

## Polus Capital Management UK Modern Slavery Statement

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Slavery and Human Trafficking Statement and Interim Statement (this “**Statement**”) for the financial year ending 31 December 2024 for Polus Capital Management Group Limited and its UK subsidiary, Polus Capital Management Limited (together, “**we**”, “**us**”, “**our**” or “**Polus**”). This Statement outlines Polus’ policy, approach and status in relation to the Modern Slavery Act 2015.

### 1. Introduction

Polus strives to be a socially responsible company. We believe responsible stewardship of our investors’ capital is central to achieving our mission. We aim to generate long-term, sustainable value for our investors and investing responsibly helps us make the best investment decisions and reduce risk. As a firm, we demonstrate our commitment to upholding the highest standards by being a signatory of several industry initiatives, including the Principles for Responsible Investment (PRI), the Standards Board for Alternative Investments (SBAI) and the UN Global Compact Principles.

### 2. Business and organisational structure

Polus is an investment management firm specialising in alternative credit strategies. The firm’s principal office is located in London, with another office in New York. Polus Capital Management Group Limited is majority-owned by Mediobanca S.p.A., a leading Italian investment bank.

As at 31 December 2024, Polus had approximately \$12 billion in assets under management (which includes, CLOs managed by Cairn Loan Investments LLP and Cairn Loan Investments II LLP, respectively, to which Polus provides key support services).

### 3. Policy on slavery and human trafficking

Polus is committed to respecting human rights in all its operations and external business interactions. We have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems, designed to ensure slavery and human trafficking is not taking place anywhere within our businesses and in our supply chains. We are satisfied that the steps we take to prevent modern slavery in our businesses and supply chains remain appropriate and proportionate.

### 4. Our risk assessment, due diligence approach and management

Polus seeks to implement an appropriate risk-based approach to minimise the risk of slave labour. This includes consideration of supply chains and investment portfolios. Whilst it is acknowledged that risk factors are present in all global supply chains and across all sectors, we believe Polus’ overall risk exposure to slavery, human trafficking and forced labour is low in relative terms given the nature of the business undertaken (asset management services) and the skillset required (mainly skilled labour). This is compared to other sectors or characteristics of supply chains considered ‘high-risk’. Where there is a potential risk, we believe this is more likely to be indirect via our supply chains, rather than directly. However, Polus will endeavour to include appropriate risk assessments/actions designed to minimise the risk of slave labour within its employment, supply chain and investment management practises. The below details the scope of potential risk areas that Polus seeks to manage:

## **(a) Directly – employees and contractors**

This could potentially be the **risk of employing a trafficked or exploited person within the business** or through a sub-contractor or recruitment agency.

As at 31 December 2024, Polus had 73 permanent employees, most of whom are based in the UK, and 11 full-time contractors based in India.

### *Policies and processes*

Polus' staff are already protected by relevant laws and regulations, which are fully reflected in the firm's policies and procedures. Contractors and consultants utilised by Polus carry out highly skilled activities and are therefore deemed low risk.

**Minimum pay:** All statutory requirements of minimum pay are met across our office(s).

**Code of Conduct and Code of Ethics:** Polus is committed, in the way that it interacts with others, to treating everyone fairly and with dignity and respect. Every employee has a responsibility to act in a way that upholds our core values through their day-to-day activities. Our Code of Conduct and Code of Ethics set forth certain minimum expectations that Polus has for all employees.

**FCA Conduct Rules:** In 2019, the FCA introduced the new Senior Managers and Certification Regime (SMCR). This introduced new Conduct Rules for all employees. The rules include a requirement to act with integrity; to act with due skill, care and diligence; and to observe proper standards of market conduct. Senior Managers are also subject to an additional set of Conduct Rules. All employees at Polus receive training on these Conduct Rules. As the Conduct Rules apply to Polus staff directly, they are intended to help shape the culture, standards and policies of the company as a whole and to promote positive behaviours that reduce harm and improve standards of individual behaviour in financial services from the top down and bottom up.

