

London Stock Exchange Group plc

Slavery and Human trafficking statement (“Statement”) as required under s54 of the Modern Slavery Act 2015 (the Act”) for the financial year ended 31 December 2017 (“Financial Year”)

Introduction

London Stock Exchange Group plc and its subsidiaries (“LSEG”/”us”/ “we”/”our”/the “Group”) is committed to ensuring that all of its business dealings are carried out in full compliance with relevant laws and, in doing so we endorse the implementation and promotion of ethical business practices. LSEG is committed to improving our practices to combat slavery and trafficking and we have taken significant steps during the Financial Year to promote and improve our supply chain management and procurement processes and procedures.

This Statement covers all the companies belonging directly or indirectly to the LSEG, including: London Stock Exchange plc, LCH Group Limited, LCH Limited, FTSE International Limited, Turquoise Global Holdings 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. and Frank Russell Company.

Organisational Structure and Business

LSEG is an international markets infrastructure business. Its diversified global business focuses on capital formation, intellectual property and risk and balance sheet management. LSEG operates an open access model, offering choice and partnership to customers across all of its businesses. The Group can trace its history back to 1698.

The Group operates a broad range of international equity, ETF, bond and derivatives markets, including London Stock Exchange; Borsa Italiana; MTS (Europe's leading fixed income market); and Turquoise (a pan-European equities MTF). Through its platforms, LSEG offers unrivalled access to Europe's capital markets. The Group also plays a vital economic and social role, enabling companies to access funds for growth and development.

Through FTSE Russell, the Group is a global leader in financial indexing, benchmarking and analytic services with approximately \$15 trillion benchmarked to its indexes. The Group also provides customers with an extensive range of real time and reference data products, through The Yield Book, Mergent, SEDOL, UnaVista, XTF and RNS.

Post trade and risk management services are a significant part of the Group's business operations. In addition to majority ownership of LCH , a multi-asset global CCP operator, LSEG owns CC&G, the Italian clearing house; Monte Titoli, a leading European custody and settlement business.

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Headquartered in the United Kingdom, with significant operations in North America, Italy, France, Malaysia and Sri Lanka, the Group employs approximately 4,500 people.

Further information on London Stock Exchange Group can be found at www.lseg.com. The Group's ticker symbol is LSE.L

The Group engages with a wide range of third party suppliers. These third party arrangements range from niche providers of professional services, data or products through to significant, long term strategic partnerships with well known global providers of professional services and technology products.

A significant proportion of the Group's total third party spend is concentrated within Professional Services (for example specialist consultancy, legal and advisory firms) and Technology (for example supply of physical IT goods, and provision of IT-related services).

Policies and contractual controls

LSEG internal policies include our Supplier Code of Conduct, Employee Code of Conduct and Recruitment/Agency policies where we confirm that we will not tolerate or condone abuse of human rights within any part of our business or supply chains.

During 2017 LSEG has amended its standard supplier framework terms to specifically address modern slavery and human trafficking and any requests to deviate from the standard form wording would trigger a legal review.

Whistleblowing policy

We also operate a Whistleblowing Policy, aimed principally at our employees but also available to others working in our supply chains and encourage employees, customers and other business partners to report any concerns relating to direct activities, supply chains or any circumstances that may give rise to an enhanced risk of slavery or human trafficking. LSEG's whistleblowing procedure is designed to make it easy for individuals to make disclosures without fear of retaliation and individuals can use our confidential helpline and/or confidential disclosure form to escalate potential issues.

Assessment and management of Modern Slavery Risk within our business and supply chains

Generally speaking, LSEG operates within an industry where the risk of modern slavery and human trafficking is deemed to be low, based on the nature of the products and the services consumed as well as the location of significant operations; nevertheless LSEG recognises the prevalence of modern slavery and human trafficking and the importance of taking the necessary steps to combat them.

In 2016, our procurement team undertook a broad review of the existing supplier base, focusing on the suppliers that made up the top 75% of spend and using the guidance published by the Chartered Institute of Procurement and Supply ("CIPS"). On the basis of this analysis, we have categorised these suppliers low, medium or high risk from a modern slavery and human trafficking perspective.

17 suppliers (out of 259 risk assessed) were identified as medium risk, the remainder as low risk. These suppliers are the Group's main suppliers of Facilities Management services (premises/mechanical and electrical maintenance, cleaning and security), Corporate Services (catering and hospitality services) and Construction / Office Fit Out related services. High spend Professional Services and Technology Services providers were deemed low risk based on the published slavery and trafficking guidance. No high risk suppliers have been identified.

