

# MODERN SLAVERY STATEMENT

*BAILLIE GIFFORD GROUP*

Financial year ending April 2019

*BAILLIE GIFFORD*

## INTRODUCTION

Modern slavery is a crime resulting in an abhorrent abuse of human rights. It takes various forms, such as slavery, servitude, forced or compulsory labour and human trafficking. As a firm that looks to uphold high ethical and compliance standards at all times, we strive to ensure that we adhere to all relevant laws and treat our staff and suppliers with the utmost respect.

We consider it our responsibility to take all reasonable steps to ensure that any Baillie Gifford employee or individuals working within any of our supply chains are not being exploited, that they are safe and that relevant employment, health and safety and human rights laws, and international standards are obeyed. This is a responsibility we take seriously and includes a zero-tolerance approach to modern slavery.

As a regulated investment management firm, we believe that there is overall a low risk of modern slavery or human trafficking in our supply chains. Nevertheless, we are committed to taking all reasonable steps in order to ensure that there is no modern slavery or human trafficking in our supply chains and expect that all of our suppliers adhere to similar high standards as set out in our [Baillie Gifford Supplier Code of Conduct](#).

This statement sets out the requirements of the Modern Slavery Act 2015 ('Act') and Baillie Gifford's approach to combating modern slavery and human trafficking during 2018/19 and the steps which we will continue to take in 2019/20 in order to prevent modern slavery and human trafficking from taking place within our supply chains.

For the avoidance of doubt, this statement focuses on our supply chains used in connection with the operation of our business and does not cover the companies which Baillie Gifford may choose to

invest in as agent for its clients. In relation to these investments, we monitor all potential and current investments for a range of environmental, social and governance issues including human rights. If we believe a company to have material challenges in this area, we would carefully consider these factors as part of the decision making process. We would also expect all potential and current companies to have in place clear policies and procedures in relation to combating modern slavery and human trafficking. For further information on our approach to investments, please refer to the [Baillie Gifford Environmental Policy](#) and the [Governance and Sustainability Principles and Guidelines](#).

## ORGANISATIONAL STRUCTURE AND OUR BUSINESS

Baillie Gifford is an independent global investment management firm based in Edinburgh. Please find below details of the Baillie Gifford Group structure.

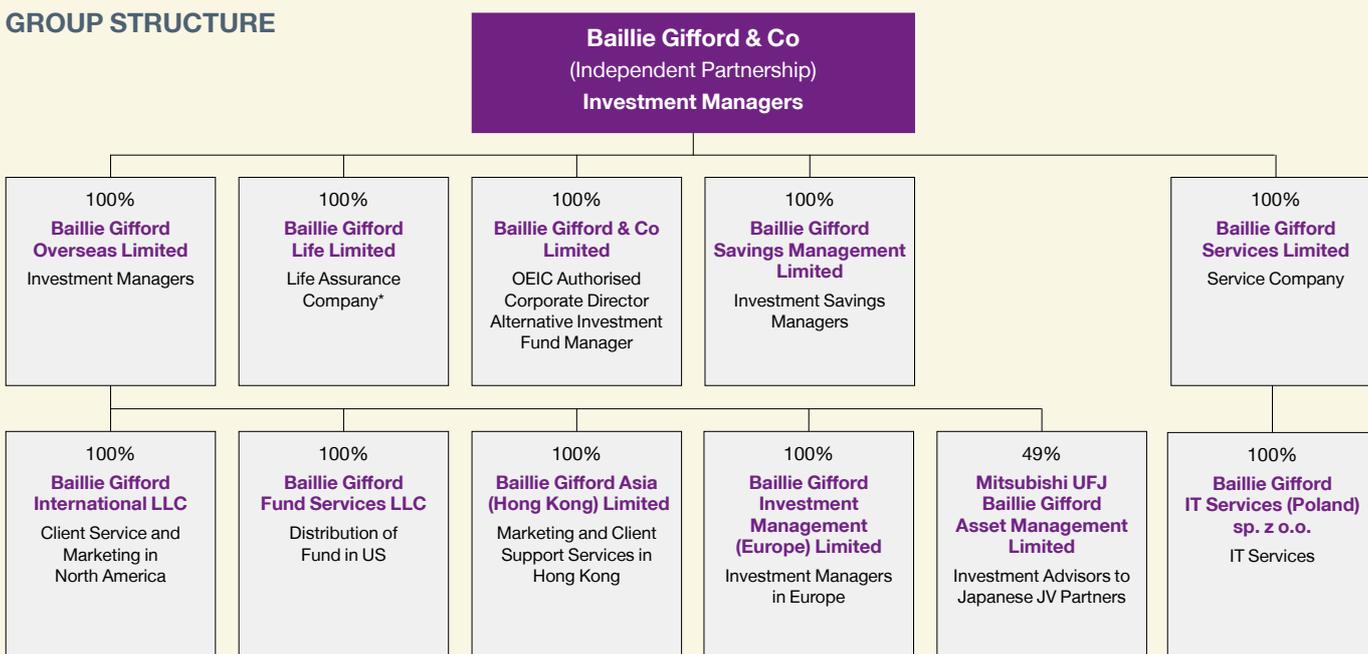
Baillie Gifford & Co, a Scottish partnership wholly owned by 44 partners, heads the Baillie Gifford Group.

