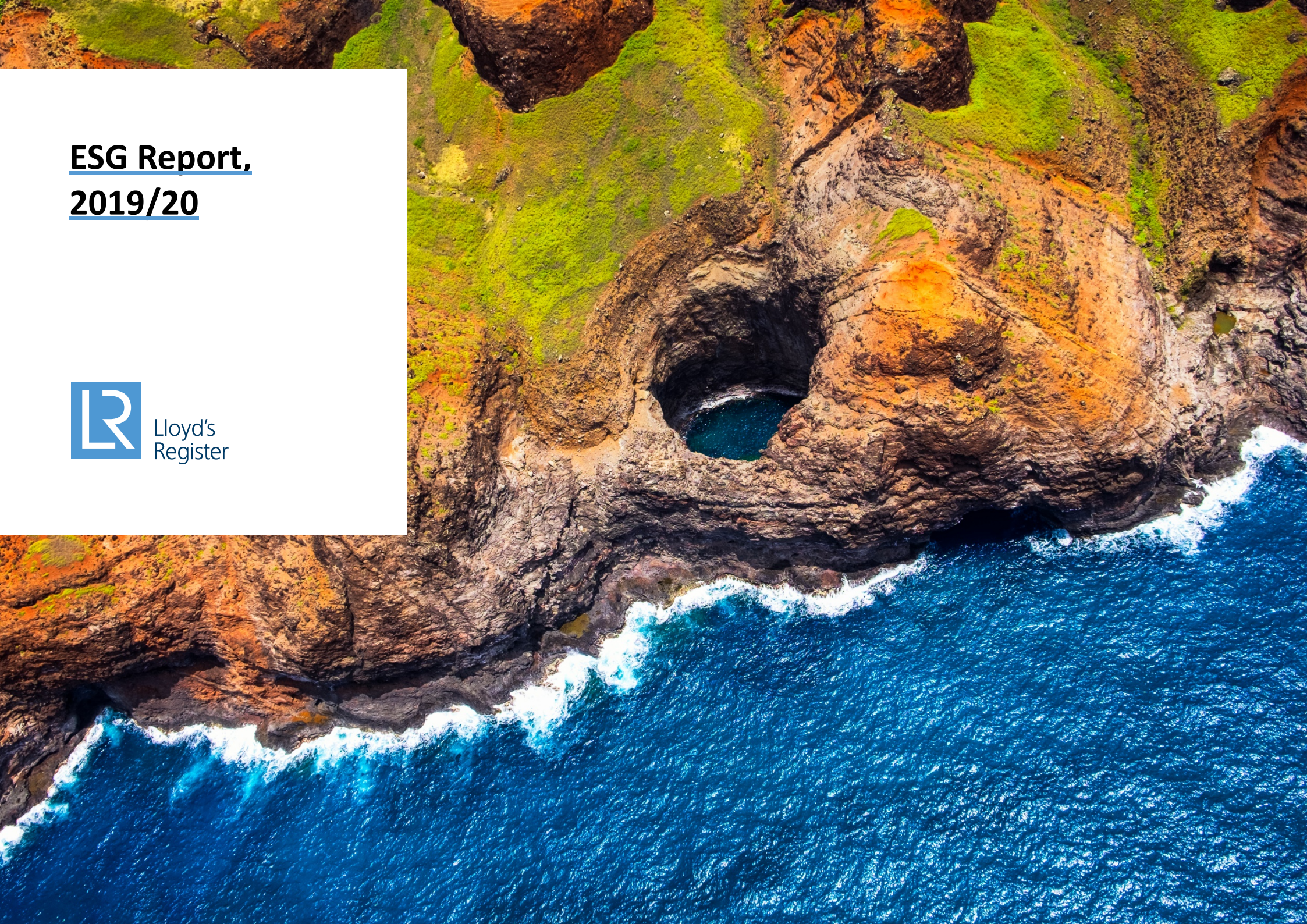


ESG Report, 2019/20



Lloyd's
Register





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ESG Report, 2019/20.

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CEO's Statement.

Lloyd's Register (LR) was formed in 1760 and safety has always been the leading tenet of our work. Today, our purpose, working together for a safer world, is as important as ever, if not more so.

Our clients, employed in maritime and offshore sectors and across global supply chains, require assurance and transparency that they are operating responsibly in an ever changing landscape shaped by global mega-trends, in particular, the climate change emergency, clean technology and renewable energy, digital transformation from artificial Intelligence (AI), machine learning and the Internet of Things (IoT) and increased transparency from open data. In this context a safer world can be regarded as one that has greater safety, security and sustainability.

For LR, sustainability is collaborating and innovating to create shared value for our customers and our company by providing independent advice, certification, performance verification and end-to-end assurance of solutions to solve complex global challenges whilst leading with integrity through our responsible ways of doing business. Our transformational priorities are Ocean Clean Transport and Energy and Food Supply Chain Security.

The United Nations Sustainable Development Goals (SDGs) and the Paris Climate Agreement provide the most powerful common agenda the world has ever seen for achieving peace and prosperity on a healthy planet and we are committed to playing our part in delivering the Sustainable Development Goals (SDGs) goals and are committed to the Ten Principles as a signatory of the United Nations Global Compact (UNGC).

