

SMBC Nikko Securities (Hong Kong) Limited

Modern Slavery Statement

Financial year ending 31 March 2025

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1. Overview

1.1 Reporting Entity

SMBC Nikko Securities (Hong Kong) Limited ARBN 638 096 643 ("**NKHK**", "**we**", "**us**" and "**our**") has prepared this Modern Slavery Statement pursuant to the *Modern Slavery Act 2018* (Cth) ("**Modern Slavery Act**") which requires us, as the reporting entity, to disclose our approach to identify, assess, and mitigate modern slavery risks in our operations and supply chains which include our operations in Australia.

We are committed to respecting human rights and addressing modern slavery in all forms (including forced labour, human trafficking, servitude, deceptive recruiting, and child labour). We will not knowingly engage with any consultants, suppliers, or contractors involved in modern slavery practices.

1.2 Reporting Scope

This statement covers the reporting period from 1 April 2024 to 31 March 2025 (the "**Reporting Period**") and has been developed in consultation with our Board of Directors.

This statement reports on the risks of modern slavery in our operations and supply chains, and actions to address those risks, in accordance with the mandatory reporting requirements under the Modern Slavery Act as set out in Appendix A.

1.3 Reporting Period Review

During the Reporting Period, we:

- developed an understanding of modern slavery risks aligned with our business activities;
- considered our approach to risk management in compliance with the Modern Slavery Act;
- conducted adverse media screening of our suppliers and service providers; and
- continued to track our progress and actions.

No instances of modern slavery were identified in our operations or supply chains during the Reporting Period.

2. About SMBC Nikko Securities (Hong Kong) Limited

Incorporated in Hong Kong, we are a securities firm licensed and regulated by the Securities and Futures Commission (“SFC”) in Hong Kong. We do not hold an Australian Financial Services License and, in providing the services to the customers, we rely on an exemption contained in the Australia Securities & Investments Commission (“ASIC”) Class Order [03/1103] Hong Kong SFC regulated financial service providers (Class Order) (as preserved by ASIC Corporations (Repeal and Transitional) Instrument 2016/396 and extended by ASIC Corporations (Amendment) Instrument 2024/497). We are a wholly owned subsidiary of SMBC Nikko Securities, Inc. (“NKTK”) where NKTK is wholly-owned by Sumitomo Mitsui Financial Group, Inc. (“SMFG”). We are also part of the SMBC group of companies (SMFG, together with its subsidiaries and affiliates are referred to as “SMBC Group” or “the Group”). NKTK is a securities firm licensed and regulated by the Financial Services Agency in Japan whereas SMFG is a publicly listed company where its common shares are listed on the Prime Market of the Tokyo Stock Exchange and Nagoya Stock Exchange. SMFG's American Depository Receipts are also listed on the New York Stock Exchange.

SMBC Group is a global financial group that develops operations in banking, leasing, securities, credit cards and consumer finance. It is currently having a footprint in more than 40 countries, with more than 120,000 employees. Further information on SMBC Group's business can be found in SMFG's annual report and financial statements, which can be accessed at [\[https://www.smfg.co.jp/english/investor/financial/\]](https://www.smfg.co.jp/english/investor/financial/).

2.1 Business Divisions

We are structured into the following business divisions:

(a) Equity (“EQ”)

The EQ division specialises in providing market-leading services in Japanese equity and equity-linked products globally. We provide research, execution and corporate access solutions.

(b) Fixed Income Sales and Trading (“FIST”)

In FIST, we offer a range of products and services for global institutional investors and issuers in Hong Kong and Australia. This spans primary market distribution, market-making for G3 currencies, major APAC local currency bonds, and Australian debt. We are expanding our product offerings across Credit, Emerging Markets, High Yield, Structured Products, and ABS/RMBS.

