

# Modern Slavery Statement

Arcmont Asset Management Limited

June 2024

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## 1. Introduction

This Modern Slavery Statement (the “**Statement**”) is made by Arcmont Asset Management (“**Arcmont**”), which is authorised and regulated by the UK Financial Conduct Authority (FCA), for the financial year ending 31 December 2023, pursuant to Section 54 of the Modern Slavery Act 2015 (“**MSA**”).

Arcmont is aware of its obligation under the MSA to take a strong stance against Modern Slavery. This Statement outlines Arcmont's efforts to identify, monitor and address the risks of Modern Slavery in its business and supply chain. In this Statement, Arcmont adopts the term “Modern Slavery” as defined by the MSA, which includes slavery, servitude and forced or compulsory labour and human trafficking, all of which are abuses of a person's freedoms and rights.

## 2. Business Structure

Arcmont is a leading Private Debt asset management firm, providing flexible capital solutions to a wide range of businesses across Europe. As of 31 December 2023, Arcmont has raised €29 billion<sup>1</sup> to date across three Private Debt strategies and the Arcmont team consists of 115 full-time employees. Note that as an asset management firm, the nature of Arcmont’s business and work is not seasonal, therefore, the firm does not employ seasonal workers. Arcmont is incorporated in the United Kingdom and headquartered in London, however, operates additional offices in the US, France, Germany, Spain, Sweden and Italy.

In March 2023, Nuveen Asset Management (“**Nuveen**”), a Teachers Insurance and Annuity Association (“**TIAA**”) company, acquired a controlling interest in Arcmont. As an affiliate of Nuveen, Arcmont continues to operate as usual and under the Arcmont brand. This statement is made only in respect of Arcmont.

Arcmont outsources certain activities to other firms to support the day-to-day running of the core functions of the business. This primarily consists of professional services firms, such as external consultants, lawyers, accountants and data providers. Additionally, Arcmont may engage suppliers for additional requirements including business supplies, stationery, IT hardware, graphic design and catering services. Arcmont’s suppliers are predominantly based within the countries in which the firm operates. As an asset management firm, Arcmont’s supply chain is fairly straightforward as it revolves around the firm’s primary financial practice. This includes running Arcmont’s global offices and maintaining the firm’s technological infrastructure. Given the nature of Arcmont’s business, the firm does not sell physical goods for which raw materials or components are sourced.

## 3. Commitment

Arcmont is committed to the highest standards of business ethics as an employer and lender. To this end, Arcmont strives to prevent the occurrence of any human rights violations, including Modern Slavery incidents, across our operations and investments.

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<sup>1</sup> Source Arcmont as of December 31, 2023. Including SMAs, co-invest and leverage.

Arcmont views this Statement as an opportunity to review the controls in place to ensure there are no incidences of Modern Slavery across business operations, including interactions with investors and suppliers.

## 4. Risk Assessment

### 4.1 Firm-level

Given the nature and location of Arcmont's operations and suppliers, the risk of exposure to Modern Slavery at the firm-level is considered to be low, however, there may be indirect exposure to high-risk sectors through suppliers' supply chains, particularly in the manufacturing sector.

### 4.2 Investment-level

Arcmont's investment strategy focuses on providing capital to European businesses, with a focus on businesses operating in the healthcare, education and software sectors. Generally, Arcmont's investment strategy does not expose us to sectors that are deemed at high risk of human rights and Modern Slavery abuses according to the UN Guidance on Human Rights for the Financial Sector<sup>2</sup>. However, Arcmont may be indirectly exposed to Modern Slavery risks through the supply chains of portfolio companies. Despite this, the overall Modern Slavery risk of exposure at the investment level is considered to be low.

## 5. Risk Management

### 5.1 Firm-level

Arcmont continually reviews and monitors practices around recruitment and employment to ensure an open, fair and inclusive culture, free of all forms of discrimination and Modern Slavery. The firm has a zero-tolerance approach in relation to harassment as documented in the Arcmont Equal Opportunities, Harassment and Discrimination Policy.

Arcmont maintains regular dialogue between the Legal and Human Resources functions and operates in accordance with Arcmont's Recruitment Policy and Employee Handbook, ensuring no form of Modern Slavery exists within the recruitment process or ongoing employment.