LR is committed to social impact through the trading arm, LR Group and also the charitable arm, the Lloyd's Register Foundation, a UK charity established in 2012, with a mission to protect the safety of life and property, and to advance transport and engineering education and research, part-funded by the profits of the Group; a business model for the 21st century, in which the Group, underpinned by its independence, reputation, values and ownership structure, supports the Foundation in its challenge-led strategy and making a difference together. Our Board provides oversight of these commitments.

Nick Brown
CEO



Sustainability Strategy at a Glance

LR's core proposition is to provide compliance, assurance and performance and verification services to our clients. These include services that allow our clients to improve their own sustainability, such as certification to standards ISO 14001, ISO 26001 50001 and provision of advisory services to reduce risk, verify performance of technologies and assure supply chains.

Our sustainability strategy priorities are aligned to the SDGs, sustainable oceans and energy transition. All of these areas involve supply chain innovation and new technologies. LR is partnering at a strategic level to use our expertise to advise on potential solutions and collaborating with clients to validate new solutions:

- Ocean Clean Transport and Energy
- Food Supply Chain Security
- Operating Responsibly
- Reporting and Measurement



Heading	Heading	Heading
Ocean Clean Transport and Energy	'We will support the safe and sustainable energy transition to zero of the maritime and energy sectors.	<ul style="list-style-type: none"> ■ Decarbonisation ■ Energy Transition ■ Energy Integration
Food Supply Chain Security	We will support the food sector to assure the food supply chain security from farm to fork.	<ul style="list-style-type: none"> ■ Food Supply Chain Security ■ Sustainable Agriculture ■ Seafood ■ Food Manufacture ■ Energy Transition
Safety & Well-Being	We will prioritise the safety of our and our client's people and assets.	<ul style="list-style-type: none"> ■ Zero-harm ■ LR LifeSavers ■ Employee well-being
Leading with Integrity	We will operate at all times with integrity and respect in line with our values.	<ul style="list-style-type: none"> ■ Ethical Standards ■ Diversity & Inclusion ■ Procurement best practice ■ GRI & UNGC COP reporting
Green LR	We will reduce our carbon footprint to meet our SBTi targets.	<ul style="list-style-type: none"> ■ SBTi ■ Reduced property carbon-footprint ■ Reduced business travel ■ Reduced waste
Reporting and Measurement	We will report transparently on our commitments.	<ul style="list-style-type: none"> ■ Ethical Standards ■ Diversity & Inclusion ■ Procurement best practice
Our Proposition	We will enable our clients to work safely, securely and sustainably.	<ul style="list-style-type: none"> ■ Compliance ■ Assurance ■ Proposition

Programmes – Transformational



Ocean Clean Transport and Energy

LR is committed to playing a leading role in the energy transition journey to zero-carbon. We're working with organisations across the marine and offshore sectors to solve their specific challenges in the integration, decarbonisation and eventual transition of their energy systems. Our knowledge, safety and assurance services help clients to implement solutions and deliver projects that improve their operations and provide GHG reductions.

We help oil and gas operators to reduce and manage the emissions of their production facilities today and plan for the integration of new energy sources in future. We assure the safety of renewable energy production facilities, be they wind, solar, tidal or nuclear. We're conducting research, developing rules and providing safety services to help the maritime industry develop safe pathways to decarbonise the lifecycle emissions of ships and their supply chains. We're also providing technical services to aid policy makers, across industries and regions, to create the right market conditions to progress their energy transitions.

The energy transition is a journey to advance from using GHG emitting fossil fuels, to sustainable energy systems that use alternative energy sources and technologies. The shared objective, defined within the Paris Agreement, is to limit the global temperature rise this century to 1.5 degrees Celsius above preindustrial levels. It's a challenge that will affect all sectors across the globe. Countries and organisations will respond differently depending on their goals and the role they choose to play.

The zero-carbon solutions under development today cannot yet match the technology, investment and community readiness levels that fossil fuels currently provide. As we transition to alternate energy sources, improvements in energy efficiency will continue to be vital to make new solutions viable. It will require the integration of new and existing energy systems — underpinned by new technology, data and transformative digital solutions — to gain the operating efficiencies from existing infrastructure, capabilities and across supply chains.

We have a global team of experts who work in partnership with our clients to deliver evidence, insight and guidance to help shape safe and sustainable solutions for upstream, midstream and downstream applications. Our practical experience working across the end-to-end energy value chain means we can provide a holistic view of how energy systems link together, empowering our clients to make evidence-based decisions with full confidence in the lifecycle impact of their solutions.

We remain fuel and technology neutral. Our focus is to provide impartial, expert advice to deliver the best outcome for each client application.

Over the past five years our technical expertise in shipping has extended to partner with UMAS to provide leading publications on the decarbonisation of the maritime sector based on research, contributing to the work of the Getting to Zero Coalition. We support the sector to achieve a safe transition through the Global Maritime Forum Advisory Board and the Sustainable

Shipping Initiative, in particular regarding potential zero-carbon fuels and ship recycling. We are engaged in a number of Joint Development Projects (JDP) with our clients to solve problems to unlock some of the barriers in the transition pathways. We are also expanding our reach as a founding member of the UNGC Sustainable Ocean Business Action Platform and specifically the Set Sail for Zero tipping point and work with the Friends of Ocean Action. In 2020, we launched the LR [Maritime Decarbonisation Hub](#), in partnership with the LR Foundation.