(c) Equity Capital Markets (“ECM”)

The ECM team specializes in originating, structuring, and executing equity and equity-linked transactions for corporate customers, encompassing initial public offerings, follow on offerings, rights issues, convertible bonds, and private placements

(d) Debt Capital Markets (“DCM”)

The DCM team supports corporations, financial institutions, supranational entities and agencies across the Asia Pacific region. We offer solutions across a spectrum of debt products, including senior debt, perpetual securities, bank capital instruments, and asset-backed securities. Our offerings span G3 currencies and APAC currencies.

(e) Mergers and Acquisitions (“M&A”)

The M&A team offers comprehensive advisory services across mergers, acquisitions, divestitures, joint ventures, spin-offs, and leveraged buyouts across all sectors in the Asian market.

3. Operations and Supply Chains

3.1 Australian Operations

Our operations in Australia focus on providing financial advice and services related to DCM and FIST. Our direct workforce comprises 9 full-time employees in Australia, engaged in DCM, FIST and Compliance.

3.2 Global Operations and Supply Chains

We are supported by a network of suppliers providing goods and services, ranging from small local suppliers with whom we have short-term relationships to large multinational suppliers with whom we have long-term relationships.

Our main categories of suppliers and service providers relate to information technology equipment and software, cleaning services, financial, telecommunications, security services, courier services, computer systems, business travel, other professional services and outsourced operations.

The majority of our suppliers originate from Hong Kong, Japan, the United Kingdom and the United States, while others originate from the Netherlands and China.

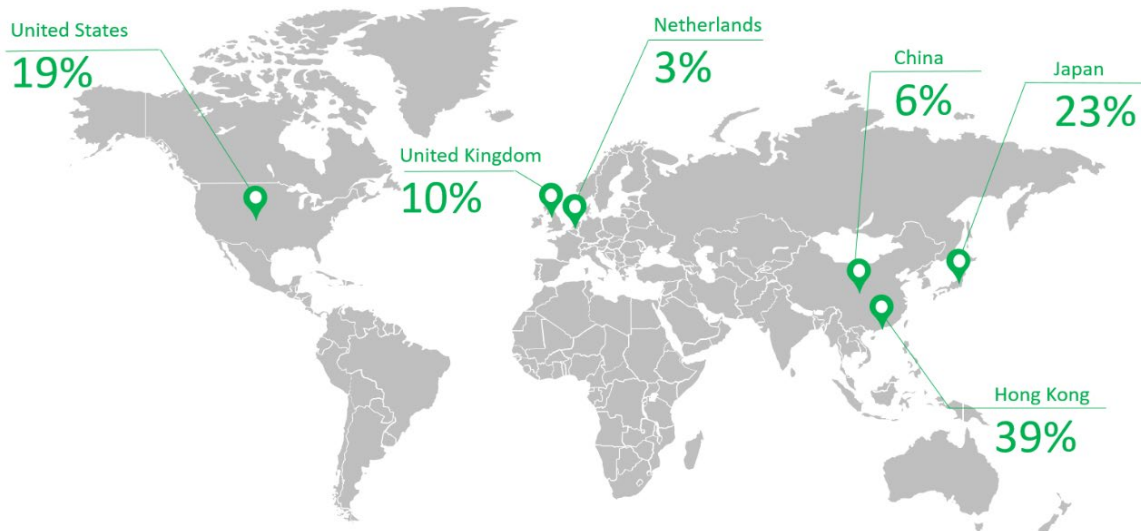


Diagram 1: Distribution of suppliers by jurisdiction

4. Modern Slavery Risks

4.1 Risk Indicators

We aim to assess modern slavery risks using the following indicators:

- country of origin of goods and services;
- industry sector risk profiles; and
- adverse media screening results.

We monitor workforce practices and composition as part of our broader commitment to identifying and mitigating modern slavery risks, in alignment with SMBC Group policies.

Modern slavery was not identified as a significant risk in our operations, and we consider the risk of modern slavery for our directly employed individuals to be low. Employees are covered by employment arrangements that meet or exceed the applicable standards under local laws and regulations (including the National Employment Standards where relevant).

Based on the Global Slavery Index 2023, the prevalence of modern slavery in the jurisdictions where our first-tier suppliers originate, namely Hong Kong, Japan, the United Kingdom, the Netherlands, the United States and China, is relatively low.