For all medium risk suppliers the procurement team has committed to sending out the Supplier Code of Conduct (where they have not done it already) or asking the supplier to evidence their equivalent code that specifically addresses modern slavery and human trafficking. We recognise that spend and risk are not inextricably linked but believe that this has provided a firm foundation to be built on in future years.

A separate exercise was completed in 2017 to perform due diligence on the third party suppliers who were deemed to be most critical to ongoing Group operations, based a number of different factors including support to business resilience, recovery and provision of critical infrastructure or services. This included agreement to the Group's Supplier Code of Conduct by a number of critical technology products, services and professional services suppliers.

Additionally our procurement team (working closely with our central compliance team) has developed a risk segmentation process to assess the risk of all new suppliers ("Risk Segmentation Process") and we have documented evolving best practice in this area and cascaded it down through the organisation.

The Risk Segmentation Process has evolved over time to align with relevant regulatory, legal and best practice standards. The Risk Segmentation Process now includes assessment of geographic risk of a potential third party supplier (from the perspective of financial crime, money laundering, sanctions and corruption) and identification of where there may be elevated risk through the activity of a third party acting as an agent, business intermediary or lobbyist. This in turn leads to the requirement for enhanced due diligence on the ultimate beneficial owners of those third parties in addition to the third parties themselves.

The Group's approach to managing and mitigating slavery and trafficking risk incorporates a number of techniques at different stages of an engagement with its supply chain: risk assessment and due diligence prior to supplier on-boarding; inclusion, where possible, of a cross-jurisdictional anti-slavery and trafficking clause into supplier contracts to ensure, as far as possible, that our suppliers are contractually bound to comply with the terms of the Act; and due diligence repeated annually for suppliers assessed as more critical to the Group's operations. This approach requires, at various stages, the collective involvement and acceptance of Procurement, Legal, Risk and Compliance and other relevant subject matter experts from across the Group.

The results of risk assessment, appropriate due diligence, any residual risk mitigating actions and confirmation of adoption of Group contract standards (including slavery and human trafficking clauses) require risk acceptance and signoff by an appropriate accountable executive prior to signature of supplier contracts.

The proportion of the supply base who have agreed to our Supplier Code of Conduct is measured and reported to relevant executive committees on a periodic basis, as a Key Performance Indicator (KPI) of compliance to Group standards.

Due Diligence

In order to mitigate risk, LSEG, through provision of Group-wide policies, frameworks, tools, processes and guidance from its Group Procurement and other SME functions, undertakes extensive due diligence on its business and when considering taking on new suppliers. Under these policies and frameworks LSEG also reviews all Tier 1 ("Critical" Suppliers) on at least an annual basis, working closely with the business owners who have day to day interaction with these suppliers.

The types of review activities include but are not limited to:

1. Completing the Group's Risk Segmentation Form, which determines the level of risk associated with the new supplier and any subsequent due diligence activity that needs to take place prior to engaging with the supplier. The risk segmentation form covers areas including, but not limited to: Business Continuity Management, Information/Cyber Security, geographic risk, anticipated length of contract, KYC/KYB checks, financial health screening. Agreement to the Group Supplier Code of Conduct, sanctions and PEPs screening of the supplier are a minimum due diligence requirement for all suppliers.
2. If a supplier is deemed to be strategic, high risk or critical in any of the above areas, or where elevated KYC/KYB risk is identified, additional in depth due diligence will be conducted. LSEG has a range of best practice tools and systems to help with these activities, as well as questionnaires produced by subject matter experts for assurance purposes.
3. Another part of the due diligence exercise is to send LSEG's Supplier Code of Conduct to all in scope prospective suppliers for their review and agreement in advance of being on-boarded. It is acceptable for the supplier to provide their own Code of Conduct as an equivalent, providing that it is materially the same as the Group's. Group Procurement will conduct this comparison and will challenge the supplier if there is no reference made to modern slavery, human rights or other key components, in order to clarify their formal stance on the relevant area. If there are residual concerns, our procurement team can escalate to the Compliance function for further review.
4. Guidance on the above is held centrally on internal sites, to ensure consistency across the Group and adherence to LSEG's Group Procurement policy. Group Procurement, Risk and Compliance act as points of reference for the rest of the business, providing expertise and guidance on any queries.

Training

In relevant functions across the Group, e.g. Group Procurement, where staff are more likely to be in a position to identify potential issues relating to Modern Slavery and human rights given their day to day operations, additional training has been provided. This covered how to conduct a risk assessment across the supplier base, as well as the red flag identification system.

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our Group' slavery and human trafficking statement for the Financial year ended 31 December 2017.

This Statement has been approved by the Board of Directors of the London Stock Exchange Group plc in its meeting of March 1st, 2018.

David Warren

Interim CEO and CFO

London Stock Exchange Group plc

Date: 9 March 2018