

London Stock Exchange Group plc

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020.



Contents

1.0 About us: our organisation and approach to anti-slavery	3
2.0 How do we prevent modern slavery and human trafficking?	4
3.0 Our supply chain	9
4.0 Looking forward and taking action	11
5.0 Approval of the 2020 MSA Statement	14



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

1.1 LONDON STOCK EXCHANGE GROUP AND ITS BUSINESS

LSEG (London Stock Exchange Group) is more than a diversified global financial markets infrastructure and data business. We are dedicated, open-access partners with a commitment to excellence in delivering the services our customers expect from us. With extensive experience, deep knowledge and worldwide 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.

You can find out more about our organisational structure and operations at: <https://www.lseg.com/about-london-stock-exchange-group>

1.2 LONDON STOCK EXCHANGE GROUP AND ITS BUSINESS

The 2020 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, FTSE International Limited, LSEG Business Services Limited, LSEG Employment Services Limited, LSEGH Inc., The Yield Book Inc. and Frank Russell Company. Also included are our entities that are not considered part of the Group for the majority of the financial year of 2021 due to the sale of such entities however were part of LSEG for financial year 2020: Borsa Italiana S.p.A., MTS S.p.A., Monte Titoli S.p.A., Cassa di Compensazione e Garanzia S.p.A.. These entities will not be included in our 2021 statement and the actions that LSEG states in section 4.5 will not apply.

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. This 2020 MSA Statement describes our corporate and Group-wide approach applicable to all entities belonging directly or indirectly to LSEG during financial year 2020. As such, this 2020 MSA statement does not apply to Refinitiv Limited whose efforts to detect and combat modern slavery are being reported in a separately published Modern Slavery Act Statement for financial year 2020. LSEG's MSA Statement for financial year 2021 will cover Refinitiv and the 2021 action plans discussed within this 2020 MSA Statement will be applied across all LSEG entities, including Refinitiv. This 2020 MSA statement is published on 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 2020 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 fifth Modern Slavery Act (MSA) Statement covering the financial year 2020 (the "2020 MSA Statement"), we have taken steps in 2020 to enhance our anti-slavery practices. You can read our statements for previous years [here](#). Within this 2020 MSA Statement we describe our anti-slavery action plan for 2021.

1.4 OUR COMMITMENT TO TACKLING MODERN SLAVERY

In 2020 we have:

- Completed a refreshed risk assessment of our supply chain based on latest slavery guidance, best practice and data which has tiered our suppliers according to slavery risk [see section 3.0].
- Sought to obtain agreement to our Supplier Code of Conduct from all Tier 1, 2 and 3 suppliers identified from our most recent risk assessment and analysis, that we intend to continue using.
- Ensure our anti-slavery policies, frameworks and procedures continue to be effective and fit for purpose; continue to evolve our anti-slavery approach, and leverage guidance from available best practice and experts where possible and appropriate.
- Ensure our approach to establishing new international office locations continues to consider the slavery and human trafficking risks associated with those locations as part of its governance.
- Leveraged our Supplier Relationship Management governance framework to engage with our most important suppliers to understand their own slavery and human trafficking risks, their anti-slavery practices and approaches; seek to identify any potential residual risk to LSEG that requires proportionate action.
- Created an action plan to further enhance our slavery risk mitigation [see section 4.0].

2.0 How do we prevent modern slavery and human trafficking?

2.1 OUR UNDERSTANDING OF MODERN SLAVERY

LSEG interprets 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, Investor Relations, Company Secretary, Government Relations and Corporate Sustainability (the “working group”) to take action on our modern slavery risk. We include other areas where applicable e.g. Human Resources and Audit.

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.

Our approach ensures that we leverage a multi-faceted approach to managing our modern slavery risk, see Figure 1, right, by considering the different ways in which LSEG is exposed to, and can tackle, slavery related risks. It has determined the approach to risk assessing our supplier base for slavery risk.

