



Supplier Code of Conduct

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1. Statement from the Procurement Director

Dear Suppliers

At Lloyds Register (LR), sustainability is integral to our entire value chain. LR and its affiliates are committed to promoting sustainability and regularly disclose transparent reports on our corporate sustainability performance. Suppliers hold a significant role in LR's operations, and we are dedicated to maintaining ongoing dialogue to uphold the highest social, economic, and environmental standards.

The LR Supplier Code of Conduct serves as the foundation of our responsible sourcing approach. It not only outlines the non-negotiable minimum standards expected of suppliers when conducting business with LR but also reflects the values shared across LR, its various businesses, and affiliates. We actively encourage our suppliers to embrace these values.

As industry leaders, LR holds ourselves to the highest standard of professional behaviour. We believe that adherence to this Code facilitates the implementation of our sustainability agenda, fosters transparent and ethical behaviour, and enhances LR's credibility in corporate sustainability management and leadership.

Peter Dennis

Global Procurement Director

2. Purpose

This Code enhances Lloyd's Register's foundational business principles and sustainable business guidelines through the articulation of four core Sustainability Principles: Professional Excellence, People, Environment, and Community. These principles uphold the enduring values that have defined LR's culture since its establishment over 260 years ago, emphasising trust, honesty, transparency, accountability, fairness, and respect.

Developed in collaboration with internal managers and external stakeholders, these principles are aligned with globally recognised best practices. Our dedication to human rights is grounded in the International Bill of Human Rights, including the UN's Declaration of Human Rights, the International Covenants on Civil and Political Rights, and on Economic, Social, and Cultural Rights, as well as the International Labour Organisation's conventions on Rights at Work. We also support the OECD Guidelines for Multinational Enterprises.

Reflecting LR's most critical sustainability challenges as identified through a thorough materiality assessment, these Sustainability Principles are supported by our policies and the LR Code of Integrity. Rigorous monitoring ensures adherence to LR's stringent standards, continuing our legacy of ethical excellence.

3. Introduction

3.1. Scope and Execution

This Code is applicable to all suppliers of Lloyd's Register (hereafter referred to as LR), encompassing any individual or entity that provides goods or services to LR, along with their affiliates. This includes all products and services procured by LR. We strongly advocate for our suppliers to extend the principles of this Code throughout their own supply networks and commit to assisting those who undertake this effort.

Engagement with Our Suppliers LR boasts a broad and varied supplier base. To manage supply chain risks effectively, we have instituted a robust yet adaptable three-stage process, anchored by our four core sustainability principles. This approach enables us to concentrate on areas with the highest risk and opportunity, fostering a collaborative relationship with our suppliers to both mitigate risks and optimise benefits.

Stage 1 – Screening An initial assessment of suppliers is carried out based on various criteria including:

- The supplier's country of origin, to identify potential human rights or labour risks.
- The type of goods or services supplied.
- The annual expenditure with each supplier.

Stage 2 – Pre-qualification We employ a global standard 'prequalification process' that features a self-assessment questionnaire detailing LR's requirements from suppliers, aligned with our Sustainability Principles. This process is applied to both potential and current suppliers on a regular basis.

Stage 3 – Audit Suppliers identified as posing the highest potential risk, based on the outcomes of the previous stages, undergo audits in line with SEDEX standards.

Continuous Improvement and Monitoring Achieving the standards set forth in this Code is considered an evolving journey. LR encourages continuous operational enhancements among its suppliers. In instances where improvements are necessary, LR will provide guidance on establishing benchmarks and systems for achieving both mandatory and preferred practices. Compliance with this Code of Conduct is regularly monitored by LR through the submission of relevant information by suppliers, audits conducted by third-party entities, and inspections by LR staff. LR maintains the authority to terminate contracts with any supplier failing to adhere to this Code.

Reporting Concerns LR upholds itself, including its affiliates, officers, and employees, to the utmost ethical standards as defined in the LR Code of Integrity. Should suppliers harbour any concerns regarding potential breaches of this Code by an LR representative, they are encouraged to report directly to the Global Procurement Director. LR guarantees that no supplier will face retaliation or adverse effects for reporting a concern in good faith regarding a violation of the LR Code of Integrity.

4. Principles Underlying

4.1. LR Supplier Code of Conduct

Upholding Professional Excellence and Integrity

Lloyd's Register (LR) is committed to the highest ethical standards and integrity, a cornerstone of our reputation built over decades of steadfast adherence to our foundational values. We expect all suppliers to honour these values, reflecting our dedication to excellence and ethical conduct in every aspect of our operations.

Adherence to Legal Standards

Suppliers must comply with all relevant domestic and international legal requirements applicable to their operations. This encompasses a broad range of laws, from environmental regulations to international trade and data protection statutes. LR encourages suppliers to not only meet these legal requirements but also to aim for alignment with global best practices and standards. Full cooperation is required in any official investigations, ensuring transparency and the provision of necessary information. In instances where legal and Code requirements overlap, the more stringent standard should be applied.

