



Modern Slavery Act Transparency Statement

June 2022

Cardano Risk Management Limited and Cardano Advisory Limited

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

Cardano believes that our world deserves better financial solutions – that are more resilient and sustainable. That demands we do things differently.

At Cardano, we bring a distinct approach to advisory and investment management that challenges the status quo.

Founded in the Netherlands in 2000, Cardano opened an office in the UK in 2007. Cardano Advisory, previously Lincoln Pensions Limited, became part of the Cardano Group in October 2016. Employees have backgrounds in the areas of risk management, investment management, research, pensions consulting, actuarial, restructuring, 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 over £60bn, of which £17bn is pension scheme clients using Cardano fiduciary management services.

Cardano Advisory Limited services over 400 clients with combined scheme assets of over £325bn. Providing corporate finance, M&A and restructuring advice, in addition to a full range of covenant advisory services for UK occupational defined benefit pension schemes which includes sustainability integration.

As such, Cardano does not provide services in sectors that are generally considered to be high risk of using forced labour; such as agriculture, construction, domestic, 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, including supply chains. 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 from external managers and also from a data provider. This information is used to assess whether a manager's policies, processes, monitoring and reporting consider social issues as part of their broader approach to environmental, social and governance issues. This includes; i) checks on whether policies and guidelines consider UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, including guidance on Responsible Business Conduct for Institutional Investors; ii) checks for exclusion based screening against minimum standards of business practice based on international norms (e.g. OECD guidelines, the UN Human Rights Declaration, Security Council sanctions or the UN Global Compact); and iii) the degree to which a manager considers, measures or reports real-world sustainability impact through sustainability outcomes. Please see the Cardano Risk Management Limited Engagement Policy for information on how Cardano engages with managers.

Service delivery process relating to modern slavery

Cardano invests sustainably. This means we seek to generate positive real-world impact and / or reduce negative real-world impact, while seeking to maximise risk-adjusted returns over the long-term, leading to sustainable benefits for the economy, the environment and society. This process is evolving and Cardano has started to use the services of an engagement provider to engage on our behalf and facilitate increased engagement by Cardano in the companies in which we invest through third party managers. Engagement on topics such as underpayment connected to instances of modern slavery. Cardano is committing resource to these activities.

We respect and support human rights globally and oppose human rights abuses. We have more influence to engage across our physical equity, fixed income, private equity, infrastructure and property funds. As such, we will prioritise our human rights activities on

our third-party manager research and oversight. We continue to engage our managers on a range of sustainability topics, including human rights and modern slavery.

When assessing pension scheme covenant strength, the sustainability risks of the sponsor are assessed. This assessment considers the modern slavery risks and controls of the sponsor.

We also engage our regulators. We respond to policy consultations relevant to sustainable investment in the UK, Netherlands and Europe, and we offer our expertise and experience where it is appropriate to do so.

Our sustainability expertise is embedded across the firm through over 30 sustainability champions, each responsible for contributing to our sustainability efforts. Our training programme includes training on human rights and modern slavery.

Please see the Cardano Risk Management Limited Sustainable Investment Policy for more details.

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.

Training

Training on the Cardano position in respect of modern slavery is included in the schedule of Compliance Training including all colleague induction and biennial training. This covers indicators of modern slavery and how to report concerns.



Kerrin Rosenberg

CEO, Cardano Risk Management Limited



Darren Redmayne

CEO, Cardano Advisory Limited

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