



**LSEG**

# Modern Slavery and Human Trafficking Statement

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**This statement describes the approach of LSEG as a single group following the acquisition of Refinitiv in January 2021.**

# Our Group

## Who we are

LSEG is a leading global financial markets infrastructure and data provider. We play a vital social and economic role in the world's financial system. With our trusted expertise and global scale, we enable the sustainable growth and stability of our customers and their communities.

We are leaders in data and analytics, capital formation and trade execution, and clearing and risk management.

## Our purpose

Driving financial stability, empowering economies and enabling customers to create sustainable growth.

## Our vision

We are a leading global financial markets infrastructure and data provider. We want to shape the future of our industry to serve our customers and markets better.

## Where we operate

LSEG is headquartered in the United Kingdom, with operations in 70 countries across EMEA, North America, Latin America and Asia Pacific. We employ 23,000 people globally, more than half of whom are located in Asia Pacific.

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# About this statement

Human rights are universal. This means that every person around the world deserves to be treated with dignity and have their interests considered equally. Governments have the duty to protect individuals against human rights abuses. The UN Guiding Principles for Business and Human Rights also outline the responsibility of businesses to respect human rights.

This 2021 Statement covers all the companies controlled directly or indirectly by LSEG, including the following companies that are required to publish a statement:

London Stock Exchange Group plc, London Stock Exchange plc, LCH Group Holdings Limited, LCH Limited, LCH SA, FTSE International Limited, LSEG Business Services Limited, LSEG Employment Services Limited, Refinitiv Limited, Refinitiv Transaction Services Limited, Financial and Risk Transaction Services Ireland Limited, Financial & Risk Organisation Limited, LSEGH Inc, Frank Russell Co, Yield Book Inc and Refinitiv Australia Pty Limited.

While not all entities within LSEG are required to publish a statement, LSEG is committed to ensuring all Group entities operate in a consistent and effective way with regard to modern slavery and human trafficking risk.

LSEG 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 view of modern slavery: we regard all forms of modern slavery and human trafficking as a crime and a violation of fundamental human rights. They are fundamentally at odds with our own corporate values.

We are committed to implementing and promoting practices which combat modern slavery in all its forms. Our updated risk assessment and research in 2021 has 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 acknowledge the complex nature of supply chains. We recognise the risks of partnering with a varied spectrum of global suppliers and the possibility of modern slavery occurring deeper in those complex supply chains.



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## Regulatory and legislative landscape

We welcome the increased focus of governments around the world on the issues of modern slavery and human trafficking.

The international community rightfully expects businesses to focus on supply-chain risks in keeping with the UN Sustainable Development Goals and other international commitments.

We acknowledge in particular the measures to strengthen reporting requirements under the UK's Modern Slavery Act, including embedding modern slavery risks and human trafficking throughout procurement process, and the introduction of a public registry of modern slavery statements.

As a global business, we especially welcome international coherence and mutual recognition of different reporting requirements and standards, to help mobilise global efforts.

# Supplier assessment

LSEG completes a risk assessment (segmentation) on all new suppliers prior to onboarding, as required by LSEG's Group Procurement Policy.

Suppliers are segmented as low, medium, or high risk, based on a range of risk factors.

