

## **Japan Exchange Group UK Modern Slavery Act Statement**

For FY2022 (April 1, 2022 to March 31, 2023)

### **Organization structure and supply chains**

Japan Exchange Group, Inc. is a financial instruments exchange and clearing group, of which Japan Exchange Group, Inc. (JPX) is the holding company and Tokyo Stock Exchange, Inc. (TSE; cash equity exchange), Osaka Exchange, Inc. (OSE; derivatives exchange), Tokyo Commodity Exchange, Inc. (TOCOM; derivatives exchange), JPX Market Innovation & Research, Inc. (JPXI; market-related service provider), Japan Securities Clearing Corporation (JSCC; clearing house), and Japan Exchange Regulation (JPX-R; self-regulatory organization) are the fully owned subsidiaries.

The Group's operations are almost entirely based in Japan, but there is one branch in Singapore and small representative offices in Beijing, Hong Kong, New York, and London that each represent particular Group companies. The London representative office represents JPX, TSE, and OSE, and carries out mostly research on trends in capital markets in Europe and the Middle East, as well as maintaining relations with those investing in the Japanese equity and derivative markets from these regions. This statement will focus on TSE and OSE, which are the entities subject to the UK Modern Slavery Act.

As TSE and OSE make no physical products, their suppliers are largely IT services providers which develop and supply their trading and other systems. These are mostly based in Japan, the U.S., and Europe.

Human rights issues related to JPX Group are managed on a Group-wide basis by the Human Resources Department (for Group employees), the Sustainability Department (for the supply chain), and the General Administration Department (for risk management).

All TSE and OSE staff, including those employed in London, are eligible to join JPX Group's labor union, the Japan Exchange Group Employees Union.

### **Policies in relation to slavery and human trafficking**

#### **1. Charter of Corporate Behavior**

Employees and officers at JPX Group are required to conduct business in line with the Charter of Corporate Behavior, which sets out standards on human rights and compliance with laws and regulations as below.

#### **Respect for Human Rights and Prohibition of Discrimination**

We will give due regard to individual human rights and safety in the workplace, and work to ensure that employees can fulfill their potential in a pleasant and rewarding workplace free from discrimination and harassment.

## Compliance with Laws and Regulations

We will maintain an accurate understanding of and strictly comply with all laws and regulations related to our business, including the Financial Instruments and Exchange Act and Companies Act. Furthermore, we will conduct corporate activities in-line with social ethics and best practices, and commit our best efforts to problem prevention.

Charter of Corporate Behavior: <https://www.jpx.co.jp/english/corporate/governance/charter/index.html>

## 2. Human Rights Policy

JPX has created a Human Rights Policy which applies to all JPX Group officers and employees. This Policy denounces human rights violations in any form, including forced labor, child labor, and human trafficking. It also states that JPX expects all business partners to support and respect the Policy and will work with them on human rights issues.

JPX Group Human Rights Policy: [https://www.jpx.co.jp/english/corporate/sustainability/our-sustainability/policies/b5b4pj000004upwe-att/policy\\_en.pdf](https://www.jpx.co.jp/english/corporate/sustainability/our-sustainability/policies/b5b4pj000004upwe-att/policy_en.pdf)

### **Due diligence processes**

The Human Rights Policy is available to all suppliers and business partners, and those that JPX Group has the most exposure to are actively requested to support and respect it. To make sure that possible human rights violations connected to the Group can be communicated easily, a grievance mechanism has been set up on the JPX website where anyone can make an enquiry or provide information. If it becomes clear that the Group has caused or contributed to an adverse impact on human rights, it will take remedial action using appropriate means.

Information on the Human Rights Policy is also circulated internally through inclusion in the Compliance Handbook, which is distributed to all officers and employees (including non-regular workers such as those hired through agencies and secondees). To allow anonymous reporting of possible violations of internal rules, including those on human rights, the Group maintains an internal reporting system called the Compliance Hotline. For details on the Compliance Hotline and the processes that follow a report being made, please see the below document.

Compliance Hotline: <https://www.jpx.co.jp/english/corporate/governance/compliance/tvdivq0000006sac-att/hotline.pdf>

### **Risk assessment and management**

While financial services is not one of the sectors considered high risk by governments and NGOs in terms of

modern slavery, JPX includes social issues within the umbrella of sustainability (ESG) issues in its Group-wide risk management process.

JPX has a Risk Policy Committee, chaired by an outside director, and a Risk Management Committee, chaired by the Group CEO, to address the various risks that face the company. Every fiscal year, the Risk Policy Committee researches and debates the "significant risks" to JPX and presents its findings to the board of directors, which makes the final decisions. In the process of examining potential risks, the Committee runs an "Emerging Risk Research Group" which researches a wide range of issues including social issues such as modern slavery.

The Risk Management Committee debates and decides risk management policy. When a major issue occurs, the Risk Management Committee gains an overall grasp of the situation and orchestrates a concerted response by giving directions for dealing with the issues as quickly as possible.

JPX designated "risk of reduced confidence and support for our market infrastructure due to an inadequate response to the promotion of sustainability which includes ESG issues" as a significant risk for FY2022.

#### **Training**

All JPX Group employees and officers are required to take an annual e-learning course on compliance. This includes training on the contents and meaning behind the Charter of Corporate Behavior, as well as the contents of the Compliance Handbook including the Human Rights Policy. Employees of new subsidiaries are also given training on the same topics as part of the onboarding process.

The above statement was approved by the JPX Board of Directors on September 27, 2023.

Signed by:

A handwritten signature in black ink, appearing to be 'R. G. S.', written over a horizontal line.

Director & Representative Executive Officer, Group CEO

September 29, 2023