



**SMBC Nikko Capital Markets Limited  
Slavery and Human Trafficking Statement**

**Financial year ending  
31 March 2025**

## Background

The Modern Slavery Act 2015 (the “Act”) of the United Kingdom requires certain businesses to provide disclosure concerning their efforts to address the issues of Slavery and Human Trafficking in their supply chain. The disclosure is intended to assist customers to make better, more informed choices about the products and services they buy and the companies they support.

This document comprises the Slavery and Human Trafficking Statement (the “Statement”) of SMBC Nikko Capital Markets (“CM”) for the financial year ending 31 March 2025.

The Statement has been prepared in accordance with the UK Home Office statutory guidance<sup>1</sup> on complying with Section 54 of the Act and details the steps CM has taken during the financial year to mitigate against the risks that Slavery and Human Trafficking are taking place in any part of its business or supply chains.

## CM’s business and suppliers

CM is a financial institution regulated by the Financial Conduct Authority (FCA) and is incorporated in England and Wales. Sumitomo Mitsui Banking Corporation (“SMBC”), a Japanese banking institution, owns 85% of the voting shares of CM Limited. SMBC Nikko Capital Markets Inc., a Japanese financial institution, owns the remaining 15% of the voting shares of CM. SMBC and CM are in turn wholly owned subsidiaries of Sumitomo Mitsui Financial Group (“SMFG”), a financial services conglomerate that is also incorporated in Japan.

Further information on CM’s business can be found in our annual report and financial statements, which can be accessed at: [EMEA - Corporate Disclosures \(smbcgroup.com\)](https://www.smbcgroup.com/en/emea/corporate-disclosures).

CM relies upon a number of external suppliers to provide certain products or services that assist in the running of its business, including operating its offices. Suppliers are engaged for a variety of reasons, including the provision of expertise or resource that CM may or may not possess itself.

## CM’s stance on Slavery and Human Trafficking

The main principle guiding CM’s approach to Slavery and Human Trafficking is that it should not be involved, directly or indirectly, in the commission or facilitation of the offences specified by the Act.

SMBC Group sets “Human Rights” as one of the priority issues (materiality) and publicly announces to put effort into prevent, mitigate and remediate the “negative impacts” on human rights.

SMBC Group is a supporter of the United Nations Global Compact, and the ten principles related to human rights, labour standards, environment and anti-corruption measures. SMFG also participates in the “Industrial Federation for Human Rights, Tokyo”, which aims to

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<sup>1</sup> <https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide>

establish respect for human rights as part of core corporate culture through awareness raising and initiatives. CM supports the SMBC Group Human Rights Report and Statement on Human Rights, based on the United Nations Guiding Principles on Business and Human Rights (UNGPs). As such, CM is committed to protecting and respecting human rights in accordance with international human rights standards.

CM demonstrates an on-going commitment to maintaining and improving systems and processes to mitigate the risk that it might be involved, wittingly or unwittingly, in the commission or facilitation of Slavery and Human Trafficking in any part of its operations, supply chain (including customers, and suppliers), products, services, and employee activities.

CM supports the SMBC Group's commitment to understand and respect internationally recognised human rights, such as the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. CM also supports the SMBC Group to respect human rights based on international standards such as the UNGPs, the OECD Guidelines for Action on Multinational Enterprises and the ILO MNE Declaration on Multinational Enterprises, and the Government of Japan's Guidelines on Respecting Human Rights in Responsible Supply Chains, and aims to eliminate all forms of exploitative labour practices in its business and supply chains, including modern slavery, forced labour, human trafficking and child labour.

CM also expects its employees, customers, and suppliers to adhere to the same high standards and to take reasonable steps to ensure that other third parties they do business with also adhere to those standards as well.

### **Governance – Policies in relation to Slavery & Human Trafficking**

CM's Senior Management are responsible for establishing a culture in which modern slavery is not tolerated in any form, ensuring that all CM employees are aware of the risks, so that informed decisions, which mitigate and manage these risks, are made in a timely way.

CM has established an Anti-Slavery Policy, which sets out the arrangements for the prevention of the commission or facilitation of Slavery and/or Human Trafficking. The policy also provides detailed guidance to CM employees on what constitutes an offence under the Act, and the controls in place to mitigate the risk that CM may be directly or indirectly involved in the commission of Slavery and Human Trafficking.

The Anti-Slavery Policy is reviewed on an annual basis, in accordance with CM's governance strategy.

