



Modern Slavery Act Transparency Statement October 2020

Cardano Risk Management Limited and Lincoln Pensions Limited

Information about Cardano Risk Management Limited and Lincoln Pensions Limited (“Cardano”) organisational structure, business and supply chains

Our core focus is to understand the causes and impact of risk in order to significantly improve financial performance and resilience. We believe that financial institutions, such as pension funds and insurance companies, can best serve their members by adopting a robust risk management approach. We help pension funds achieve steady and stable growth in their funding ratio, with no nasty shocks, making them more resilient and better placed to withstand financial crashes.

Founded in the Netherlands in 2000, Cardano opened an office in the UK in 2007 and Lincoln Pensions Limited became part of the Cardano in October 2016. Employees have backgrounds in the areas of risk management, investment management, research, pensions consulting, actuarial, investment and covenant advice. All UK Group companies have financial year end of 31 December.

Cardano Risk Management Limited offers two core services – investment advice and asset management to pension scheme trustees (also known as fiduciary management) and other institutional investors. Liability driven investment management is a component of its broader fiduciary management service. The business has now grown to more than 100 employees and has assets under advice and management of £50bn, of which £15bn is pension scheme clients using Cardano fiduciary management services.

Lincoln Pensions Limited provides corporate finance, M&A and restructuring advice, in addition to a full range of covenant advisory services for UK occupational defined benefit pension schemes, from monitoring and event-driven advice to de-risking counterparty assessments.

As such, Cardano does not provide services in sectors that are at a high risk of using forced labour; such as agriculture, construction, hospitality and manufacturing. Neither are the provision of services reliant on complex supply chains.

Cardano is committed to the highest ethical standards and does not tolerate unethical practices anywhere in its business. Cardano is committed to understanding the risks modern slavery presents and ensuring that there is no modern slavery in its business and supply chains.

Policies relating to modern slavery

Cardano's position on modern slavery is set out in the employee handbooks. This requires employees to report identified forms of modern slavery by clients and in the supply of services to the company:

Cardano does not tolerate any forms of modern slavery and takes action to prevent it being used in the supply of services to Cardano:

- Employment is freely chosen – Cardano does not recruit forced labour, no employees are required to lodge their identity papers or other deposits, all employees are free to leave employment after reasonable notice.
- Physical abuse, threats and other harassment is not tolerated.
- Punitive deductions from salary are not made.
- Child labour is not used.
- Full legal wages are paid in line with the higher of the legal minimum wage or industry benchmarks standards.
- All employees are given documented terms and conditions of employment which include details of wages, benefits and other remuneration before commencing employment.

While Cardano does not tolerate any forms of slavery or bonded labour, if employees become aware of any of these practices by clients or in the supply chain of services to Cardano, they must notify the Office Manager or Compliance Officer immediately.

Due diligence process relating to modern slavery

The manager research process gathers data on and considers the extent of manager activity around social investing as part of their environmental, social and governance strategies, including in respect of the UN Global Compact Principles, the Universal Declaration of Human Rights and the International Labour Organisation conventions.

Due diligence process in relation to slavery and trafficking in our business and supply chain

As a provider of financial services, supply chains do not involve inputs of manufactured or processed goods. Other than an ongoing relationship with technology / telecommunications hardware providers, there are no supply chains of imported goods from higher risk jurisdictions¹. Cardano therefore does not undertake due diligence on all suppliers in respect of slavery and trafficking. Cardano identifies suppliers in higher risk industries and includes anti-slavery and trafficking provisions in contracts with these suppliers.

The risk of modern slavery and the steps taken to assess and manage the risk

As Cardano does not operate in high risk industries or demand inputs from high risk jurisdictions other than technology / telecommunications hardware in order to deliver services to our clients, the identified risk of contact with those involved in slavery and trafficking is through the procurement of local services, specifically of maintenance and cleaning staff. Suppliers of these services have modern slavery provisions in their contracts with Cardano.

¹ Global Slavery Index <http://www.globalslaveryindex.org/index/#>

Training

Training on the Cardano position in respect of modern slavery is included in the schedule of Compliance Training. This covers indicators of modern slavery and how to report concerns.

A handwritten signature in black ink, appearing to read 'K. Rosenberg'.

Kerrin Rosenberg
CEO, Cardano Risk Management Limited

A handwritten signature in black ink, appearing to read 'Darren Redmayne'.

Darren Redmayne
CEO, Lincoln Pensions Limited