

# Modern Slavery Statement 2021

Eaton Vance Management

Eaton Vance Management (International) Limited

(Together, “the Company”)

This statement is made pursuant to the *Modern Slavery Act 2018 (Cth)* and is made for the calendar year ending 31 December 2021.

## Introduction

Taking action on modern slavery makes good business sense as it can protect against possible business harm, improve the integrity and quality of supply chains, and potentially increase profitability. It can also improve investor and consumer confidence, improve relationships with workers and local communities and lead to greater access to business opportunities. Modern slavery therefore poses risks to individuals and economic and reputational risks to companies globally.

### 1. Our structure and operations

- 1.1 Eaton Vance Management has its corporate headquarters at Two International Place, Boston, MA 02110. Eaton Vance Management is an SEC registered investment advisor and recognized leader in a broad array of income strategies, including floating-rate bank loans, high-yield bonds, emerging-market debt, mortgage-backed securities and municipal bonds. Within equities, Eaton Vance Management is a leading provider of tax-managed, equity income and option overlay strategies. With a history dating back to 1924, Eaton Vance applies principals of fundamental investing to the active management of equity, fixed and floating-rate income, alternative and multi-asset portfolios on behalf of individual and institutional investors. Eaton Vance Management had revenue in excess of AUD\$100m for the reporting period.
- 1.2 During the reporting period, Eaton Vance Management has affiliates (together, “Eaton Vance” or the “Company”) that operated in Australia and is therefore subject to the reporting obligations;
  - (a) Eaton Vance Management (International) Limited (“EVMI”) ARBN 639 708 099 is a private limited company headquartered in London at 125 Old Broad Street, London, England, EC2N 1AR. EVMI is authorized by the United Kingdom Financial Conduct Authority to provide distribution services in Europe. EVMI and Eaton Vance Management shared procurement policies and processes during the relevant period.
    - (i) EVMI has a branch in Australia (“EVMI Australia”) registered as Foreign Company with ASIC as of 12 March 2020. EVMI Australia is located at Level 25, 259 George Street, Sydney, New South Wales, 2000 and provides distribution services into Australia.
- 1.3 The Company has an annual consolidated revenue of \$1.5 billion, covering a 14 month calendar year due to the fact that it now has an extended year end to December 31, 2021.
- 1.4 Across the Company, there are 263 employees operating in eleven countries on four continents. Information in this statement has been prepared based on the Company’s processes during 2021. It does not reflect the Company’s current arrangements, which have integrated since it was acquired by Morgan Stanley on 1 March 2021.

## 2. Consultation

- 2.1 We have acted in consultation with relevant affiliates in preparing this statement by:
- (a) consulting procurement professionals who provide shared services across the Company to assess the risk of modern slavery in supply chains; and
  - (b) identifying relevant factors considered by investment professionals at relevant investment management affiliates.

## 3. Our supply chains

- 3.1 Our supply chains are primarily US-based and incorporate a wide range of products and services spanning a variety of industry sectors, broadly grouped as follows:

Hardware	Facilities
Software	Market and Research Data
3 <sup>rd</sup> Party support services	Office Supplies
Marketing	Telecommunications
Professional Services and Consulting	Cloud-based and hosted services
Recruiting, HR agencies	Benefits & Insurance

- 3.2 Given our size, our scale of supplier spending, our relatively small procurement and 3<sup>rd</sup> party risk teams and our limited geographic reach and footprint, ensuring we avoid any involvement in modern slavery is a considerable challenge.

## 4. Risk assessment

- 4.1 **Risks in Supply Chain and Products:** most of our products and services are sourced in the US. Many of these products and services are not of a manufactured nature and involve asset management industry specific resources or intellectual capital. Thus, we anticipate that our products and supply chains are limited in their exposure to the risks of modern slavery.
- 4.2 **Risks in Operations:** the majority of our operations are US-based. We have taken appropriate processes to monitor payroll and employment conditions. The risks of modern slavery practices within the operations of Eaton Vance are very low.

## 5. Our policies on slavery and other actions taken

- 5.1 We are committed to ensuring that there is no modern slavery in our supply chains or in any part of our business.

- 5.2 Eaton Vance is committed to responsible investing, including the impact on investments and human rights. Eaton Vance is a corporate signatory of the Principles of Responsible Investing (PRI).