Programmes – Transformational continued



CASE STUDY



The **LR Decarbonisation Hub** will work in partnership with other forward-looking organisations to deliver credible thought leadership to the entire industry - regulators, policy makers, investors, owners, operators and charterers – that will shape the safe and sustainable pathways to decarbonisation, and demonstrate the costs, benefits, risks and opportunities of each one. Bringing together a team of technical experts, researchers, thought leaders and proposition specialists, who will collaborate with colleagues, clients and industry partners to:

- Influence policy through evidence-based research, helping to steer the IMO regulatory debate to a safe outcome accepted by all.
- Help the shipping industry to meet the IMO and EU timelines and contribute to its population with effective and practicable regulation.
- Steer ship owners and operators through the complex decision-making and sensitive cost considerations they will face during the transition and help to navigate them through the complexities of the dynamics and interactions between technology readiness, investment readiness and community readiness (our Marine Solution Readiness Levels - MSRL).
- Provide shipowners and operators (as well as other key stakeholders in the supply chain) with guidance at every step of their journey as they reduce the carbon intensity of their fleet and transition to zero-carbon.
- Define, create and deliver the advisory services and associated LR Rules and safety standards to provide the transition pathways detail behind the thought leadership position which LR M&O has taken in the industry.

Programmes – Transformational continued



Food Supply Chain Security (SDG 2).

Our Business Assurance business helps clients who operate across the global food and drink supply chain demonstrate their commitment to sustainability. Our services cover a range of sustainability pillars, including animal welfare, supply chain integrity, plastic reduction and human welfare.

Our current priorities are to:

- Maintain and grow our position as the market leader for the delivery of Marine Stewardship Council Sustainable Fisheries Assessments (MSC).
- Leverage our footprint in the food manufacturing sector to partner with the largest businesses and verify their ongoing sustainability commitments (e.g. plastic reduction, responsible sourcing).
- Adopt and take to market new standards which offer our customers added brand protection (e.g. BRCGS Plant Based Standard and the Responsible Fishing Vessel Scheme).
- Below are summarised overviews of activities across the supply chain on a sector basis.

Agriculture

Our focus on the agriculture sector is to work with standard owners and retailers to develop and strengthen sustainability criteria within their existing farm assurance standards so that they are better able to meet consumer demands.

Seafood

Our priority is to maintain our position as the market leader of Sustainable Fisheries Assessments under the MSC standard. We aim to specialise in the certification for the largest and most complex fisheries (tuna, pollock, pelagic) to help maintain and grow market share beyond 40% (£1.8M by 2025).

In addition, through adding audit resource in key growth areas, we are committed to growing our share of the Global Aquaculture Alliance's Best Aquaculture Practice standard (GAA BAP) to 10% of the market by 2025 (moving from £0.2M to £1.5M). The BAP standard is a leader in sustainability and covers animal welfare, environmental impact and social responsibility of fish farms.

As the first adopter of the Responsible Fishing Vessel Scheme (RFVS) we also have an opportunity to help drive the only global social and ethical standard focussed on crew welfare from sea to shore. Our revenue target is £0.4M by 2025 with a focus on partnering with major retailers committed to crew welfare (Morrisons, Aldi, Waitrose)

Food Manufacturing

Our focus for the food manufacturing sector is being driven by customer needs and ongoing commitments around responsible sourcing tied to the UN's Sustainable Development Goals. To meet their needs our portfolio includes provision of 2nd party responsible sourcing audit programmes owned by the customer (e.g. Nestle's CARE standard) as well as recognised 3rd party standards. Relevant recent 3rd party standards which have launched include the Responsible Plastic Management Standard (RPM) and the BRCGS Plant Based Standard. These standards cover plastic reduction and meat-free production respectively. In addition, we will be an audit partner to the 3RI plastic reduction initiative.

To support the above, we also continue to drive Sedex Members Ethical Trade Audits (SMETA) and have recently won approval to deliver these for Marks and Spencer.

Operating Responsibly



Safety & well-being

Safety is at the heart of everything of Lloyd's Register. It is in our purpose and our DNA. The LR Group Board oversee the organisation's management of Health, Safety, Environmental and Security (HSES), approving the annual improvement plan, and the Executive Leadership Team hold a Safety Board quarterly.

Organisational learning drives our safety programme. We use insights from near miss reports. STOP reports and accident reports to drive continuous improvement alongside manager safety engagements. Our vision is zero harm, and we continue to aggressively challenge our working practices to reduce these numbers further.

Comprehensive HSES training is provided to every employee, including 4-day practical training to each of our field employees in order that they are competent to identify the hazards and apply the correct safety precautions. Dedicated campaigns are undertaken to raise awareness of safety issues or in response to incidents.

Our simplified safety programme has helped improve the understanding and application of our critical risk controls, termed LR's LifeSavers. These simple, memorable and practical set of "Do's and Don'ts" ensure we take a proportionate approach to safety, focusing on the significant risks.

Everyone in the business is trained on our LifeSavers and they form the core of our approach. We measure, audit and report performance in our Safety Board.

Empowerment is central to a strong safety culture and every employee is authorised to challenge unsafe situations and use their Stop Work Authority if they deem a situation to be unsafe. We measure the number of STOP work actions.