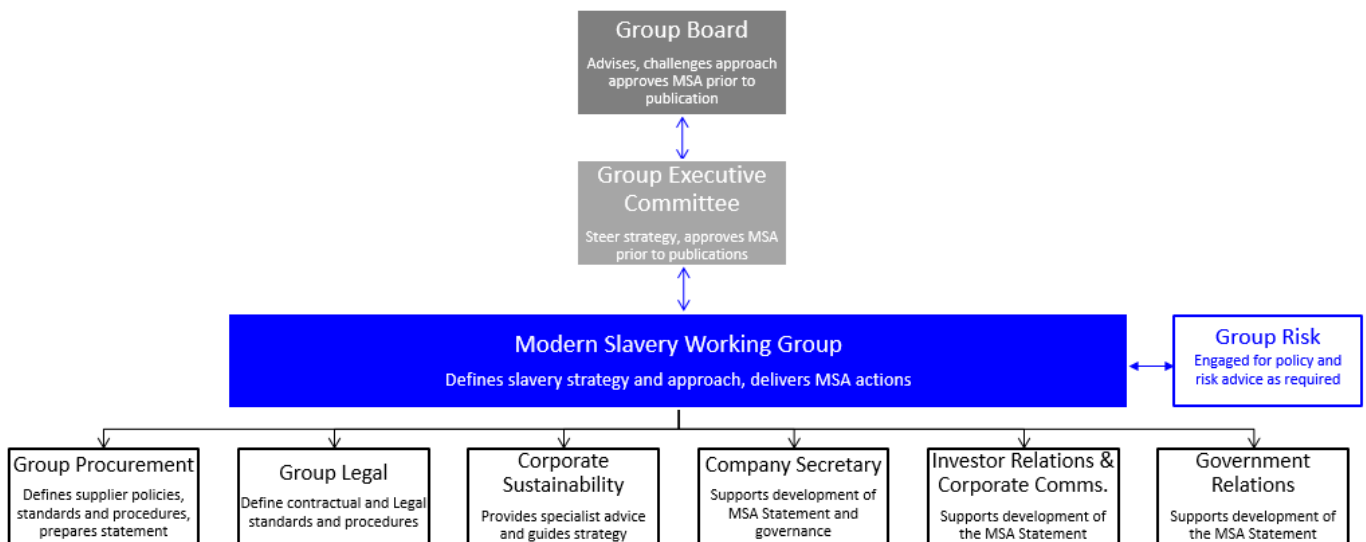
Figure 1 LSEG’s approach to managing modern slavery risk



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

The working group consults with the Executive Committee in respect of slavery risk activity, and obtains approval from both the Executive Committee and the Board of LSEG in the preparation of this 2020 MSA Statement, see Figure 2 below.

Figure 2 LSEG's slavery risk governance structure



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 tailored training 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 anti-slavery approach, complemented by specific training for team members in how to complete risk assessment and due diligence.

In Legal the focus is on ensuring adequate anti-slavery commitments are included in all supplier contracts. New joiners in both teams are also briefed, with detail provided on both slavery supplier risk and contractual standards.

The Executive Committee, supported by David Shalders as MSA Statement Executive Sponsor, were 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 prior to submission of the 2020 MSA Statement to the Board for consideration.

The LSEG Code of Conduct, which applies to all staff, includes anti-slavery commitments and is available to staff at all times [see section 2.2.5].

2.2.4 We undertake slavery-specific risks

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

- In preparation of the 2016 MSA 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 the 2018 MSA Statement a completely new risk assessment was undertaken on our 3rd party supplier base. The review leveraged high quality modern slavery data and best practice guidance that was available[see Section 3.0].
- The risk assessment produced in 2018 was updated and refreshed in preparation of the 2019 MSA Statement and this 2020 MSA Statement.
- A more in depth assessment was also conducted on our most strategic suppliers for this 2020 MSA Statement. To gain understanding on how their values align to ours in regard to risk and the actions they take to mitigate any potential risk.

