



3i Group plc - Slavery and human trafficking
statement made pursuant to section 54 of the
Modern Slavery Act 2015 for the financial year
ended 31 March 2018

3i Group plc

Slavery and human trafficking statement for the financial year ended 31 March 2018 ("FY18")

This statement is made by 3i Group plc ("3i") pursuant to Section 54 of the Modern Slavery Act 2015 ("MSA") and applies to all 3i's subsidiaries (as defined in the UK Companies Act) whether incorporated within or outside the UK.

This statement was approved by the Board of Directors of the Company on 26 September 2018.

Overarching statement

3i is committed to achieving its investment objectives in a sustainable way by behaving responsibly as an employer, as an investor and as an international corporate citizen. We take responsibility for our actions, carefully consider how others will be affected by our choices and ensure that our values and ethics are integrated into our formal business policies, practices and plans.

In particular, 3i is committed to ensuring that (i) there is no slavery or human trafficking in any part of its business or supply chains and (ii) the companies in which it invests are similarly committed to ensuring that there is no slavery or human trafficking in any part of their businesses or supply chains.

Meaning of slavery and human trafficking

Our understanding of slavery and human trafficking is based on the definitions set out in the MSA and is guided by the UN Universal Declaration of Human Rights and the conventions of the International Labour Organisation (ILO) particularly relating to forced or compulsory labour. We recognise that forced labour as a form of slavery includes debt bondage and the restriction of a person's freedom of movement whether that be physical, non-physical or, for example, by the withholding of a worker's identity papers.

3i's business

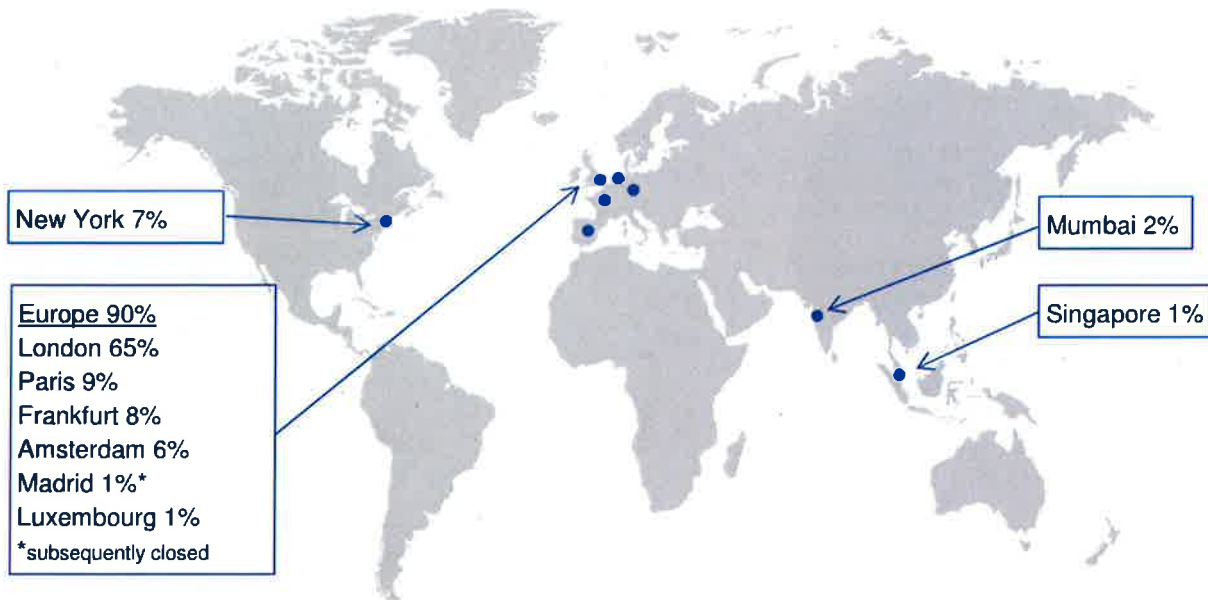
3i is an investment company with two complementary businesses, Private Equity and Infrastructure, specialising in core investment markets in northern Europe and North America. As at 31 March 2018, 3i's total assets under management ("**AUM**") were nearly £12.0 billion, just under 97% of which consisted of investments in Europe and North America. The remaining c.3% of AUM related primarily to legacy investments in Asia which are being managed for realisation over the next few years.

Our Private Equity business invests in companies with an enterprise value of typically between €100m and €500m at acquisition in its core investment markets of northern Europe and North America. The Private Equity business has a small number of legacy investments in Asia.

Our Infrastructure business invests in economic infrastructure investments and both greenfield and operational project investments in developed economies, principally in Europe, and with a North American Infrastructure platform launched in March 2017. The Infrastructure business also acts as investment manager of the 3i India Infrastructure Fund - a US\$1.2 billion fund raised in 2008. No new investments have been made by the 3i India Infrastructure Fund since 2012 when its investment period ended. Further details of the Private Equity and Infrastructure portfolios are set out below in the section headed "3i's portfolio".