We continue to place additional focus on employee wellness, training specialist mental health first aiders and running weekly wellness programmes and drop-in sessions.

As a service organisation, the safety of our people is critically reliant on the safety of our client's assets and processes. We have fostered a respected culture with our clients who know that we will keep their people safe and ensure that harm does not happen on their assets and property, facilitated by an active programme of safety forums and virtual events to share our safety expertise

Leading with Integrity

In essence our goal is to achieve optimal profitability with high integrity. We aim to be at our best more of the time and recognise that we are all responsible for our own conduct and behaviour. We seek to be more inspiring, more thoughtful, challenging and supportive of each other. We seek to incorporate this into our everyday leadership practice.

We reinforce this through company-wide initiatives, such as "Be the Change" and the focus on behavioural competencies in the company-wide performance management process.

LR operates and reports in accordance with all applicable legislation, including the Companies Act 2006. This is overseen by the LR Group Board and managed by the Executive Leadership Team.

The Ethics Committee is chaired by the Group General Counsel and Company Secretary, on behalf of the Board, and includes oversight and reporting on compliance with laws regarding Anti-Bribery and Corruption (ABC) and Modern-Day Slavery. The Ethics Committee also oversees the independent investigation of complaints lodged through the LR "Speak-out" ethics hotline.

LR launched its 3 Year Diversity and Inclusion strategy in 2018 and have recently refreshed it to reflect changing imperatives. At its heart our goal is to enable all employees to feel they have equal access to opportunities for skills and career development, and to feel that their voice is heard.

We are tracking gender and national diversity in our senior community of around 700 colleagues and surveying colleagues regularly on their sentiments regarding Diversity, Inclusion and Belonging. We have reported on Gender Pay since 2017 and have improved by 2 percentage points.

We are implementing global inclusion principles to ensure that all LR colleagues benefit from inclusive policies; a new gender expression policy; launching affinity groups and amongst a range of other initiatives, holding safe space conversations with colleagues from diverse backgrounds to understand their experience of working in LR.

Operating Responsibly – continued



Green LR

LR has measured and reported GHG emissions for the past 4 years under the Global Reporting Index (GRI) and validated by Corporate Citizenship.

Our carbon and emission footprints have been measured by the Carbon Trust across Scope, 1, 2 and 3 in late 2020 and this will inform our submission to the achieve the Science Based Targets (SBTi) submission

Anticipated actions to reduce our carbon footprint are already underway and include:

Property

- Office environmental standards – Eight Environmental Principles set standards against waste, energy, natural resource use and low impact travel. In the past year our 40 largest offices were assessed against implementation of the principles enabling us to form a greater understanding of the level of environmental controls.
- Update property playbook to include building standards (such as BREEAM,) renewable energy provision for gas and electric and improved waste reporting and management.
- Reduction in property footprint through new strategy.
- Information Systems – continuing to reduce the data and applications hosted on private data centres on LR premises through migration to the cloud to minimise the consumption of energy from data storage and IT services.

Travel

- 50% reduction in commuting through remote working solutions eg MS Teams.
- Reduction in travel to client sites through Remote Solutions i.e. remote surveys, inspections and assessments.
- Reduction in business travel and greener options.
- Migration of job provision and company cars to electric / hybrid vehicles.

Behaviours and engagement

We have established an environmental behaviours and engagement programme, called 'Green Shares', with the aim of making environmental issues personal and raising awareness of global megatrends.

Science-based Target Initiative

Although LR has measured and reported our verified emission footprint for 4 years this year we have been working with the Carbon Trust to develop the robustness and maturity of our measurement.

This is in order that LR can establish and commit to an ambitious science-based emissions reduction target in line with the latest climate science. We aim to submit our target for validation to the SBTi in early 2021.

Measurement and reporting

LR reports our corporate sustainability progress in an ESG Report in addition to our Annual Report and Accounts and on our website (www.lr.org).

Our current reporting commitments include

- Global Reporting Index (GRI) to 'core' option
- UNGC Communication on Progress (COP) to 'Active'
- Science Based Targets Initiative (2020/21)

Our aim is to sign the UN's 1.5C Business Challenge and join the #racezero in 2021.

Our results are published in our ESG Report.

Partners Organisations & Stakeholders

LR recognise that to deliver on our sustainability strategy and fulfil our purpose we need to collaborate both inside our sectors and along global supply chains. This ranges from research, thought leadership, advocacy to service delivery, product development and advising on future policy and regulations.

Our stakeholders include NGOs and other global agencies, such as the UNGC, as well as academic and research organisations. We have also partnered with sector-focused groups such as the Global Maritime Forum and with issues-based communities such as the Responsible Plastics initiative. Our most important stakeholders are our clients and colleagues, and we are partnering on future development projects and initiatives such as the Maritime Decarbonisation Hub with the Lloyd's Register Foundation. Other stakeholders include trade and industry associations and regulatory bodies. The frequency of these meetings varies from a secondment to the UNGC to membership of working groups and annual events and conferences and regular clients and colleague engagement.

Engagement over the past three years with many of the organisations referenced above and in the accompanying table have helped to formulate our sustainability strategy, particularly the transformational components. Priorities raised by our stakeholders are reflected in the more detailed sections of the strategy and range from compliance to assurance and optimising performance.