2.2.5 We have robust policies, frameworks and standards in place

2.2.5.1 Procurement Policy

LSEG maintains a Group Procurement Policy which applies to all staff, contractors and officers (an equivalent policy applies in France). The policy requires risk assessment of and proportionate due diligence on all potential 3rd party suppliers prior to their engagement as a supplier to LSEG, including modern slavery risk. It also requires written contracts to be in place for suppliers we consider Medium and High Risk from a critical usage point of view, to leverage and embed our standard anti-slavery provisions. We describe these procedures later on in this 2020 MSA Statement.

The Group Procurement Policy (and local policies where relevant) 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.

2.2.5.2 Supplier Code of Conduct

Group Procurement owns LSEG's Supplier Code of Conduct, which can be found 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 most new suppliers during Procurement due diligence, and increasingly being accepted as a contractual commitment via inclusion in our standard contract templates and requirements.

Breaches: the Supplier Code of Conduct encourages any 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 2020. Where breaches occur, these will be escalated by Procurement within the Working Group to agree an appropriate response.

2.2.5.3 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, contractors, officers and consultants 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 in-scope individuals are required to complete mandatory training each year which reinforces the requirement to comply with the Employee Code of Conduct at all times. The Employee Code of Conduct is available to all staff at all times via our intranet.

Group Corporate Sustainability Policy: this policy, approved by LSEG Board, includes anti-slavery within its overarching commitments. It is available at all times via the LSEG intranet site. The CEO is responsible for sustainability matters. Our sustainability strategy is driven by the Group Sustainability Committee, on which a number of Executive Committee members sit. Delivery of the sustainability programme is carried out by the Sustainable Business team and through the work of our related Sustainability initiative teams, such as our global Inclusion Network (IN). These teams also feed back into the Sustainability committee directly to input into the overall strategy and direction of our Sustainability activities.

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 was further enhanced in 2018 via a specific "Speak Up" campaign led by the Group CEO.

Anti-bribery & Corruption Policy: A group wide policy covering anti-bribery and corruption is in place within the Group and is accessible by all staff via the LSEG intranet.

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.

International Labour Standards: Human rights criteria covering the ILO standards including forced labour are covered in our Environmental Social and Governance (ESG) methodologies. In assessments this is considered both with regards to a company's own operations as well as how they engage suppliers. This feeds into data that is used in indexes and benchmarks used by investors.

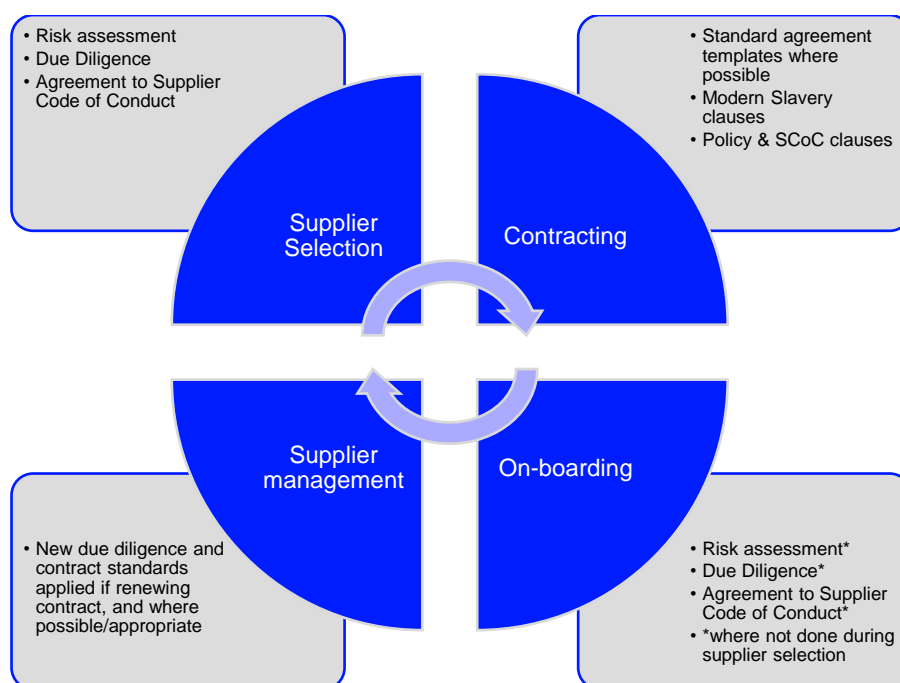
2.2.6 Our procurement process considers slavery risk at key points

