



## Modern Slavery Statement

### 1. Introduction

Mizuho Securities Asia Limited (MHSA) is a reporting entity with reporting requirements under Australia's Commonwealth Modern Slavery Act 2018 (hereinafter referred to as the "Act") and has published its annual Modern Slavery Statement (hereinafter referred to as the "Statement") for the fiscal year 2022 (the period from 1 April 2022 to 31 March 2023).

MHSA conducts its business in Australia through its Sydney office. MHSA is a registered foreign company in Australia (ARBN: 603 425 912).

### 2. Structure, Operations and Supply Chains

#### Mizuho Financial Group, Inc.

MHSA is a Hong Kong-based subsidiary of Mizuho Securities Co., Ltd. (MHSC), the core securities firm in the Mizuho Financial Group (MHFG). Our parent company is a global enterprise with subsidiaries operating in all major financial markets worldwide. MHFG is incorporated in Japan as a bank holding company in accordance with the Banking Act. Its shares are listed on the Prime Market of the Tokyo Stock Exchange (TSE) and its ADRs are listed on the New York Stock Exchange (NYSE). MHFG has five in-house companies which determine and promote group-wide strategies across banking, trust banking, securities, and other business areas according to the attributes of customers, and has two units that offer respective functions across the group. MHBK has divisions linked to the five aforementioned in-house companies and two supporting units, and has been striving to provide the best banking services that meet the needs of customers in cooperation with entities it owns or controls.

### **Mizuho Securities Asia Limited**

MHSA is an investment banking and securities firm incorporated in Hong Kong. MHSA is licensed and regulated by the Hong Kong Securities and Futures Commission. MHSA provides a wealth of financial products and services covering regional brokerage, corporate finance and capital markets advisory. Our clients are diverse, including financial institutions, hedge funds and multi-national professional investors. With about 260 employees, MHSA strives to grow into a full-service investment bank in Asia, giving our clients the highest quality service.

### **Supply chains**

The business activities undertaken by MHSA are supported by a network of suppliers providing goods and services, such as office supplies, computer systems and other outsourced operations.

As a financial services company, MHSA's supply chains consist of custodian banks, electronic settlement agents for settlement services and securities trading brokers.

Please see MHFG's [Integrated Report](#) for the organizational structures of MHSA and MHFG, and detailed information about the business activities of MHFG and its subsidiaries.

### **3. Risks of modern slavery practices within operations and supply chains**

MHFG has formulated the Mizuho Code of Conduct, which is positioned as the ethical rules to be complied with in implementing Mizuho's Corporate Identity, and serves as the foundation for the various decisions made with regards to business administration and operations. The Code of Conduct has been adopted by its subsidiaries including MHSA.

In its Code of Conduct, MHSA declares that "as well as acting with respect for the internationally recognized human rights of everyone and acknowledging that our business activities may have the potential to impact human rights, we will work to create a corporate culture in which the spirit of respect for human rights is all-pervasive".

In 2018, MHFG established its Human Rights Policy, based on the International Bill of Human Rights; the International Labor Organization’s Declaration on Fundamental Principles and Rights at Work (“ILO Declaration”); and the United Nations Guiding Principles on Business and Human Rights (“UN Guiding Principles”). In establishing the Policy, MHFG organized major human rights issues in the financial sector based on those internationally recognized guidelines and cases of human rights abuses by financial institutions..

In 2022, in view of the increasing recognition of the importance of ensuring respect for human rights and the changes in human rights issues for financial institutions and global corporations, they have revised their Human Rights Policy. In revising the Policy, they reviewed the human rights issues that could occur within our business activities and value chain, including those related to the provision of financial services / financing and investment, employment and procurement. They have identified the issues which require an enhanced response based on their severity, as well as the issues which have to be newly added. Based on this review, Mizuho has created a chart for evaluating human rights issues to identify priority issues for enhancing response. (see Table 1 below). The human rights issues highlighted by the dotted red lines in the table, “Forced labor, child labor, human trafficking” and “Business activities in conflict-affected regions,” are those for which they have enhanced their response, after reviewing the severity of these issues.