Name	Involvement
COP 26 Climate Champion	<ul style="list-style-type: none"> Shipping & Offshore sectors Hydrogen Moon-shot
Energy TC	<ul style="list-style-type: none"> Chairman is commissioner
Friends of Ocean Action	<ul style="list-style-type: none"> Chairman is founding member
Global Maritime Forum	<ul style="list-style-type: none"> Poseidon Principles
Getting to Zero Coalition	<ul style="list-style-type: none"> Strategy Group and the Fuels and technologies workstream leadership group
Sustainable Shipping Initiative	<ul style="list-style-type: none"> Founding member and only class society Decarbonisation working group Ship recycling transparency initiative
LR Foundation	<ul style="list-style-type: none"> LR Maritime Decarbonisation Hub LR Safety Accelerator The Resilience Shift (Resilient Leadership, Resilience4Ports) Seaweed Manifesto – coalition with the UN defining how seaweed can contribute to delivering on the sustainable development goals
UMAS	<ul style="list-style-type: none"> Research & Publications <ul style="list-style-type: none"> Low carbon pathways 2050 ZEV 2030: how do we get there? ZEV 2030: transition pathways
UN Global Compact	<ul style="list-style-type: none"> UNGC Sustainable Ocean Business Action Platform founding member: <ul style="list-style-type: none"> Ocean Opportunities, Global Goals Sustainable Ocean Principles Ocean Stewardship Report 2020 Tipping Point Guidance's
World Resources Institute	<ul style="list-style-type: none"> Secretariat of Friend of Ocean Action

Marine & Offshore Clients	<ul style="list-style-type: none"> ■ Joint development projects with [insert names unless under NDA] ■ Over 30 hybrid powered ships have been classed under LT novel design ■ Over 50 new fuel battery hybrid powered ships are currently under LR class (over and above LNG vessels) ■ CMB Hydroville was the first ship classified by LR with a hydrogen propulsion system ■ The first vessel approved to operate on methanol as a fuel, Stena Germanica (the first IGF code1 compliant methanol fuelled vessel) was approved by LR ■ Approval in principle for the design of a bulk liquid hydrogen carrier ■ Studies into LNG bunkering including safety exclusion zones and economic feasibility ■ Economic feasibility and development studies of bunkering procedures for ports around the world ■ Viking Grace was the first wind-assisted passenger ship in the world, approved by LR in 2018 ■ Maersk Pelican - the first installation of a Flettner rotor in a product tanker (2018), performance verified by LR ■ LR verified fuel savings from air lubrication systems on Carnival Diamond Princess (2018) and Amalienborg (2018) ■ 1 International Code of Safety for Ship Using Gases or Other Low-flashpoint Fuels ■ Offshore wind <p>We are currently learning through the work we are involved with in full-scale pilots for short-sea shipping markets, joint industry projects with industry leaders such as Maersk, MISC and Samsung on the engineering design and HAZID of zero-carbon vessels and providing analysis and economic modelling to help our clients understand the economic performance and total cost of operations. These projects and partnerships will also enable slower moving organisations to see and learn from the early adopters, moving the industry further towards preparedness and widening our engagement with non-LR class owners and other key stakeholders.</p>
Business Assurance and Inspection Clients	<ul style="list-style-type: none"> ■ Cyber ■ Automotive ■ Aerospace ■ Environmental ■ Food ■ Medical

UNGC Index – Active

The following pages detail our progress towards addressing the 10 principles of the UN Global Compact.

Principle	LR Approach	Measurement of Outcomes
Statement of continued support	Please see CEO statement in the introduction to this document.	N/A
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	<p>As a professional services organisation that delivers assurance, consulting and technical and engineering advice we believe that our direct impacts in relation to human rights are limited within our value-chain, however we recognise that many of our clients work in sectors that have a much higher risk of human rights and labour condition infringements, particularly in the Maritime sector which has well publicised challenges with of poor working conditions at sea and in some of the industries that serve them, including ship breaking.</p> <p>All of the LR Group of employing entities has an obligation to provide a safe working environment for their respective employees across the world and are committed to comply with human rights including the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact. We have robust global policies and procedures that have executive-level oversight to ensure that directly employed and contracted employees are well protected as reflects LR's values and the minimum standards that we require to see reflected in local employment policies.</p> <p>Our Safeguarding Against Modern Slavery statement, issued to comply with the UK Modern Slavery Act 2015, is a public affirmation by our Group General Counsel and Corporate Secretary, approved by our CEO, that LR is supporting and protecting internationally proclaimed human rights, and confirms that LR is not complicit in any human rights abuses.</p> <p>Our values are the foundation of our culture. They are a set of shared beliefs that underpin everything we do - whoever we are, wherever we live and whatever our role, aiming to ensure we respect human rights wherever in the world we operate:</p> <div> <div> <p>We care about each other, our clients and the environment.</p> <ul style="list-style-type: none"> ■ We care about the safety of everyone. ■ We respect each other and the wider communities we work in. ■ We're passionate about giving back to society, leaving the world a better place than we found it. </div> <div> <p>We share our expertise with each other, with our clients and with all of our stakeholders.</p> <ul style="list-style-type: none"> ■ We strive to be the leaders in our profession with unparalleled expertise. ■ We're committed to quality and work together to find the best solution. ■ We're inquisitive and curious and never stop learning to further our knowledge. </div> <div> <p>We do the right thing in every situation.</p> <ul style="list-style-type: none"> ■ We're independent and impartial. ■ We show integrity in everything we do. ■ We're brave and courageous and we never compromise on standards or safety. </div> </div>	In our work with clients and there are several positive examples of where we work to develop standards and guidelines and provide independent assurance that they are being implemented. Most notably in our work to improve the safety and environmental conditions of ship recycling, crew welfare standards on fishing vessels and the Lloyd's Register Foundations research to address key global safety challenges in passenger ferry and fisheries industries

