

MODERN SLAVERY STATEMENT

Western Asset Management Company Limited

ORGANISATION'S STRUCTURE AND BUSINESS

Western Asset Management Company Limited ("**Western Asset**") 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 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, one of the world's largest asset management firms, with over 3,000 staff in 40 locations serving individual and institutional investors on six continents.

Western Asset is committed to ensuring that acts of human trafficking and slavery form no part of its business or supply chains. Western Asset acknowledges its responsibility under 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 in relation to the prevention of slavery and human trafficking.

OUR SUPPLY CHAIN

Western Asset's supply chain 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.

POLICIES ON SLAVERY AND HUMAN TRAFFICKING

Western Asset 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. The Western Asset Employee Handbook reflects Western Asset's commitment to acting ethically and with integrity in all its business relationships and to implement and enforce effective systems and controls to seek to ensure slavery and human trafficking is not taking place.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of Western Asset's initiative to identify and reduce the risk of slavery and human trafficking occurring within our 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.

- 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. Western Asset views the adoption of and compliance with the requirements of the Act as forming 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.
- Western Asset carries out regular, and in some instances, annual due diligence checks on its service providers and suppliers including where relevant a review of anti-slavery and human trafficking procedures.

SUPPLIER ADHERENCE TO OUR VALUES AND OUR ASSESSMENT OF RISK

Western Asset 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. Where relevant, those in its supply chain and contractors are required to comply with these values. Where applicable, contractual provisions will be included in agreements and notices of expectations sent to certain providers in our existing supply chain.

As set out above, many of our suppliers and contractors are financial and professional services organisations. As such we consider that, given the nature of the services we offer, the risk of slavery or human trafficking in our business and supply chain is low.

EFFECTIVENESS IN COMBATING SLAVERY AND HUMAN TRAFFICKING

We use the following types of key performance indicators to measure effectiveness of 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 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.
- 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 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 slavery and human trafficking statement for the 2018/2019 financial year. This statement was approved by the Board of Western Asset Management Company Limited on 28 May 2019.

Michael B Zelouf, Director
Western Asset Management Company Limited

28 May 2019