

DAIWA CAPITAL MARKETS EUROPE LIMITED

MODERN SLAVERY ACT STATEMENT

Daiwa Capital Markets Europe Limited (“DCME”) is committed to improving its Vendor Management and procurement practices to combat slavery and human trafficking and to meeting the requirements of the Modern Slavery Act 2015.

ORGANISATION'S STRUCTURE

DCME is a provider of investment banking services in the Financial Services sector. 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.

DAIWA CAPITAL MARKETS EUROPE LIMITED SUPPLY CHAINS

The DCME supply chains include but are not limited to the following:

Technology (Software and Hardware);
Outsourced services including on-site catering, 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.

The Financial services sector is not traditionally an industry exposed to risks of forced labour or human trafficking, and many of our suppliers are regular, long term suppliers where our standards have already been established.

We identify that the greatest risk within the supply chains lies downstream of our immediate suppliers and as such we shall endeavour to implement such contractual clauses required to reduce or remove said risk or ensure that our suppliers undertake to comply with 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 the global website, and DCME is currently reviewing whether to implement a separate Anti-slavery Policy or to amend the Legal and Risk review policy.

DUE DILIGENCE PROCESSES FOR SLAVERY AND HUMAN TRAFFICKING

As part of our initiative to identify and mitigate risk DCME ensure that all new service providers are reviewed by the Vendor Management department, who will manage the procurement processes and shall require additional undertakings from suppliers where appropriate to do so.

We have in place processes to:

- Mitigate the risk of slavery and human trafficking occurring in our supply chains by endeavouring to include within DCME's contracts appropriate anti-slavery and human trafficking clauses.
- Protect whistle blowers.

Daiwa continues to regularly review its existing service providers, and service provider appointments are determined on a number of factors including quality of service, price, service providers' ability to meet their legislative and regulatory obligations, and Daiwa's own social responsibilities.

SUPPLIER ADHERENCE TO THE DAIWA VALUES AND ETHICS

DCME has a zero tolerance to slavery and human trafficking. To ensure all vendors in our supply chain and contractors comply with the DCME requirements we have in place a Legal and Risk review policy and Corporate Purchase Policy. This consists of a number of departments being involved when initially signing the specific vendor contract.

The Legal and Risk review policy is written and managed by the Head of Vendor Management and may involve the following departments depending upon the type and value of the applicable contract:

- Legal.
- Credit and Operational Risk.
- Human Resources.
- Information Security.
- Tax.

Vendor Management will continue to monitor the Processes and will review and amend the Legal and Risk Review Policy as and when required as part of a continual improvement programme ensuring Daiwa meets its legislative, regulatory and social responsibilities.

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 31st March 2017.



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Keith Meekins – Chief Executive Officer
DAIWA CAPITAL MARKETS EUROPE LIMITED

Date: 27.9.17