

Sova Capital's Modern Slavery Statement

March 2019

Introduction

Modern slavery is a crime that affects an estimated 40 million people around the world, and includes people trafficked from overseas as well as people within the UK.

The Modern Slavery Act 2015 requires certain firms to publish an annual 'Slavery and Human Trafficking Statement' setting out the steps the firm has taken to ensure that slavery or human trafficking has not taken place within its supply chain.

Sova Capital Ltd (the "Firm" or the "Company") is absolutely committed to combating the risk of modern slavery or human trafficking within its supply chains or in any other part of its business. As such, this statement sets out the Firm's actions to identify and combat all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 January 2018 to 31 December 2018.

As part of the financial services industry, we at Sova Capital recognise that we have a responsibility to ensure human rights are respected.

Organisational structure and supply chains

Sova Capital is an FCA authorised and regulated broker based in London, that offers institutional and corporate clients a full range of investment brokerage services, including independent research, securities trading, electronic and high-touch execution and public capital markets financing, from London and with a total workforce totalling around 240 employees in London and the Moscow branch. Sova Capital forms part of the Concern Rossium Group, a Russian based entity. Its client base includes EU, Russia, CIS, and other developing markets.

Policies and procedures

As a dedicated and responsible market player, we operate in respect of Human Rights and has a number of policies and procedures in place aimed at combating the risk of modern slavery and human trafficking within our business and supply chain.

Recruitment and selection

Our Recruitment & Selection Policy is aligned to UK and Russian employment laws and sets out the recruitment process to be followed, including on-boarding requirements for new employees (e.g. "right to work" checks; employment contracts and ensuring employed staff are 16 and above). In all cases reference checks and multi-stage interviews are conducted and in many cases, an external specialist vetting process is conducted aimed at verifying the prospective employee's identity, bona fides and status.

Staff wellbeing and health

Our Health & Safety Policy Statement sets out identified risks and mitigating actions taken to prevent accidents and untoward incidents occurring to its staff. Further, the Firm through its personal health scheme offers wellbeing activities to staff as well as other benefits.

Values and ethics

Our Employee Handbook sets out the expected actions and behaviours we expect of our staff while employed in the Firm. We strive to maintain the highest standards of employee conduct and ethical behaviour when operating abroad and managing our supply chain.

Whistleblowing policy

We encourage all our workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of the Firm, including any circumstances that may give rise to an enhanced risk of slavery or human trafficking. Our whistleblowing procedure is designed to make it easy for workers to make disclosures (without fear of retaliation), by calling the confidential helpline to raise concerns.

Anti-money laundering and counter terrorism financing (“AML”) policy

It is recognised that modern slavery offences are often linked to money laundering and other financial crimes. We have in place policies specifically designed to counter this risk.

More specifically, Sova Capital’s AML policy outlines steps staff must take to mitigate the risk of Sova Capital being used as a vehicle for financial crime. Such risk will be systematically assessed, mitigated and monitored. Identifying and reporting suspicious activity is key, and mandatory.

To reduce the incidence and risk of financial crime, focus is placed on knowing our clients, understanding their businesses and carrying out proportionate verification checks, and is covered in-depth in the Client Due Diligence Policy, the Account Opening and Maintenance Procedures, the Politically Exposed Persons (PEPs) Policy, and the Sanctions Policy. In addition to these policies, other policies of interest related to financial crime are the Market Abuse Policy, the Fraud Policy, the Anti-Bribery & Corruption Policy and the sections on fraud found in the Firm’s Compliance Manual.

Training

All our employees are required to complete specific annual Modern Slavery Training designed to educate staff to recognise and report suspected examples of modern slavery or human trafficking. Further, additional training is given as part of the mandatory Compliance induction given to every new joiner within the first week of starting at Sova Capital.

We further require all staff within the Firm to complete training, linking to its culture and ethics, which is reported ultimately to the Board through departmental KPIs.

Due diligence

The firm is risk averse and undertakes due diligence when considering taking on new suppliers, and regularly reviews its existing suppliers. Although currently only focusing on anti-bribery and corruption and tax facilitation, the Firm will look into refining the process further.

Awareness-raising programme

As well as training staff, the organisation has raised awareness of modern slavery issues by circulating emails to staff with links to

- The Modern Slavery Act 2015;
- How employers can identify and prevent slavery and human trafficking;
- What employees can do to flag up potential slavery or human trafficking issues to the relevant parties within the organisation;
- What external help is available, for example through the Modern Slavery Helpline.

Board approval

This statement was approved on 21 March 2019 by the Firm's Board of Directors, who will review and update it annually.

A handwritten signature in blue ink, appearing to be 'S. Sukhanov', written over a horizontal line.

Sergey Sukhanov

Chief Executive Officer

Updated: 21 March 2019