

## **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 2020 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 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. In addition to our headquarters in London, we have branches in Geneva and Bahrain and representative offices in Moscow and Paris. We also have a subsidiary, Daiwa Capital Markets Deutschland GmbH, in Frankfurt.

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;
- 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.

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 require 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 supplier contracts to give effect to this.

We upload our Slavery and Human Trafficking statements to *tiscreport.org* and *modernslaveryregister.org*; two international open data registers, which are able to independently verify that we comply with section 54 of the Act. 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 we ensure that all new suppliers are reviewed and checked by our Vendor Management department. This is a dedicated team which manages the procurement due diligence process including coordinating the involvement where necessary of the following departments:

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

We 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 and human trafficking 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.

**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 Legal and Risk Review Policy and Corporate Purchase Policy. Such policies ensure that our due diligence processes are adhered to and that new suppliers are properly considered and existing suppliers are monitored. These policies 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.

**STAFF AWARENESS TRAINING**

In addition to the Group’s Corporate Social Responsibility policy, our Public Interest Disclosure Policy (Whistleblowing) describes how we encourage openness and speaking up, to report matters of concern within our business and/or our supply chain. Reporting can be done in confidence and anonymously. Whistleblowing awareness training was delivered throughout May and June 2019 and plans are underway for further awareness training to be provided.

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 2020.

This statement was approved by the Board of Directors of Daiwa Capital Markets Europe Limited on 29 September 2020.



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Keith Meekins – Chief Executive Officer  
DAIWA CAPITAL MARKETS EUROPE LIMITED  
Date: 2<sup>nd</sup> October 2020