London Stock Exchange Group plc

Slavery and Human Trafficking Statement for the Financial Year ended 31 December 2018.

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1.0 About us: our organisation and approach to anti-slavery

1.1 London Stock Exchange Group and its business

London Stock Exchange Group (LSEG) is an international markets infrastructure business. Its diversified global business focuses on capital formation, risk and balance sheet management and intellectual property. Headquartered in the United Kingdom, with significant operations in North America, Italy, France, Malaysia and Sri Lanka, we employ approximately 4,500 people. You can find out more about our organisational structure and operations at: https://www.lseg.com/about-london-stock-exchange-group

1.2 Scope of this Statement

The 2018 MSA Statement covers all the companies belonging directly or indirectly to LSEG, including the following companies that are required to publish a statement: London Stock Exchange plc, LCH Group Limited, LCH Limited, FTSE International Limited, LSEG Business Services Limited, LSEG Employment Services Limited, LSEGH Inc., Borsa Italiana S.p.A., MTS S.p.A., Monte Titoli S.p.A., Cassa di Compensazione e Garanzia S.p.A., LCH S.A., The Yield Book Inc. and Frank Russell Company.

Whilst not all entities within the Group are required to publish a Statement LSEG is committed to ensuring all its group entities operate in a consistent and effective way with regard to slavery and trafficking risk. As such, this statement describes our corporate and Group-wide approach applicable to all entities. This statement is published on

1.4 What we have done this year

In 2018 we have:

- Sought a range of advice to enhance our approach to managing our slavery and human trafficking risk: Board-level feedback, recommendations from an external audit review and benchmarking by experts of previous Statements using external indices, reports and best practice guidance [see section 3.2]
- Improved the clarity and transparency of our statement for 2018 so that we can more effectively communicate our progress and commitment in this area.
- Completed a detailed risk assessment of our supply chain based on latest slavery guidance, best practice and data [see section 3.0] which

LSEG's public website and the websites of any companies required to publish a statement, where such sites exist.

1.3 Our commitment to tackling modern slavery

The London Stock Exchange Group ("LSEG"/"LSE Group"/"us"/"we"/"our"/ the "Group") plays a vital economic and social role in enabling companies to access funds for growth and development. As such, integrity and trust in our markets, and in LSEG, are at the core of what we do.

We have a very clear corporate view of modern slavery: we regard all forms of modern slavery and human trafficking as a crime and a violation of fundamental human rights. It is fundamentally at odds with our own corporate values. We are committed to implementing and promoting practices which combat slavery in all its forms.

Our updated risk assessment and research in 2018 has once again indicated that LSEG operates in an industry where the risk of modern slavery and human trafficking is inherently low. However, we operate as a global business and therefore recognise the risks of partnering with a varied spectrum of global suppliers and of slavery occurring deeper in those complex supply chains.

As such, in publishing this our third Modern Slavery Act (MSA) Statement covering the financial year 2018 (the "2018 MSA Statement"), we have taken steps in 2018 to enhance our anti-slavery practices. You can read our statements for previous years here. Within this statement we describe our anti-slavery action plan for 2019.

- has tiered our suppliers according to slavery risk [see section 3.0].
- Further strengthened the slavery commitments/requirements in our Supplier Code of Conduct, placing more robust expectations on our suppliers in this area [see section 2.2]
- Enhanced our procurement procedures for completing risk assessments and due diligence on all new suppliers, increasing our ability to make sure our Supplier Code of Conduct and anti-slavery contract clauses are agreed [see section 2.2]
- Created an action plan to further enhance our slavery risk mitigation [see section 4.0].
- Raised awareness of our whistleblowing procedures and policies through a CEO-led internal campaign [see section 2.2].

2.0 How do we prevent modern slavery and human trafficking?

2.1 Our understanding of modern slavery

LSEG has interpreted all possible forms of slavery and trafficking (both legal concepts and commonly accepted terminology) as being included under the umbrella of "slavery".

2.2 Our approach

2.2.1 We have a multi-faceted approach to tackling slavery risk

In response to the Modern Slavery Act coming into effect LSEG brought together members of staff from relevant functions across the Group including Legal, Procurement and Corporate Social Responsibility (the "working group") to take action on our modern slavery risk.

The objectives of the working group are to ensure we implement appropriate practices within our business to manage and mitigate our slavery and human trafficking risk, review the actions taken during the year and progress against the things we committed to previously, and produce a compliant Modern Slavery Act Statement each year.

