

Modern Slavery Act Statement



Introduction from John Parry Chief Financial Officer

As a major player in the global economy, we recognise that Lloyd's must act responsibly. We are proud of the corporate social responsibility work we carry out in our local markets. As we expand into new markets, we ensure that corporate social responsibility is a key part of our business development plans.

This responsibility also applies to our business practices. 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.

This includes at the Corporation of Lloyd's improving business practices to combat slavery and human trafficking. This work is one of the activities we are undertaking to create a culture of ethical and business conduct standards within Lloyd's.

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 standards.
- Continuing to raise standards and improve performance across two main 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 suppliers based throughout the world that provide a wide range of products and services such as 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. All 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 newly-formed central Procurement Centre of Expertise.

Our procurement process includes the vetting of new suppliers and carrying out a risk analysis based on the nature and value of the product or service being procured. As part of the tender vetting process, we require suppliers to provide information about their anti-bribery and financial crime controls; their approach to diversity and inclusion; their Code of Conduct; their practices relating to the environment and health & safety; and their corporate social responsibility strategy.

Modern Slavery Act Statement

Our policies

We are committed to ensuring there is no modern slavery or human trafficking taking place in our supply chains or in any part of our business. We continue to implement appropriate policies to support our commitment to act ethically and with integrity in all our business relationships.

Employees

Our working practices respect and uphold all human rights for our partners, employees and contractors. It 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 and Speaking Up Policy both of which are published on our intranet site. 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

As part of our overall approach to the implementation of the Modern Slavery Act 2015 (Act), we mobilised a project team and obtained appropriate advice and best practice; progress this year has included:

- We contacted our incumbent critical suppliers to affirm our zero tolerance approach to human rights abuses and requested details of their due diligence procedures.
- We have commenced work on a supplier Code of Conduct setting out the Corporation's standards, including our commitment towards human slavery and trafficking laws, ethical conduct and diversity and inclusion.
- We have implemented an Anti-Slavery Policy which reflects our promise to work ethically and with integrity.
- We have included a specific requirement in our procurement vetting process for prospective suppliers to disclose their position on human slavery and trafficking and provide policies and statements as appropriate.
- We have created new contractual wordings which set out our expectations regarding modern slavery; these are included in our standard supplier contract templates.

Next steps

We will continue to review our supply chain 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 controls.
- Continuing practices to promote our zero tolerance approach to human rights abuses.
- Reviewing our supplier management processes to consider the feasibility of conducting annual reviews of modern slavery risk.
- Conducting due diligence on a sample of our suppliers based on key risk criteria.
- 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 2016.



John Parry Chief Financial Officer
19th October 2017