

BGF Group

Modern Slavery

Financial year ended 31 December 2020



Modern Slavery Statement

Year ended 31 December 2020

Introduction

The Modern Slavery Act 2015 requires large commercial organisations operating in the UK to publish a slavery and human trafficking statement setting out the steps they have taken to ensure their business and supply chains are free from modern slavery.

This statement is made by BGF Group PLC in respect of itself and the following of its subsidiary undertakings (as defined in the Companies Act 2006): BGF Investment Management Limited, BGF Services Limited, and BGF Investments LP (together “BGF”).

It is made in respect of the financial year ended 31 December 2020.

About BGF’s structure and business

BGF Group PLC is the United Kingdom-based holding company of a group of companies involved in the management of multiple investment funds.

BGF provides long-term, patient capital that management teams use to execute their strategic plans. With a £2.5bn evergreen balance sheet BGF provides funding for growth and equity release via secondary share sales, typically making initial investments of between £2m and £10m in return for a minority stake. To date, BGF has invested £2.4bn and has been recognised as the most active growth investor in the world¹, having backed over 370 companies since 2011.

As of January 2021, BGF had over 175 employees based in sixteen offices in the United Kingdom and Ireland.

Our commitment and policies

BGF is committed to ensuring that there is no modern slavery or human trafficking in its supply chains or any part of its business and operates a zero-tolerance policy in this regard. BGF recognises the importance of the Modern Slavery Act as a tool in combating the widespread human rights abuses comprised in modern slavery.

Whilst we do not have a formal anti-slavery policy, we do operate a number of internal policies to ensure that we are conducting business in a transparent and ethical manner, including a recruitment policy, a code of conduct, an ethical standards policy and a whistle-blowing policy.

¹ Most active investor in scale-ups as reported by The ScaleUp Institute; ranked in 2019 by Pitchbook as the most active investor globally in

the growth/expansion segment (2019 Global League Table)

Being at the forefront of doing business the right way has always been a central part of the BGF model and it is for this reason that BGF has also become a signatory to the UN's Principles for Responsible Investing.

Our supply chain and due diligence

During the year, we completed a review of suppliers with whom BGF spent over £15,000 in the financial year, focussing on the:

- nature of the services provided by the supplier; and
- geography of the supplier's services.

152 suppliers were considered in the review which involved the Compliance, Legal, HR, Finance and Facilities functions and comprised one-to-one briefings and consultations.

Our supply chain consists principally of regulated professional advisers, individual consultants, financial services firms and providers of office-related goods and services. Nearly all our suppliers are based in the United Kingdom (140 of those reviewed), with 8 based overseas and 4 of our UK based IT partners who outsource services overseas. The location of those suppliers and the ranking of each territory on the Global Slavery Index² is set out below.

Territory	% overall spend	GSI Index ranking
United Kingdom	92%	132
Singapore	4%	97
Ireland	2.4%	147
India	1%	53
USA	0.6%	158

We endeavour only to use reputable suppliers.

Assessment, management and effectiveness

Suppliers

Based on the review completed in 2020 and given the nature of our suppliers, we consider the risk of slavery or human trafficking within our supply chain to be low. We continue to assess this.

There are currently no known matters of concern in relation to BGF's supply chain.

Investments

BGF makes minority investments in UK and Ireland based businesses. Although our investments are not part of our supply chain and we do not have control over those businesses, we seek to ensure compliance with laws, including the Modern Slavery Act, through warranties at the time of our initial investment and compliance undertakings thereafter.

This year we engaged with our portfolio of unquoted companies and conducted a survey of ESG

² The GSI rating 2018 ranks 167 countries from 1 (most incidences of slavery) to 167 (least incidences).

(Environmental, Social and Governance) matters which included a review of the approach of those companies to modern slavery. The results of this showed that 27% of our portfolio are required to publish a modern slavery statement and 32% of companies publish one. Going forward, we will be collecting data from our portfolio bi-annually to measure compliance with the Modern Slavery Act, amongst other ESG related factors.

Furthermore, ESG and Modern Slavery considerations have been incorporated into our investment process to ensure these are explicitly considered as part of the investment decision. We aim to continue enhancing this approach in 2021.

People

Our recruitment processes are transparent and we have comprehensive vetting procedures in place, involving the use of external service providers, in relation to the hiring of new employees. We are therefore able to confirm their identities, their right to work in the UK and ensure that their compensation is paid directly into a personal bank account. All employees are paid above the UK's national living wage.

Training

We provide our staff with training on a range of compliance matters, which includes their obligations under the Modern Slavery Act. We also aim to increase awareness of these issues amongst those employees who sit on the boards of portfolio companies.

Ongoing monitoring

If issues are identified in relation to modern slavery, these will be dealt with by the Legal and Compliance teams.

Priorities for 2021

During the course of 2021, BGF intends to:

- Review and update this statement
- Evaluate the risk of modern slavery and human trafficking in any new suppliers. In order to ensure a consistent approach across the business, organisational wide due diligence requirements are being developed
- Continue to pro-actively engage with our investee companies to understand the steps they have taken to comply with the Modern Slavery Act
- Continue to refine our investment processes to ensure that consideration of ESG matters (including Modern Slavery) is embedded into the investment process
- Review our existing policies and processes and refine as required by any upcoming amendments to the Modern Slavery Act which are expected as a result of the Government's response to the "Transparency in Supply Chains Consultation"
- Continue to train internally, including in relation to the

upcoming amendments to the
Modern Slavery Act

This statement was approved by BGF Group PLC's board of directors on 19 January 2021 and was approved by the boards of each of BGF Investment Management Limited, BGF Services Limited and BGF GP Limited (the general partner of BGF Investments LP) on 19 January 2021.



Stephen Welton
Executive Chairman, BGF Group
PLC
19 January 2021