<p>Principle 2: Businesses should make sure that they are not complicit in human rights abuses.</p>	<p>Our operating responsibly values are underpinned by our zero-tolerance approach to corruption, bribery and fraud; our support for the elimination of all forms of forced labour and human rights violations; and an expectation that our suppliers operate by the same set of principles.</p> <ul style="list-style-type: none"> ■ Code of ethics – Helps to ensure that we do things safely, ethically and responsibly. This covers anti-bribery and corruption policies and procedures; whistleblowing mechanisms; approach to conflicts of interest; and ensures that we continually reach beyond simply fulfilling minimum requirements and obligations of legislation of the countries where we operate. ■ Responsible Sourcing policy, in place since 2018, this is applied to key suppliers (>£100k spend) and managed by Group Procurement team, it outlines expectations for supplier conduct based on 9 principles we have developed to extend environmental, ethical and social responsibility standards we expect of ourselves to our suppliers. The principles are anchored in internationally recognised standards, including but not limited to the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact. Suppliers must always adhere to these principles. In return Lloyd's Register will work with suppliers to support any necessary improvements and encourage continual improvement. ■ The 9 principles of our Responsible Sourcing Policy: <ol style="list-style-type: none"> 1. Business is conducted lawfully and with integrity - Conduct business in full compliance with governing laws, rules and regulations. All suppliers must comply with our anti-bribery, anti-corruption and anti- fraud policy and all applicable anti-trust laws 2. Fair, equitable and supportive employment - Guarantee that the fundamental rights enshrined in the Universal Declaration of Human Rights and workers' rights stated within the International Labour Organisations Conventions are upheld. 3. Workers' health and safety is protected - provide a healthy and safe workplace to prevent accidents and injury arising out of, linked with, or occurring in the course of work or as a result of the supplier's operations. 4. Environmental impacts are managed - Operate in an environmentally responsible and efficient manner to minimise adverse impacts on the environment. 5. Data Protection - Respect for personal data and individual rights in their dealings with others and within their own organisation by use of appropriate policies, procedures and contract terms. 6. Information Security - Effective, industry-standard best practice security controls in place to protect all customer information that is stored and/or handled by their systems when providing services to us. 7. Legal / Insurances - Appropriate insurance policies to cover claims and liabilities arising from the goods and/or services being provided to us with appropriate limits which is compliant with national requirements. 8. Fair Pricing and Payment Terms - Trading terms must be based on written contracts which specify mutually agreed competitive pricing and payment conditions. 9. Rights to Audit - Lloyd's Register reserves the right to carry out appropriate audits to obtain evidence of the Supplier's commitment to this Responsible Sourcing Procedure. <p>LR's Ethics & Compliance Committee (E&CC) has a mandate to ensure that the ethical health and supporting policies and practices are compliant with industry best practice wherever we operate. The E&CC provides guidance on ethical matters, including speaking out/ whistleblowing, anti-bribery and anti-corruption, fraud, and conflict of interest including within the supply-chain. Any reports that are raised through the speaking out/whistle-blowing process are received by the E&CC which provides a forum for the resolution of issues and for the provision of expert guidance across the full range of business ethics matters</p>	<p>In our work with clients and there are several positive examples of where we work to develop standards and guidelines and provide independent assurance that they are being implemented. Most notably in our work to improve the safety and environmental conditions of ship recycling, crew welfare standards on fishing vessels and the Lloyd's Register Foundations research to address key global safety challenges in passenger ferry and fisheries industries.</p>
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Labour		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Employees have the rights to freedom of association and collective bargaining and, where local legislation does not require the existence of a formal works council or union representation, are able to participate in country level staff consultation committees.	CBA coverage noted in GRI Index (102-41, pg27).
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	<p>Safeguarding against modern slavery - Any human trafficking or modern slavery exploitation is completely incompatible with our values and LR accordingly supports the elimination of all forms of forced and child labour.</p> <p>As a professional services organisation we operate a relatively uncomplex supply-chain although our global presence means we have a significant number of suppliers. As we don't employ low skilled migrant workers in our business or supply-chain we believe that the risk of forced labour conditions existing in our supply-chain is low, however we also recognise that we must act to ensure human trafficking and slavery is not taking place.</p>	Following an independent review of our compliance with the UK Modern Slavery Act that took place in October 2020 we will respond to the recommendations to strengthen policies and procedures that ensure human trafficking and slavery is not taking place. Recommendations included:
Principle 5: Businesses should uphold the effective abolition of child labour	In all recruitment activity for full-time and permanent staff we use independent 3 rd party screening and background check vendors to validate and verify details of candidates. This ensures that we are not complicit in any identify fraud and validates personal details including age and whether they have the right to work in that country.	<ul style="list-style-type: none"> Detail specific steps taken Identify areas of high risk Set and track KPIs
Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation	<p>Our 3-year Diversity & Inclusion plan, instigated in 2018, aims to demonstrate through actions and transparent metrics that we're committed to creating an inclusive culture based on our vision:</p> <ul style="list-style-type: none"> At LR we believe that we deliver better and more sustainable results when different perspectives shape our thinking. Our global teams, and increasingly our leadership, should reflect the communities we operate in and the global marketplace we serve. LR is dedicated to being an inclusive place to work where everyone can make a difference and give their best. <p>Based on current performance we know that we are at the start of this journey but take heart from the successes of other large global organisations who have made a real difference in the past.</p> <p>We have identified two key metrics initially that focus on increasing the proportion of women in leadership roles and also the proportion of non-British leaders to reflect our global footprint – an update against these targets will be provided in our Group Annual Review.</p> <p>In addition to the Diversity & Inclusion metrics:</p> <ul style="list-style-type: none"> We are tracking gender and national diversity in our senior community of around 700 colleagues and surveying colleagues regularly on their sentiments regarding Diversity, Inclusion and Belonging. We have reported on Gender Pay since 2017 and have improved by 2 percentage points. We are implementing global inclusion principles to ensure that all LR colleagues benefit from inclusive policies; We are committing to a new gender expression policy; We are launching affinity groups and amongst a range of other initiatives, holding safe space conversations with colleagues from diverse backgrounds to understand their experience of working in LR. 	Continuation of the 3-year Diversity & Inclusion Plan, including: <ul style="list-style-type: none"> Gender expression policy Inclusion principles Affinity groups

