sources which provide analysis and notifications. There were no modern slavery concerns which needed to be escalated to the Board and/or senior management.

This statement has been approved by the Boards of Directors of Barings Europe Limited and Barings (U.K.) Limited and it is for the financial year ended 31 December 2018.



Julian Swayne  
Chief Executive Officer  
Barings Europe Limited  
10 May 2019