

**Modern Slavery Act Transparency Statement
April 2018**

Lincoln Pensions Limited and Cardano Risk Management Limited

Information about Cardano Group including Lincoln Pension's organisational structure, its 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, the Cardano Group now has assets under management or advice of over £120bn and over 200 employees, of which 140 employees are in the UK. Employees have backgrounds in the areas of risk management, investment management, research, pensions consulting, actuarial, investment and covenant advice

Cardano Risk Management BV is now one of the leading firms in liability driven investment implementation in the Netherlands with approximately 70 employees in the Rotterdam office.

The UK businesses, Lincoln Pensions Limited and Cardano Risk Management Limited provide services to pension funds.

Lincoln Pensions Limited provides a full range of covenant advisory services for UK occupational defined benefit schemes, from monitoring and event-driven advice to de-risking counterparty assessments.

Cardano Risk Management Limited offers two core services – investment advice and fiduciary management to defined benefit and defined contribution pension scheme trustees. 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 £10bn represents clients using fiduciary management.

As such, the Cardano Group does not provide services in sectors that are at a high risk of using forced labour; such as agriculture, construction, hospitality and manufacturing.

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

Cardano UK – Cardano Risk Management Limited and Lincoln Pensions Limited (“Cardano”)

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 suppliers in respect of slavery and trafficking. Cardano does include anti-slavery and trafficking provisions in contracts with 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 in order to deliver services to our clients, the 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. This covers indicators of modern slavery and how to report concerns.

Patrick Luthi, Cardano Group CFO

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