Table 1: Chart for Evaluating Human Rights Issues

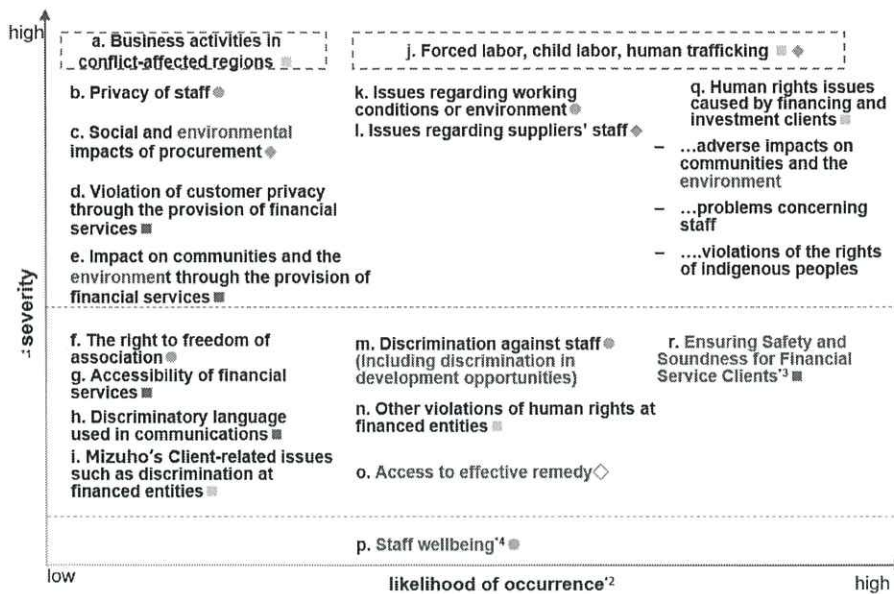
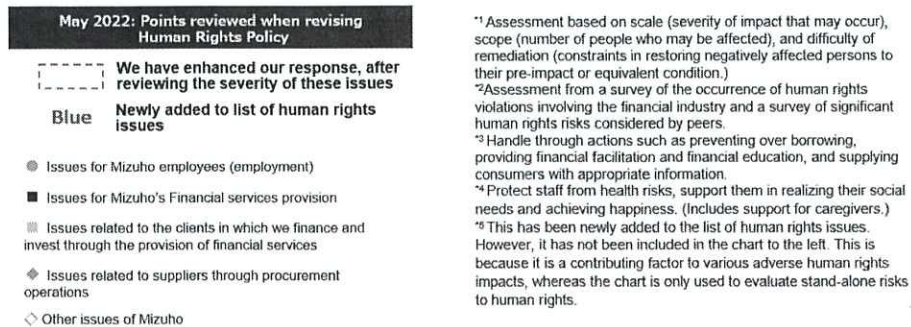


Table 1 (Continued): Chart for Evaluating Human Rights Issues



In revising the Human Rights Policy in 2022, MHFG referred to international guidelines including the UN Guiding Principles and the OECD Due Diligence Guidance for Responsible Business Conduct. They also conducted a survey to confirm whether any human rights issues should be added based on cases of human rights abuses by financial institutions, stakeholder expectations of Mizuho, and comparisons with other companies in finance. They also received guidance from human rights experts-outside Mizuho on human rights issues that require stronger measures by global corporations and financial institutions. After this process, we assessed the likelihood of each issue based on cases of human rights abuse and the importance placed on the issue by other companies in finance. We also assessed the severity of each issue based on the scale, scope, and remediability for those instances in which the issue causes a human rights violation. This Human Rights Policy has also been adopted by MHSA.

#### 4. Actions taken to assess and address modern slavery practices

MHSA strives to take appropriate prior and subsequent actions to prevent or mitigate negative impacts on human rights that are related to modern slavery risks such as forced labor, child labor, and human trafficking which can potentially arise from our business activities. MHFG has established a human rights due diligence framework and are actively engaged in addressing human rights issues as follows.

