

VOLUNTARY MODERN SLAVERY, HUMAN TRAFFICKING AND LABOUR STANDARDS STATEMENT

DATE OF PUBLICATION: 30 JANUARY 2024

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (“**MSA**”). It covers the financial year ended 31 December 2023. It describes the commitment and steps taken by IP Group plc (the “**Company**”) to date to prevent modern slavery in its business and supply chains, as well as the steps intended to be taken by the Company over the next financial year. The statement applies to all subsidiaries of the Company whether incorporated within or outside the UK. The Company does not meet the thresholds under section 54 of the MSA however, given the importance of this issue, has elected to produce this statement on a voluntary basis.

STATEMENT IN DETAIL

What is modern slavery?

Modern slavery is a crime and a gross violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain.

Company’s organisational structure and supply chains

The Company has more than 20 years’ experience evolving great ideas into world-changing businesses, through backing scientific discoveries that shape the future. IP Group’s portfolio companies share a common goal – to have a positive impact on the world, whether that be through life sciences, cleantech or deeptech. The Company is one of the most active investors in university and other research-based companies in the world and it does this by nurturing science and technology-based businesses to deliver a better future for people and planet alongside impact and returns. The Company’s group has over 100 employees (together with several contractors and temporary workers) and operates primarily in the UK, with offices in Australia and Hong Kong.

The Company operates in low-risk industries and geographic locations; its supply chains consist primarily of financial, legal and tax advisors, consultants and IT service suppliers and partner universities.

What is the Company’s approach to modern slavery and labour standards?

The Company operates a number of internal policies to ensure that it is conducting business in an ethical and transparent manner, including an Anti-Slavery Policy, an Anti-facilitation of Tax Evasion Policy, a Sustainability and ESG Policy, an Anti-corruption and Bribery Policy, an Environmental Policy, an Equality, Diversity and Inclusion Policy, a Speaking Up Policy and its recently published Human Rights Policy.

The Company is committed to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in its business or in its supply chains. The Board, assisted by the Audit and Risk Committee and the ESG Committee, has overall responsibility for the internal control and risk management and ESG compliance systems.

The Company expects the same high standards from all its contractors, suppliers and other business partners. The Company expects that its suppliers will hold their own suppliers to the same high standards. It is important to the Company that we only engage suppliers who comply with all applicable laws including, but not limited to, those relating to human rights and labour rights (including forced labour, child labour and applicable employment, environmental, anti-corruption, fair competition and intellectual property laws). We detail our Risk Assessment and Due Diligence in this regard below.

The Company seeks to promote a working environment where workers are treated with respect, dignity and consideration and their fundamental human rights are protected.

The Company complies fully with applicable human rights legislation in the countries in which it operates, which includes upholding freedom of association and the right to collective bargaining, equal remuneration and protection against discrimination. A copy of the Group’s Human Rights Policy is available on the website at [Governance and policies – IP Group plc](#).

The Company has an Equality, Diversity and Inclusion Policy available on its website. In 2021, the Company launched the "ID Project" (its inclusion and diversity group) which has representatives from all teams across the Company. During the course of 2022, the ID Project created a four-year master plan for improving inclusion and diversity across the organisation, including in its investment processes. During 2023, the ID Project has been working through the actions on its master plan and implemented various changes across the organisation to improve diversity and inclusion.

The Company has opted to pay the London Living Wage to its employees. The Living Wage is an hourly rate set independently and updated annually. It is calculated according to the basic cost of living using the 'Minimum Income Standard' for the UK. Decisions about what to include in this standard are set by the public; it is a social consensus. Employers choose to pay the Living Wage on a voluntary basis. Current levels for the Living Wage and details of how it is calculated can be found on the [Living Wage Foundation website](#).

Whilst the Company's investment portfolio does not fall within the ambit of section 54 MSA, the Company is nevertheless committed, where it has influence, to ensuring that the companies in which it invests are themselves committed to ensuring that there is no slavery or human trafficking in any part of their business. In its annual ESG survey, portfolio companies are asked what percentage of their suppliers' modern slavery due diligence is conducted on. The Company also provides advice and support to portfolio companies to assist when requested in relation to the prevention of modern slavery.

The Company has in place an Ethical Investment Framework, which is overseen by the Company's ESG Committee, to guide investment decisions into new opportunities and support and measure its portfolio companies' compliance and governance regimes.

