

## **Introduction**

PIMCO Europe Ltd (the “Company”) wholeheartedly supports the Modern Slavery Act 2015, which aims to drive out all forms of modern day slavery and human trafficking from business practices. The Company has zero tolerance towards human rights violations and is committed to the highest standards of ethical and sustainable business practice, both in our own business and in our supply chains. This statement is made by the Company, as required by section 54 of the Modern Slavery Act, in respect of the financial year ended 31 December 2019.

## **Organisation, Risks and Policy**

The Company is part of the PIMCO group, one of the world’s premier fixed income investment managers. In 2017, PIMCO became a signatory to the UN Global Compact (<https://www.unglobalcompact.org/participation/report/cop/create-and-submit/active/439234>) as a commitment to advancing the principles of human rights, labour, environment and anti-corruption within its sphere of influence. PIMCO also partners with organizations such as Business in the Community to leverage best practices related to human rights and corporate citizenship. The Company provides a range of investment products and services primarily to clients within the EMEA region.

The Company has considered its direct exposure towards all forms of slavery, human trafficking or child labour and, in particular, its employment practices which it believes eliminate any risk of these occurring in the Company’s own business. As is generally the case with financial services firms, the Company is required to be authorized, is subject to regulatory supervision and operates in a heavily regulated environment. The Company undertakes comprehensive pre-employment checks in relation to all potential employees that are required to be satisfied prior to employment. In addition, the work carried out typically requires staff with a higher education or other professional qualifications who, in order to perform their roles, are often subject to individual regulatory authorisation and continuing professional training requirements.

It is noted that, being in a professional services industry, the Company’s procurement activities are also limited. Accordingly, the Company’s exposure to supply chain risks is also considered limited. However, the Company has undertaken a risk-based assessment of its suppliers and has determined due diligence based on the level of risk associated with each service provision.

## **Due Diligence**

As part of the Company’s commitment to full compliance with the Modern Slavery Act, the Company seeks to ensure that it knows who is providing it with goods and services at all times. The Company has previously communicated its policy of zero tolerance in writing to its existing suppliers and it has done the same for its new suppliers. The Company also has controls in place to ensure that legal and regulatory requirements, including the Modern Slavery Act, are considered prior to any supplier agreement being finalized. The Company has standard contractual provisions on modern slavery that are included wherever appropriate.

The Company’s material outsourcing relationships are with other financial services firms which, for similar reasons, are low risk from a modern slavery perspective. Notwithstanding, the Company has obtained Modern Slavery Act statements of compliance from all such suppliers rated as posing a material or higher risk. The Company also conducts routine periodic due diligence over its material outsourcing relationships and other vendors and includes modern slavery checks as part of these processes.

The Company has reviewed service providers involved in the provision of office facilities, cleaning, and other products and services for its offices. The Company has obtained Modern Slavery Act statements of compliance from all such existing suppliers rated as posing a material or higher risk, and routinely obtains compliance statements from all such new suppliers.

The Company has considered its product distribution channels and, whilst considered low risk for the reasons given, has circulated updated terms to each of its sub-distribution partners to cover the Modern Slavery Act. In addition, the Company has updated its distribution agreement template to explicitly cover the Modern Slavery Act going forward.

## **Training**

All staff involved with procurement and all other relevant staff have been trained on ethical procurement which addresses key supply chain issues, including human rights and the risk of modern slavery, in supply chains. Training is repeated annually to ensure that relevant employees understand the latest detection and mitigation methods.

## **Effectiveness**

The Company does not believe any incidents as outlined by the Modern Slavery Act have ever occurred within the Company nor is it aware of any such incidents within its supply chain. However, the Company continues to look at how it can further mitigate the risk of modern slavery in its supply chain and is ready to take appropriate action promptly to address any concerns that may arise. This includes ensuring that all of its suppliers, existing and new, that pose a material or higher risk have provided statements of compliance; that contractual terms with any such new suppliers

satisfy modern slavery requirements; that all relevant staff receive training appropriate to their needs; and that any material issues arising from implementation of this policy are effectively escalated should the need arise.

**Conclusion**

This statement is made pursuant to section 54 of the Modern Slavery Act 2015. As required by the Act, it has been approved by the Board of Directors of the Company on 20 May 2020, and it has been published on the Company's website, with a prominent link to it on the Company's homepage.

Signed on 20 May 2020 on behalf of the Board:

A handwritten signature in black ink, appearing to read 'Craig Dawson', with a long horizontal flourish extending to the right.

Craig Dawson  
Chief Executive Officer and Director, PIMCO Europe Ltd