##### Human Rights Due Diligence

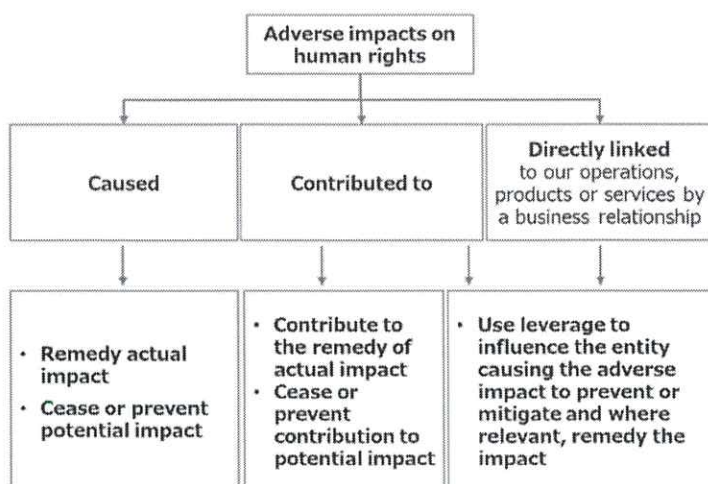


In 2022, MHFG has clarified the approach to human rights due diligence based on the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct, and has reflected as much in the Human Rights Policy. MHFG strives to conduct human rights due diligence through the following:

1) Identify and assess adverse impacts on human rights; 2) Cease, prevent, or mitigate adverse impacts on human rights; 3) Track implementation and results of 1 and 2; and 4) Communicate with stakeholders on how impacts are addressed.

Through human rights due diligence, MHFG strives to prevent or mitigate adverse human rights impacts in our operations. However, even with the best policies and practices, Mizuho may cause or contribute to an adverse human rights impact that it had not foreseen or was not able to prevent. In such cases, MHFG will seek ways to address the adverse impact, referring to the following framework (See Table2 below).

Table 2: Framework to respond to adverse human rights impacts



In line with the UN Guiding Principles, MHFG seeks to cooperate in the remediation of adverse impacts through legitimate processes, and where reasonable and appropriate, encourage our clients to prevent or mitigate any adverse impacts on human rights.

**Actions by business activities**

In addition to the above, MHFG continuously incorporates human rights perspectives into their existing measures, and take actions to prevent or mitigate negative impacts on human rights that are related to modern slavery risks. The details of the actions are as follow.

A) Provision of financial services / Financing and investment

Mizuho commits to considering the environment and respecting internationally recognized human rights in our [Mizuho Code of Conduct](#), [Environmental Policy](#), and [Human Rights Policy](#). In 2022, MHSAs enhanced the relevant policies to align with its review of the human rights issues that could occur within its business activities and value chain, and to ensure the respect of human rights in line with the expectations and perspectives of our stakeholders. MHSAs established an [Environmental and Social Management Policy for Financing and Investment Activity](#) for the purpose of preventing and mitigating adverse environmental and social impacts resulting from our financing and investment activity. The policy identifies the businesses and industrial sectors that have a high possibility of contributing to adverse impacts, and prohibits financing and investment or requires additional due diligence for the projects and companies which have risks and/or adverse impacts on the environment and society, including cross-sectional prohibition of financing and investment to projects which are causing forced labor, child labor and human trafficking. Accordingly Mizuho will not provide financing and investment to:

- Projects which have adverse impacts on wetlands registered in the Ramsar Convention
- Projects which have adverse impacts on sites and properties registered on the UNESCO World Heritage List, unless UNESCO and the government of the site/property location country have given a prior consent
- Projects which are in violation of the Washington Convention (It is necessary to pay attention to any provisions suspended by the countries involved in the project)
- Projects which are causing forced labor, child labor, and human trafficking

This policy also identifies sector-specific environmental and social risks such as coal mining (thermal coal), a sector which is highly connected with forced labor, and large plantations sector and palm oil sector which is also highly connected with child labor. To prevent and mitigate adverse impacts, we will determine whether to extend credit or assist with capital raising for projects and clients, after taking such actions as follows, based on specific nature of individual financial activity: adding a process for checking the measures taken by client or requesting the client to take appropriate action, based on the risks that we should recognize.

In the policy, "Cross-sectional policies", we prohibit financing and investment to projects which are causing forced labor, child labor, and human trafficking.