**Anti-bribery and Corruption Policy:** Polus has an Anti-bribery and Corruption Policy in place. Polus is committed to the highest standards of ethical conduct and integrity in its business activities in the UK and overseas. Every employee and individual acting on Polus' behalf is responsible for conducting company business honestly and professionally. Polus considers that bribery and corruption has a detrimental impact on business by undermining good governance and distorting free markets. Transparent, fair conduct helps to foster deeper relationships of trust between Polus and its business partners and clients.

**Whistleblowing Policy:** We encourage open communication and regard integrity as a central part of our beliefs. We encourage employees to bring any concerns to the attention of their immediate supervisor, manager or the Chief Legal Officer. Employees can raise concerns around any suspicions of, or any circumstance that may give rise to an enhanced risk of, modern slavery or human trafficking.

To that effect, we have a Whistleblowing Policy in accordance with the Public Interest Disclosure Act 1998 (PIDA) – also referred to as 'The Whistleblowers' Act' in the UK – which stipulates that employees are legally protected from unfair dismissal or victimisation by their employers as a result of raising concerns.

**UN Global Compact Principles:** Through our majority shareholder, Mediobanca S.p.A., Polus is a signatory of the UN Global Compact principles. We support and respect the protection of internationally proclaimed human rights. We are committed to preventing and ending all forms of human rights, child labour and modern slavery abuses and are committed to fostering a work environment that is free from discrimination and harassment.

**Polus' D&I Policy:** We have a D&I policy in place in which Polus commits to, among other things:

- Creating a working environment that promotes dignity, fairness and respect for every employee, whether temporary, part-time or full-time;
- Not providing less favourable facilities or treatment on the grounds of age, disability, sex, gender reassignment, marriage, civil partnership, pregnancy, maternity, race (which includes colour, nationality, ethnic or national origins), sexual orientation, religion or belief. We are opposed to all forms of unlawful and unfair discrimination;
- Not tolerating any form of intimidation, bullying or harassment and disciplining those that breach the Anti-Bullying, Harassment and Sexual Harassment Policy; and
- Encouraging anyone who feels they have been subject to discrimination to raise their concerns so we can apply corrective measures.

### **(b) Indirectly - Supply chain**

This could be **through the supply chain** (through illegal subcontracting or through use of products and materials which have been produced by people under conditions of forced labour) used by Polus.

Polus has third party suppliers, service providers and vendors which fall into the below categories:

**Service providers:** We outsource certain functions to service providers and, in some cases, this involves employees of our service providers working onsite in our offices, for example our IT provider, Corporatec, or our credit research support provider, Sutherland (based in India). We also use several professional services firms including lawyers, accountants and other contractors.

**Vendors:** For example, software providers for off-the-shelf software which are hosted in our data centres including hardware vendors that a business uses to facilitate its business processes.

**Suppliers/counterparties:** We have contracts with suppliers or counterparties to receive, for example, trading, brokerage and research services both for Polus and on behalf of our clients.

**Cloud/Hosted IT services:** This encompasses a range of IT services provided in various formats over the internet and this includes, for example, private, public or hybrid cloud, as well as Infrastructure as a Service (IaaS) and Software as a Service (SaaS).

**Data Providers:** These are organisations that provide data which are fed to Polus' systems or provide terminals with access to market data.

**Platforms:** This includes electronic trading, clearing or settlement platforms, portals of prime brokers/custodians and other technology Platforms as a Service (PaaS).

**Others:** This includes consulting, legal, real estate/building management, maintenance companies, training (education) and communications services. We purchase a variety of products, including IT hardware, office products and corporate branded merchandise (including clothing).

### *Policies and processes*

At Polus, we are committed to running our business responsibly. This requires high standards to be maintained within our supply chain. We expect all our suppliers to meet the minimum standards set out in this Statement and fully comply with all applicable laws and regulations in relevant jurisdictions when conducting business with, and on behalf of, Polus. Our procurement processes apply across the firm. We expect our suppliers to report problems such as unethical or illegal conduct and any breaches of their terms of engagement.

