



Modern Slavery Statement

Western Asset Management Company Limited

November 2023

ORGANISATION'S STRUCTURE AND BUSINESS

Western Asset Management Company Limited ("**Western Asset UK**" or the "**Firm**") is a private company limited by shares incorporated in England and Wales. Western Asset falls within the scope of section 54(2) of the Modern Slavery Act 2015 (the "**Act**").

Western Asset UK is the UK operating company of Western Asset Management (the "**Western Asset**"), a fixed income asset management firm headquartered in Pasadena, California in the United States of America. Western Asset is comprised of six legal entities operating as one: Western Asset Management Company, LLC (the Pasadena and New York offices); Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários Limitada (the São Paulo office); Western Asset Management Company Limited (the London office); Western Asset Management Company Pte. Ltd. (the Singapore office); Western Asset Management Company Ltd (the Tokyo office); and Western Asset Management Company Pty Ltd (the Melbourne office). Together with Western Asset UK, these entities became members of the Franklin Resources, Inc. ("**Franklin Templeton**") group of companies on the 31st of July 2020, combining years of expertise and know-how within the asset management industry. Franklin Templeton is now one of the largest asset management firms in the world with over \$1.4 trillion in assets under management and offices in more than 30 countries. Western Asset operates on an autonomous basis from Franklin Templeton and its other subsidiaries.

Western Asset UK is regulated by the UK Financial Conduct Authority ("**FCA**") and the US Securities and Exchange Commission ("**SEC**"), as such it is subject to an extensive set of regulatory requirements, including the Act. Western Asset UK is committed to ensuring that acts of human trafficking and slavery form no part of its business or supply chains. Western Asset UK acknowledges its responsibility under the Act and takes steps to seek to ensure transparency within its own organisation and with suppliers of goods and services with whom it contracts in relation to the prevention of slavery and human trafficking.

OUR SUPPLY CHAIN

Western Asset UK provides investment management services to institutional clients. As a result, Western Asset UK deems that the risk of slavery in pursuit of these services or throughout its supply chain is low. The majority of suppliers in Western Asset's supply chain are located in countries or sectors that are considered to be at lower risk of exposure to human trafficking or slavery. Western Asset's supply chain includes the following suppliers:

- Third party administrators and support in respect of investment activities undertaken by Western Asset;
- Third party audit/compliance/legal and accounting support for the Western Asset business across all investment disciplines;
- Third party distribution companies and platforms who may enter into arrangements with Western Asset to distribute certain Western Asset investment products;
- Third party recruitment companies which help to provide temporary and permanent staff to Western Asset;

- Third party commercial real estate/cleaning/office supplies and office services required to support the staff in Western Asset's office; and
- Third party payroll providers/pension fund managers and providers/private healthcare and dental care providers/employee benefits providers and other associated services required to support Western Asset employees.

POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Western Asset UK is committed to seeking to ensure that there is no slavery or human trafficking in its supply chains or in any part of its business. Western Asset UK has adopted several policies and procedures to seek to ensure that its employees are complying with the applicable regulations and highest ethical standards, including the Employee Handbook, the Code of Ethics, and other relevant policies focused on third-party vendor onboarding and oversight. These policies and procedures reflect Western Asset UK's commitment to acting ethically and with integrity in all of its business relationships, and help to implement and enforce effective systems and controls that seek to ensure slavery and human trafficking is not taking place. The Firm also provides whistleblowing reporting resources such as an anonymous toll-free hotline and webform. These resources ensure employees can report concerns of unethical or unlawful activities without the fear of retaliation.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of Western Asset UK's initiative to identify and reduce the risk of slavery and human trafficking occurring within the Firm's supply chains, Western Asset has adopted the following due diligence procedures:

- Where possible Western Asset builds long standing relationships with its third-party service providers and suppliers and places obligations on these suppliers to comply with all applicable laws which, where relevant, would include compliance with the Act;
- As an FCA regulated business, Western Asset UK is under an obligation to carry out initial and ongoing know your customer and anti-money laundering checks on third parties with which we enter into agreements. Western Asset UK believes that this due diligence provides the Firm with an understanding of third parties with whom it enters into arrangements for the provision of services and supplies.

Western Asset UK carries out regular monitoring, and where relevant, annual due diligence checks on its service providers and suppliers from both an AML and adverse news perspective. The results of these reviews may also be considered, in review of Western Asset UK's policies and procedures aimed at complying with applicable regulatory requirements and upholding high ethical values.

SUPPLIER ADHERENCE TO OUR VALUES AND OUR ASSESSMENT OF RISK

Western Asset UK has a zero-tolerance approach to slavery and human trafficking. Where relevant, those in its supply chain and contractors are required to comply with these values. Where applicable, contractual provisions are included in agreements and notices of expectations are sent to certain providers in Western Asset's supply chain.

As set out above, many of Western Asset UK's suppliers and contractors are financial and professional services organisations which are subject to regulations set by their respective local competent authority. As such Western Asset UK considers that, given the nature of the services it offers, the risk of slavery or human trafficking in its business and supply chain is low.

EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

In order to ensure the policies and procedures and controls to combat slavery and human trafficking are effective, Western Asset may utilise some or all of the following monitoring and assessment activities:

- Risk based approach to oversight of our third-party service providers and suppliers to seek to ensure that resources are allocated appropriately. Risks considered include Information Security, Business Resiliency, Regulatory and Privacy;
- Ongoing assessment and review of vendors via automated screening solutions;
- Honest and open communication with the relevant personnel of the Firm's service providers and suppliers to set our expectations of their compliance with the Act; and
- Utilisation and effectiveness of tools meant to encourage the reporting of concerns and the protection of whistle blowers.

TRAINING

To seek to ensure the risks of slavery and human trafficking in Western Asset UK's supply chains and the Firm's business are understood, appropriate training is being provided to relevant members of staff.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Western Asset's slavery and human trafficking statement for the financial year ending 30 September 2023. This statement was approved by the Board of Western Asset Management Company Limited on 15 November 2023.



Michael B Zelouf, Director
Western Asset Management Company Limited
November 2023