

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 2017. Modern slavery, as referred to in the Act, includes slavery, servitude and forced or compulsory labour, and human trafficking. Our initial statement setting out measures to ensure that modern slavery is not taking place in our supply chains or any parts of our business was published in 2017. 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 we published our initial statement.

Our organisation's structure and business

Barings Europe, comprising 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 400 employees, and it operates in the United Kingdom and a number of other locations in Europe.

Supply chain risk

The industry in which Barings Europe operates is not an industry with a high risk of modern slavery, and we have therefore adopted a risk-based approach to review those supply chains that fall within industries that carry a higher risk of modern slavery. As part of the due diligence process when engaging new suppliers, Barings Europe seeks appropriate compliance statements from higher risk suppliers with regard to their business practices. Additionally, at the point of engagement, we check that new contracts contain wording that require suppliers' adhere to the obligations and requirements of the Act.

The Organisational Risk function is responsible for ongoing monitoring of the supply chain and has in place 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 a number of 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

We are 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 in place 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

Training

Key individuals attend relevant training in relation to 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

Over the last year, we have identified higher risk vendors, considering geographical location and industry, and obtained attestations from those identified as higher risk vendors in respect of their approach to eradicating modern anti-slavery. For new vendors, we have been carrying out due diligence and continue ongoing monitoring of vendors via third party information sources which provide analysis and notifications. Over the last year there were no issues or concerns which needed to be escalated to the Board and/or senior management.

As part of the due diligence process when engaging new suppliers and in accordance with our policies, Barings Europe will seek appropriate compliance statements from higher risk suppliers/vendors with regard to their business practices. Additionally, relevant contracts contain provisions to ensure counterparties are subject to appropriate obligations regarding the Act.

This statement has been approved by the Boards of Directors of Barings Europe Limited and Barings (U.K.) Limited.

This statement is for the financial year ended 31 December 2017, was first published on in August 2018 and was updated on 10 May 2019 for minor corrections in respect of that year.



Julian Swayne

Chief Executive Officer
Barings Europe
10 May 2019