Risk Assessment and Due Diligence

The Company considers that the risk of modern slavery within its own business is low - almost all of its employees work in roles that are low risk e.g. office-based roles that require specialist training or qualification. The Company considers the risk of slavery or human trafficking is most likely to be found in its supply chain, although the risks within its supply chain remain low. The Company's supply chain generally involves regulated professional advisers (legal advisers, tax firms, accountants) and financial services firms (brokers). The Company's IT infrastructure and operational requirements are typically provided by services businesses who specialise in servicing financial companies and asset managers. The Company has in place a new supplier checklist, which includes a confirmation from all new suppliers that they comply in all respects with the MSA. The new supplier checklist also includes a confirmation as to whether new suppliers: (i) have any carbon emissions reductions targets, (ii) whether they have an animal welfare policy, and (iii) whether they have set any diversity targets (and, in each case, details of any such policy/target). This checklist was sent to all new suppliers to the Company during 2023 and no instances of breach or non-compliance with the MSA were found in relation to any new supplier engaged by the Company in 2023.

During the course of 2023, the Company conducted a risk assessment of its suppliers' modern slavery threat. This exercised continued the work undertaken by the Company since it published its first Modern Slavery Statement in 2019 and was based on an understanding of the services we receive, data from the Company's procurement systems and publicly available research into high risk factors. The risk assessment led the Company to review the MSA compliance of (i) its top 17 suppliers in 2023 (by value) and (ii) certain other suppliers which were deemed to be relatively high risk, whether by reason of the industry/sector or geographic location in which the supplier operates (or otherwise). This review covered 22 suppliers in total, representing c.57% of the Company's suppliers. The 2023 review expanded on the 2022 review in order to maintain the same level of disclosures regarding the Company's suppliers.

This review involved the diligence of the policies and procedures each supplier has in place to combat modern slavery, human trafficking and the protection of human rights more generally. We have found no evidence or indication of any modern slavery at any of our reviewed suppliers.

- All our reviewed suppliers have robust policies in place to combat modern slavery, save as set out below.
- Three suppliers have no relevant policy in place to combat modern slavery, on the basis that they do not meet the turnover threshold at which this is mandatory. We have followed up with these suppliers to understand what relevant procedures they have in place and whether there have been any investigations, reports or concerns raised regarding their business or supply chains. The suppliers have each confirmed that there have been no reports on concerns raised during 2023 regarding modern slavery in their supply chain.

As part of the Company's initiative to identify and mitigate risk, the Company will continue to:

- identify and assess potential risk areas in supply chains;
- mitigate the risk of slavery and human trafficking occurring in supply chains;
- monitor potential risk areas in supply chains; and

- protect individuals who speak up where there are concerns about suspected wrongdoing or dangers (please see the Company's Speaking Up policy available on its website).

The Company's Speaking Up policy encourages employees to raise concerns about any issue or suspicion of modern slavery in any parts of the business or supply chains of any supplier tier and at the earliest possible stage. In 2019, the Company adopted a Speaking Up hotline and web reporting service, operated by an independent third-party provider. No reports relating to modern slavery were reported during 2023 or since the hotline was established.

The Company aims to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. The Company is committed to ensuring that no one suffers any detrimental treatment as a result of reporting, in good faith, their suspicion that modern slavery, of whatever form, is or may be taking place in any part of the Company's business or in any of its supply chains.

Monitoring and Effectiveness

The Company uses the following processes to monitor how effective it has been in ensuring human trafficking is not taking place in any part of its business or supply chains:

- use of labour monitoring and payroll systems;
- inclusion of anti-slavery compliance warranties and undertakings in relation to our Ethical Investment Framework in our standard form legal documentation for use when undertaking investments into portfolio companies; and
- level of communication and personal contact with the next link in the supply chain and their understanding of, and compliance with, our expectations.

During 2024, the Company intends to take the following steps to combat slavery and human trafficking in 2024:

- monitor and review the proposed reforms to disclosures under the MSA and to update its processes and reporting disclosures as necessary;
- review the requirement for additional staff training. All staff are notified on an annual basis of the Company's stance on combating slavery and human trafficking;
- continue to review its key suppliers and any suppliers identified as higher risk areas of the Company's supply chain and undertake an assessment of compliance with the MSA;
- review the number of breaches reported using its Speaking Up policy and external hotline as regards human trafficking or modern slavery; and
- communicate the Company's zero tolerance to modern slavery to all suppliers, contractors and business partners at the outset of any business relationship with them and reinforce this message as appropriate thereafter.

The Company proposes to review, on an annual basis, the effectiveness of the steps the Company has taken to ensure that there is no slavery or human trafficking in its supply chains.

This statement was approved by the Board of IP Group plc on 30 January 2024.

Signed: 

Greg Smith, Director and CEO of IP Group plc

Date: 30 January 2024