PRI is the world's leading proponent of responsible investment. It works to understand the investment implications of ESG factors and to support its international network of investor signatories in incorporating these factors into their investment and ownership decisions. The PRI acts in the long-term interests of its signatories, of the financial markets and economies in which they operate and ultimately of the environment and society as a whole.

- (a) The six Principles for Responsible Investment (Principles) are a voluntary and aspirational set of investment principles that offer a menu of possible actions for incorporating ESG issues into investment practice. In implementing the Principles, signatories contribute to developing a more sustainable global financial system.
- (i) Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.
  - (ii) Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.
  - (iii) Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.
  - (iv) Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.
  - (v) Principle 5: We will work together to enhance our effectiveness in implementing the Principles.
  - (vi) Principle 6: We will each report on our activities and progress toward implementing the Principles.
- (b) Eaton Vance believes in the value of having a set of principles to guide the responsible investing community and fully supports those set out by PRI. We report annually to PRI on our responsible investing practices.

## 6. Due diligence processes for slavery

- 6.1 We have in place systems to:

- (a) Identify and assess potential risk areas in our supply chains;

- (b) Mitigate the risk of slavery occurring in our supply chains through our 3<sup>rd</sup> party supplier risk evaluation process;

6.2 These systems integrate the 3<sup>rd</sup> party supplier risk evaluation process with the sourcing and procurement processes. This new integration went live as of September 2020 and our 3<sup>rd</sup> party vendor risk evaluation process was still being developed and scaled prior to our acquisition by Morgan Stanley as announced in October 2020 and closed in March of 2021. As of March 2021, we follow Morgan Stanley's policies on 3<sup>rd</sup> party supplier risk and Modern Anti-Slavery.

6.3 As part of our initiative to identify modern slavery and mitigate associated risks in our business and supply chain, we:

As of September 2020 we require all new supplier engagements in Australia to be contractually bound to adhere to Australian Modern Anti-Slavery laws and regulations; refusals to comply with these contractual obligations are handled on an exception basis

## **7. Supplier adherence to our values and ethics**

7.1 We have zero tolerance of slavery. To ensure all those in our supply chain and contractors comply with our values ethics, our procurement policy explicitly states that our suppliers' values align with those of the firm.

- (a) All suppliers that are under consideration must be submitted to Vendor Risk for review prior to utilizing the Vendor. The Business Unit will complete an initial screening questionnaire which will identify the inherent risk in the relationship with the supplier. Supplier relationships will be reviewed for inherent risk domains such as compliance, cyber security, business resiliency, fourth party, geopolitical and solvency. Suppliers will be classified with a low, medium, high or critical risk rating. The Vendor Risk team will determine which risk assessments are required based on the classification. Monitoring activities will be driven by the risk classification associated with the suppliers. Suppliers with high-risk profiles will be more actively monitored than suppliers with low-risk profiles.

## **8. Our effectiveness in combating slavery**

- 8.1 We assess the risk of modern slavery through a process of periodic review by our procurement team and providing for regular engagement and feedback between procurement, legal and other relevant internal departments.
- 8.2 We manage these risks to our organisation by maintaining consistent and high standards of due diligence and risk mitigation processes to monitor for and avoid modern slavery in all environments in which we operate in, regardless of whether the environment or the suppliers with whom we work are more or less vulnerable to modern slavery.

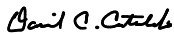
## 9. Further steps and remediation

- 9.1 Following a review of the effectiveness of the steps we have taken to ensure that there is no slavery in our supply chains we intend to take the following further remedial steps to combat slavery in our operations and supply chain:
- (a) Following the acquisition of the Company by Morgan Stanley, the Company continues to integrate in order to rely on shared services of Morgan Stanley for procurement.
  - (b) The Company continues to increase its socially responsible investing capabilities.

This modern slavery statement is made by the Company for the calendar year ending 31 December 2021.

This statement was approved on 28 June 2022 by EV LLC, the Sole Trustee of Eaton Vance Management.

### EATON VANCE MANAGEMENT



[Dan Cataldo \(Jun 29, 2022 15:49 EDT\)](#)

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Daniel Cataldo  
Director of EV LLC  
29 June 2022

This statement was approved on June 29, 2022 by the Board of Directors of Eaton Vance Management (International) Limited.

### EATON VANCE MANAGEMENT (INTERNATIONAL) LIMITED



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Jennifer Klempa,  
Director  
29 June 2022








# EVM\_EVMI 2021 Modern Slavery Statement (FINAL)

Final Audit Report

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