

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 2016 (“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, FTSE International Limited, Turquoise Global Holdings Limited, LSEG Business Services Limited, LSEG Employment Services Limited, 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

London Stock Exchange Group (LSE.L) 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 market participants, including retail investors, institutions and SMEs 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 \$10 trillion benchmarked to its indexes. The Group also provides customers with an extensive range of data services, research and analytics through 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; and globeSettle, the Group's CSD based in Luxembourg.

LSEG is a leading developer and operator of high performance technology solutions, including trading, market surveillance and post trade systems for over 40 organisations and exchanges, including the Group's own markets. Additional services include network connectivity, hosting and quality assurance testing. MillenniumIT, GATElab and Exactpro are among the Group's technology companies.

Headquartered in the United Kingdom, with significant operations in North America, Italy, France and Sri Lanka, the Group employs approximately 3,500 people.

Further information on London Stock Exchange Group can be found at www.lseg.com

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 2016 LSEG has amended its standard supplier framework terms to specifically address modern slavery, 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. We 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 of Modern Slavery Risk within our supply chain

Generally speaking, LSEG operates within an industry where the risk of modern slavery 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 the importance of taking the necessary steps to combat it.

During 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 as low, medium or high risk. No high risk suppliers have been identified. For 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. 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.

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 and we have documented evolving best practice in this area and cascaded it down through the organisation.

Due Diligence

In order to mitigate risk, LSEG through its Group procurement function undertakes extensive due diligence when considering taking on new suppliers and reviews all Tier 1 (Critical Suppliers) on at least an annual basis, working closely with the business 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. The risk segmentation form covers areas including, but not limited to: Business Continuity Management, Information Security, geographies of operation, anticipated length of contract, KYC/KYB checks and financial health screening.
2. If a supplier is deemed to be strategic, high risk or critical in any of the above areas, additional more 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 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 2016.

Xavier R Rolet, KBE
Group Chief Executive
London Stock Exchange Group plc

Date: 3 March 2017