Zero Tolerance for Bribery and Corruption

We strictly prohibit any form of corruption, including bribery, extortion, and embezzlement. Suppliers are expected to maintain ethical business practices, evidenced by a comprehensive anti-corruption policy and a mechanism for reporting unethical conduct. Any actions aimed at gaining improper advantage through unethical means are grounds for immediate termination of our business relationship and may lead to legal consequences.

Conflict of Interest Management

Suppliers must vigilantly avoid any conflict of interest in their dealings with LR. Should any potential conflicts arise, they must be promptly disclosed to LR to facilitate appropriate resolution. Specifically, suppliers must not offer any form of inducement to LR personnel that could influence business decisions, with any such attempts reported to the LR Chief Compliance Officer.

Integrity in Financial Dealings

All transactions must be accurately recorded, ensuring transparency and accountability in business dealings. Suppliers must prevent the misuse of insider information and uphold stringent standards in financial conduct to avoid any form of money laundering or insider trading.

Protection of LR Assets and Intellectual Property

Suppliers are entrusted with the responsible use and protection of LR assets, including proprietary information and intellectual property. Usage of LR resources must be solely for the purpose of delivering services or products to LR, with strict adherence to confidentiality and intellectual property rights protection.

Responsible Representation

Suppliers representing LR must adhere to our branding and social media guidelines, ensuring that their communication reflects our values and standards. This includes exercising discretion, adding value to discussions, maintaining confidentiality, being transparent about their affiliation with LR, and respecting their audience in all interactions.

Ethical Business Practices

Suppliers are expected to engage in fair and competitive business practices, avoiding any agreements or conduct that could improperly influence market dynamics. This includes refraining from unethical acquisition of competitive intelligence or collusion with competitors during bidding processes. Non-compliance with these ethical standards will necessitate the termination of our business relationship.

Lloyd's Register (LR) is a staunch advocate for human rights protection and ethical conduct, valuing human dignity and ensuring the assessment of our operations' direct and indirect human rights impacts. We are guided by the UN Guiding Principles on Business and Human Rights, providing a secure and health-conscious work environment for all employees, alongside the necessary training and equipment for their roles. We expect our suppliers to mirror this respect for human rights and dignity across their interactions and uphold health and safety standards within their operations, aspiring towards the ISO26000 standard alignment.

Eradicating Forced Labour and Human Trafficking

We mandate that all employment be voluntary, prohibiting any form of forced, bonded, or involuntary labour, and expect our suppliers to enforce this through rigorous checks, especially with third-party labour providers, ensuring adherence to our Code's standards.

Fostering Diversity and Preventing Discrimination

Suppliers are expected to embrace diversity and implement programs that promote inclusiveness across their operations. Discrimination in any form is unacceptable, and we advocate for equitable treatment in all employment practices, from recruitment to training and promotions.

Child Labour and Youth Employment

We strictly forbid the employment of underage workers, adhering to the higher age requirements set by law or educational obligations. Youth employment must be safe and not interfere with their education or well-being.

Ensuring Fair Compensation

Suppliers are obligated to comply with legal and regulatory standards for minimum wages and benefits. Employment terms, including compensation, working hours, and leave entitlements, must reflect the highest standards applicable.

Upholding Fair Treatment

We stand against any form of abuse or harassment within the workplace. Disciplinary practices must be just, transparent, and documented, maintaining respect for the dignity of all employees.

Regulating Working Hours

Work schedules must adhere to legal limits, with overtime being voluntary and not exceeding 60 hours per week, ensuring employees have at least one day off per seven-day period.

Supporting Association and Bargaining Rights Suppliers must respect employees' rights to association and collective bargaining. In jurisdictions where these rights are limited, alternative means of representation should be facilitated.

Prioritising Occupational Safety

Suppliers are expected to mitigate workplace hazards, provide essential safety training and equipment, and foster an environment where safety concerns can be raised without fear of reprisal.

Maintaining Optimal Working Conditions

A safe, hygienic, and conducive work environment is essential, including adequate facilities and living accommodations where applicable, to ensure the well-being of all employees.

Managing Exposure to Hazardous Materials

The identification, management, and safe handling of hazardous materials are critical, with suppliers expected to provide necessary protective equipment and training to employees.

Implementing Safety Management Systems

Suppliers should have robust procedures and systems for tracking and managing occupational health and safety, ideally aligning with international standards like OHSAS 18001:2007.

Environmental Stewardship

LR commits to sustainable growth while minimizing environmental impact. We expect our suppliers to demonstrate similar commitment through effective management of their environmental footprint, aiming for certifications like ISO14001:2015 and engaging in practices that reduce waste and emissions.

Contributing to Community Well-being

We engage in activities that support sustainable community development and encourage our suppliers to do the same, focusing on local employment and initiatives that enhance the quality of life and economic well-being of the communities they serve.

By accepting the LR Supplier Code of Conduct (version 1.2, December 2023), suppliers commit to upholding these principles and practices, ensuring a shared commitment to ethical, sustainable, and socially responsible business operations.