The working group ensures that we leverage a multi-faceted approach to managing our modern slavery risk, see Figure 1, right.

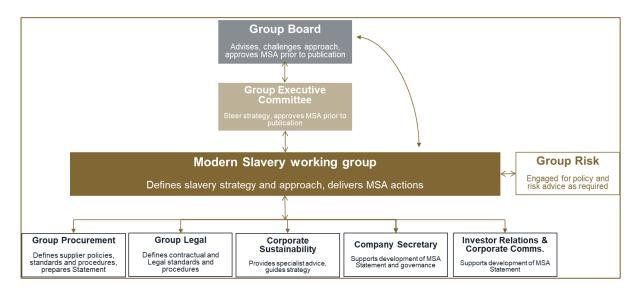
Figure 1 LSEG's approach to managing modern slavery risk



2.2.2 We ensure governance of modern slavery risk up to a senior level

The working group consults with, and obtains approval from, both the Executive Committee and the Board of LSEG in all slavery risk activity and in the preparation of this statement, see Figure 2 below.





2.2.3 We provide training and communications to staff

As functions who are key to identifying and mitigating modern slavery risk day to day, our Group Procurement and Group Legal teams have been provided with training this year on modern slavery in the form of internal briefings by their relevant working group members.

For Procurement teams these briefings focussed on slavery risk, risk assessment and due diligence procedures which underpin our antislavery approach, complemented by specific training for team members in how to complete risk assessment and due diligence.

In Legal the focus was on ensuring use of antislavery commitments in all supplier contracts. New joiners in both teams are also briefed. More detail is provided on both these supplier risk and contractual standards below.

Our Executive Committee requested and received enhanced reporting on the subject of modern slavery risk during the preparation and review of this Statement.

The working group, supported by David Warren the Executive Committee MSA sponsor, briefed the Executive Committee on the Modern Slavery and Human Trafficking risks faced by LSEG to ensure the Executive Committee's commitment and strategic steer to this topic prior to submission of the Statement to the Board for consideration.

The LSEG Code of Conduct, which applies to all staff, includes an anti-slavery commitment [see section 2.2.5]. An email is being sent out to all staff members alongside the publication of this statement which will help to elevate staff awareness of slavery issues.

2.2.4 We undertake slavery-specific risk assessments

We have now completed two separate risk assessments, specific to modern slavery risk, on our organisation and our supply chains:

- In preparation of the 2016 statement we completed a high-level risk assessment on our suppliers. Follow up actions from that review were completed in 2017.
- As part of our strategy review and preparation of this 2018 statement a completely new risk assessment has been undertaken on our 3rd

party supplier base. This has leveraged better modern slavery best practice guidance and data [see Section 3.0].

2.2.5 We have robust policies, frameworks and standards in place

2.2.5.1 What we have done this year

In 2018 we have:

- Reviewed our policies and procedures and, except where we have already taken steps to enhance our due diligence procedures and Supplier Code of Conduct, found these to be fit for purpose to help achieve our antislavery strategy and objectives.
- Updated our Supplier Code of Conduct with more robust and specific provisions for modern slavery. This will be incorporated into due diligence procedures from Q1 2019.
- Elevated staff awareness of the Whistleblowing Policy and procedures in 2018 via a specific "Speak Up" campaign led by the Group CEO.

2.2.5.2 Procurement Policy

LSEG maintains a Group Procurement Policy for all staff (an equivalent policy applies in France). The policy requires risk assessment of and due diligence on potential 3rd party suppliers prior to their engagement as a supplier to LSEG. It also requires contracts to be put in place for suppliers we consider Medium and High Risk, so as to leverage a set of standard contract clauses which include anti-slavery provisions. We describe these procedures later on in this statement.

The policy (and local policy where appropriate) applies in all geographies in which LSEG operates and to all staff or resources acting on our behalf in the engagement of 3rd party suppliers. The policy has been approved by the boards of all LSEG entities and is sponsored by a member of the LSEG Executive Committee; it is available to staff at all times via LSEG's intranet.

2.2.5.3 Supplier Code of Conduct

Group Procurement owns LSEG's Supplier Code of Conduct, which can be found here on LSEG's external website. The Code outlines LSEG's expectation that the suppliers it chooses to do business with conduct themselves in a manner which aligns to

LSEG's core values, beliefs and standards. The Code includes commitments for suppliers to comply with all applicable laws, industry standards across topics such as labour, the environment and other social responsibility concerns. It requires commitments from suppliers to avoid slavery in their own supply chains.