The partnership has five wholly owned subsidiaries, which are private limited companies registered in Scotland.

There are also four indirectly owned 100% subsidiaries through Baillie Gifford Overseas Ltd and one indirectly owned 100% subsidiary through Baillie Gifford Services Limited, as well as one joint venture through Baillie Gifford Overseas Ltd.

The Baillie Gifford Group has 1155 employees as at 31 March 2019. Its principal office is in Edinburgh and it has a number of international offices. As this international presence expands, modern slavery risks are considered, and appropriate mitigating measures are taken.

## GROUP STRUCTURE



\* The Company is no longer carrying out insurance business, all its regulatory permissions have been cancelled and it entered into a members' voluntary liquidation on 28 January 2019.

## OUR SUPPLY CHAINS

A group of Baillie Gifford's size has hundreds of suppliers of various size and nature, including suppliers of IT and other office equipment and professional services from our lawyers, accountants and other advisers and consultants. We have minimal contact with the countries and sectors that are generally regarded as being the most likely to have a risk of modern slavery.

## OUR POLICIES ON MODERN SLAVERY AND HUMAN TRAFFICKING

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains. This statement reflects our commitment to acting in an ethical manner and with integrity in all of our supplier relationships and to implementing and enforcing effective systems and controls to ensure modern slavery and human trafficking is not taking place anywhere in our supply chains.

This statement is supported by our existing Anti-Bribery and Corruption (including Anti-Modern Slavery) Policy and Supplier Code of Conduct which is overseen by the Anti-Financial Crime Group which reviews our approach to combating modern slavery and human trafficking. Baillie Gifford's Code of Ethics sets standards and expectations on all partners and staff in upholding the highest level of ethical conduct in their day to day business. In addition, our recruitment process requires the risk of any modern slavery or human trafficking to be taken into consideration. All employees who join us are subject to checks to ensure that they are genuine applicants, including verification of identity, references, evidence of qualifications and criminal record checks.

## DUE DILIGENCE PROCESSES FOR MODERN SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk we have adopted a risk-based anti-modern slavery assessment methodology to rate each of our direct suppliers in order to determine what level of due diligence, if any, is required. This approach is designed to be proportionate to the risks identified and is supported by the existing anti-bribery and corruption work which is undertaken by our Compliance function.

Each supplier is considered on a case-by-case basis, based on a combination of both its geographic region and the sector within which it operates.

Depending on the risk rating that we assign to a supplier, the following due diligence measures are considered:

- Check supplier's website for modern slavery statement or equivalent.
- Include appropriate modern slavery clauses in contractual terms where necessary with the assistance of our commercial contract checklist.
- Conduct internet search for any modern slavery related adverse media.
- Request annual certification from suppliers to confirm that they have appropriate modern slavery provisions in place.
- Provide a copy of Baillie Gifford's current Modern Slavery Statement to suppliers identified as high risk.
- Provide a copy of Baillie Gifford's current Supplier Code of

Conduct to key suppliers.

- Consider information requests to evidence steps the supplier has taken to combat modern slavery.
- Consider onsite supplier visit to discuss/review supplier procedures.

Suppliers are assigned a modern slavery risk rating and due diligence is completed based on this rating on an ongoing basis as part of the anti-modern slavery risk assessment. The risk rating of suppliers is kept under review throughout the course of the engagement for those identified as medium or high risk suppliers.