We currently have operations in eight offices across Europe, North America and Asia. At 31 March 2018 3i had a total of 244 employees, of whom just under two-thirds were located in our head office in London and with just eight employees located outside of Europe and North America.

The map below shows the geographical distribution of 3i's 244 employees as at 31 March 2018



We comply fully with applicable human rights legislation in the countries in which we operate, for example covering areas such as freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination. For all matters relating to human rights, we comply with local laws, and if those laws provide lesser protection than UK law, we apply the principles enshrined in UK law.

We have a comprehensive suite of corporate responsibility policies, copies of which are available on our [website](#), including our policies on People, Equal Opportunity & Diversity, Global Recruitment & Selection and Health & Safety. All 3i staff globally have access to an independent and confidential telephone service managed by Expolink which they can use to report any concerns. We are very confident that there is no slavery or human trafficking taking place in 3i's business.

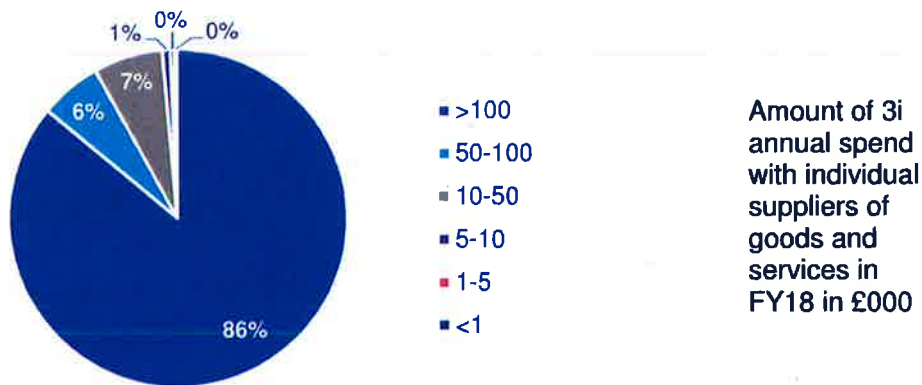
3i's governance structure

The Board is responsible for corporate responsibility, including issues such as slavery and human trafficking. The Board and its committees review our approach and policies in this important area and address specific issues if they arise. Day-to-day responsibility rests with executive management and, in particular, the Chief Executive. The Chief Executive has also established a number of committees to oversee and monitor policies and procedures and to address issues if they arise, including the Executive Committee which he chairs.

3i's supply chain

The pie charts below show the distribution of 3i's supplier base in FY18 by: amount of annual spend; type of spend and geographic spend.

The pie chart below shows the distribution of 3i's supplier base in FY18 in terms of amounts spent per supplier



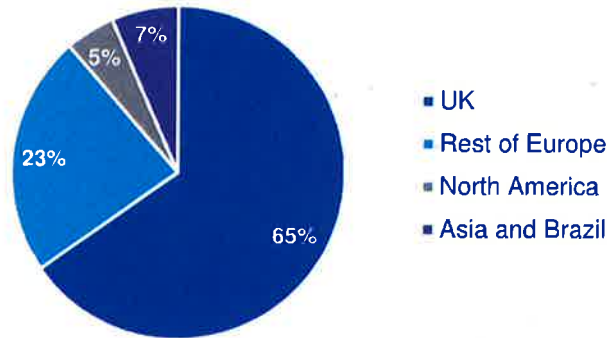
The pie chart below shows the breakdown of 3i's total spend with suppliers in FY18 by type of supplier



This chart shows a 36% increase in the proportion of 3i's total spend which related to professional advisers and consultants (64%) compared with FY17 (47%). Professional advisers and consultants also accounted for just over one-third of the total number of 3i's suppliers of goods and services in FY18. We consider professional advisers and consultants as a class of supplier to be relatively lower risk in terms of modern slavery.

We identified four suppliers (representing c.4% of 3i's total supplier spend) whom we consider to be operating in higher risk sectors – outsourcing services; healthcare; and facilities management, cleaning & maintenance. These were the same four suppliers as were identified in FY17.

The pie chart below shows the breakdown of 3i's total spend with suppliers in FY18 by region



We identified 57 suppliers (representing c.3% of 3i's total supplier spend) whom we consider to be operating in higher risk regions (i.e. India, Singapore and China) according to the Global Slavery Index 2018.

This chart shows that 93% of 3i suppliers of goods and services in FY18 (by amount of total spend) were situated in Europe and North America. Around 90% of the total number of 3i's suppliers in FY18 were situated in Europe and North America where we consider the potential risk of slavery to be relatively lower according to the Global Slavery Index 2018.

We identified only two suppliers whom we consider are operating in both a higher risk geography (India) and a higher risk sector (outsourced transaction processing and facilities management, cleaning & maintenance). There are the same two suppliers as were identified in FY17. Our contract with the outsourced transaction processing supplier in India is a significant supply contract for 3i and, as such, is subject to regular performance reviews and contains a number of MSA-related obligations, reporting requirements, representations and warranties on the part of the supplier.

