

## **MODERN SLAVERY STATEMENT - THE LONDON METAL EXCHANGE AND LME CLEAR LIMITED**

### Introduction from CEOs of LME and LME Clear

Modern slavery is a serious global issue and represents one of the worst forms of human rights violation. We at The London Metal Exchange (“LME”) and LME Clear Limited (“LME Clear”) take this very seriously. We all have a responsibility to be alert to the risks, however small, in our businesses and in the wider supply chain. Staff at the LME and LME Clear are expected to report concerns and management are expected to act upon them.

### Organisations’ Structure

The LME and LME Clear form the world centre for industrial metals trading and clearing. The LME was acquired by the Hong Kong Exchanges and Clearing Group in December 2012.

The LME and LME Clear each have an annual turnover in excess of £36m and each organisation is therefore subject to the requirements of the Modern Slavery Act 2015.

### Our Business

Our UK business consists of the LME and LME Clear.

### Our Policy on Slavery and Human Trafficking

The LME and LME Clear are committed to ensuring that there is no modern slavery (including slavery, servitude, forced and compulsory labour and human trafficking) in our companies or in our supply chains. Our Modern Slavery Policy is available to all staff and reflects our commitment to acting ethically and with integrity and to implement and enforce effective systems and controls to ensure modern slavery is not taking place in our supply chains.

The LME and LME Clear are committed to fair remuneration and reward practices. Remuneration packages are reviewed and determined with regard to current market rates and are benchmarked against industry standards. We operate in accordance with policies related to equal opportunities and bullying & harassment. We also utilise robust grievance procedures and a Whistleblowing Policy to ensure that our staff can raise any form of concern – including to outside authorities - without fear of reprisal. These arrangements, and our commitment to protect our employees, ensures modern slavery is not taking place within the LME and LME Clear.

### Our Supply Chains

Our supply chains include a variety of organisations from whom we purchase goods and services in order to run our businesses. Note that there are other third party organisations that perform a role in the wider context of the market but which do not represent a part of our supply chains given the nature of the relationship between those organisations and LME or LME Clear e.g. exchange/clearing house members, warehouse operators and metals producers.

### Responsible Sourcing

Beyond our responsibilities under the legislation, we also recognise that we are in a position to help influence change in areas that are not within our supply chain but which are part of the wider market. For this reason, 2017 saw us begin to work with our listed metal producers in order to better understand their policies in respect of responsible sourcing. As part of this work, we issued a survey to listed producers concerning the codes of conduct they have in place for responsible sourcing of materials.

The results showed that most respondents either have standards in place or were working towards a recognised internal or external standard.

Looking forward, we will work with the market as a whole and consult on a number of initiatives to include:

- (i) recognition of global responsible sourcing principles (such as those of the OECD) which would inform standards that LME-listed brands of metal would be expected to comply with; and
- (ii) giving producers a timeline for compliance so that all would need to select their standards and certification regime by a given date.

### Due Diligence Process in LME Group's supply chain

The LME and LME Clear undertake due diligence on our suppliers when we enter into a business relationship with them. In 2017, we performed a preliminary risk assessment of our suppliers which showed that our supply chain is largely made up of Information Technology organisations (including for the provision of hardware and software), specialist service providers (such as consultancies, law firms and financial information providers) and it identified no "hot spots" of high risk among the companies whom we pay for goods and services. Nonetheless, we intend to perform a more in-depth risk assessment going forward and this will help determine the frequency with which we contact our suppliers with regard to anti-slavery and human trafficking concerns.

We are currently in the process of seeking responses to a questionnaire from our key suppliers concerning these issues. The responses to this questionnaire will be a key input to the formal risk assessment process.

### Training

In 2017, we issued a formal Modern Slavery Policy to all staff and made this available in an accessible area of our intranet site. Training in respect of Modern Slavery for all new starters has been introduced in 2018.

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constitutes our slavery and human trafficking statement for the financial year ending 31 December 2017.

Annual Review

This statement will be reviewed annually and updated as required. The Boards of LME and LME Clear have approved this statement.



Matthew Chamberlain

Chief Executive Officer, LME



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