## SUPPLIER ADHERENCE TO OUR VALUES

Baillie Gifford operates a zero tolerance approach to modern slavery and human trafficking. For all those in our supply chain and contractors that we deem to be higher risk, we seek to oblige these suppliers to comply with our policies as set out in this statement and our Supplier Code of Conduct.

We have sent our Supplier Code of Conduct to all of our existing key suppliers. We have also taken steps to ensure that our Supplier Code of Conduct, including our expected standards of behaviour, is acknowledged by these suppliers. We encourage all suppliers to inform us should they have any concerns regarding actions which may go against best standard practice and the principles set out in our Supplier Code of Conduct. We have received no such reports of concern to date.

Any new key suppliers with whom we engage will receive the Supplier Code of Conduct through our due diligence process.

## TRAINING

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains, we have provided tailored training to key staff involved in supply chain management. We also provide awareness to all staff through biennial anti-financial crime e-learning.

## REPORTING

Should any of our staff involved in the management of our supply chains become aware of any potential modern slavery risks within the business or within any of the supply chains, they are encouraged to report such concerns using the procedures as outlined in the Baillie Gifford Group Whistleblowing Policy.

## OUR EFFECTIVENESS IN COMBATING MODERN SLAVERY AND HUMAN TRAFFICKING

The steps we have taken to date have enabled us to categorise and identify current risks in our supply chain and to address these with additional due diligence activities. The nature of our business activities and the high standards which we expect from ourselves and our suppliers is reflected in the number of low risk suppliers currently contracted with Baillie Gifford. We have engaged with no high risk suppliers since our first Statement was produced in September 2016 and have taken the following steps during the course of 2018/19 to strengthen our approach to combating modern slavery and human trafficking:

- i. Became a contributing member of Transparency in Supply Chains (TISC) Report, an organisation which supports UK anti-slavery work
- ii. Uploaded the Baillie Gifford Modern Slavery Statement to the websites of TISCreport.org and modernslaveryregistry.org
- iii. Reviewed and updated the Baillie Gifford Supplier Code of Conduct to raise awareness amongst our suppliers and set out the best standard practices and principles we expect from our suppliers
- iv. Issued tailored annual training for key staff involved in supply chain management
- v. Reviewed and updated current policies such as the Anti-Bribery and Corruption Policy which encompass anti-modern slavery and human trafficking
- vi. Developed a standard compliance risk assessment framework which will be utilised during 2019 for our anti-modern slavery risk assessment
- vii. Continued to use our commercial contract checklist in order to assess new third party supplier contracts and those due for renewal, including an agreed form of anti-modern slavery and human trafficking wording in all contracts where deemed necessary.

**FURTHER STEPS**

We intend to build on the steps taken so far and continue in our approach to combat the crime of modern slavery or human trafficking during 2019/20 by way of the following:

- Consider and monitor the impact of modern slavery/human trafficking risks as our business expands internationally, including the establishment of new international offices;
- Continue to raise awareness of and implement our Supplier Code of Conduct across supplier relationships;
- Continue to use our commercial contract checklist in order to assess new third party supplier contracts and those due for renewal, inserting an agreed form of anti-slavery and human trafficking wording in all contracts where deemed necessary;
- Review and update training for key staff on an annual basis;
- Review and update our Modern Slavery Statement on an annual basis;
- Review our process in relation to the distribution of our Supplier Code of Conduct and receiving appropriate ongoing confirmation from suppliers who have received it;
- Continue to assist and respond to any queries from the Anti-Financial Crime Group.

This statement is made pursuant to section 54(1) of the Act and has been approved by the Management Committee of Baillie Gifford & Co and Boards of Baillie Gifford Overseas Ltd, Baillie Gifford Investment Management (Europe) Limited and Baillie Gifford & Co Ltd. It constitutes the Baillie Gifford Group's Modern Slavery Statement for the financial year ending April 2019.

Partner of Baillie Gifford & Co and Director of Baillie Gifford Overseas Ltd

Print name: GRAHAM LAYBOURN

Date: 17/9/19

Director of Baillie Gifford & Co Ltd

Print name: MICHAEL WYLIE

Date: 17 SEPTEMBER 2019

Director of Baillie Gifford Investment Management (Europe) Limited

Print name: ALASTAIR MACLEAN

Date: 17/9/19

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