

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 and LME Clear are part of the Hong Kong Exchanges and Clearing Group.

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.

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, ensure modern slavery is not taking place within the LME and LME Clear.

Our Supply Chains

LME and LME Clear do not act as producers, manufacturers or retailers of any physical goods. Our objective is to provide facilities for the trading and clearing of LME contracts for our members. The main suppliers to our business are providers of office equipment and

support services such as IT, Legal advice and financial information providers. 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.

In October 2018, we published a position paper outlining new proposals for responsible sourcing of metal by listed brands which sought feedback from the market on the detailed proposals. These proposals are designed to ensure that market participants taking delivery of metal through the LME can be sure that this metal has been sourced responsibly, in line in international principles as set out by the Organisation for Economic Co-operation and Development (“OECD”).

Following the close of the position paper on 30 November, the LME began the process of analysing the 39 written responses to the paper, and intends to launch a consultation on the implementation of our responsible sourcing proposals – revised on the basis of the feedback and the LME’s own analysis – in 2019.

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 2018 we issued a questionnaire to our regular suppliers. The questionnaire allowed us to understand the arrangements our suppliers have in place to combat Modern Slavery in their own supply chains and businesses. All responses received were reviewed and rated according to objective risk assessment criteria. The results showed that none of our suppliers present a high risk of Modern Slavery. Moving forward, this questionnaire will be developed to form part of our onboarding process for relevant suppliers.

Training

Our Modern Slavery Policy is reviewed by senior management on an annual basis and is made available to all staff in an accessible area of our intranet site. Training in respect of Modern Slavery for all new starters was introduced in 2018. This is helping to educate all staff members and create awareness of the importance of the fight against Modern Slavery.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2018.

Annual Review

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

A handwritten signature in black ink, appearing to read 'M Chamberlain', with a long horizontal line extending to the right.

Matthew Chamberlain

Chief Executive Officer, LME

A handwritten signature in black ink, appearing to read 'A Farnham', written in a cursive style.

Adrian Farnham

Chief Executive Officer, LME Clear