

**September 2024**

## **StoneX Financial Ltd**

### **SFL Child Labour Statement**

StoneX Financial Ltd (SFL) is a wholly owned subsidiary of StoneX Group Inc.

This statement is made pursuant to the United Nations (U.N.) Convention on the Rights of the Child (1989) and the International Labour Organisation (ILO) Minimum Age Convention no. 138 (1973) and ILO Convention on the Worst Forms of Child Labour no. 182 (1999) and constitutes the steps that SFL has taken and is continuing to take to ensure that child labour was not used within our operations and supply chain during the financial year ending 30 September 2023. Responsibility for the preparation and publication of this statement resides with the Chief Money Laundering Reporting Officer, EMEA.

This is our first stand-alone annual statement and it contains a summary of progress undertaken during the financial year ended 30 September 2023.

The SFL Board of Directors have considered and adopted the 2024 Child Labour Statement.

Justin van Wijngaarden

Chief Financial Officer

30 September 2024

## **SFL Child Labour Statement**

### **1. Overview**

We live in a world full of opportunities in the financial markets, but not a world of full access to those markets.

We believe in connecting every company, every organization, every trader and every investor to every advantage they need to succeed in today's global markets ecosystem. SFL expects its suppliers, business partners and associates (collectively referred to as "Suppliers") to have and uphold similar standards and abide by country-governing laws in countries wherein they operate. The violation of this principle will cause serious action, including discontinuation of the business relationship.

We operate a global financial services network that enables our clients to pursue trading opportunities, make investments, manage market risk and achieve their business goals. Child labour is a violation of a human right and it is recognised and defined by international instruments. International standards distinguish acceptable and unacceptable work for children at different ages and "child labour" should not be confused with "youth employment" or "student work". We believe that providing access to opportunity in an ethical way is one of our most important values. We are against all forms of child exploitation in any of our business lines, and do not provide employment to children before they have reached the legal age to have completed their compulsory education, as defined by the relevant authorities. SFL respects different cultures and values in countries where it operates and sources its products, but does not compromise on the basic requirements regarding the Rights of the Child. This statement outlines the steps we are taking across SFL to mitigate the potential risk of child exploitation occurring in our business and supply chain.

### **2. Organisation structure and supply chain**

#### **a. Organisation structure**

SFL is the main non-US operating entity of StoneX Group Inc. (Group) offering regulated as well as unregulated financial products and services to customers in the European, Middle Eastern and African time zones from London.

SFL is authorised and regulated by the Financial Conduct Authority (FCA).

SFL provides a range of services as follows:

- The Payments Services division delivers 140 currencies to more than 185 countries for banks and commercial businesses as well as charities and non-governmental and government organisations;
- It is a Category 1 member of the London Metal Exchange (LME), and a member of LME Clear, ICE Futures Europe, ICE Clear Europe, LCH Enclear, Euronext, the European Energy Exchange, Eurex, Norexco and FIA Europe. Through its affiliates, SFL provides customers with access to various other global exchanges, focusing on providing hedging services for customers in base metals, grains, coffee and cotton, as well as many other commodities;

- It provides hedging and physical trading services in precious metals, being a member of the London Bullion Markets Association and the London Platinum and Palladium Markets Association;
- It offers hedging services to clients in the agricultural, energy and dairy sectors;
- It acts as broker in foreign exchange, oils and precious metals;
- It is a member of the London Stock Exchange and the Association for Financial Markets in Europe, providing institutional clients execution, prime brokerage and custody services in equities and fixed income securities; and
- Its Retail division is a provider of trading services and solutions in the financial markets, including spot foreign exchange and contract for differences (CFDs), offering CFDs on currencies, commodities, indices, individual equities, cryptocurrencies, bonds, options and interest rate products.

In providing these services SFL makes markets in currencies and certain financial instruments but does not actively take proprietary risk as a matter of policy.

SFL operates for its clients with Group entities especially in New York, Chicago, Singapore, Frankfurt, Bermuda, Dubai, Cyprus, Luxembourg and Hong Kong. Specifically, it mainly:

- provides clearing services for clients of US, Latin American, German and Far Eastern affiliates;
- receives trading services from New York, Chicago, Singapore and Hong Kong affiliates;
- receives hedging services for its Retail related flows from Bermuda; and
- delivers operational trade support for precious metal trading activity to Singapore and Dubai affiliates.

SFL has over 965 employees and operates primarily in Europe, Middle East, Asia and Australia through other Group subsidiaries. Our annual turnover is approximately \$336 million.

## **b. Supply Chain**

Most of SFL's activities do not involve physical delivery of commodities. However, for the businesses where physical delivery is involved, SFL holds business relationships with companies situated at various levels of the supply chain and may include banks, financial institutions, mines, producers, refineries or intermediaries.

## **3. Our Policy in relation to child labour**

SFL is committed to ensuring that there is no child labour in our supply chains or in any part of our business. Our Responsible Sourcing Policy, which is available on request, reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure child labour is not taking place anywhere in our supply chains.

## **4. Due diligence processes**

It is important that our suppliers share our commitment to human rights, including the rights of the child. As part of our initiative to identify and mitigate child exploitation, we verify our clients and counterparties so that we can easily identify possible risks that may be associated with proposed clients or relationships. We have in place systems and controls to:

- Identify and assess potential risk areas in our supply chains: all physical commodity suppliers are subject to additional reviews during onboarding which include questionnaires designed to identify and assess the risks of child labour in supplier relationship activities.
- Mitigate the risk of child exploitation occurring in our supply chains with ongoing annual reviews and checks to ensure ethical behaviours and industry codes of practice are followed.
- Monitor potential risk areas in our supply chains.
- Allow staff and others to report any instances or suspicions of child exploitation, slavery, human trafficking, or other unethical behaviour, for example via the whistle-blowing hotline. Whistle-blowers are protected from being treated unfairly or losing their job.

## **5. Risk assessment and management**

The principal area of risk we face, related to child exploitation, relates to the trading of physical commodities, as there is an increased risk that commodities traded may have been produced using child labour.

We work with all relevant stakeholders to understand these risks and inform our risk assessment.

## **6. Key performance indicators to measure effectiveness of steps being taken**

We use the following key performance indicators to measure how effective we have been to ensure that child exploitation is not taking place in any part of our business or supply chains:

- Level of communication and personal contact with the next link in the supply chain and review of their compliance with our expectations.
- Integrating child exploitation considerations into our client due diligence reviews and supplier engagement processes.

## **7. Training on child exploitation**

SFL's Responsible Sourcing Policy is refreshed regularly and its integration into the business is supported by mandatory training for all staff to ensure that employees are aware of and understand the content.

Bespoke training for key staff, such as those working in businesses where physical delivery is involved, is delivered from time to time, to supplement annual training on an ongoing basis.