3i continues to include specific MSA wording in its standard request for proposal document which it issues to potential suppliers when 3i procures the supply of goods or services. In addition, 3i continues to use a software tool to help monitor the performance of certain of its existing significant suppliers. Specific MSA language has been included in this tool to ensure that MSA issues are addressed regularly as part of 3i's ongoing monitoring of those particular suppliers.

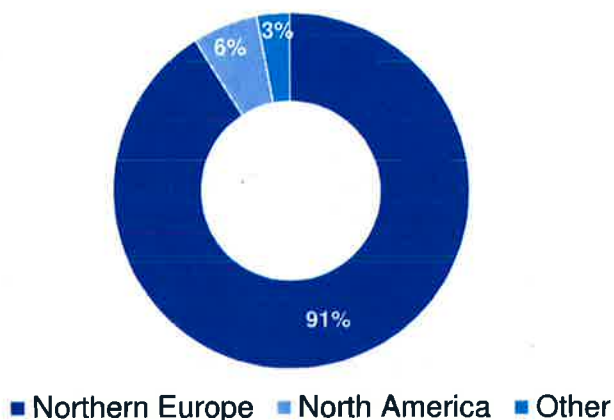
3i's portfolio

Whilst 3i's investment portfolio does not fall within the ambit of Section 54 of the MSA, as a responsible investor 3i is committed, where we have influence, to ensuring that the companies in which it invests are themselves committed to ensuring that there is no slavery or human trafficking in any part of their businesses or supply chains.

3i's policy has, for some time, been to avoid investing in certain businesses which we viewed as unethical, including those which do not respect the human rights of their workers – our policy was formalised into our [Responsible Investment policy](#) in 2011, a summary of the current version of which is available on our website. 3i has also been a signatory to the UN Principles for Responsible Investment since 2011 and a copy of [3i's Transparency report for 2018](#) is available on the PRI website.

As stated above, 3i's new investment activity is primarily focused on northern Europe and North America and only c.3% of the c.£12 billion total AUM managed by 3i as at 31 March 2018 related to investments outside Europe and North America. We no longer invest directly outside Europe and North America. As at 31 March 2018, 3i's Private Equity and Infrastructure businesses were responsible for £8.3 billion and £3.4 billion of AUM respectively which were broken down geographically as follows:

Total assets under management – c.£12.0 billion
Break down by geography



In 2016, we commissioned KPMG to carry out a high-level desktop public records review to identify any of our portfolio companies at that time which may have had a higher potential risk of slavery, principally as a result of their country of operation or industrial sector. This review identified our India portfolio as having a potentially higher risk of slavery as a result of (i) India having a relatively high score in the Global Slavery Index and (ii) the sectors in which those companies operate. We no longer invest directly into India and 3i's and the 3i India Infrastructure Fund's legacy portfolios comprise just seven portfolio companies. 3i generally has relatively little influence over the management teams of these companies – 3i (or the 3i India Fund) is a minority investor and a 3i employee is on the board of just 1 of these companies. However, we are engaged in an ongoing process to work with those management teams who are willing to engage with us on this subject to understand the actual level of risk in those businesses and what steps they are taking to address those risks and this is an ongoing process. Our remaining Indian investments are being managed with a view to realisation over the next few years.

We continue to monitor compliance with the MSA by our portfolio companies and, where relevant, work with the management teams to make sure they understand their company's obligations under the Act and identify what actions need to be taken to ensure compliance.

Whilst 3i specialises in its core investment markets in northern Europe and North America, many of the companies we invest in have operations and/or supply chains based outside these regions, including in countries which have a relatively higher potential risk of slavery according to the Global Slavery Index 2018.

Our Private Equity and Infrastructure businesses carry out regular and detailed business reviews of their portfolio companies and, once a year, this includes a detailed review of the actual and potential environmental, social and governance ("ESG") issues relevant to each business, including slavery. This detailed annual ESG review covers not just the portfolio companies' own operations but also their supply chains. For certain relevant portfolio companies (e.g. retail companies with supply chains in Asia) there is a focus on the extent to which the company has a supply chain policy / code

of ethics in place; who at board level has responsibility for monitoring supply chain issues; the extent to which supply chain audits are carried out (and by whom) and whether there have been any material issues in the supply chain in the past 12 months. The key findings from the annual ESG review are reported to 3i's Group Risk Committee and the Audit and Compliance Committee. Progress against any identified risks are monitored in subsequent portfolio reviews.

Monitoring and review

We will continue to monitor our supply chain and portfolio in relation to slavery and human trafficking through our regular supplier reviews and portfolio company reviews.

A handwritten signature in blue ink, appearing to read 'S. A. Jones', is written over a horizontal dotted line. A solid blue line extends from the end of the signature to the right.

**Chief Executive
3i Group plc**

