

Modern Slavery Act Statement



Introduction from John Parry Chief Financial Officer

Lloyd's is committed to being a responsible global corporate citizen by adopting ethical principles and practices, sharing knowledge and expertise, and making a positive contribution to social and environmental issues.

We support the principles set out in the United Nations Universal Declaration of Human Rights and the International Labour Organisation core labour standards. Lloyd's is also a signatory to the United Nations Global Compact and is committed to operating in a way that, as a minimum, meets fundamental responsibilities in the areas of human rights and labour, as well as environment and anti-corruption.

We recognise that modern slavery is a crime and a violation of fundamental human rights. It can take various forms including: slavery, servitude, forced and compulsory labour and human trafficking. Lloyd's has a zero-tolerance approach to modern slavery and we are committed to being a responsible business in all our dealings and relationships; this includes improving business practices, systems and controls to combat slavery and human trafficking.

Structure of Lloyd's

Lloyd's is the world's specialist insurance and reinsurance market. The Corporation of Lloyd's oversees and supports the Lloyd's market, ensuring it operates efficiently and retains its reputation as the market of choice for specialist insurance and reinsurance risk.

The Corporation's role includes:

- Managing and protecting Lloyd's network of international licences;
- Agreeing syndicates' business plans and evaluating performance against those plans;
- Monitoring syndicates' compliance with Lloyd's minimum operating standards;
- Continuing to raise standards and improve performance across two key areas:
 - overall risk and performance management of the market;
 - maintaining and developing the market's attractiveness to capital providers, distributors and clients, while preserving its diversity.

For further information about Lloyd's, please visit lloyds.com.

Our supply chains

Our supply chain comprises a global supplier base, providing a wide range of products and services including cleaning, catering, management consultancy, IT software & hardware, training, investment management etc.

Lloyd's is committed to the highest professional standards and ethics, and we expect the same high standards from the parties we work with.

Our aim is to work collaboratively with our supply chain partners towards a responsible business approach; and our suppliers are expected to comply with local and national laws and regulations.

Supplier due diligence

The Corporation's suppliers are engaged in accordance with Lloyd's Procurement Policy and overseen by a central Procurement Centre of Expertise.

Our procurement process includes the vetting of new suppliers and an annual risk and performance management analysis of our active suppliers. As part of the tender vetting process, suppliers are asked to sign-up to Lloyd's Supplier Code of Conduct and to provide information about their responsible business approach, including: controls around anti-bribery and financial crime; their approach to diversity and inclusion; their code of conduct; and their environmental and health & safety practices.

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Our policies

We are committed to ensuring transparency in our business and in our approach to tackling modern slavery and human trafficking. We continue to implement and develop appropriate policies to support our commitment to act ethically and with integrity in all our business relationships.

Employees

We fully support the principles set out in the UN's Universal Declaration of Human Rights and the International Labour Organisation core labour standards. We respect the dignity and rights of each individual who works for us and with us. This also extends to the employees of suppliers working on our sites, where we have proactively sought to improve their living standards through the Living Wage Foundation.

We have a Code of Conduct, Human Rights Policy and Speaking Up Policy, all of which are available to employees. If there are any genuine concerns about any wrongdoing or breaches of law, these concerns can be raised in confidence without fear of disciplinary action.

Our progress

This year our approach to the implementation of the Modern Slavery Act 2015 (Act) has included:

- The development and roll-out of a supplier performance and risk management framework;
- We have re-affirmed our zero-tolerance approach to human rights abuses in a revised Supplier Code of Conduct;
- We have conducted a spot-check audit of a sample of our critical suppliers to ascertain their compliance with the legislation;
- We have drafted a Human Rights Policy which reflects our promise to work ethically and with integrity;
- We have mobilised a Lloyd's Responsible Business steering group which is accountable for supporting the development of a strategy;
- We have refreshed our supplier tendering and onboarding processes to expand on the disclosure requirements around human slavery and trafficking;
- We have conducted a review of our supplier contract templates to ensure that they remain fit for purpose.

Next steps

We will continue to review our supply chain policies and protocols, developing specific measures to ensure that our obligations under the Act are disseminated through our supply chain. These measures will include:

- Continuing to identify and assess any key risk areas in our supply chains and strengthen our governance and controls;
- Working collaboratively with our supply chain partners to promote our zero-tolerance approach to human rights abuses;
- Extending the supplier performance and risk management framework to include assessments of modern slavery risk;
- Considering pre-screening tools to assess suppliers before onboarding;
- Reviewing our 'Operating at Lloyd's Minimum Standards to ensure that they remain fit for purpose;
- Continuing to safeguard whistleblowers via our 'Speaking Up' Policy.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Corporation of Lloyd's slavery and human trafficking statement for the financial year ending 31 December 2017.



John Parry Chief Financial Officer
9th October 2018