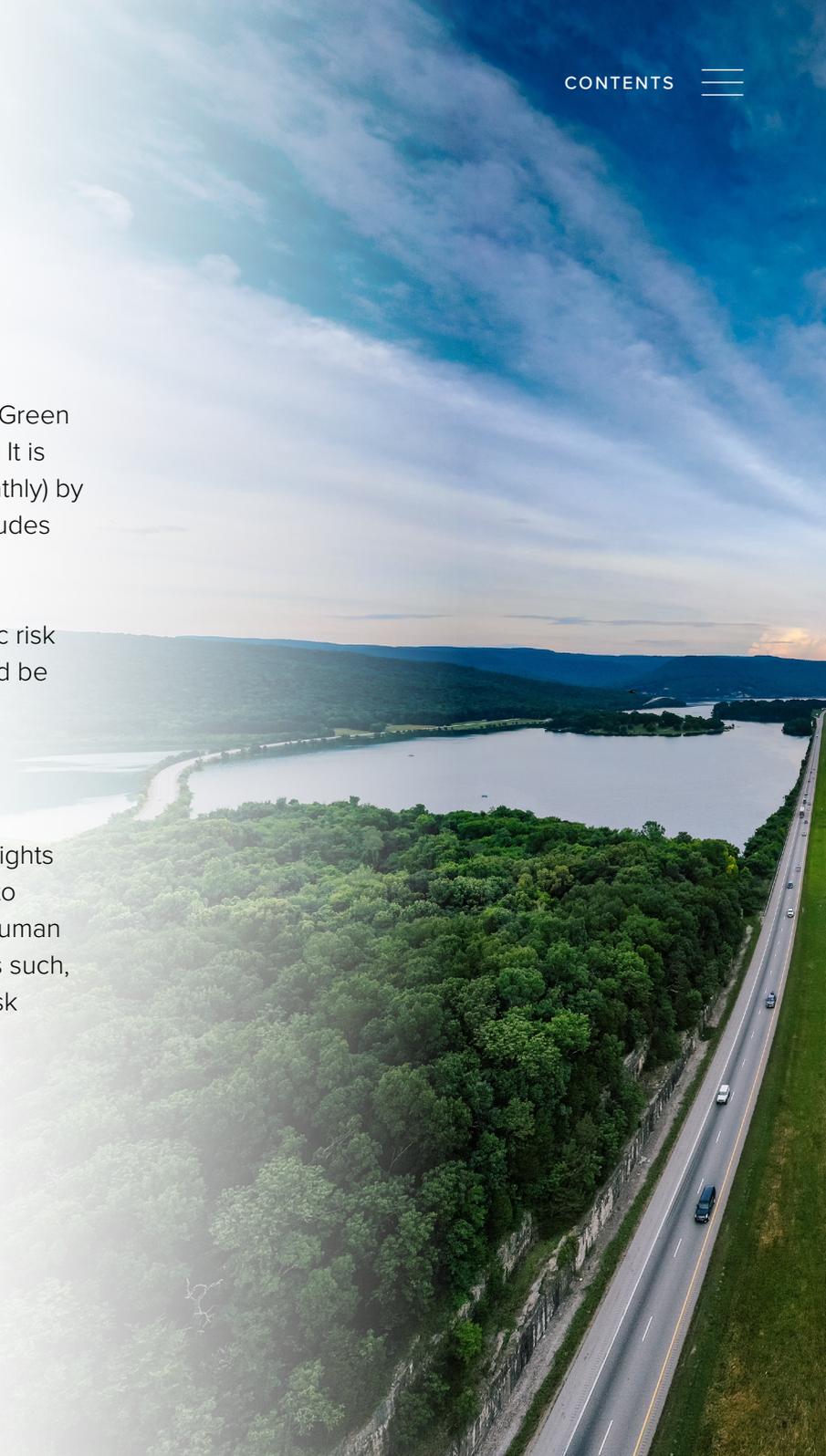
Different due diligence requirements apply depending on which segment the supplier falls into, and assessments are conducted by the relevant team based on the risk level. Suppliers are checked against LSEG's "Country Risk List" during the segmentation process.

This list is based on external indices and data such as the Corruption Perception Index and the UK Foreign, Commonwealth and Development Office's Human Rights and Democracy report. This list informs LSEG's new countries which pose elevated risks from a reputational, geo-political, economic, and social responsibility perspective. Countries are rated as Red, Amber, Yellow, or

Green based on specific risk factors, with Green being the lowest risk and Red the highest. It is reviewed and updated (at a minimum monthly) by LSEG's Risk function (Group Risk) and includes modern slavery-specific risk indicators.

Suppliers exposed to 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 modern slavery or human trafficking and will not be rated 'Green'. As such, they would require, at minimum, Group Risk review and senior business acceptance.