It is agreed with new suppliers during Procurement due diligence, and increasingly being accepted as a contractual commitment via inclusion in our standard contract templates.

Breaches: the SCoC encourages any interested parties with concerns about breaches of the Code, slavery or any similar topics to disclose those via confidential email to a central Procurement mailbox. There have been no such disclosures throughout 2018. Where breaches occur, these will be escalated by Procurement within the modern slavery working group to agree an appropriate response.

2.2.5.4 Staff and whistleblowing policies

Employee Code of Conduct: LSEG has in place an Employee Code of Conduct, approved by LSEG Board, which applies to all staff and 3rd party resources working for LSEG. It includes the expectation that all staff and resources act in accordance with our corporate commitment to avoid slavery in our organisation and business dealings. All staff, contractors and commitments are required to complete mandatory training each year which reinforces the requirement to comply with the code at all times. It is available to all staff at all times via our intranet.

Corporate Responsibility Policy: this policy, approved by LSEG Board, includes antislavery within its overarching commitments. It is available at all times via the LSEG intranet site.

Whistleblowing Policy: we operate a Whistleblowing Policy, aimed principally at our employees but also available to others working in our supply chains in all LSEG locations. It encourages employees, customers and other business partners to report any concerns with LSEG activities, supply chains or business dealings that may give rise to an enhanced risk of slavery or human trafficking and other similar issues. This can be done anonymously, confidentially and without fear of retaliation via a global 24x7 whistleblowing system and equivalent telephone hotline. The policy and disclosure procedures are available to all staff and resources at all times via the intranet. Internal awareness of the Whistleblowing Policy and these procedures has been further enhanced in 2018 via a specific "Speak Up" campaign led by the Group CEO.

Anti-bribery & Corruption Policies are in place within the Group.

Living Wage: LSEG is a Living Wage Foundation UK accredited employer and is committed to the London Living Wage for all employees and onsite contractors employed by third party suppliers. LSEG has been monitoring the establishment of similar accreditation schemes in other jurisdictions where LSEG has a significant employee base¹, with a view to joining them once available.

2.2.6 Our procurement process considers slavery risk at key points

2.2.6.1 Overview – addressing slavery risk in our procurement process

We ensure modern slavery risk is considered during the whole Procurement and contracting lifecycle, see Figure 3 below.

The Group Procurement function – or in some cases a local Procurement team where they exist in international locations – supports the management of supplier risk in all geographies where LSEG operates.

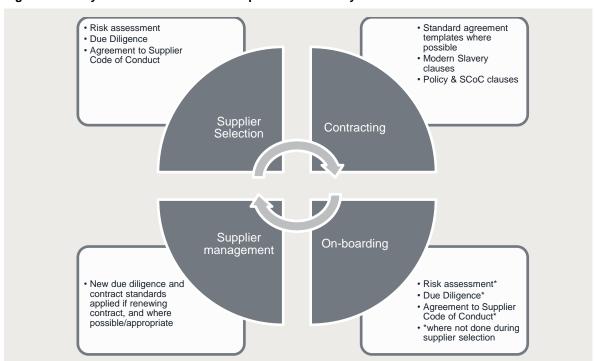


Figure 3 Slavery considerations in LSEG's procurement lifecycle

2.2.6.2 Risk assessment procedure for new suppliers

Procurement completes a risk assessment ("segmentation") on all new suppliers prior to on-boarding. This is a policy requirement. Suppliers are segmented as Low, Medium or High Risk based on range of risk factors. Different due diligence requirements apply and are conducted by Procurement based on the risk level.

- All suppliers are checked against LSEG's "High Risk Country List" during segmentation. This List provides LSEG's view (based on external indices and data such as the Corruption Perception Index and the UK Foreign and Commonwealth Office's (FCO) Human Rights & Democracy report) of countries which pose an elevated risk from a reputational, geo-political, economic and social responsibility perspective. It is continually updated (minimum monthly) by Group Risk.
- Suppliers with elevated geographic risk must be risk accepted by the business and be approved at a senior level, with referral to Group Risk.
- Countries with a prevalence of corruption, sanctions, money-laundering and human rights and democracy concerns are more

likely to have a prevalence of slavery or human trafficking and will not be rated Green. As such they would require, at minimum, Group Risk review and senior business acceptance.