During the reporting period, Arcmont continued to perform supplier due diligence by screening all new and existing suppliers in World-Check which screens against various databases and negative media. Crimes included in the World-Check database include human trafficking and slave labour. Suppliers are screened on an ongoing basis to ensure there are no cases of Modern Slavery. There were no positive matches related to Modern Slavery incidents at any of our existing suppliers for the 12-month period ending 31 December 2023.

### 5.2 Investment-level

Arcmont's investment team is required to comply with Arcmont's ESG exclusions policies and Responsible Investment Policy. Human rights and Modern Slavery are specifically addressed in both policies and are captured under the "S" pillar of "ESG" in Arcmont's Responsible Investment Framework.

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<sup>2</sup>[UNEP Finance Initiative: Human Rights Issues by Sector](#)

### Pre-Investment: Negative Screening

Arcmont's ESG exclusions policies prohibits Arcmont from investing in portfolio companies that violate the UN Global Compact Principles ("UNGC")<sup>3</sup>. Two of the ten principles relate to human rights protection and four of the ten principles relate to the protection of labour rights.

### Pre-Investment: Due Diligence

#### (a) Arcmont's Universe of ESG Issues

In conjunction with subject matter experts, Arcmont created a tool titled "Arcmont's Universe of ESG Issues"<sup>4</sup>. The tool captures the most relevant and material ESG factors for the companies in Arcmont's investable universe and was built with reference to Sustainability Accounting Standards Board (SASB) Standard's issues categories<sup>5</sup>, as well as other guidance materials. Note that Modern Slavery is captured under the "Labour Practices and Human Rights" and "Supply Chain ESG Standards and Monitoring" factors.

#### (b) ESG Materiality Assessment and ESG Risk Score

As outlined in Arcmont's Responsible Investment Policy, every prospective investment undergoes a comprehensive ESG materiality assessment and is assigned an ESG Risk Score. This is performed by the deal team, leveraging Arcmont's proprietary ESG Appendix Generator, but is independently reviewed by Arcmont's ESG consultant prior to being finalised and included in the final investment memorandum.

By way of background, the Appendix is a tool that was developed with sustainability experts to enable the investment team to systematically identify and assess material ESG risks. The Appendix contains all the issues in Arcmont's Universe of Issues list, including "Labour Practices and Human Rights" and "Supply Chain ESG Standards". By selecting an investment's industry classifications (i.e. MSCI's Global Industry Classification Standard (GICS) and SASB's Sustainable Industry Classification System (SICS)), the Generator will highlight potential material ESG risks leveraging MSCI and SASB materiality matrices, SASB's Climate Risk Technical Bulletin and Arcmont's bespoke GICS mapping tool as well as other sources. Where an ESG risk is deemed to be material by the Appendix, corresponding questions are shown for the deal team to answer. The questions consider a company's business activities, geographic location and other pertinent factors that were determined Arcmont's ESG consultant. This helps the deal team determine whether the suggested risk is material for the business in question and ensures a systematic evaluation of ESG risks during due diligence.

During the reporting period, Arcmont increased the number of Modern Slavery questions in the Appendix to enhance the due diligence performed on prospective investment's exposure to and management of Modern Slavery risks.

### Post-Investment: Monitoring

Arcmont maintains an open and active dialogue with the management teams of portfolio companies to closely monitor their ESG profiles. A formal quarterly review take place where the deal teams and portfolio companies' management teams discuss the material ESG risks, including Modern Slavery risks where appropriate. In addition, compliance with the UNGC principles, including those relating to human and labour rights, is monitored on an ongoing basis leveraging RepRisk. During the 12-month

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<sup>3</sup> [UN Global Compact Principles](#)

<sup>4</sup> Please refer to Arcmont's Responsible Investment Policy for the complete list of issues in the tool. The policy is available on Arcmont's [website](#)

<sup>5</sup> [SASB Standards](#)

period ending 31 December 2023, no matters of concern related to Modern Slavery were identified across Arcmont's portfolio of investments.

### Post-Investment: Engagement

In certain instances, engagements with portfolio companies may occur to influence practices should Arcmont feel material Modern Slavery risks could be better managed by the company. Arcmont may also initiate dialogue with borrowers on matters resulting from an external event or development that could impact the Modern Slavery risk profile of the company. Arcmont may conduct such activities on an individual basis, and/or work in collaboration with other investors or key stakeholders. Whilst this engagement can be carried out directly with portfolio companies, Arcmont may also consider indirect approaches (e.g., engaging on policies that promote transparency) if applicable to the specific circumstances.

