

# WALTER SCOTT

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## MODERN SLAVERY ACT ANNUAL TRANSPARENCY STATEMENT

Walter Scott & Partners Limited (“**Walter Scott**”) is committed to preventing acts of modern slavery and human trafficking from occurring within both its business and supply chains.

This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 of the United Kingdom.

### ORGANISATIONAL STRUCTURE

Walter Scott has been established since 1983 to manage global equity portfolios for institutional investors around the world, such as pension funds, endowments, foundations, public funds and financial organisations.

Our offices are based in Edinburgh, United Kingdom, and we procure goods and services from approximately 400 vendors globally.

We are part of Bank of New York Mellon and we adopt their policies in certain areas of our business. References to ‘we’ and ‘our’ within this policy shall be taken to include Bank of New York Mellon.

### POLICIES

Through the effective and consistent implementation of policies, Walter Scott is committed to promoting work environments that engender conditions of freedom, equality, security and dignity.

We expect our suppliers to adhere to our Human Rights Statement as detailed in our Vendor Management Policies and Procedures and the BNY Mellon Supplier Code (which describes our commitments regarding social responsibility, health and safety, labour and human rights, ethics and other responsible business practices).

### GOVERNANCE AND POLICIES

We are committed to acting ethically and with integrity. Our governance framework and related corporate policies reflect this, and empower our employees and contractors to report and escalate any concerns of unethical conduct, whether relating to concern of modern slavery and human trafficking or other matters. For instance, our policies on Whistleblowing and Suspicious Activity Reporting enable our employees and contractors to report concerns in confidence without fear of retaliation.

Our Third-Party Governance policy provides a layer of oversight and control by connecting our Risk, Legal and Procurement functions in our efforts to mitigate risks, including those relating to human rights and modern slavery. This process includes, for example, carrying out robust due diligence on our vendors (see below) and seeking protections in our vendor contracts.

In response to the Modern Slavery Act, we enhanced our Supplier Code of Conduct, clarifying our requirements in this area.

Part of  BNY MELLON

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## **DUE DILIGENCE**

As part of our procurement process, Walter Scott undertakes due diligence on all new suppliers and regularly reviews existing suppliers across a wide range of risks. This includes performing due diligence as part of the vendor selection process, and an annual vendor self-assessment/attestation for human rights, including modern slavery.

Our policies and procedures are designed to:

- Establish, assess and monitor areas of potential risk in our business and supply chains
- Reduce the risk of slavery and human trafficking occurring in our business and supply chains
- Provide adequate protection for whistle blowers

## **RISK AND COMPLIANCE**

Walter Scott has evaluated the nature and extent of its exposure to the risk of modern slavery occurring in its supply chain. We do not consider that we currently operate in high risk sectors or locations for modern slavery based upon our core business areas; however, our commitment to addressing this potential risk will continue.

## **PERFORMANCE INDICATORS**

With the introduction of the Modern Slavery Act and our commitment to enhancing Third Party Governance oversight Walter Scott continues to review and monitor its vendor relationships. This includes the amendment of our Human Rights Statement to include specific wording relating to modern slavery.

As set out above, we seek to ensure that our suppliers adhere to our policies and ethical standards and would not tolerate slavery and human trafficking within our supply chains. If we found evidence of a failure to comply with such policies and ethical standards, we would seek to terminate our relationship with the relevant supplier.

## **TRAINING**

We acknowledge that educating our staff is fundamental to ensuring potential human rights and modern slavery risks are identified and managed. Each employee responsible for a supplier relationship is given training on our policies and procedures, and all employees receive training on Whistleblowing and Suspicious Transaction Reporting.

This statement is made in accordance with Section 54 of the Modern Slavery Act 2015 of the United Kingdom and constitutes Walter Scott's slavery and trafficking statement for the financial year commencing 1 January 2018 and ending 31 December 2018. Prior versions of the statement are available upon request.

**Signed by**



**Jane Henderson**

**Managing Director**

**Walter Scott & Partners Limited**