

The logo for DTCC, consisting of the letters 'DTCC' in a bold, white, sans-serif font. The background of the logo area is a dark grey grid pattern.

Securing Today. Shaping Tomorrow.®

# **MODERN SLAVERY ACT TRANSPARENCY STATEMENT**

**FINANCIAL YEAR ENDING 31 DECEMBER 2019**

## **PURPOSE AND BACKGROUND**

This statement is made on behalf of DTCC Derivatives Repository PLC (“DDRL”), DTCC Europe Limited (“DEL”), and The Depository Trust & Clearing Corporation (“DTCC”), (together, the “Company”), pursuant to section 54 of the Modern Slavery Act 2015 (“Act”) in respect of the steps taken to combat modern slavery and human trafficking occurring within supply chains in relation to the financial year ended 31 December 2019.

## **INTRODUCTION**

The Company recognises its obligations to combat slavery and human trafficking and remains strongly committed to preventing such human rights abuses from occurring internally and within its supply chains. The Company recognises the seriousness of such crimes and it is committed to take appropriate steps and enforce such measures that will aid the prevention, identification and reporting of such abuses.

## **THE COMPANY’S CORE BUSINESS SERVICES AND ORGANISATIONAL STRUCTURE**

Through its subsidiaries, DTCC (a U.S. holding company) provides a post-trade market infrastructure for the financial services industry, advancing the automation, centralization, standardization and streamlining of processes critical to the market’s safety and soundness. Through DTCC’s trade repository and swap data repository subsidiaries, DTCC also serves as an industry provider of choice for global over-the-counter (OTC) derivatives reporting to the global derivatives market. Through its subsidiaries, DTCC operates in more than 15 countries, including the U.K., and has in excess of 4,000 employees worldwide. DDRL is a registered trade repository incorporated in England and Wales, providing a suite of post-trade record-keeping and trade reporting services for listed and OTC equity, credit and interest rate derivatives to the global derivatives market. DDRL operates principally from the United Kingdom. DTCC Europe Limited (an affiliate of DDRL) is a company organized under the laws of England and Wales, whose principal activity is to act as a service company to affiliated subsidiaries of DTCC.

## **THE COMPANY’S SUPPLY CHAIN**

The Company’s supply chain is structured to support the provision of the foregoing services and largely consists of the following infrastructures and services required to do so:

- **Office Space**

This includes the offices leased by the Company or any affiliates which its employees, or affiliate employees that provide any services to the Company, occupy from time to time. It also includes the services procured to maintain the daily operation of such spaces including cleaning and security.

- **Professional Services**

This includes any professional advisory services the Company sources in relation to matters such as accounting, applicable rules and regulations and tax.

- **Technology**

This includes the ecosystem of software, systems and hardware that comprises the Company’s technology infrastructures.

## **POLICIES AND TRAINING ON MODERN SLAVERY AND HUMAN TRAFFICKING**

The Company requires adherence to the standards set forth through several policies and procedures that are pertinent to mitigating the risk of slavery and human trafficking that may occur within the Company's business or in any part of its supply chains. In particular, the Company has implemented the following policies, which are the policies of DTCC as the ultimate parent and which apply to all subsidiaries:

- **Code of Conduct**

The Company's Code of Conduct for Employees, as well as its Code of Conduct for Contingent Workers, underscores the Company's continued commitment to integrity and the highest ethical standards in all business engagements undertaken by and with its employees and contingent workers. The Codes of Conduct and its associated training modules promote awareness of the dangers of modern slavery as well as the need for the Company to comply with the requirements of the Act. The Codes of Conduct directs employees and contingent workers to report any instances of suspected noncompliance with the Act and instruct as to the mechanism for such reporting.

- **Reporting Mechanisms of Compliance Concerns**

The Company maintains policies which require staff to report any compliance concerns or compliance queries through applicable internal and external reporting mechanisms. The mechanisms include hotlines for anonymous reporting of any compliance concerns.

- **Equal Employment, Non-Discrimination and Anti-Harassment Policy**

The Company's policy on Equal Employment, Non-Discrimination and Anti-Harassment underscores its commitment to providing a work environment that promotes equal employment opportunities, prohibits discriminatory practices including harassment, and ensures all individuals are treated with respect and dignity.

- **Purchasing Policy**

The Company has a formal purchasing policy and program that requires vendors to comply with all applicable laws relating to the services they perform, and to procure and maintain such licenses, permits and insurances required to perform the services concerned.

- **Standard Contractual Obligations**

The Company imposes standard contractual obligations on its vendors requiring compliance with all applicable laws; submission to vendor risk assessments by the Company; and compliance with the Company's health, security and safety requirements, equal employment opportunity, non-discrimination, and anti-harassment policies and procedures. The Company is actively working to enhance the request for proposal template to include questions specific to modern slavery laws.

- **Remuneration of Interns, Apprentices, and Employees**

The Company does not use unpaid interns or apprentices and all employees, regular or contract, are remunerated.

## **DUE DILIGENCE PROCESSES**

In addition to ensuring a culture based on a foundation of the highest ethical standards, the Company also works to ensure its supply chain remains equally as committed to ensuring a respect of human rights across the globe. To that end, the Company maintains a formalized process for the on-boarding of those in its supply chain, which process includes a commitment to abide by certain ethical and legal standards. Once on-boarded, the Company continues to engage in routine negative news and illegal activity reviews of all vendors across all jurisdictions. During 2019, the Company performed two vendor negative news and illegal activity reviews which resulted in no adverse findings. The Company is working to enhance this process to include results submission to the UK Chief Compliance Officer for further review.

## **ASSESSING RISK AND MEASURING EFFECTIVENESS**

While the Company does not consider itself to be operating in high-risk sectors or locations for modern slavery, it recognises that modern slavery and human trafficking issues are complex and continuously evolving. To that end, the Company chooses to remain vigilant in its efforts to monitor both its internal operations and those of its supply chain when it is believed there exist behaviours that do not meet the high ethical standards that are key to the Company's culture. To date, no instances of human trafficking or modern slavery have been reported or identified. The Company remains committed to periodically reassessing its practices as they relate to human rights and determining the effectiveness of the existing policy framework and the need for additional action to support its efforts.

## **PREPARATION OF THIS STATEMENT**

This statement was jointly produced by members of the Company's Legal and Compliance departments with input from human resources, corporate procurement services, and other operational areas of the Company. The statement was subsequently reviewed and approved by the DTCC Board of Directors on February 18, 2020 and shared with the Directors of DEL and DDRL on January 16, 2020. As part of the review and approval by the DTCC Board of Directors, this document was signed on behalf of The Depository Trust & Clearing Corporation by **Michael Bodson**, Chief Executive Officer and Director of DTCC, the ultimate parent company.



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Michael C. Bodson