	<p>Under our Equal opportunities policy we promote equality of opportunity in all stages of employment (from recruitment through to departure) regardless of race, religion or belief, political opinion, colour, ethnic origin, age, nationality, marital/parental status, sex, gender, sexual orientation, disability or any other category that may be protected by applicable law. It is founded on the following assertions:</p> <ul style="list-style-type: none"> ■ We understand that we all have an obligation to respect and value each other and a responsibility to ensure that no discrimination of any kind is taking place. ■ We believe that our employees are our most important resource and in order to provide the best possible service to our clients we want to attract, develop and retain the most talented people from the largest possible pool of talent available. ■ A responsible organisation we will ensure that we comply with the legal obligations intended to promote equal opportunities and incorporate best practice where appropriate 	
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges	<p>The precautionary principle, as referred to by the Rio Declaration on Environment and Development (UNEP, 1992), is implicit in our decision-making processes and across the lifecycle impacts of our services and the way that we operate. Its intent is evidenced throughout all the work we do to further the understanding and mitigation of risk both for clients and wider society and is implemented in some the following ways:</p> <ul style="list-style-type: none"> ■ Technical research and thought leadership for decarbonisation of the shipping sector and continuing work with UN on ocean sustainability. ■ We are proving alternative propulsion technologies, alternative fuels and influencing industry targets to decarbonise shipping ■ We support the production of energy with zero or low carbon emissions, including on/offshore wind, wave, nuclear, solar and energy storage and help to develop and prove new low carbon technologies ■ Work with clients to make their global supply-chains more transparent and resource-efficient, providing real-time assurance to drive efficiencies through reduced water usage, energy efficiencies and lean manufacturing ■ Within our own operations we are working to reduce emissions in alignment with the latest climate science and environmental expectations of our suppliers are contained within our Responsible Sourcing Policy. ■ We operate a global environmental management system, certified to ISO14001, that states our commitment to making continuous improvements in the management of our environmental impact 	<ul style="list-style-type: none"> ■ Launch the LR Global Maritime Decarbonisation Hub to deliver credible thought leadership that will shape the safe and sustainable pathways to decarbonisation. ■ Further qualitative assessment of scale of impact of LR services.
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	<p>Our Integrated HSES management system is consistent with the principles of continuous improvement and aligned with the international management systems standards and certified to ISO 14001, OHSAS 18001 and migration to the new Health & Safety standard, ISO 45001 is underway.</p> <p>To manage environmental impacts, we have a global network of HSES professionals and resources with Area HSES Managers in each of our six Areas, HSES Leaders in sub-geographies of each Area and office level HSES Representatives at our largest locations. Their primary environmental responsibilities are to ensure the implementation of environmental policies and procedures considering local conditions and legislation, and deploy global campaigns such as those described against criterion 11.</p> <p>To measure and monitor environmental performance there are a set of globally applicable KPIs tracked by our HSES team, which include consumption of energy and water at LR offices, business travel by air, car or rail and, where possible, volumes</p>	<p>We are working to establish a science-based emissions reduction target for early 2021.</p> <p>Environment & sustainability criteria will be included as decision-factors in the ways of working property transformation.</p>

of waste generated and disposal routes. This data is aggregated annually, and emissions factors applied to calculate overall scope1, 2 and 3 GHG emissions

In addition to these indicators described we have an incident management and reporting system, called 'Protect' that all LR employees have access to, via mobile and desktop applications, where they can log HSES incidents, near-misses and concerns. Any incidents logged are allocated a risk rating which triggers workflows and notifications to HSES professionals and local management to respond and conduct investigations.