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, where established, a local Procurement team – 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, as required by the Group Procurement Policy. 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 “Country Risk 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, Commonwealth and Development Office's (FCO) Human Rights & Democracy report) of countries which pose an elevated risk from a reputational, geo-political, economic and social responsibility perspective. Countries are rated as Red, Amber, Yellow, or Green based on determined risk factors, with Green being the lowest risk and Red being the highest. It is continually updated (minimum monthly) by Group Risk and was enhanced with slavery-specific risk indicators in 2019.
- 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 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

Our segmentation and due diligence procedures for new suppliers are centralised within Group Procurement. In 2019 incorporated the use of the updated Supplier Code of Conduct and Country Risk List into these due diligence procedures, with directed training provided to relevant Group Procurement resources to assist with identification of elevated slavery risks with new suppliers.

LSEG completes several types of due diligence on our Medium and High Risk suppliers which enables the identification of potentially elevated modern slavery risk: review against our Country Risk List, detailed Know Your Customer review (KYC), agreement to the Supplier Code of Conduct and checks for 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 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. In particular, this includes performing an equivalence check on the supplier's own code of conduct where one exists and 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. Where possible we use standardised contract templates and a key terms library to contract with our suppliers in all geographies and as standard practice. 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 to the Supplier Code of Conduct, warranties that supplier staff and officers have not been 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 rights for 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 staff to best practice standard 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 the Group Legal team 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 2020 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 our incumbent 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 2020 MSA Statement came into effect and who may not have been subject to our full current 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 influenced or addressed over 80% of the Group's on-going discretionary third party spend. This has increased significantly this year and continues to so do through Group Procurement's continuing 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, but we also conduct business on a smaller scale in India, Mexico and China.

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. All LSEG 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 approval including from the LSEG New Markets and Product Committee or equivalent committee, in line with our International Office Framework. All of our current international office locations have been through rigorous review and approval with all relevant 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 with respect to further addressing slavery and human trafficking risk in our supply chain throughout 2021.

2.4 MEASURING AND REPORTING OUR PROGRESS

In line with our Group Corporate Sustainability 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 relevant indicators from our slavery risk assessment (including proportion of agreement by suppliers to our Supplier Code of Conduct) to relevant Boards and Executive Committees during approval of our modern slavery act statement each year.

Throughout 2020 there have been no speak up reports, whistle-blowing complaints, breach, incidents or concerns regarding modern slavery and human trafficking raised through any of the channels available across the group.

We publish our Modern Slavery Act Statement on our website, [here](#).

3.0 Our supply chain

3.1 WHAT WE HAVE DONE THIS YEAR

We have completed a refreshed assessment and analysis on our suppliers. The objective was to:

- 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, more slavery data and research than in previous assessments;
- 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 slavery strategies and actions for 2021 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 and data

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

- The Global Slavery Index 2018 (report and scoring data) <https://www.globallslaveryindex.org/> (including data set with additional G20 & fishing metrics)
- Minderoo Foundation's Walk Free "Measurement Action Freedom" Report 2019

3.2.2 We used available 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 and full managed office service locations, 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 identified in our research as it is a weighted score which incorporates many slavery related factors.
- We reviewed the Slavery Risk Tiering for suppliers for accuracy – 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).

3.3 WHAT OUR SLAVERY RISK ASSESSMENT HAS TOLD US

Throughout 2020 we were consolidating our supply base despite increasing our spend. Having a smaller supplier base allows us to have better control, visibility and governance over the suppliers. We found that the risk assessment confirmed our view that we have an inherently low risk supply chain.