Due diligence is performed on all suppliers through policies and ongoing screening of financial stability, conflicts of interest and/or compliance monitoring. As part of the basic due diligence checks, all suppliers are screened at onboarding and on an ongoing basis to identify any adverse information or sanctions that may suggest our suppliers are not acting in accordance with this Statement or are designated under global human rights sanctions regimes. Where necessary, increased levels of due diligence are performed to ensure suppliers not only deliver a quality service but also manage risks.

### **(c) Indirectly - Investment activities**

Given that Polus manages credit strategies covering all industries and regions globally, our **investment portfolios may include exposure** to issuers in sectors and markets where this can be a high-risk issue.

#### *Policies and processes*

**Polus' Responsible Investment Policy:** Our Responsible Investment policy ("RI policy") seeks to integrate material sustainability and governance topics into our investment process. One area that receives particular focus in our analysis is a borrower's track record in upholding human rights for its workers and supply chain, specifically, policies and processes to prevent forced labour and child labour. We want to see borrowers protect labour rights and promote safe and secure working environments for all workers. For this reason, we seek policy information from borrowers on human rights policies, employee legislation and modern slavery and occupational health and safety, including their track record, e.g., historical accident rates. We also request information on borrowers' policies and processes to monitor labour standards across their supply chain.

If there are borrower controversies surrounding the use of child labour or forced labour, this will act as a **red flag** for our investment team. Identifying a red flag will typically result in declining the investment or, for an existing position, will trigger an immediate full divestment.

Our RI policy and framework are overseen by our Head of Responsible Investment, who works closely with investment team professionals to share insights and build ongoing awareness, knowledge and understanding of material sustainability and governance risks associated with investments.

**UN Global Compact principles:** We ensure that all our investments comply with the UN Global Compact principles. Our borrowers should support and respect the protection of internationally proclaimed human rights and ensure that they are not complicit in human rights abuses.

### **(d) Engagement with policymakers**

Where possible and appropriate, Polus will seek to engage with policymakers to support initiatives that we believe will strengthen or enhance legislation on slavery and human trafficking in the UK. For example, in 2022 Polus signed a letter calling on the UK government to bring forward a 'Business, Human Rights and Environment Act' to mandate all companies to conduct human rights and environmental due diligence. We worked on this letter with the PRI and the Investor Alliance for Human Rights. We expressed our support for such a law to include appropriate provisions to hold companies liable if they fail to prevent human rights or environmental harm.

## 5. Training

### (a) Employees and contractors

We regard training as fundamental to raising awareness of these issues. A copy of this Statement is available to all employees. As a financial services firm, we provide anti-money laundering, terrorist financing and anti-bribery training to all new employees and annually for all employees across the firm, among other periodic training regarding general conduct and/or ethics.

### (b) Investment team

Our Head of Responsible Investment provides support to our investment teams to help them identify red flags when assessing investment opportunities. All members of the investment team have a thorough understanding of Polus' RI policy and responsible investment approach. Where required, additional training is organised by our Head of Responsible Investment or MSCI ESG Research LLC for example, to update the team on sector or regulatory developments which may cover human rights and labour standards. The most recent training on sustainability and governance topics took place in June 2024, which was an online training course for all employees, providing an overview of the latest sustainability-related regulatory and market developments.

## 6. Our conclusions

**Employment risk:** To the best of its knowledge, Polus is not in breach of employment legislation for any of the jurisdictions in which it operates.

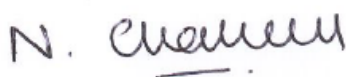
**Supply chain risk:** Polus does not believe that any of its suppliers engage in slave labour practices.

**Investment risk:** Given the absolute number of debt issuers Polus manages exposure to, whilst Polus has developed a sustainability risk management framework, Polus cannot rule out that at any point in time, one or more of the investment portfolios which it manages may have had exposure to companies engaged in slave labour practices. Where identified we will seek to remedy per our approach as outlined in the RI policy summary above.

This Statement, including the policy, approach and status outlined in it, will be reviewed annually and updated where necessary to reflect changes in circumstances and actual practice.

This Statement was approved by the Board of Directors of Polus Capital Management Group Limited on 6 June 2025 and is publicly available on Polus' website.

Signed by:



**Nicholas Chalmers, CEO**  
**Polus Capital Management Group Limited**

Date: 6 June 2025