However, given the broad geographic distribution of our supply chain, we acknowledge the potential risks of modern slavery practices such as forced labour, child labour, and other forms of involuntary or exploitative labour in our indirect supply chain. These risks are considered particularly significant in countries with weak labour rights protections.

For example, our indirect (Tier 2+) supply chain includes laptops, computers and mobile phones which were identified as products at risk of modern slavery imported into G20 countries according to the Global Slavery Index 2023.

4.2 Risk Assessment

We have put in place policies and procedures for managing relationships with external service providers. When considering an outsourcing arrangement, we carry out due diligence on the service provider by taking into account, amongst others, the outcome of name screening to assess whether there is any potential adverse information (including the information related to human rights violations) against the service provider. Existing service providers are subject to ongoing monitoring to address any higher risks of modern slavery identified.

5. **Actions Taken to Address Modern Slavery Risks**

We are committed to respecting human rights and addressing modern slavery in all forms (including forced labour, human trafficking, servitude, deceptive recruiting, and child labour).

To support this commitment, we have implemented a set of policies and practices to safeguard the rights of both internal and external stakeholders. These include the following:

(a) **Workplace**

We seek to provide a workplace free from any type of violation of employees' human rights, including but not limited to, forced labour, harassment and discrimination without distinction of any kind such as race, gender, sexual orientation, gender identity, religion, creed, national origin, disability, family status and birth status. This is guided by SMBC Group's commitment to protecting human rights as well as our employee codes of conduct, and policy and procedure manuals in operation across our global network.

The SMBC Group has systems in place (grievance mechanisms) through which employees can utilize the dedicated internal whistle-blowing channels to raise any concerns, including human rights related issue.

(b) **Customer due diligence**

In accordance with our anti-money laundering and counter-financing of terrorism policies and procedures, we adopt a risk-based approach to perform customer due diligence (“**CDD**”) on our customers at onboarding stage and at regular periods thereafter.

As part of the CDD measures, we conduct screening of our customers and, where applicable, the customers' related parties against database to identify whether they are associated with adverse media exposures, including those related to sanctions and human rights violations. This also includes ongoing screening on the names of customers and, where applicable, and the customers' related parties.

In alignment with the practice of NKTK, we perform additional due diligence and screening to understand and evaluate our customers' environmental and social initiatives, including the respect for human rights and their risk mitigation measures, for any transactions originated by the DCM business. An established escalation mechanism is in place for handling DCM's customers who are associated with human rights violations.

We regularly review and update our policies to ensure they remain aligned with evolving global standards and best practices, continuously strengthening our commitment across the business.

5.1 **SMBC Group's commitment and policies in relation to slavery and human trafficking**

As a signatory to the United Nations Global Compact, the SMBC Group is committed to fulfilling the social responsibilities that are expected of it as a global financial group to create a society that is built on the utmost respect for human rights as directed by the "International Bill of Human Rights", the "ILO Declaration on Fundamental Principles and Rights at Work", the "OECD Guidelines for Multinational Enterprises", the "ILO MNE Declaration", and the "United Nations Guiding Principles on Business and Human Rights" advocated by the UN Human Rights Council in 2011. SMBC Group also participates in the "Industrial Federation for Human Rights, Tokyo",

which aims to establish respect for human rights as part of core corporate culture through awareness raising and initiatives.

(a) Sustainable Procurement Policy

SMBC Group published the "Sustainable Procurement Policy" on 1 April 2022, in order to strengthen responsible procurement activities that carefully considers the environment and society throughout the Group's supply chain. By way of example, suppliers are expected to comply with appropriate standards as regards labour issues. This policy is based on the "10 principles" of the United Nations Global Compact, the "OECD Guidelines for multinational enterprises", the "United Nations Guiding Principles on Business and Human Rights", and other international principles.

SMBC Group's procurement activities are carried out in accordance with fair, impartial and transparent procedures based on free competition, which is in line with this policy and other relevant laws and regulations.