In 2022, Mizuho added "Policy on Forced Labor, Child Labor, and Human Trafficking". They will not provide financing and investment to the company with which they have no existing financing and investment transactions, if it is evident that forced labor, child labor, or human trafficking is caused by the company. If the client with which they have existing financing and investment transactions is evidently causing forced labor, child labor, or human trafficking, they will require the client to provide remedy and prevent recurrence. If the client does not respond to their requirements after a certain period of time, they carefully consider whether or not to continue their business with them. They will consider such factors as:

- How the client is involved in the impact
- Whether the client has enhanced their capacity to prevent/mitigate the impact
- Whether the client has set out remedy/ prevention measures

Mizuho evaluates these factors while confirming the status of their clients through desk research or interviews. For example, in cases where human rights issues, such as forced labor, are being caused, they will require the client to provide remedy and prevent recurrence. If the client does not respond to their requirements after a certain period of time, they carefully consider whether or not to continue their business with them.

When the client is contributing to forced labor, child labor, or human trafficking, or when forced labor, child labor, or human trafficking is directly linked to the client's operations, products, or services, they will engage in dialogues with the client to prevent and mitigate adverse impacts. More specifically, they will require the clients to report the progress of measures taken against the relevant issue and to take additional measures if measures taken by the client is unsatisfactory. For example, they will verify measures taken by the client such as having a human rights policy and grievance mechanism, investigating the situation and setting out remedy/prevention measures. In addition, they will also conduct enhanced due diligence in interim management (monitoring) when they detect information that the client is involved in forced labor, child labor or human trafficking based on external sources or information from public institutions, or other such sources.

Based on this policy, when beginning business relationships with new clients and considering new transactions, Mizuho makes business decisions after carrying out the requisite confirmations and then regularly perform follow-up verification. Firstly, Mizuho has introduced initial screenings, which use external information (an external party shared findings or a public organization provided credible information) to identify human rights issues (forced labor, child labor, and human trafficking) before starting transactions with new clients. When human rights issues are detected as a result of initial screening, enhanced due diligence will be performed. The frontline offices confirm incidents and the status of clients' measures and discuss response policies with the Head Office. Financing and investments will not be provided when there is evidence of forced labor, child labor, or human trafficking.

Moreover, in FY2022, projects which are causing, contributing to, or are directly linked with human rights abuse in conflict areas have been added to the scope of "Cross-sectional Policies". At Mizuho, we have designated conflict-affected and high-risk areas (CAHRAs) and related countries as conflict areas subject to due diligence in order to



target areas with a high risk for involvement in human rights violations. Mizuho considers the defining characteristics of CAHRAs (armed conflict, fragile state governance, human rights violations) and select areas based on seven indicators. In each due diligence process, Mizuho considers whether the project is linked to human rights abuses (forced labor, child labor, human trafficking, or inhumane acts in violation of international law). It is based on the understanding that in conflict areas there is a risk of human rights abuse due to various contexts of conflict or governance insufficiency for protecting human rights of civilians. Mizuho recognizes that engaging in financing and investment in conflict areas entails a heightened risk of becoming involved in adverse impacts on human rights. Based on such recognition, they have strengthened our measures to prevent and mitigate human rights risks related to business activities in conflict areas. When conducting financing and investment for a project in a conflict area, they carefully consider the project and verify whether or not there are adverse impacts on human rights.

Furthermore, with regards to large plantations, palm oil, and lumber and pulp, we have strengthened our policy in FY2022. While they recognize that these sectors are essential for maintaining their lifestyle and infrastructure, they are also aware of the potential human rights abuses within their business, such as the violation of indigenous peoples' rights or the use of child labor. In recognition of the serious risks to and adverse impacts on the environment and society in those sectors, Mizuho thoroughly investigates potential conflicts involving indigenous peoples' local communities. Their business decisions are informed, in part, by whether or not the relevant client or project has received international certifications demonstrating the client or project's adherence to international standards. This helps prevent Mizuho's involvement in any projects with connections to human rights abuse or environmental damage. Specifically in the policy, we will request our clients to enhance their supply chain management and traceability

to ensure that their sustainability and human rights policies, such as NDPE and FPIC, also apply to their supply chain.

