

THE CARLYLE GROUP

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CELf Advisors LLP **Modern Slavery Act Statement**

Introduction

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “**Modern Slavery Act**”). It sets out the steps that we, CELf Advisors LLP (“**CELf**”), have taken to seek to ensure that modern slavery and human trafficking are not taking place in our business and supply chains during the most recently ended financial year.

Organisation’s Structure

CELf is a UK-based affiliate of The Carlyle Group (“**Carlyle**”), one of the largest and most diversified multi-product global alternative asset management firms in the world, offering specialized investment funds and other investment vehicles that invest across a range of industries, geographies, asset classes and investment strategies. Carlyle operates its business through CELf and other Carlyle-affiliated investment advisers. CELf’s principal place of business is in London and it is authorised and regulated by the Financial Conduct Authority (FCA) in the UK. CELf provides collateral management services to European structured credit funds and also provides sub-advisory services in respect of certain other Carlyle-advised funds.

Supply Chain

As an investment advisory firm, we have relatively limited supply chains. Consequently, our assessment of the risk of modern slavery and human trafficking is based on the nature of our industry and the limited extent of our supply chains. In connection with our business activities, we engage external parties to provide support services such as office cleaning and IT development suppliers. We also outsource some ancillary functions relating to our business to professional service firms, such as law firms and accountancy firms.

Measures to Address Modern Slavery and Human Trafficking

Global Measures

In connection with our affiliation with Carlyle, we are subject to a number of global measures designed to address the social and governance risks related to Carlyle’s business as a global investment firm, including, for example, the risk of suppliers or business partners engaging in illegal or improper conduct. For example, such measures include the following policies and procedures:

- the Carlyle Code of Conduct, which provides Carlyle personnel with guidelines for proper business conduct;
- the Carlyle Policy on Compliance with Anticorruption and Anti-Bribery Laws, which provides Carlyle personnel with guidelines for compliance with applicable anticorruption laws; and
- the Carlyle Whistleblower Policy, which outlines ways in which individuals can report illegal or unethical behaviour.

Further, managing environmental, social and corporate governance (ESG) issues has become integral to how Carlyle invests and conducts its business. Among other things in support of these efforts, on

an annual basis, Carlyle prepares a Corporate Citizenship Report, which discusses the firm's ESG responsibilities and activities. A copy of this report can be accessed [here](#).

CELF-Specific Measures

Further, we have put in place a Modern Slavery and Human Trafficking Policy (the "**MSA Policy**"), which seeks to identify and manage modern slavery-related risks in our business and supply chains. In adopting this policy, we seek to accomplish the below overarching objectives:

- Continuing to develop systems to (a) identify, assess and monitor potential higher risk areas in our supply chains, (b) mitigate the risk of slavery and human trafficking occurring in our supply chains through enhanced contract term controls (as applicable and wherever possible), (c) train our employees as to these risks and the need to manage them and (d) protect whistle blowers.
- Where possible, building long-standing relationships with our key suppliers and ensuring that expectations of business behaviour are clear and consistent.

Implementation

Our Legal & Compliance and Human Resources Teams will work together to implement the objectives considered in this statement.

Effectiveness

We will continue to monitor our compliance with this statement and our policies, in the following ways:

- training on modern slavery (see below);
- implementation of the MSA Policy;
- maintenance of systems for supply chain identification, including adding modern slavery enquiries and controls to Carlyle's vendor management and procurement policies; and
- ongoing review of existing and new supply chains.

Training and Communication

As necessary, training with respect to the MSA Policy will be provided to educate on the importance of implementing and enforcing effective systems in an effort to ensure slavery and human trafficking is not taking place in our supply chain.

Ongoing Monitoring

If issues are identified in relation to modern slavery, these will be dealt with by the Legal & Compliance Team or as otherwise specified by applicable Carlyle policies and procedures.

This statement will be reviewed annually.

The CELF board approved this statement on 29 June 2017. It has been signed by a designated member and such signed copy is available upon request.