2.2.6.3 Due diligence on new suppliers

In 2018 we enhanced our segmentation and due diligence procedures for new suppliers to enhance our ability to manage supplier risk. This has been achieved through centralisation within Group Procurement and update of our risk assessment criteria and tools.

LSEG completes several types of due diligence on our Medium and High Risk suppliers which enables the identification of potentially elevated modern slavery risk: checking against our High Risk Country List, detailed Know Your Customer review (KYC), agreement to the Supplier Code of Conduct and confirmation from the business of no known supplier sanctions or conflicts of interest.

We have procedures in place for managing exceptions noted during due diligence including referral to Group Risk, mitigation

where possible and acceptance by the business. Supplier Code of Conduct exceptions/disagreements are managed by Group Procurement and they seek to get confidence that we share common ethical principles by performing an equivalence check on the supplier's own code of conduct where one exists. This includes clarifying their stance on slavery and human rights.

2.2.7 We incorporate anti-slavery commitments into our supplier contracts

LSEG seeks to agree contracts with suppliers which align to our minimum standards. We seek to use standard contract templates, a key terms library or Purchase Order Terms & Conditions in contracting with our suppliers in all geographies and as standard practice. These include crossjurisdictional anti-slavery provisions such as the requirement for the supplier to comply with all applicable laws including the UK Modern Slavery Act 2015, agreement to the Supplier Code of Conduct, to warrant that its staff and officers have not been in any way involved in slavery or human trafficking and have sufficient procedures to ensure there is no slavery in any of its businesses or supply chains and provides LSEG with rights to audit their operations and businesses.

These are supplemented by requirements in our recruitment, professional services and consultancy agreements that the supplier must pre-vet their staff to a high standard prior to working for LSEG (in countries where performing such a check is legally allowed). Exceptions to these minimum clauses must be reviewed and agreed by Legal in the first instance.

2.2.8 We have procedures for handling slavery breaches and incidents

Modern Slavery breaches, incidents and concerns can be raised by suppliers and staff through the Whistleblowing and Procurement channels described earlier. Throughout 2018 there have been no whistleblowing complaints, breaches incidents or concerns regarding modern slavery and human trafficking raised through these channels.

2.2.9 We bring older suppliers in line with latest anti-slavery standards

We have so far described the policies and procedures we have in place for mitigating slavery risk when establishing new supplier relationships.

We know that we engaged with a number of suppliers before some of the formal policies and procedures described throughout this statement came into effect and who may not have not been fully subject to our anti-slavery approach.

However, we are confident that we have robust "fix forward" procedures to deal with these historic suppliers at an appropriate time, by seeking to bring their contracts in line with latest anti-slavery standards at the point of renewal and to conduct risk assessment and due diligence on them at the same time.

Our Group Procurement function or our business divisions have addressed over 2/3rds of the addressable supplier spend at some stage, and this continues to increase through Group Procurement's ongoing objective to rationalise and extract commercial value from our suppliers.

2.2.10 We apply this anti-slavery approach globally

LSEG has operations located in countries which have elevated geographic and slavery risk. These include significant operations in Sri Lanka and Malaysia, and operations on a smaller scale in India, Mexico, China and Brazil.

Staff in these locations are subject to the same Group-wide policies and standards as in lower risk locations (or existing local equivalent versions) with regard to suppliers and modern slavery. The locations are supported by Group Functions (including Procurement, Legal and Risk) or in some cases – such as Sri Lanka – a local Procurement and Legal function is in place to better serve local business needs and manage local suppliers.

All plans to establish new business operations in high risk locations require significant prior review and senior levels of prior approval including from the LSEG New Markets and Product Committee. All of our current international office locations have been through rigorous review and approval with all geographic (including slavery) risks assessed and approved as such.

2.3 Collaborating with our suppliers to tackle slavery

Section 4.0 describes our action plan to engage suppliers directly with respect to slavery and human trafficking risk throughout 2019.

2.4 Measuring and reporting our progress

In line with our Corporate Responsibility policy, we take a zero-tolerance approach to issues such as modern slavery and human trafficking. Accordingly, we have an overall objective of zero instances of modern slavery in our supply chain.

