

DAIWA CAPITAL MARKETS EUROPE LIMITED

MODERN SLAVERY

SLAVERY AND HUMAN TRAFFICKING STATEMENT

Daiwa Capital Markets Europe Limited (“**DCME**”) is committed to conducting its business lawfully and to a high standard. It is committed to combating slavery and human trafficking to meet, and go beyond the requirements of the Modern Slavery Act 2015 (the “**Act**”). This statement describes the steps taken by DCME during the financial year ended 31 March 2023 to seek to ensure that slavery and human trafficking is not taking place in DCME’s supply chains, or in any part of DCME’s business.

OUR STRUCTURE

DCME is a provider of investment banking services in the financial services sector. We are authorised and regulated by the Financial Conduct Authority. We are a part of the Daiwa Group (“**Group**”) and our ultimate parent company is Daiwa Securities Group Inc. (“**DSGI**”), which has its head office in Japan. DSGI is one of Japan’s largest brokerage firms, offering comprehensive services in retail and investment banking. In addition to DCME’s permanent headquarters in the United Kingdom, we have branches in Switzerland and the Kingdom of Bahrain and a representative office in France. We also have a subsidiary, Daiwa Capital Markets Deutschland GmbH (“**DCMD**”), in Germany.

We work closely with our offices throughout Europe and the Middle East and also our offices throughout the Group’s network in North America, Asia and Oceania regions, providing global expertise and information to our clients.

OUR SUPPLY CHAINS

The financial services sector is not traditionally an industry exposed to risks of forced labour or human trafficking. Our key suppliers are businesses which help us deliver services to our clients and run our premises. These suppliers include, but are not limited to, the following:

- Technology - software and hardware;
- Third-Party Services - including on-site catering, security, cleaning, and maintenance/facilities, driving services, delegate assistance (real estate);
- Market Data Services –financial information used by the global financial community;
- Custodians;
- Professional Advisers;
- Insurance;
- Travel; and
- Clearing and Settlements.

Many of our suppliers are regular, long-term suppliers with whom our high standards are well established. We identify that the greatest risk within our supply chain, lies downstream of our immediate suppliers. We endeavour to implement contractual clauses to avoid suppliers behaving in a way which might encourage unethical conduct. For example, we expect our suppliers to comply with our business standards and the laws and regulations of the United Kingdom.

OUR POLICIES ON SLAVERY AND HUMAN TRAFFICKING

DCME is committed to ensuring that, as far as practicable, there is no modern slavery or human trafficking in our supply chains or in any part of our business. The Group's Corporate Social Responsibility policy is made available on DSGI's website and DCME is continuing to review its internal policies and the promotion of environmental, social and governance standards.

DCME is a London Living Wage Employer, accredited by the Living Wage Foundation, ensuring that not only our staff but also those of our suppliers who provide staff at our premises are being paid appropriately. Appropriate contractual clauses are incorporated into our relevant supplier contracts to give effect to this.

We upload our Slavery and Human Trafficking Statement to *tiscreport.org* which is an international open data register. We also upload our Statement to the Home Office Modern Slavery Statement Registry. These central repositories increase transparency and make it easier for the public to find our Slavery and Human Trafficking Statement.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiatives to identify and mitigate risk our Vendor Management department carries out due diligence of certain suppliers. This is a dedicated team which manages the procurement due diligence process including coordinating the involvement, where necessary, of the following departments:

- Legal & Privacy;
- Operational Risk;
- People & Culture; and
- Tax.

DCME and DCMD have in place processes to:

- Mitigate the risk of slavery and human trafficking occurring in our supply chains by endeavouring to include within our supply contracts appropriate anti-slavery clauses; and
- Regularly review our existing suppliers.

Our supplier appointments are determined on a number of factors including quality of service; price; and ability to meet legislative and regulatory obligations and our own standards of business conduct and corporate social responsibility.

To enhance our due diligence in this regard, both DCME and DCMD are required to notify Vendor Management of their intent to use a new supplier and an assessment of the suitability of these suppliers is carried out through Vendor Due Diligence questions. These questions address a range of Anti-Bribery and Corruption attestations as well as statements on Modern Slavery and the steps the suppliers take to ensure their own third-parties are compliant. Ongoing screening is performed against suppliers to check for any Legal or Regulatory sanction or enforcement.

SUPPLIER ADHERENCE TO OUR VALUES AND ETHICS

We have a zero tolerance approach to slavery and human trafficking. To ensure all suppliers in our supply chain comply with our requirements, we have in place a TPRM & Outsourcing Policy and Corporate Purchasing Policy. Such policies ensure that our due diligence processes are adhered to and that new suppliers are properly considered and reviewed periodically. These policies and our due diligence processes are kept under review as part of a continuous improvement programme and to ensure that we and our suppliers comply with legislation, regulation and the Group's Corporate Social Responsibility policy.

EMPLOYEES

Our commitment to human rights and combating modern slavery aligns with our purpose and values. It is underpinned by policies which include our code of conduct.

At Daiwa, we strive to create an inclusive culture where all employees are treated with dignity and respect. Discrimination, bullying, or harassment are not tolerated on any grounds. We provide a safe and professional working environment for our people regardless of location, and align with the regulations and laws of the jurisdictions in which we operate.

We are committed to equity of opportunity for all our people and strive to attract, retain and motivate talented individuals irrespective of age, disability, ethnicity, gender or other factors unrelated to performance. Daiwa's remuneration and reward philosophy includes equitable compensation and all new hires undergo a rigorous vetting procedure.

Equity, diversity and inclusivity is a key pillar of our culture. Leaders and professionals partner via our Inclusion Network to embed a culture where everyone can be their authentic self. Employee advocacy initiatives include our employee consultation group and our 24/7 confidential helpline helps foster a 'speak-up' environment. Daiwa's whistleblowing policy was updated in FY22 and rolled out alongside dedicated training on modern slavery.

Our culture of respect and inclusion is further supported by internal communications, engagement activities and annual mandatory training. This includes modules on anti-harassment and financial crime.

STAFF AWARENESS TRAINING

In addition to the Group's Corporate Social Responsibility policy, our Whistleblowing Policy describes how we encourage openness and speaking up, to report matters of concern within our business and/or our supply chain. Since last years' Slavery and Human Trafficking Statement, DCME has refreshed its Whistleblowing Policy and delivered Whistleblowing awareness training, referencing modern slavery, to its staff.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2023.

This statement was approved by the Board of Directors of Daiwa Capital Markets Europe Limited on 13 July 2023.



.....
Megan McDonald, Chief Executive Officer
DAIWA CAPITAL MARKETS EUROPE LIMITED
Date: 24 July 2023