1. **We only have 5 suppliers in slavery risk Tier 1: two fully managed offices (in higher risk countries). A local IT hardware provider in Hong Kong, part of a global group of companies used to supply print hardware and services across the Group. A catering company located in India and an organiser of international conventions located in Russia.**
 - 4 of these have already committed to the Supplier Code of Conduct.
2. **Our Tier 2 is made up of 31 suppliers in high risk countries but not high risk spend categories, including a number of other stock exchanges around the world with whom we have market data agreements.**
 - We consider the likelihood of slavery occurring in these companies to be low given the high education and skills requirements for their employees.
3. **Our Tier 3 (Low Risk) includes just under 500 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. Approximately 75% of our Tier 3 suppliers (by spend) have agreed to our Supplier Code of Conduct
4. **Most of our suppliers are in Tier 4 (Very Low slavery risk). They make up over 95% of our suppliers by spend and nearly 80% by number of suppliers.**
 - The majority are in either the UK, US, Italy or France – low risk countries from a slavery perspective – and approximately 72% of our Tier 4 suppliers (by spend) have agreed to our Supplier Code of Conduct. This is up from 60% in 2019.
5. **We have good overall agreement to the Supplier Code of Conduct (72% of our total discretionary spend managed by Group Procurement, by value, is covered by an agreed code)**
 - The 2020 figures show a significant year-on-year increase of 8% compared with 2019.
 - 72% agreement to our Supplier Code of Conduct gives us confidence that our core suppliers share our anti-slavery commitment and are taking steps to mitigate slavery risk on their own and our behalf.

4.0 Our supply chain

4.1 PROGRESS ON ACTIONS PLANNED FOR 2020

In publishing our 2019 MSA Statement we planned several follow up actions. An update on progress is provided below.

Action	Status
<p>Seek to obtain Supplier Code of Conduct agreement from the Tier 1, 2 and 3 suppliers identified from our most recent risk assessment and analysis, where we intend to continue using them as suppliers.</p>	<p>ON-GOING</p> <p>This will continue to be an ongoing action on the back of the yearly risk assessments we complete. Although there are some gaps across our supply base, we have seen a significant increase in agreement to our Supplier Code of Conduct throughout 2020. We expect to see the number of exceptions continuing to reduce through our supplier onboarding process.</p>
<p>Ensure our anti-slavery policies, frameworks and procedures continue to be effective; continue to evolve our anti-slavery approach, and leverage guidance from available best practice and experts where possible and appropriate.</p>	<p>COMPLETE</p> <p>As part of the integration work completed to acquire Refinitiv LSEG reviewed all policies, frameworks and procedures. They were updated where applicable to be in line with the latest modern slavery protocols.</p>
<p>Ensure our approach to establishing new international office locations continues to consider the slavery and human trafficking risks associated with those locations as part of its governance.</p>	<p>ONGOING</p> <p>We have opened 5 new office locations this year. Confirmation is requested from local office suppliers to comply with the Supplier Code of Conduct and our service office broker also takes into account Modern slavery provisions. All new office locations followed the required process.</p>
<p>Leverage our Supplier Relationship Management governance framework to engage with our most important suppliers to understand their own slavery and human trafficking risks, their anti-slavery practices and approaches; seek to identify any potential residual risk to LSEG that requires proportionate action.</p>	<p>COMPLETE</p> <p>Summary of the process and findings below. We have taken this a step further and also reached out to our Tier 1s highlighted in our previous risk assessment asking them to complete the same assessment we completed for our key suppliers. There has been good engagement from all suppliers minus one which we will follow up with in 2021.</p>

4.2 SUMMARY ON KEY 2020 ACTION

Whilst we set out our commitment to tackling slavery and expectations for all suppliers in our Supplier Code of Conduct, an important action in our 2020 plan was to leverage our relationships and engage with our most strategic suppliers to understand their own slavery and human trafficking risks and their anti-slavery practices and approach.