We report key indicators from our slavery risk assessment (including proportion of update by suppliers to our Supplier Code of Conduct) to relevant Boards and Executive Committees during approval of our Statement each year.

We submit metrics relating to acceptance of the Supplier Code of Conduct as part of our Carbon Disclosure Project submission each year. We submit to the Dow Jones Sustainability Index. More information on progress in those areas can be found in our Annual Corporate Sustainability Report, here. We publish our Statement via the Modern Slavery Registry and the TISCreport Modern Slavery Act Compliance Tracker.

3.0 Our supply chain

3.1 What we have done this year

We have completed a new risk assessment and analysis on our suppliers. The analysis focussed on those types of spend and supplier who are genuine 3rd party suppliers and therefore addressable by LSEG. The objective was to:

- better understand and quantify the level of modern slavery and human trafficking risk in our supply chain by analysing our supplier base;
- use, where appropriate and possible, better slavery data and research than in previous assessments;
- better understand the likelihood of slavery potentially occurring in our supplier base;
- understand how effectively some of our mitigating procedures and processes have been applied and
- use this information to formulate better slavery strategies and actions for 2019 and beyond.

We excluded several categories of spend from this analysis which were non-discretionary or non-addressable e.g. regulatory fees, intercompany charges, settlement depositories and custodian banks for clearing activity.

3.2 How we assess slavery risk

3.2.1 We leverage publicly available best practice

LSEG has referred to the following publicly available publications, indices, research and guidance documents in conducting the slavery risk assessment:

- "Tackling modern slavery in supply chains a guide 1.0"; Chartered Institute of Purchasing and Supply in collaboration with the Walk Free Foundation; https://www.cips.org/en-gb/knowledge/procurement-topics-and-skills/sustainability/modern-slavery1/#tabs-1
- The Global Slavery Index 2018 (report and scoring data)
 https://www.globalslaveryindex.org/
- Freedom House Country Scores List 2018:
 https://freedomhouse.org/report/freedom-world-2018-table-country-scores
- "FTSE 100 & the UK Modern Slavery Act: From Disclosure to Action"; Business & Human Rights Resource Centre: https://www.business-humanrights.org/sites/default/files/FTSE%2010 0%20Briefing%202018.pdf

3.2.2 We seek advice from internal and external experts

LSEG has also referred to the following nonpublic guidance or data in conducting the slavery risk assessment:

- "LSEG Group Audit Review and Memo: Responsible Disclosures (UK Modern Slavery Act)" dated September 2018; external auditor subject matter experts were engaged to review LSEG's previous modern slavery statements and strategy. They assessed our previous statement using bespoke assessment criteria from the Business & Human Rights Centre FTSE 100 analysis, summarised in the report mentioned above and their own proprietary knowledge base. Recommendations were made across all areas of our slavery strategy, governance and statement content regarding how LSEG can improve in this area.
- LSEG's own High Risk Country List.

3.2.3 We used better data to risk assess our suppliers for slavery

 We identified specific high risk slavery spend categories which we consider to have a greater risk of slavery occurring. These are categories which may involve manufacturing, use of labour and/or potential use of low skilled/paid labour including Facilities Management, Office Equipment & Maintenance, Office Construction & Fit-out, supply of Technology Hardware & consumables, Marketing Events Production, Marketing Promotional Goods and other professional services we considered more likely to use low skilled or low wage labour.

- We mapped suppliers and their countries to the Global Slavery Index 2018 and specifically to the GSI Overall Weighted Vulnerability Score.
 We considered this to be the most useful and appropriate score we encountered in our research as it is a weighted score which incorporates many slavery related factors.
- We defined a Slavery Risk Tiering for suppliers
 with Tier 1 the highest slavery risk and T4 the lowest by applying this category and GSI data (separate from our usual Low-Medium-High risk segmentation).
- Once all relevant suppliers were mapped to tiers we then did the following so that we could better understand other potential risk mitigating factors:
 - We reviewed all suppliers in Tier 1 and Tier 2, and those making up 80% of the total spend in Tier 3, in more detail. We know that spend is not an absolute indicator of risk but is a good basis for prioritising review and actions.
 - We looked at whether those suppliers have published their own Modern Slavery Act Statement and reviewed those statements at a high level (but we did not use this information in determining the risk tiering).
- 3.3 What our slavery risk assessment has told us

We found that the risk assessment confirmed our view that we have an inherently low risk supply chain:

