

Introduction

PIMCO Europe Ltd (“PEL”) wholeheartedly supports the Modern Slavery Act, which aims to drive out all forms of modern day slavery and human trafficking from business practices. PEL has zero tolerance towards human rights violations and is committed to having ethical and sustainable business practices and supply chains.

Our Organisation, Risks and Policy

PEL has considered its direct exposure towards forms of slavery, human trafficking or child labour and, in particular, its employment practices which it believes eliminate any risk of these occurring at PEL. PEL operates in the financial services industry which, by its nature, limits direct exposure towards forms of slavery, human trafficking or child labour. As is generally the case with financial services firms, PEL is required to be authorized, is subject to regulatory supervision and operates in a heavily regulated environment. PEL 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. PEL does not believe any incidents as outlined by the Modern Slavery Act have ever occurred within PEL.

It is noted that, being in a professional services industry, procurement activities are also limited, as products and services are not manufactured using raw materials or other material goods, and material goods are not produced and sold by PEL. Accordingly, PEL’s exposure to supply chain risks is also considered limited. However, PEL 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 our commitment to the aims of the Modern Slavery Act, PEL seeks to ensure that it knows who is providing it with goods and services at all times. PEL will communicate its policy of zero tolerance in writing to its existing and new suppliers. PEL 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. PEL has standard contractual provisions on modern slavery that are included wherever appropriate.

PEL’s material outsourcing relationships are with other financial services firms which, for similar reasons, are low risk from a modern slavery perspective. Notwithstanding, PEL has obtained Modern Slavery Act statements of compliance from all such suppliers rated as posing a material or higher risk. PEL also conducts routine periodic due diligence over its material outsourcing relationships and other vendors and includes modern slavery checks as part of these processes. PEL has reviewed service providers involved in the provision of office facilities, cleaning, and other products and services for its offices. PEL has obtained Modern Slavery Act statements of compliance from all such suppliers rated as posing a material or higher risk, and will routinely obtain compliance statements from all such new suppliers. PEL has considered its product distribution channels and, whilst considered low risk for the reasons given, 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 forced labour in supply chains. Training will be repeated annually to ensure that relevant employees understand the latest detection and mitigation methods.

Effectiveness

PEL will continue 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. To this end, it will monitor the effectiveness of this policy and take any steps as may be appropriate to maintain an effective zero tolerance anti-modern slavery policy. 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 PEL and is signed by a director, and it has been published on our website, with a prominent link to it on our homepage.