

Date August 2018

Introduction

With expertise earned over centuries, Lloyd's is the foundation of the insurance industry and the future of it. Led by expert underwriters and brokers who cover more than 200 territories, the Lloyd's market develops the essential, complex and critical insurance needed to underwrite human progress.

Subsequently, we are committed to the highest professional standards and ethics, and we expect the same high standards from the suppliers we work with.

Our vision:

- To demonstrate **continuous improvement** and the achievement of **value for money** through the effective procurement of goods and services to ensure that Lloyd's needs and those of the local community are met.
- To have a clear framework of **accountability and responsibility** that adopts legally compliant, best practice procurement procedures and techniques.
- To build a **diverse and competitive market** that can supply Lloyd's and its service user's requirements and provide value for money.
- To encourage **communication and interaction with local and national suppliers** to understand their views and what enables and encourages diverse parts of the market to bid for work with Lloyds.
- To develop a relationship between Lloyd's, the business community and the broader voluntary and community sector that **creates mutually advantageous, flexible and long term relations** based on continuous improvement of quality of performance and financial savings.
- To ensure that our purchasing and contracting activities are **ethically, environmentally and socially responsible**; applying Lloyd's principles around sustainable procurement, Responsible Business, Community Involvement, Living Wage, Anti-bribery & Corruption, Diversity & Inclusion, Modern Slavery and others.

Compliance

This Code of Conduct ('Code') sets out the standards of business conduct which all suppliers and any third party sub-contractors shall comply with. Throughout the contract term and during renewal, suppliers will be required to evidence compliance with this Code; Lloyd's withholds the right to assess the supplier's compliance at any time.

In the case of non-compliance to the Code, the supplier should take all reasonable measures to meet the requirements and must promptly report any known or suspected breach to Lloyd's.

Our goal is to work collaboratively with our supply chain partners towards a responsible business approach; in cases where a supplier is unable to fully adhere to the Code, they should notify Lloyd's as soon as possible and both parties will work together to develop an improvement plan. If the supplier continues to fall short of these standards, Lloyd's will take steps to review the terms of the supplier contract and may terminate the business relationship.

Economic

Economic sustainability focuses on bringing economic benefit to the workers, businesses and communities in which a company operates. From an ethical perspective, commercial transactions should be economically beneficial to all parties involved and relationships should be based on the principle of fair and honest dealings, and sustainable development:

- Suppliers must embed basic business principles in a Code of Business Standards or equivalent, including adherence to local laws and regulations
- Suppliers must ensure that policies are in place to stop fraud, money laundering, bribery and corruption, i.e. anti-bribery & anti-financial crime policies
- All suppliers must comply with national and international sanctions policy and legislation
- Suppliers must have reasonable and lawful payment policies with their own suppliers and subcontractors

Environment

Recognising that sustainable businesses should acknowledge the planet's finite resources, Lloyd's expects its suppliers to support sound environmental management principles and reduce their impact on the environment within which they operate:

- Suppliers must have a written environmental/sustainability policy or equivalent, appropriate to the size and nature of the supplier's operations that, where applicable, addresses preventing, mitigating and controlling serious environmental and health impacts from operations including raw material usage, greenhouse gas emissions, water, waste, air quality and biodiversity
- Suppliers must have effective internal environmental management programmes with adequately trained staff responsible for managing the organisation's environmental performance. Suppliers must abide by all legislation and regulations related to the protection of the environment and the handling of dangerous and hazardous materials
- Suppliers must endeavour to use products which can be re-used, recycled, used in an energy efficient manner and which cause minimal environmental damage at all stages of the supply chain

Labour

Lloyd's is committed to the protection of human rights and is guided by fundamental principles such as the United Nations Universal Declaration of Human Rights, the International Labour Organisation (ILO) Core labour standards and the Modern Slavery Act 2015; Lloyd's seeks to ensure there are

no human rights abuses throughout our supply chains by encouraging behaviours and practices that are consistent with these principles, including:

- A commitment to anti-slavery and compliance with the requirements of the Modern Slavery Act 2015, or equivalent
- Provision of a safe working environment, abiding by local Health and Safety laws
- Compliance with all applicable local wage and working hour laws
- A mechanism to enable individuals to raise concerns relating to wrongdoing or malpractice at work i.e. a Whistleblowing or Speaking Up policy

Diversity & Inclusion

At Lloyd's we believe that a diverse workforce and inclusive organisation is intrinsically linked to improved business outcomes. As an employer we recognise the importance that equality legislation has to play in promoting equality and eliminating unlawful discrimination; in striving for excellence we seek to create an inclusive environment globally for all regardless of their gender, marital/civil partnership status, race, religion or ethnicity, disability, age, sexual orientation, gender reassignment or nationality.

Our suppliers will support and reinforce Lloyd's commitment to providing an inclusive environment for its workforce. We expect our suppliers to provide the same equal opportunities to their workforce and we require commitment to the following:

- Compliance with all applicable local equality laws
- Avoidance of discrimination: promoting a workplace free from harassment, victimisation or any other form of abuse
- Demonstrate a commitment to inclusion: drafting an equal opportunities policy that covers gender, marital/civil partnership status, race, religion or ethnicity, disability, age, sexual orientation, gender reassignment and nationality.
- Provide training to your staff covering equality, diversity and inclusion principles

Information Security & Data Protection

At Lloyd's we recognise that Information Security is a business matter, not just an IT matter, and that it must reflect changes from a number of sources, notably organisational design, technology adoption, culture and regulatory and legal change.

Our suppliers must demonstrate compatibility with Lloyd's Information security policies and standards. This will include the adoption of industry best practices such as

- Adopting recognised security compliance certification such as Cyber Essentials, Cyber Essentials Plus, ISO 27001 or equivalent
- Maintaining formal security policies and standards

- Ensuring appropriate business administration standards are in place such as pre-employment screening and segregation of duties
- Declaring any outsourced services that are used to provide services to Lloyd's
- Applying appropriate controls to protect the confidentiality, integrity and availability of Lloyd's data
- Ensuring that effective technical controls are in place to ensure appropriate Authentication, Identification and Authorisation paying particular attention to password policy and authentication mechanisms
- Having a formal Incident and Response process that will capture, remediate and notify Lloyd's of any breach of Information Security applicable to Lloyd's
- Applying essential Network Security controls such as Firewalls, Proxies, Network Scans, Honey pots, Anti-Malware, Intrusion Detection Systems and Intrusion Prevention Systems
- Ensuring that strict Physical and Environmental security controls are in place for any premises where Lloyd's data is either stored managed or processed
- Ensuring that business continuity and disaster recovery plans are in place to protect essential services.
- Demonstrating compliance with relevant legal and regulatory standards

Account Governance and Compliance

We encourage active engagement, strong account governance and open communication with our supplier's throughout the term of the engagement; we expect our suppliers to:

- Actively support eProcurement, e-Invoicing, including as a minimum to accept PDF Purchase Orders and provide PDF Invoices via email.
- Take responsibility for ensuring that they keep Lloyd's up to date with any changes to their details including; VAT registered number, bank account details and address.
- Notify Lloyd's of any changes to authorisations, company ownership, investigations and material risks and any other development that may impact their ability, capacity and authorisation to deliver.
- Sign and comply with Lloyd's Non-Disclosure Agreement (NDA).

Policy Changes

Lloyd's will periodically review this Code and make revisions when needed, which we will expect suppliers to adopt. Any changes will be communicated to suppliers.