As part of its efforts to enhance compliance, MHSA conducts due diligence on its customers. In the due diligence process, we screen for reputation risks, compliance with regulations and the existence of financial crimes, by using a database which includes customers' published data and information released by internationally recognized media and others.

**B) Provision of financial services/ Others**

Mizuho is aware of the importance of managing information in a way that ensures appropriate protection and use of information assets. They continually work to strengthen their information management practices in order to identify appropriate ways to protect and respect the clients' privacy.

Mizuho also recognizes that Mizuho's financial service of offerings have the potential to be used for money laundering and the financing of terrorism. This illegal use of Mizuho's services could contribute to human rights violations. Mizuho continue to look for ways to strengthen their efforts toward preventing its employees, and its client from contributing to or becoming involved in money laundering. They will endeavor to positively contribute to the healthy stability and growth of the financial system.

**C) Employment**

MHSA has set rules regarding the working environment and working conditions in compliance with local laws and regulations. We also formulated basic policies for ensuring suitable employment conditions and a safe work environment, and adopted MHFG code of conducts and guidelines which specify matters that officers and employees (hereafter collectively referred to as "Staff Members") must be aware of and comply with to ensure and maintain a healthy work environment where all people in the

same workplace respect each other's human rights and aim to achieve mutual understanding.

The guidelines stipulate, in accordance with the ILO Declaration on Fundamental Principles and Rights at Work including non-discrimination and prohibitions against forced labor and child labor, that we must act with respect for the human dignity and fundamental rights of all employees and specify matters that all Staff Members must be aware of to ensure the prohibition and elimination of harassment.

Furthermore, MHSA conducts a variety of training sessions and other educational activities to promote understanding of the importance of respect for human rights and prohibition and elimination of harassment. For example, while all MHSA employees are required to complete the workplace conduct training, they can also learn and participate in training around diversity, equality, workplace bullying, and health & safety through eLearning. Among a variety of initiatives, Mizuho holds training sessions and workshops for different target audiences, ranging from executive officers to department and branch general managers, deputy general managers responsible for assisting general managers in human rights education, employees newly appointed to management positions, and other employees and supervisors.

MHSA has also set rules for the working environment and working conditions in accordance with local laws and regulations, and guidelines on non-discrimination and prohibition of harassment, and is making efforts to raise awareness amongst employees' about the matters through relevant training programs.

In addition, MHSA conducts an annual employee awareness survey and a free comment feedback throughout its offices to assess impacts on human rights.

For those seeking consultation or wishing to report harassment and relationship issues, MHSA has in place a Whistle-Blowing Procedure for employees to report any malpractice. Employees can consult or report anonymously and any retaliatory actions against those who have made a report is strictly prohibited. On the condition of consent

from the reporting party, each case is investigated in cooperation with the Human Resources Department and the relevant department, after which necessary actions will be taken accordingly.

D) Procurement

Since we recognized the need to develop a more robust approach to address risks surrounding procurement in light of trends in our external environment, MHFG established a procurement policy which MHSAs has adopted in 2021. This policy clarifies our basic approach to procurement and our requirements for suppliers. It contains respect for human rights as one of the elements. In the policy, we ask suppliers to be aware of the ways in which business operations have the potential to impact human rights and to endeavor to respect human rights while carrying out corporate activities.

In light of our strengthened initiatives to ensure the respect of human rights, we revised our Procurement Policy to urge our suppliers to eliminate forced labor, child labor, and human trafficking from their supply chains. The revision also enhances our procurement-related human rights due diligence. Our revised human rights requirements for suppliers are as follows.

Respect for human rights

Be aware of the ways in which business operations have the potential to impact human rights and, referring to international standards, endeavor to respect human rights while carrying out corporate activities.

- Respect the human rights of employees
- Provide employees with a safe and comfortable work environment
- Do not discriminate and do not use child labor or forced labor



- Respect the right to freedom of association and non-association and the right to collective bargaining, in conformance with laws and regulations
- Promote diversity and inclusion in order to ensure the participation and development of diverse talent
- Work proactively to eliminate discrimination and harassment

Understand Mizuho's Human Rights Policy, including to practices that aim to eliminate human trafficking, forced labor and child labor from the business and value chain. Based on this understanding, suppliers must carry out due consideration and responses to ensure that they and their own suppliers are not complicit in (involved with) human trafficking, forced labor, or child labor.