Our key strategic business partners, known as Tier 1 suppliers, currently stands at a total of 33 and accounts for 44% of Group Procurement spend. These are typically considered a medium/high risk to LSEG from a critical service point of view whereby: without such services, LSEG would be unable to trade legally, operationally or in line with its regulatory obligations, or the risk, effort and cost to replace such suppliers is high or there are no appropriate alternatives in the market place.

We engaged each individual Tier 1 supplier separately, leveraging the relationships of our procurement category managers. This approach aids the level of engagement and deepens our relationship with our most strategic suppliers around a key LSEG value. We shared LSEG's no tolerance stance on modern slavery and our expectation of this within our supply chain. We wanted to get a full picture on the extent of controls our suppliers have in place to manage their risk and to collaboratively approach engagement on the subject, so we requested answers the following questions:

- What is your position on modern slavery and approach to tackling slavery risk?
- What is your slavery risk governance structure and how you ensure you have the right processes in place to identify and mitigate modern slavery risk day to day?
- What progress have you made this year to address the risks and improve outcomes for workers in your business and your supply chains?
- What is your approach to ensuring modern slavery risk is considered during the whole Procurement and contracting lifecycle?

We then took the suppliers responses and reviewed each answer, only two suppliers were unable to provide input by the deadline for publication so information has been extracted from their latest modern slavery statements. Following this the feedback was rated via a RAG status for us to quickly determine whether the responses met our expectations and were aligned with our values on modern slavery. In particular, we recorded whether suppliers had policies, due diligence processes and training in place as a baseline measurement on how advanced our suppliers are in mitigating the risk associated with modern slavery.

97% of our Tier1 suppliers have a policy around modern slavery or human trafficking.

76% made reference in their responses to a form of code of conduct either an employee, business or supplier adherence to the code.

76% highlighted a requirement in their business to complete on-boarding due diligence concerning modern slavery.

55% complete official modern slavery training for internal employees.

52% disclosed whistleblowing avenues concerning any wrongdoing regarding modern slavery.

42% brought to light committees or working groups they have in place involving multiple business areas around the management of modern slavery.

21% ask a number of their suppliers to provide evidence of adherence to the policies in place to reduce risk.

Many of our suppliers told us that they have worked this year to tighten their controls they have in place to reduce the risk of modern slavery in their supply chains. Some of these actions consisted of:

- Adding a modern slavery risk assessment to vendor due diligence procedures.
- Completing annual due diligence reviews on suppliers including modern slavery risk assessments.
- Introducing a regular policy review.
- Issuing their suppliers guidance in the form of a Supply Chain CSR Deployment Guidebook.
- Automating the process needed to monitor compliance through the use of software.
- Assessing modern slavery risks prior to being shortlisted for contracts.
- Free online training to high risk suppliers to help them understand and reduce forced labour risks in their own supply chain.
- Advocating to international governments for a stronger role for technology in combating modern slavery.
- Working with direct suppliers to identify their indirect supply chain. Then reviewing how they can strengthen their assessment of indirect suppliers in terms of due diligence process and risk assessments.
- Engaging in direct dialogue with key suppliers rather than a questionnaire, this includes completing site visits.
- Employees have been given the necessary technology to work and collaborate in the best way possible given the circumstances around COVID-19.

Some suppliers indicated that they have undertaken more advanced corporate sustainability related activities and share our commitment to integrity and ethical behaviour. Such suppliers work with recognised bodies, such as the UK National Living Wage Foundation, to acknowledge and support employees to receive the appropriate compensation to live in the UK. Others manage their business in line with the ten principles of the UN Global Compact on Human Rights. There is emphasis for global companies on having more controls and governance in higher risk countries including site visits, questionnaires and mandatory supplier training. Our partners in this category are succeeding in obtaining buy-in from the wider business via their Modern Slavery Committees to cease trading with suppliers who don't adhere to the Modern Slavery Act 2015 or the company's values. One of our suppliers even engaged external members from the NGO community experienced in modern slavery and human rights to ensure an independent and challenging voice within their organisation as well as to support transparency. Some of the Tier 1 suppliers we engaged told us that they aren't subject to the UK Modern Slavery Act 2015, however they still recognise how pertinent it is to have controls and governance in place to reduce slavery risk and they have relevant controls in place that mitigate such risk.