- We have only 4 suppliers in slavery risk Tier
 an economic NGO in Russia and local suppliers in Kenya supporting business meetings.
 - 1 of these has already committed to the Supplier Code of Conduct.
- Our Tier 2 is made up of approximately 50 suppliers in high risk countries but not spend categories, including a number of other stock exchanges around the world with whom we have market data agreements, and many professional services companies.
 - We consider the likelihood of slavery occurring in these companies to be low given the high

- education and skills requirements for their employees.
- Our Tier 3 (Low Risk) includes over 400 of our Facilities Management, Technology OEMs and resellers, and important services providers. They have low country risk but are in higher risk spend categories.
 - Many of high spend suppliers in Tier 3 were large UK or global companies who publish robust Modern Slavery Statements. This is a strong indicator of low slavery risk deeper in the supply chain.
- Most of our suppliers are in Tier 4 (Very Low slavery risk). They make up over 85% of our suppliers in both proportion of spend and number of suppliers.
 - Almost 70% are in either the UK, US, Italy or France – low risk countries from a slavery perspective.
- 5. We have good agreement to the Supplier Code of Conduct (59% of our total addressable supplier spend value is covered by an agreed Code) but we can do more to increase the number of actual suppliers who have agreed to it.
 - 59% coverage gives us confidence that our core suppliers share our anti-slavery commitment and are taking steps to mitigate slavery risk on our behalf.

4.0 Looking forward and taking action

4.1 Themes arising from our risk assessment

In reviewing the analysis and assessment in detail the following themes stood out:

- Our risk assessment confirms that we continue to operate a low risk supply chain.
- There is more to do to obtain commitment to the Supplier Code of Conduct from our Tier 1, 2 and 3 suppliers.
- We have a tail of suppliers where more work could be done: like most similar organisations, LSEG engages a significant "tail" of lower value, often one-time suppliers in locations and industries which have an elevated vulnerability to slavery and human trafficking.
- We could go deeper into our supply chain in assessing and managing slavery risk.
- We need better data on the effectiveness of our contractual anti-slavery protections.

4.2 Building on this year's work

The risk assessment and analysis, importantly, validate that our strategy for tackling modern slavery in our supply chain is robust, comprehensive and appropriate to the level of risk. But we do know more can always be done and are committed to continually improving our anti-slavery approach. These themes from the risk assessment lead to a clear action plan for the year ahead.

4.3 Our action plan for the year ahead

The actions below are what we plan to focus on in 2019. We will report our progress against these in next year's Modern Slavery Act Statement and internally to Executive Committee at appropriate intervals.

- Seek to obtain Supplier Code of Conduct agreement from relevant Tier 1, 2 and 3 suppliers we expect to continue using.
- Look for opportunities to bring our Tier 1, 2 and 3 suppliers in line with our anti-slavery contract clauses where possible.
- Ensure our fix forward procedures for existing suppliers continues to operate effectively, including for the tail of lower value suppliers.
- Look for opportunities, particularly with Tier 3 suppliers who represent some of our more important supplier relationships, to engage them directly and look deeper into their supply chains with an anti-slavery lens.
- Continue evolving our anti-slavery approach by seeking guidance from experts and best practice publications.

5.0 Approval of the 2018 MSA Statement

The 2018 MSA Statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the Financial year ended 31 December 2018.

The 2018 MSA Statement was approved by the Board of Directors of London Stock Exchange Group plc at its meeting on 28th February 2019.

David Schwimmer, CEO

London Stock Exchange Group plc

Date: 29th March 2019

This statement has been approved by the boards of directors for the following companies at their respective board meetings on the dates shown:

London Stock Exchange Group plc (28th February 2019)

1 Min

- London Stock Exchange plc (4th March 2019)
- LSEGH Inc (4th March 2019)
- Borsa Italiana S.p.A. (25th March 2019)
- MTS S.p.A. (21st March 2019)
- Monte Titoli S.p.A. (22nd March 2019)
- Cassa di Compensazione e Garanzia S.p.A. (22nd March 2019)
- The Yield Book Inc. (4th March 2019)
- Frank Russell Company (19th March 2019)

Approval will be obtained from the boards of directors for the following companies after publication of this statement:

- LCH Group Holdings Limited
- LCH Limited
- LCH SA
- LSEG Business Services Limited
- LSEG Employment Services Limited
- Turquoise Global Holdings Limited
- FTSE International Limited