### Third-party due diligence programme

LSEG has incorporated the use of our updated Supplier Code of Conduct and Country Risk List into our due diligence procedures, with training provided to Group Procurement to assist with identification of elevated modern slavery risks associated with new suppliers.

LSEG completes several types of due diligence on our should read medium- and high-risk suppliers which enables the identification of potentially elevated modern-slavery risk.

We review suppliers against our Country Risk List, detailed know your customer review (KYC), and require suppliers to agree to the Supplier Code of Conduct and checks for known supplier sanctions or conflicts of interest.

We have procedures in place for managing issues raised during the due-diligence process, including referral to Group Risk, mitigation where possible and risk acceptance by appropriate senior representatives.

Supplier Code of Conduct exceptions/disagreements are managed by Group Procurement by seeking confidence that we share common ethical principles with the supplier. In particular, this includes performing an equivalence check on the supplier's own code of conduct, where one exists, and clarifying their stance on modern slavery and human rights.

As part of our third-party due diligence programme, we are required to provide information about prospective suppliers to our Financial Crime and Sanctions team, which performs due diligence on suppliers to determine whether they present any risk of unlawful conduct, including corruption and human trafficking.

We have provided training to employees responsible for sourcing and related activities to help them identify and mitigate such risks early on in our sourcing process. All third parties are assigned with a risk rating of low, medium, or high, derived from our risk-scoring methodology.

### Existing suppliers

We conduct an annual risk assessment across all LSEG suppliers providing services during the statement year. We run an initial assessment against the Global Slavery Index (GSI).

The assessment output has specific tiering for Modern Slavery, ranging from Tier 1 (High Slavery Risk) to Tier 5 (Very Low Slavery Risk). The tiering indicates if a supplier is seen as potential high risk, based on modern slavery risk drivers such as

GSI and spend categories aligned to our supplier segmentation and tiering model, as well as third-party risk tool indicators.

Those that are seen as high risk (Tier 1) are then processed through our third-party risk tool and scanned for any association to modern slavery or human trafficking. Where this is the case, we follow up with the supplier to gather more information about the governance and protocols followed within their company to identify and manage human rights risks.

### Anti-slavery commitments in our supplier contracts

LSEG seeks to agree contracts with suppliers which align to our minimum standards.

Where possible we use standardised contract templates and a key-terms library to contract with our suppliers in all geographies.

These terms include:

- Cross-jurisdictional anti-slavery provisions such as the requirement for the supplier to comply with all applicable laws including the UK Modern Slavery Act 2015.

- Agreement with our Supplier Code of Conduct.
- Warranties that supplier employees and officers have not been involved in modern slavery or human trafficking and have sufficient procedures to ensure there is no modern slavery in any of its businesses or supply chains.
- Rights of LSEG to audit their operations and businesses.

Our standard terms are supplemented by uniform requirements in our recruitment, professional services and consultancy agreements that the suppliers must vet their employees to best-practice standards prior to working for LSEG (in countries where performing such a check is legally permitted). Exceptions to these minimum clauses must be reviewed and agreed with LSEG’s legal function (“Group Legal”) in the first instance.

# Training and communications

Group Procurement and Group Legal teams have been provided with tailored training on modern slavery. For Group Procurement teams, this training focuses on modern slavery risk, risk assessment and due diligence procedures which underpin our anti-slavery approach, complemented by specific training for team members in how to complete risk assessment and due diligence.

In Group Legal, the focus is on ensuring adequate anti-slavery commitments are included in all suppliers contracts. New joiners in both teams are also briefed, with detail provided on both modern slavery supplier risk and contractual standards. LSEG's Executive Committee are briefed on the modern slavery and human trafficking risks faced by LSEG to ensure the Executive Committee's commitment and strategic steer to this topic.

The LSEG Code of Conduct, which applies to all employees, includes anti-slavery commitments and is available to employees at all times.