## 6. Policies and Governance

The Arcmont ESG Committee is responsible for ensuring adequate processes and controls are in place to mitigate Modern Slavery risks. The Committee is also responsible for any updates and revisions to policies covering human rights and Modern Slavery which includes Arcmont's ESG exclusions policies and Responsible Investment Policy. All policies and processes are reviewed and updated at least annually, to ensure alignment with best industry practice and Arcmont's internal procedures. The following policies outline Arcmont's approach to the identification, prevention and management of Modern Slavery:

- **Whistleblowing Policy** – Arcmont has TIAA's Speak Up, Whistleblower and Nonretaliation Policy which lays out mechanisms for employees to report concerns of any suspected misconduct, breaches of our policies, discrimination, or any non-compliance with legal and compliance requirements. The policy offers protection from dismissal and unfavourable treatment for employees who report suspicions of wrongdoing.
- **Employee Handbook** – Arcmont fosters our policies and practices against Modern Slavery in our workforce within our Employee Handbook. All of our employees are treated equally and are fairly compensated for their work. All policies within the Employee Handbook are available and well communicated to all employees and are provided upon commencement of employment.
- **ESG Exclusions Policies** – The policies prohibit Arcmont from investing in borrowers who violate the ten principles of UNGC. As mentioned above, two of the UNGC principles relate to human rights and four relate to labour rights.
- **Responsible Investment Policy** – The Policy outlines Arcmont's approach to identifying, assessing, monitoring and managing ESG risks in the investment process, including human rights and Modern Slavery risks. As mentioned above, human rights and Modern Slavery are captured under the "S" pillar of "ESG" in Arcmont's Responsible Investment Framework.

## 7. Performance and Ongoing Commitments

### 7.1 Current Performance

#### Modern Slavery incidents identified in the previous financial year

To date, no incidents of Modern Slavery have been identified at the firm, investment or supplier level.

Should any concerns about Modern Slavery risks and incidents arise (both at the firm level and the investment level), they will immediately be reported to and managed by the Arcmont ESG Committee and the Arcmont Board of Directors.

#### Percentage of employees who received training on Modern Slavery

During the year, Arcmont continued to roll out mandatory training on Modern Slavery to all employees. Further, Modern Slavery training is provided to all new employees upon joining Arcmont. To date, 100% of employees have been trained on Modern Slavery prevention. The information explained in the training includes:

- the principles outlined in the MSA, including the definition of Modern Slavery and how they apply to Arcmont;
- methods for employees to identify and prevent instances of Modern Slavery;
- procedures for employees to raise concerns regarding potential Modern Slavery issues to the appropriate parties within Arcmont; and
- available external resources, such as the UK Modern Slavery Helpline, for additional assistance.

#### Percentage of suppliers screened for Modern Slavery incidents

As stated in the 'Firm-level Risk Assessment' section of this policy, in the 12-month period ending 31 December 2023, Arcmont screened existing suppliers for negative news which would include Modern Slavery incidents using Refinitiv World-Check. To date, 100% of new and existing suppliers have been screened for negative news.

### 7.2 Future Performance Enhancements

#### Enhancement of engagement with portfolio companies

To improve Arcmont's monitoring of Modern Slavery risks, an ESG questionnaire will be rolled out to primary borrowers in 2024. This will include a question on whether a portfolio company has a Modern Slavery or Human Rights policy.

#### Supplier due diligence

In 2024, Arcmont intends to establish a new supplier due diligence questionnaire which will assess relevant suppliers' (using a risk-based approach) (i) compliance with the MSA (or equivalent legislation if outside of UK), (ii) policies and procedures relating to the prevention of Modern Slavery and (iii) whether training is provided to employees on Modern Slavery. Arcmont also intends to obtain attestation from relevant suppliers of adherence to laws, regulations and international standards concerning Modern Slavery within their own organisations and direct supply chains.

## Approval

This Statement has been approved by the Arcmont Board and will be reviewed and updated annually to reflect Arcmont's ongoing commitment to preventing Modern Slavery.

This Statement is signed by Nathan Brown, Chief Operating Officer of Arcmont Asset Management Limited.



**Nathan Brown**  
**Chief Operating Officer**  
**June 2024**

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