

Supplier Code of Conduct

Date June 2020

Introduction

Lloyd's is the world's specialist insurance and reinsurance market. 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 meet Lloyd's and its service users' 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, the Living Wage, anti-financial crime, diversity & inclusion, modern slavery and human rights.
- To ensure that our suppliers promote an **inclusive culture** for all and embrace **diversity** in the workplace.

Compliance

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

If the supplier is found to be in breach of the Code, the supplier will be required to take all reasonable measures to comply fully with the Code 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 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 their activities and conduct e.g. in a Code of Business Standards or equivalent. This should include acknowledgement and commitment to adhere to local laws and regulations
- Lloyd's expects suppliers to have policies and controls in place to mitigate financial crime i.e. anti-bribery & corruption and anti-financial crime policies
- Suppliers must ensure that they comply with UK, EU and all other applicable sanction regimes and obligations
- Suppliers must have and adhere to reasonable and lawful payment policies with their own suppliers and subcontractors
- Where suppliers are acting for and on behalf of Lloyd's, they must not engage in any form of bribery, including making facilitation payments or in any way facilitate tax evasion
- Where suppliers outsource aspects of their deliverables or processes, they must ensure that their supply chain or subcontractors comply with the requirements set out in this Code

Responsible Business

Lloyd's is signed up to the [United Nations Global Compact](#), committing to the [ten universal principles](#)

for human rights, labour, the environment and anti-corruption. Our actions in these areas improve our responsible business practices, supporting the United Nations [Sustainable Development Goals](#).

- Suppliers are expected to fully comply with internationally recognised environmental, social and corporate governance standards (ESG standards) and applicable laws.
- Suppliers are encouraged to take a pro-active approach, committing to responsible business initiatives like the United Nations Sustainable Development Goals, the United Nations Global Compact and other national or international positive commitments.
- Suppliers are expected to have a responsible business strategy and transparent reporting, and where applicable responsible investment policy, appropriate to the size and nature of the supplier.

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, gender identity/expression, marital/civil partnership status, race, religion, ethnicity, disability, age, sexual orientation, or nationality.

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

- Compliance with all applicable local equality laws
- Zero-tolerance of any form of unlawful discrimination: promoting a workplace free from bullying, harassment, victimisation, racism or any other form of abuse
- Demonstrate a commitment to inclusion: by having a Diversity and Inclusion policy or equivalent, that covers gender, gender identity/expression, marital/civil partnership status, race, religion, ethnicity, disability, age, sexual orientation, and nationality
- Provide training to all staff covering equality, diversity and inclusion principles
- Provide evidence where requested, of how services are inclusive and accessible to all intended users, such as people with disabilities as well as people from all diversity groups.

Wellbeing

At Lloyd's we take a proactive approach to wellbeing; it plays a key part in building an inclusive culture. Organisations taking this approach can also benefit from improved employee retention and productivity.

We expect our suppliers to support Lloyd's commitment to wellbeing and to take a proactive approach by implementing:

- Policies and initiatives to support wellbeing, including a healthy work and family balance
- the provision of employee benefits designed to enhance wellbeing; such as an Employee assistance programme
- mental health core standards as detailed in the [Stevenson / Farmer review of mental health and employers](#)

Information Security

At Lloyd's we recognise that Information Security is a business matter, not just an IT matter, and that it must reflect keep up to date with 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 including:

- 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 and updated as necessary to protect essential services.
- Demonstrating compliance with relevant legal and regulatory standards

Data Protection

All 'Lloyd's data' – meaning both commercial and personal data – is to be handled and 'processed' in accordance with all appropriate privacy and data protection laws, as agreed by contract, and any legal requirements in order to:

- preserve confidentiality
- where applicable, to protect the rights of data subjects

- to cooperate with Lloyd's in dealing with data subjects and regulators
- to protect against risk, including the risk of data breaches
- to record and manage the processing of personal data.

Lloyd's may ask suppliers to evidence adherence to the applicable data protection regulations, and industry standards.

Suppliers to Lloyd's may also be party to confidential information that is necessary for them to be effective partners. This information, even if it is not covered by contractual provisions, should be handled with the same care as information of similar sensitivity in the supplier's own organisation.

Account Governance and Compliance

We encourage active engagement, strong account governance and open communication with our suppliers 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 or control structure, 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.