

Modern Slavery Act Transparency Statement

Capula Investment Management LLP ("CIM LLP") and Capula Investment Services Ltd ("CISL" and together, "Capula") make this statement under section 54 of the Modern Slavery Act 2015 (the "Act"). This statement sets out the approach that Capula has taken towards the risks in respect of modern slavery for the financial year ending 31 March 2024.

'Modern slavery' under the Act may refer to slavery, servitude, forced or compulsory labour and human trafficking. Capula is committed to conducting its business without modern slavery and to taking appropriate and reasonable measures to minimise the risk of modern slavery occurring within its business and its supply chains.

Business Activity and Organisation

Capula is a global investment management firm headquartered in London with affiliates in the U.S., Japan, Singapore, and Hong Kong. The firm manages absolute return, enhanced fixed income, macro, and crisis alpha strategies on behalf of its clients.

CIM LLP is a limited liability partnership authorised to provide investment management services in the United Kingdom and is regulated by the Financial Conduct Authority. CISL operates as a service company in the U.K. and is a member of CIM LLP.

Relevant Policies and Training

Capula has established various policies which the firm considers relevant to the identification and mitigation of modern slavery risks, including its HR Employee Handbook, ESG Principles, and Service Provider Risk Management Policy & Framework. The firm has also established a Compliance Manual, Whistleblowing Policy, AML Policy, Bribery Policy, and Senior Managers & Certification Regime Policy (the "Compliance Policies").

Members of staff are required to review and attest to the Compliance Policies upon joining the firm and on an annual basis thereafter. Members of staff must complete mandatory training courses focused on Financial Crimes (covering AML, anti-bribery and corruption, and the prevention of the facilitation of tax evasion) and Whistleblowing. Members of staff must also complete FCA Conduct Rules training on an annual basis.

In order to ensure that Capula staff have a comprehensive understanding of modern slavery in the business and supply chain, Capula has provided training to key staff involved in the vendor due diligence process which explains the provisions of the Act, the definitions of various forms of modern slavery including servitude, human trafficking and forced labour and the action that staff should take if they become aware of, modern slavery within Capula or its supply chain.

Business Risk Assessment

Core Business

Capula's sole business activity is investment management. Capula trades in the financial markets, primarily in the sovereign debt of leading, developed nations. The highly specialised and complex nature of the services provided by Capula to its clients necessarily requires a highly skilled and educated workforce. Capula's international workforce in London commands compensation in line with the rest of the financial services industry and Capula employees and contractors enjoy the protections of UK employment law, which are reflected in Capula's recruitment, remuneration and other internal policies. Capula's trading business does not manufacture goods or develop products through the processing of raw materials. Further, its trading counterparties and intermediaries are all highly regulated institutions. For these reasons, Capula continues to consider the risk of modern slavery

occurring within its core business to be very low. Capula consequently does not consider necessary and is not currently taking steps to ensure that modern slavery is not occurring within its core business.

Ancillary Activities

However, Capula acknowledges that the risk of modern slavery occurring within the supply chain related to its office support and facilities procurement activities requires a different assessment. Capula operates from London office premises subject to a lease granted by a UK subsidiary of a German company (together, the "landlord") that is also subject to the provisions of the Act. The managing agent of the building, and the majority of maintenance and cleaning service providers which have been contracted, are also subject to such provisions. Capula has reviewed the landlord's Disclosure Statement under the Act, as well as the Disclosure Statements published by the managing agent and relevant service providers, and is satisfied that the steps taken are appropriate with respect to the risk of slavery and trafficking occurring within the supply chain. Capula therefore continues to consider the risk of modern slavery occurring within the supply chain related to its ancillary activities, to be low.

Capula has adopted a materiality threshold within the due diligence processes to understand where the risks of modern slavery are greatest. This approach is used to prioritise the activities and oversight when checking for the presence of modern slavery within the business and supply chain.

Steps Capula has Taken

Capula has taken, and will continue to take, the following steps to ensure that there is no modern slavery within its supply chains:

1. ensuring that services to its U.K. premises are sourced from reputable suppliers;
2. where appropriate, ensuring that pre-contractual due diligence encompasses a modern slavery risk assessment;
3. seeking assurances, including if possible by way of contractual clauses, to ensure that the supplier has conducted its own assessment and/or taken steps to reduce the risk of modern slavery occurring within its business and supply chain; and
4. conducting due diligence reviews of key suppliers to ensure that such suppliers take appropriate steps to mitigate modern slavery risks.
5. continue to deliver training on modern slavery to key staff.

Goals and Risk-Based Approach

Building upon the steps already taken, Capula is committed to continually improving its approach to identifying and mitigating modern slavery risks. We have established the following goals and risk-based processes to guide our efforts:

1. Supplier Risk Categorisation

We have implemented a risk-based categorisation system for our suppliers based on their potential exposure to modern slavery risks. The categorisation process is performed primarily by members of Capula's Compliance team, who perform a general holistic assessment of suppliers, using publicly available information and their reasonable subjective judgment:

- High Risk: Suppliers operating in industries or geographies known for elevated modern slavery risks or those with complex supply chains.
- Medium Risk: Suppliers in industries with moderate risks or those operating in countries with mixed human rights records.
- Low Risk: Suppliers in highly regulated industries or those providing professional services with minimal supply chain complexity.

2. Higher Risk Suppliers

To ensure our efforts are proportionate and effective, we may apply enhanced due diligence and monitoring to certain suppliers identified as high risk. The relevant enhanced diligence and monitoring will be determined by Compliance on a case-by-case basis.

3. Continuous Improvement

We recognise that addressing modern slavery risks is an ongoing process. We commit to:

- Reviewing and updating our risk categorisation criteria as required.
- Reassessing our processes periodically to ensure they remain relevant.
- Reviewing industry best practices to ensure we continue with the best practice approach.

4. Small Supplier Engagement

We remain committed to promoting awareness and best practices among all our suppliers including our small suppliers defined as companies with an annual revenue of less than £1 million or fewer than 50 employees. For smaller suppliers we will encourage participation in our modern slavery awareness initiatives on a voluntary basis. The size threshold is assessed by members of Capula's compliance team, using publicly available information and their reasonable subjective judgment.

By implementing these goals and processes, Capula aims to strengthen its approach to combating modern slavery while maintaining a practical and achievable framework. We acknowledge that this is a complex issue, and we are committed to continually evolving our strategies as we learn and progress in this important area.

This statement, including Capula's approach to and ongoing management of the risk of modern slavery, will be reviewed following each fiscal year-end and updated as necessary to reflect any changes in the identification and management of such risk.

This statement, as undersigned, has been approved by the Executive Board and Board of Partners of CIM LLP and by the Board of Directors of CISL.

Signed for and on behalf of Capula Investment Management LLP

Name: Samuel Lowe

Role: Partner and Chief Financial Officer

Date:

Signed on 27/09/2024

Signed for and on behalf of Capula Investment Services Ltd

Name: Henning Bruder

Role: Director

Date:

Signed on 30/09/2024