Further information on SMBC Group Sustainable Procurement Policy can be accessed at [\[https://www.smfg.co.jp/english/sustainability/group_sustainability/pdf/stakeholder_policy_e.pdf\]](https://www.smfg.co.jp/english/sustainability/group_sustainability/pdf/stakeholder_policy_e.pdf).

(b) SMBC Group's Statement on Human Rights

SMBC Group's Statement on Human Rights was first established in 2017, and following the revision in 2021, the statement was again revised in 2023 and the enhancement of the initiatives based on the Sustainable Procurement Policy, in response to the Guidelines on Respecting Human Rights in Responsible Supply Chains published by the Japanese government, and recent progress within the SMBC Group.

Further information on SMBC Group Policy Statement on Human Rights can be accessed at [\[https://www.smfg.co.jp/english/sustainability/group_sustainability/forrights/Statement_on_Human_Rights_e.pdf\]](https://www.smfg.co.jp/english/sustainability/group_sustainability/forrights/Statement_on_Human_Rights_e.pdf).

(c) SMBC Group Human Rights Report

In FY2022, SMBC Group had planned and worked to publish SMBC Group Human Rights Report which describes the Group's efforts to respect human rights of its customers, suppliers and employees. SMBC Group is also committed to enhancing its corporate value by appropriately managing risks, related to human rights within its own business. The report was published in May, 2023. This report was further integrated to the SMBC Group Sustainability Report from 2024, which provides a clear direction of the Group's integrated strategy in addressing social issues such as human rights, climate change and natural capital.

Further information on the "SMBC Group Human Rights Report" can be accessed at [\[https://www.smfg.co.jp/english/sustainability/group_sustainability/forrights/Human_Rights_Report_e.pdf\]](https://www.smfg.co.jp/english/sustainability/group_sustainability/forrights/Human_Rights_Report_e.pdf).

Further information on the "SMBC Group Sustainability Report" can be accessed at [\[https://www.smfg.co.jp/english/sustainability/report/pdf/sustainability_report_e_2025.pdf\]](https://www.smfg.co.jp/english/sustainability/report/pdf/sustainability_report_e_2025.pdf).

(d) Principles of Action on Compliance and Risk

SMBC Group has the "Principles of Action on Compliance and Risk", which is a fundamental guidance from a compliance and risk perspective, on how SMBC Group employees should act, in accordance with SMBC Group Mission, Vision and Values. The "Principles of Action on Compliance and Risk" requires that SMBC Group employees respect human rights and embody these principles through the business, in order for SMBC Group to accomplish the sustainable growth of its corporate values.

Further information on the "Principles of Action on Compliance and Risk" can be accessed [https://www.smfg.co.jp/english/company/organization/pdf/Principles_of_Action_on_Compliance_and_Risk.pdf].

6. Measuring Effectiveness

(a) Governance and oversight

SMBC Group has its governance and oversight framework to address various sustainability issues, including human rights and modern slavery matters.

Matters related to sustainability, including human rights, are reported to the Sustainability Committee and the Risk Committee which are internal committees of the Board of Directors for proper governance and oversight. The Group Chief Sustainability Officer periodically reports to the Sustainability Committee to continuously enhance the corporate governance and management frameworks. The Group Chief Compliance Officer under whom sits the Compliance Committee which is responsible for reporting on regulatory matters such as modern slavery, also reports to the Board of Directors. As the highest executive body for business executions and corporate management for the group, SMBC Group has the Group Management Committee where matters related to sustainability are discussed.

Furthermore, in order to reinforce governance, SMBC Group has incorporated "human rights" into its qualitative evaluation factors for non-financial indicators of stock-based compensation for its Directors and Executive Officers, which will take into considerations initiatives and issues that could not be measured by quantitative evaluations.

(b) Initiatives for Sustainability

At the executive level, SMBC Group has established the Corporate Sustainability Committee which is chaired by the Group CEO, to discuss matters pertaining to the spread of sustainability management throughout the Group as well as measures necessary for promoting sustainability.