Overall, the insights received back from our Tier 1 suppliers provide strong evidence that our strategic partners are committed to combating modern slavery and are strong advocates of the standards set by the Modern Slavery Act 2015. The insights we have gained from this engagement provides us with a level of confidence that the values of our most strategic

business partners are aligned to LSEG values. We commit to continuing these conversations and make advances together in this space.

4.3 THEMES ARISING FROM OUR RISK ASSESSMENT

In reviewing the above analysis and our annual risk assessment in detail the following themes stood out:

- We have an increasing global business (and physical) presence, now including a number developing market geographies where slavery risk continues to be a Group and public concern (such as a Group presence in India and China, for example, and through business dealings in other high-risk countries).
- Our risk assessment confirms that we continue to operate a low risk supply chain
- We have the opportunity to go deeper into our supply chain in assessing and managing slavery risk.
- We need to further engage our suppliers on the topic and have regular conversations to have a full understanding around progress they are making.

4.4 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. We also acknowledge that modern slavery is becoming more prominent globally given recent events leading to financial insecurity for many and increased vulnerability. Our ambition is to become a market leader in fighting modern slavery helping to contribute to the UN Sustainable Development Goals target to bring the modern slavery figure close to zero by 2030. We believe we can have a strong impact given the financial sector deep influence over global business, and can invest in and foster the best practices. We want to push ourselves further this year to make substantial progress in this space. The themes from the risk assessment along with our commitment to continually achieve more in this space lead to a clear action plan for the year ahead.

4.5 OUR ACTION PLAN FOR THE YEAR AHEAD


The actions below are what we plan to focus on in 2021. These actions will be applicable to LSEG as a whole, including Refinitiv as we work as a combined group to make further progress in this space. We will report our progress against these in next year's Modern Slavery Act Statement.

- Modern Slavery to be embedded as part of our supplier relationship management approach through:
 - Quarterly business reviews
 - Questionnaires
 - SCOC engagement with wider supply base
 - Further engagement with high modern slavery risk suppliers
 - More targeted dialogue with international suppliers not subject to UK Modern Slavery Act
- Incorporate Modern Slavery items into our questionnaires and scorecards as an integral part of tender collateral and sourcing decisions.
- Monitor the establishment of similar accreditation schemes to the UK's Living Wage Foundation in other jurisdictions, with the view to joining these accreditation schemes in countries that have a significant employee base besides the UK.
- Include a charity that fights for modern slavery and human trafficking issues in our donations.
- Increase transparency with the business and report internally any cases of modern slavery with material concern and the resulting mitigating actions.
- Review the current Working Group member responsibilities and scope with a view to strengthening collaboration across business areas and taking into account the activities of LSEG following the acquisition of Refinitiv.
- Extend our training programme to continue to grow awareness within the Group.

5.0 Approval of the 2020 MSA Statement

The 2020 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 2020.

The 2020 MSA Statement was approved by the Board of Directors of London Stock Exchange Group plc at its meeting on 2nd March 2021.



David Schwimmer, CEO
London Stock Exchange Group plc
Date: 2nd March 2021

This 2020 MSA Statement has been approved by the Board of Directors for the following companies and they delegated authority to David Schwimmer to sign this 2020 MSA Statement on their behalf:

- London Stock Exchange Group plc (March 2021)
- London Stock Exchange plc (March 2021)

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
- 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.
- The Yield Book Inc.
- Frank Russell Company

London Stock Exchange Group plc

10 Paternoster Square, London EC4M 7LS

E: Procurement@lseg.com

T:+44 (0) 20 7797 1000

www.lseg.com/about-london-stock-exchange-group/corporate-responsibility/modern-slavery-act-statement

