



MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

Western Asset Management Company Limited

INTRODUCTION

Western Asset Management Company Limited (“**Western Asset**”) is committed to ensuring that acts of human trafficking and modern slavery form no part of its business or supply chains. Western Asset acknowledges its responsibility under the Modern Slavery Act 2015 (the “**Act**”) and will take steps to seek to ensure transparency within its own organisation and with suppliers of goods and services with whom it contracts.

ORGANISATION’S STRUCTURE

Western Asset is the UK operating company of Western Asset Management, a fixed income asset management firm headquartered in Pasadena, California in the United States of America. Western Asset Management is an independently managed affiliate of Legg Mason Inc. (“**Legg Mason**”), one of the world’s largest asset management firms, with over 3,100 employees within 31 offices worldwide, over 6 continents.

OUR BUSINESS

Western Asset, together with Legg Mason, forms part of a leading global investment group committed to helping clients reach their financial goals through long term, actively managed investment strategies.

OUR SUPPLY CHAIN

Western Asset’s supply chains includes the following suppliers:

- Third party administrators and support in respect of certain trading 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 enter into arrangements with Western Asset to distribute certain Western Asset proprietary mutual funds;
- 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.

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POLICIES ON MODERN SLAVERY AND HUMAN TRAFFICKING

We are committed to seeking to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business. The Western Asset Employee Handbook reflects our commitment to acting ethically and with integrity in all our business relationships and to implement and enforce effective systems and controls to seek to ensure modern slavery and human trafficking is not taking place.

DUE DILIGENCE PROCESSES FOR MODERN SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and reduce the risk of modern slavery and human trafficking occurring within our supply chains, we have adopted the following due diligence procedures:

- Where possible we build long standing relationships with our third party service providers and suppliers and place obligations on these suppliers to comply with all applicable laws which, where relevant, would include compliance with the Act.
- Western Asset is regulated in the United Kingdom by the Financial Conduct Authority (FCA) and is therefore required to have appropriate systems and controls in place to operate a prudential and well-managed business. We see the adoption of and compliance with the requirements of the Act as part of the operation of a prudent and well-managed business.
- As an FCA regulated business, Western Asset 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. We believe that this due diligence provides us with an understanding of third parties with whom we enter into arrangements for the provision of services and supplies.
- Where appropriate, we will endeavour to ensure that any Western Asset entity group entity not technically required to comply with the Act but which enters into service and supply chain arrangements will also carry out initial and regular due diligence with third parties to ensure adherence to the spirit of the Act.
- We carry out regular, and in some instances, annual due diligence checks on our service providers and suppliers and a review of anti-slavery and human trafficking procedures will be included in this due diligence.

Our procedures are designed to seek to:

- Establish and assess areas of potential risk in our business supply chains;
- Monitor potential risk areas in our business and supply chains;
- Reduce the risk of modern slavery and human trafficking occurring in our business and supply chains; and
- Provide adequate protection for whistle blowers.

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SUPPLIER ADHERENCE TO OUR VALUES

We have a zero tolerance policy to modern slavery and human trafficking. We expect, where relevant, those in our supply chains and contractors to comply with our values. Where applicable, contractual provisions will be included in agreements and notices of expectations sent to certain providers in our existing supply chain.

EFFECTIVENESS IN COMBATING MODERN SLAVERY AND HUMAN TRAFFICKING

We look to use the following types of key performance indicators to measure how effective we have been in seeking to ensure compliance with the Act:

- 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 country risk, sector risk, transaction risk and business partnership risk.
- Ongoing analysis and review of risk of modern slavery and human trafficking with appropriate reporting as required on the perceived risk and any action required.
- Honest and open communication with the relevant personnel of our service providers and suppliers to set our expectations of their compliance with the Act and their understanding and compliance with our expectations.
- Completion of annual/regular due diligence reviews on certain third party suppliers.
- We have procedures in place to encourage the reporting of concerns and the protection of whistle blowers.

TRAINING

To seek to ensure the risks of modern slavery and human trafficking in our supply chains and our 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 modern slavery and human trafficking statement for the current financial year.

Michael B. Zelouf, CFA
Director
Western Asset Management Company Limited

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