In 2023, SMBC Group designated "Environment," "DE&I / Human Rights," "Poverty & Inequality," "Declining Birth Rate & Aging Population," and "Japan's Regrowth" as its new Priority Issues (Materiality), and established "10 Goals" as pathways through to resolve the new priority issues to create social value as a responsible corporate citizen.

In addition, SMBC Group has established the "SMBC Group Environmental and Social Framework" in FY2021 in order to unify its internal policies on and approach to environmental and social issues.

This framework clarifies the Group's approach to climate change, natural capital, respect for human rights, and social contribution based on the "SMBC Group Statement on Sustainability", which states the Group's basic stance toward realizing a sustainable society. The Group's

governance system for ESG risks is organized under this framework, including due diligence and policies related to each sector and business.

Moreover, SMBC Group established cross-sectoral and business-cutting policy prohibiting support for businesses that cause child labour, forced-labour and human trafficking to clarify the Group's approach. SMBC Group also formulated policies for specific businesses and sectors which are likely to have significant impacts on the environment and society. SMBC Group recognises certain businesses and sectors that are believed to include negative impacts from an environmental and social risk perspectives, including with regards to issues of modern slavery and forced labour. For instance, it recognizes the human rights impacts with respect to illegal labour and child labour in the coal mining, tobacco manufacturing, palm oil plantation development and deforestation industries. SMBC also has devised policies for engaging with businesses in such sectors, for instance through confirming that there are no such labour violations are taking place before providing support or requesting certification by relevant bodies.

Further information on SMBC Group's commitment to sustainability and policies for specific business and sectors can be assessed at

[\[https://www.smfg.co.jp/english/sustainability/group_sustainability/\]](https://www.smfg.co.jp/english/sustainability/group_sustainability/)

(c) Other Forms of Assessment

Modern slavery has been introduced in the SMBC Group global compliance risk assessment framework. Consistent with the SMBC Group global compliance risk assessment program (which also applies to us), effectiveness is determined on an assessment as to:

- appropriate design of relevant policies and procedures to ensure compliance and risk management;
- how well the control processes have operated, including timeliness and comprehensiveness;
- the extent of employee training that has been conducted;
- the outcomes from monitoring and validation procedures; and
- the timeliness of remedial action taken for any issues arising.

Enhancements may be made as considered necessary as a result of these assessments.

7. Consultation and Approval

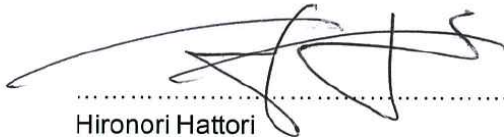
7.1 Consultation

This statement was prepared in consultation with our Board of Directors and relevant business units. The Board has reviewed and approved the statement to ensure alignment with our commitment to eliminate modern slavery risks.

7.2 Approval

This Modern Slavery Statement was approved by the Board in their capacity as principal governing body for the purposes of the Modern Slavery Act on 26 September, 2025.

This Modern Slavery Statement was approved and signed by a member of the Board, Hironori Hattori, President, on behalf of the Board on 29 September, 2025.



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Hironori Hattori

President

SMBC NIKKO SECURITIES (HONG KONG) LIMITED

Date: 29 September, 2025

Appendix A
Mandatory Reporting Check

No.	Criteria	Reference in Report
1.	Identify the reporting entity	Section 1 (Overview)
2.	Describe the reporting entity's structure, operations and supply chains	Section 2 (About SMBC Nikko Securities (Hong Kong) Limited) Section 3 (Operations and Supply Chains)
3.	Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls	Section 4 (Modern Slavery Risks)
4.	Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence	Section 5 (Actions Taken to Address Modern Slavery Risks)
5.	Describe how the reporting entity assesses the effectiveness of these actions	Section 6 (Measuring Effectiveness)
6.	Describe the process of consultation with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity giving the statement)	Section 7 (Consultation and Approval)
7.	Any other relevant information	Section 1.3 (Reporting Period Review)