

# PERMIRA

## TRANSPARENCY IN SUPPLY CHAINS: SLAVERY AND HUMAN TRAFFICKING STATEMENT

### OVERARCHING STATEMENT

The Permira group includes a private equity business and a debt management business. In the UK, Permira Advisers LLP and Permira Advisers (London) Limited are part of the private equity business, advising the Permira funds, and Permira Debt Managers Limited advises and manages debt funds and vehicles.

The Permira group is committed to acting as a responsible investor and has been a signatory of the UN-supported Principles for Responsible Investment since 2011. Permira Advisers LLP, Permira Advisers (London) Limited and Permira Debt Managers Limited, all carry on a business in the UK. Reflecting its commitment to Environmental, Social, Governance (ESG) and responsible investment, and its business values of partnership, creativity and integrity, the Permira group does not accept modern slavery or human trafficking in its own operations or its supply chain. The Permira group has been progressing a phased approach to include suppliers to non-UK operations in this statement. Operations in Frankfurt (Permira Beteiligungsberatung GmbH), Guernsey (Permira (Guernsey) Limited), Luxembourg (Permira Luxembourg S.à.r.l), Madrid (Permira Asesores S.L), Milan (Permira Associati S.p.A), Menlo Park (Permira Advisers LLC), New York (Permira Advisers LLC) Paris (Permira Advisers SAS) and Stockholm (Permira Advisers AB) are included in the scope of this statement and approach (collectively "Permira").

This statement has been prepared pursuant to *Part 6, Section 54 of the UK Modern Slavery Act 2015*. It sets out the steps which have been taken for the financial year ending 31 December 2019 to prevent modern slavery and human trafficking in Permira's operations and its supply chain and plans moving forward.

### OPERATIONS AND SUPPLY CHAIN

The Permira funds make long-term investments in businesses to transform their performance. Since 1985 Permira has advised private equity funds with total committed capital of approximately €44 billion and have made over 260 private equity investments in market leading businesses. Permira Debt Managers Limited is a leading provider of alternative credit solutions and long-term debt capital to successful European businesses.

The direct supply chain (i.e. Tier I UK suppliers) of Permira is typical to companies in the financial sector and includes advisers, office supplies, maintenance, catering and contracted staff (e.g. cleaning, security). Supplier relationships with Permira are managed at a functional level (e.g. by office or department heads and managers).

## **BUSINESS PRINCIPLES AND GUIDELINES**

Permira is committed to mitigating and addressing the risk of modern slavery and human trafficking in its operations and its supply chain.

The Permira group has a robust set of business principles to guide the behaviour of all our professionals and underpin the way we operate. Our business principles form a key part of our commitment to corporate responsibility and treatment of Permira's employees and partners. The Permira group employee handbook sets out Permira's policies for employees, covering, for example equal opportunity, anti-discrimination and harassment, grievance mechanisms and the whistleblowing process.

Permira has a policy which sets out its commitments to preventing modern slavery and human trafficking in its operations and supply chain and expectations on suppliers. Suppliers are expected to:

- Comply with both the letter and the spirit of applicable laws, regulations and contractual obligations, including those in relation to modern slavery, human trafficking and supply chain transparency
- Prohibit and/or take appropriate steps to prevent any form of modern slavery and human trafficking in their own operations or supply chains. These steps may vary by supplier but could include developing and applying company standards and policies, assessing the risk of modern slavery and human trafficking in their operations and supply chains and/or undertaking supplier audits
- Provide information, which Permira may at times request, on its approach to preventing modern slavery and human trafficking in their operations and supply chains
- Make Permira aware as soon as reasonably practicable, if modern slavery and/or human trafficking is identified in their operations or supply chains

## **SUPPLY CHAIN RISK ASSESSMENT AND DUE DILIGENCE**

Permira has undertaken the following practical steps to prevent modern slavery in its own operations and supply chain:

- Implemented a policy setting out Permira's commitments to preventing modern slavery and human trafficking in its operations and supply chain
- Assessed the risk of modern slavery and human trafficking across Permira's Tier 1 UK supply chain, focusing on suppliers where Permira spent over €10k in the calendar year, applying risk ratings (High, Moderate, and Low), considering factors including geography, products/services supplied and profile of direct and lower tier suppliers
- Reviewed and continued to engage with Tier 1 UK suppliers considered to be higher risk to understand actions taken to prevent modern slavery and human trafficking in their own operations and supply chains

- Provided internal briefings to senior management, group office managers and selected key personnel with responsibility for supplier contracts on the background to the UK Modern Slavery Act 2015 (the 'MSA') and associated implications
- Engaged with key personnel with responsibility for supplier contracts to drive forward implementation in Permira
- Monitored high risk suppliers using RepRisk (a reputational risk database)

Permira has recently become aware of several instances of modern slavery or human trafficking in its extended supply chain. In one instance, allegations of use of child labour have been made against Nespresso, a third-party supplier to a supplier to Permira, which has been addressed directly with Nespresso. We are confident that the measures being taken will significantly reduce the risk going forward and will continue to monitor the situation on an ongoing basis.

## **PERMIRA FUNDS' PORTFOLIO COMPANIES**

Some Permira fund portfolio companies fall within the threshold requirements for reporting under the MSA.

These companies do not fall under Permira's supply chain and it is the responsibility of each such portfolio company to comply with its obligations under the MSA. Building on the work undertaken in previous years, we engaged with portfolio company management teams to highlight the MSA and understand any steps which have been taken to comply, as relevant. Reporting by portfolio companies on compliance with the MSA, or similar regulations in other regions, is included in the regular portfolio company ESG reporting process. Compliance with the MSA and consideration of ESG matters, including modern slavery, is also considered as part of the pre-acquisition due diligence process for new investments, as relevant, in line with the Permira group's 'Environment Social Governance (ESG) Framework' and approach to responsible investment.

## **TRAINING**

Internal one-on-one and group briefings have been provided to senior management, relevant office managers and other key personnel on the background to the UK MSA and associated implications, including responsibilities for implementation.

## **NEXT STEPS**

During the course of 2020, Permira intends to:

- Review and update the MSA policy, as relevant, and implement more broadly across Permira
- Assess the risk of Modern Slavery and Human Trafficking for new UK Tier I suppliers in 2020 using the established risk ranking process

- Continue to engage with suppliers considered to be at higher risk
- Take steps to extend our approach beyond suppliers to our operations in Europe, North America, incorporating other Permira group jurisdictions using a phased approach
- Continue to raise awareness internally on the MSA and Permira's guidelines/approach, including providing briefings for key supplier relationship holders to the Permira group
- Continue to engage with Permira funds' portfolio companies and potential new investments on steps they have taken to comply with the MSA, where relevant

## OVERSIGHT AND IMPLEMENTATION RESPONSIBILITIES

Permira's approach to the MSA has also been developed with inputs from functional areas including ESG/responsible investment, risk and compliance, finance, office managers and support staff.

Responsibility for the annual review of this Statement has been designated by the Permira group to the Head of ESG.



Signed:

Position: Director, Permira Holdings Limited

Date: June 2020

## FURTHER INFORMATION

- Modern Slavery Act 2015 (Part 6, Section 54)