

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.

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 Policy

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 in 2017, clarifying our requirements in this area.

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. As part of our continued drive to improve supplier relationships, an annual vendor self-assessment/attestation for human rights, including modern slavery, will be developed further in 2018 and expanded into the requirements gathering stage of our supplier selection processes.

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

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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 is continuing to review and monitor its vendor relationships. This includes the amendment of our Human Rights Statement in 2017 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.

Further actions and sign off

Following Walter Scott's review and initial statement in 2017, the following actions have been completed to prevent slavery and human trafficking from occurring in our business or supply chains:

- Our Human Rights Statement was amended to include specific reference to Modern Slavery
- Our Vendor Management Policies and Procedures and the BNY Mellon Supplier Code of Conduct were enhanced to ensure responsibilities in this area are clear
- An annual vendor self-assessment/attestation for Human Rights for key vendors was instituted
- Ongoing review of training, due diligence and governance practices to establish where further enhancements to existing controls was initiated

In 2018 we intend on taking the following further steps:

- The continued development of vendor self-assessments/attestations for Human Rights, expanding the approach into a proactive process
- The continued review of and governance, due diligence and training practices to promote understanding of the principles of the Modern Slavery Act

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 2017 and ending 31 December 2017.

Signed by



Jane Henderson
Managing Director
Walter Scott & Partners Limited