CM has specific policies which form its Financial Crime governance framework, including an Anti-money Laundering/Combating of Terrorist Financing (AML/CTF) Policy, Anti-Bribery and Corruption (ABC) Policy, Anti-Fraud Policy and a Gifts and Entertainment (G&E) Policy. The Anti-Slavery Policy is aligned to, and is supported by, these policies.

## **Risk Assessment**

CM expects its customers, and suppliers to undertake ethical business practices, particularly in, but not limited to, activities where there is a higher risk of Slavery and Human Trafficking.

CM takes appropriate steps to mitigate the risk that Slavery and Human Trafficking may occur in its supply chain, or that its products and services may be used by a customer for the commission or facilitation of Slavery and Human Trafficking. When engaging suppliers, CM seeks assurances from them that they will comply with applicable laws and regulations.

CM has enhanced its risk assessment of countries, industry sectors, business activities, goods and products, which have been reported to be involved in the potential commission or facilitation of Slavery and Human Trafficking in line with the UNGPs.

## **Due Diligence**

All departments involved in due diligence processes are required to conduct appropriate checks in order to obtain reasonable assurance that customers, suppliers and other third parties are not involved in the commission or facilitation of Slavery and/or Human Trafficking.

CM requires specific anti-slavery, risk-based due diligence to be undertaken on customers, suppliers and any other third parties.

As part of its on-boarding and periodic due diligence processes, all customers, suppliers and other third parties are assessed to determine whether they fall within the scope of the Act, and, if so, a copy of their Anti-Slavery Statement is sought and retained.

In addition, in the course of conducting due diligence processes, all customers, suppliers, and other third parties are subject to adverse news screening, incorporating specific terms relevant to Slavery and Human Trafficking.

CM takes appropriate steps to mitigate the risk that Slavery and Human Trafficking may occur in its supply chain, or that its products and services may be used by a customer for the commission or facilitation of Slavery and Human Trafficking. This due diligence process includes, but is not limited to:

- Identification and verification;
- Determination of where the customers, suppliers, and other third parties are based and operate;
- Analysis of the activity carried out by the customers, suppliers, and other third parties; and
- Detailed review of publicly available information, in order to identify instances related to Slavery and Human Trafficking offences that may give CM cause for concern.

Any instances where the customer, supplier, or transaction may be involved in the commission or facilitation of the relevant offences due to their core activities, line of business, business relationships, country of establishment and/or operations will require enhanced due diligence

measures, more detailed investigation and approval by an appropriate person. As a result, CM may take the following course of action:

- Not establishing or retaining the relationship;
- Limiting or not offering certain products or services; or
- Exiting the existing relationship.

## **Training**

In order to ensure proper understanding of the risks posed by Slavery and Human Trafficking in the context of CM's supply chains and business, all employees are provided training on Slavery and Human Trafficking and the requirements of the Act.

All employees are encouraged to report any instances of suspected Slavery and Human Trafficking identified in any part of CM's business activities. The options for raising concerns and reporting are incorporated within CM's Speak-Up framework, which includes internal reporting lines external reporting lines as set out in the SMBC Whistleblowing Policy.

Employees are also made aware of their responsibility, under relevant local legislation, to raise a Suspicious Activity Report (SAR) where they have knowledge or suspicion, or where there are reasonable grounds for having knowledge or suspicion, that another person or entity is engaged in money laundering or terrorist financing.

It is equally important for CM to demonstrate that no relevant offences are committed within its premises and/or in relation to its own employees. Human Resources have the responsibility to demonstrate, through the introduction of appropriate controls, that CM's own employees are being treated in line with local laws and regulations, and are not victim of any of the relevant offences as a result of their employment.

## **Slavery and Human Trafficking**

As used in this Statement, the above term refers to a variety of offences, including but not limited to:

- Slavery, servitude and forced or compulsory labour;
- Sexual exploitation, including all offences contemplated in the Part 1 of the UK Sexual Offences Act 2003;
- Removal and trafficking of human organs outside the context of authorised health treatments;
- Securing services or any other type of benefits gained by force, threats or deception; and
- Securing services or other type of benefits gained from the exploitation of children and vulnerable persons.

## **Contact**

Questions, comments and requests regarding this Statement are welcomed and should be addressed [here](#).



## **Approval**

This Statement was approved by the CM Board of Directors on 12/05/2025 and has been signed on behalf of the Board by Mr Antony Yates, Chief Executive Officer.

Antony Yates