We will provide our Procurement Policy, Human Rights Policy, and Environmental Policy to our primary suppliers and will ask them to familiarize themselves with the contents.

In FY2023, MHSA will continue the above action towards suppliers, and ask entities it owns or controls to adopt the revised policy and implement the same initiatives for their suppliers.

## **5. Assessment of the effectiveness of actions taken**

MHSA assesses the effectiveness of the actions and procedures to prevent and mitigate adverse impacts on human rights noted above in the following ways:

### **A) Provision of financial services / Financing and investment**

Applications for any proposed underwriting to MHSA's Underwriting Committee include an assessment against the Environmental and Social Management Policy for Financing and Investment Activity of whether the offering involves a project which involves forced labor or child labor.

### **B) Employment**

For human resource risks including inadequate employment conditions, an unsafe working environment, unfair personnel treatment, and discriminatory

treatment, MHSA conducts a free comment feedback and monitors the number of harassment cases within an operational risk management framework, and periodically reports the results to management. The results of the employee awareness survey and consultations or complaints received through the Human Resources Department are also reported to management on an annual and monthly basis, respectively. In addition, as part of our regular monitoring efforts, we conduct internal audit activities to confirm that, through the reports of various committees, the above listed actions have been performed.

#### C) Procurement

Mizuho informs primary suppliers about the Human Rights Policy and the Procurement Policy, and requests their understanding and cooperation. Since July 2022, they began requesting for the compliance with the Supplier Guiding Principles with suppliers when entering into and renewing existing external outsourcing services in order to ensure the respect of human rights in accordance with international standards. When compliance obligations are violated, they urge suppliers to provide remedy. If major violations persist due to the supplier failing to provide remedy without valid reason despite our requests, they consider terminating the contract.

In addition, for the purpose of monitoring negative information, using externally sourced data, they screened approximately 2,400 of their primary suppliers for risk, based on records of sanctions or crimes related to human rights. No serious risk events were discovered in the screening.

However, they continue to explore ways to further strengthen our screening framework in view of improving the comprehensiveness of coverage, the depth of risk confirmation, and the sustainability of the implementation framework. In addition to the above, MHSA's Executive Committee is delegated by the Board of Directors of MHSA to resolve basic matters relating to MHSA's sustainability.

## **6. Process of consultation**

MHSA does not own or control any subsidiaries.

## 7. Other relevant information

The COVID-19 pandemic has continuously impacted our lives, and the business environment surrounding MHSAs is also constantly changing. Considering such changes in the external environment, the negative impacts on human rights including modern slavery risks that potentially arise from our business activities are also subject to change going forward. Based on this recognition, the Human Rights Policy, the Environmental and Social Management Policy for Financing and Investment Activity, and the Procurement Policy were reviewed and improved. In relation to the Procurement Policy, we plan to further upgrade it by taking more in-depth measures directed at suppliers.

Furthermore, we receive inquiries, feedbacks, and complaints, including those related to human rights, from various stakeholders at its head office, branches, call centers, and websites. Feedbacks and complaints are collected internally, reported to management, and discussed for possible improvements in policies, procedures, and operations. In 2023, Mizuho joined the Japan Center for Engagement and Remedy on Business and Human Rights (JaCER), a general incorporated association that operates an engagement and remedy platform, as a way to address reports on human rights violations from stakeholders throughout the value chain. The platform is designed to provide professional supports to member companies in responding to human rights complaints, to establish a fair dialogue and remedy process, and to ensure the anonymity of whistleblowers and confidentiality of their reports.

We will remain steadfast in implementing our current initiatives to prevent and mitigate negative impacts in relation to modern slavery, and we will further strengthen our actions in response to ongoing changes in the situation.

## 8. Approval

This statement was approved by the Board of Directors of Mizuho Securities Asia Limited on 28 September 2023 and has been signed by Mr. Ito Hitoshi, President & Chief Executive Officer.



Mizuho Securities Asia Limited

A handwritten signature in black ink, consisting of stylized Japanese characters and a flourish.

Ito Hitoshi

President & CEO

Mizuho Securities Asia Limited

Date Signed *September 28, 2023*