# Progress on Actions

The table below provides a summary of progress against the actions included in our 2020 MSA Statement:

Action	Status
<p>Seek to obtain Supplier Code of Conduct agreement from the Tier 1, 2 and 3 suppliers identified from our most recent modern slavery risk assessment and analysis, where we intend to continue using them as suppliers.</p>	<p><b>COMPLETE</b></p> <p>This will continue to be an ongoing action on the back of our yearly risk assessments. Although there are some gaps across our supply base, we have seen a significant increase in agreement with our Supplier Code of Conduct throughout 2021. This process has been implemented within LSEG and the action is considered complete. We will continue to address providers as part of our supplier management.</p>
<p>Ensure our approach to establishing new international office locations continues to consider the modern slavery and human trafficking risks associated with those locations as part of its governance.</p>	<p><b>COMPLETE</b></p> <p>All new office locations opened this year followed the same process. Confirmation is requested from local office suppliers to comply with the Supplier Code of Conduct and our serviced office broker also takes into account modern slavery requirements when providing services to LSEG. This process has been implemented within LSEG and the action is considered complete. We will continue to address providers as part of our supplier management.</p>

Action	Status
<p>Modern slavery to be embedded as part of our supplier relationship management approach through:</p> <ul style="list-style-type: none"> <li>– Quarterly business reviews</li> <li>– Questionnaires</li> <li>– Supplier Code of Conduct engagement with wider supply base</li> <li>– Further engagement with high modern slavery risk suppliers</li> <li>– More targeted dialogue with international suppliers not subject to the UK Modern Slavery Act</li> </ul>	<p><b>COMPLETE</b></p> <p>We are progressing with embedding modern slavery throughout the procurement lifecycle. This captures our supplier’s stance on modern slavery at the earliest opportunity when building a relationship. It provides oversight and alignment on modern slavery and human trafficking with our suppliers as we engage with them on our outlook and expectations of our supply chain. This is an ongoing action that we will continue to persistently advance through this holistic view and enabled modern slavery reporting of our supply chain.</p>
<p>Incorporate modern-slavery items into our questionnaires and scorecards as an integral part of tender-collateral and sourcing decisions.</p>	<p><b>COMPLETE</b></p> <p>We have embedded specific modern slavery questions within our initial questionnaires and scorecards to get insight on our potential supply chain and include the information-making sourcing decisions.</p>
<p>Increase transparency with the business and report internally any cases of modern slavery with material concern and the resulting mitigating actions.</p>	<p><b>CONTINUE</b></p> <p>No reported cases of material concern.</p> <p>This is an ongoing activity which we plan to develop and further embed within the business as we move forward with our human rights and modern slavery approach.</p>
<p>Extend our training programme to continue to grow awareness within LSEG.</p>	<p><b>CONTINUE</b></p> <p>As we move forward as a single entity, we are aware of the need to extend the training programme across LSEG</p>

\*CONTINUE actions to be carried forward to 2022



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## Looking Forward

Upcoming activities in 2022 activities will be planned considering the recommendations in **“Preventing Modern Slavery and Human Trafficking: An Agenda for Action Across the Financial Services Sector”** document published in September 2021.

This will be further supported through our refreshed approach to third-party risk management, including better risk identification, assessment, mitigation, controls and ongoing monitoring.

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## Statement Approval

LSEG’s approach to reporting under the Modern Slavery Act was developed by a working group coordinated by the Group’s Sustainability function, drawing on resources from all functions, businesses and geographies. This Statement was considered and accepted by this working group and approved by the Sustainability Committee and the LSEG Board on 2 March 2022.

Executive responsibility rests with the LSEG Executive Committee, which has primary accountability for the businesses and functions relevant to particular human rights issues, including modern slavery and human trafficking.

### **David Schwimmer**

Chief Executive Officer  
London Stock Exchange Group

LSEG is more than a diversified global financial markets infrastructure and data business.

We are dedicated partners to our customers, with an open model and commitment to excellence. With extensive experience, deep knowledge and global presence across financial markets, we enable businesses and economies around the world to fund innovation, manage risk and create jobs. It's how we've contributed to supporting the financial stability and growth of communities and economies globally for more than 300 years.

Discover more at [lseg.com](https://lseg.com)



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