Specifically, from an environmental perspective we see our impacts as follows:

Operational / direct impacts

- Business travel: The need to deliver our services globally requires our people to work in high-risk locations which can impact our colleague's health and well-being. Business travel also has a significant environmental impact.
- Energy, water and resource consumption: In operating our business, we consume natural resources and supplies and aim to limit resource use by considering environmental impacts when making our procurement decisions.
- Waste management: we apply the principles of the waste control hierarchy wherever we operate.
- Resources and competence: maintaining and developing integrated HSES expertise and capability.

There are a number of live environmental initiatives that aim to measure our direct impacts, determine actions to address improvements and engage with colleagues to adopt more positive environmental behaviours:

- Office environmental standards – Eight Environmental Principles set standards and goals against waste, energy, natural resource use and low impact travel. In the past year our 40 largest offices were assessed against implementation of the principles enabling us to form a greater understanding of the level of environmental controls across the organisation, identify areas for individual and systemic improvement and found best practices to share. Each geographical area will use these results to develop environmental improvement plans setting practical objectives that will be monitored for their achievement.
- Personal engagement – we have established an environmental behaviours and engagement programme, called 'Green Shares', with the aim of making environmental issues personal. Using awareness raising of global mega-trends in sustainability and environment reinforced by personal and practical changes that can be made on an individual basis.
- Group-wide emissions target - We have measured and reported a verified carbon footprint for several years and are now working to set ourselves an ambitious emissions reduction in line with climate science to be submitted to the Science-based Target Institute (SBTi) for verification in early 2021. Achieving validation of this target and publicly committing ourselves to this robust target will put LR alongside other industry leaders to achieve a cleaner and greener world, and contribute towards the 2050 climate targets established by the Paris Agreement in 2015.
- Pandemic response – due to the pandemic response in early 2020 we have seen a major shift to a virtual workforce. A 'new ways of working' initiative is being implemented that, among other goals, will reduce our overall carbon footprint by consciously moving to a virtual delivery model, increase the delivery of client services on a remote basis, rationalise our office footprint will and significantly reduced business travel and commuting. The absolute reductions in emissions achieved through this will be reinforced by efforts to reduce the emissions intensity of our reconfigured global estate and travel behaviours.

Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	<p>See response to Sustainable Oceans Principle #3 (pg18) for a summary of our work with technologies to reduce GHG emissions through decarbonising shipping and energy and contributions to circular economy initiatives in ship recycling, decommissioning, responsible plastics production and seafood supply-chains.</p> <p>We will launch the LR Global Maritime Decarbonisation Hub in late 2020 to deliver credible thought leadership to the entire industry that will shape the safe and sustainable pathways to decarbonisation.</p> <p>An impact narrative and qualitative assessment of the key 'sustainability' services that LR provides for clients is underway with 3rd party input in order to understand the scale of positive impacts to LR, the client / service user and to tackling challenges of emissions and climate change.</p>	<p>As per Principle #7:</p> <ul style="list-style-type: none"> ■ Launch the LR Global Maritime Decarbonisation Hub ■ Further qualitative assessment of scale of impact of LR services
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Anti-corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	<p>Good business ethics are integral to who we are and what we do, and our Anti-Bribery and Anti-Corruption and Fraud policy is at the heart of our efforts to operate responsibly. This policy sets out our responsibilities, and of those working for us, in observing and upholding our zero-tolerance position on bribery, corruption and fraud; and provides information and guidance to those working for us on how to recognise and avoid and report suspicions of bribery, corruption and fraud.</p> <p>We will uphold all laws which counter bribery, corruption and fraud in all the countries in which we operate. The UK Bribery Act 2010, applies to our conduct everywhere in the organisation, came into force on 1 July 2011, makes it illegal to give or receive a bribe, bribe a non-UK government official or, as a commercial organisation, fail to prevent bribery.</p> <p>We extended our Anti-Bribery and Corruption policy to encompass fraud prevention as per The Fraud Act 2006, which became law in January 2007.</p> <p>There are similar anti-bribery, corruption and fraud laws in many countries around the world, for instance The US Foreign Corrupt Practices Act of 1977 (FCPA) makes it a crime to give, or to offer to give, anything of value to non-US government officials (including employees of state owned companies, such as national oil or transportation companies) to improperly influence the performance of the officials' duties. In some countries in the Asia Pacific region where we operate, bribery and corruption attract punishment of life imprisonment, or even in the most serious cases, the death penalty. We therefore take our legal responsibilities very seriously.</p> <p>The Anti-Bribery and Anti-Corruption and Fraud policy applies to all LR Group entities employees, directors, consultants, contractors, agents and joint ventures worldwide and is communicated on at least an annual basis.</p> <p>A Gifts and Hospitality portal has been set up to record all hospitality or gifts accepted or given, other than token gestures and modest meals in the Gifts and Hospitality Register and it is the responsibility of all employees to ensure all offers of gifts and hospitality are recorded whether accepted or refused.</p>	<p>As per Principles 4 & 5 respond to recommendations to strengthen policies and procedures that ensure human trafficking and slavery is not taking place.</p>
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	Data on Anti-bribery and anti-corruption training is provided in the GRI data table (GRI 205-2, pg18) showing an overall completion rate of 88% for the reporting period. As part of the LR Code of Ethics it is overseen by the LR E&CC and by extension LR's Audit and Risk Committee.	
Taking Action in Support of Broader UN Goals & Issues		
Core business contributions to UN goals and issues	<p>LRs work focusses on contributing to four 'primary' Sustainable Development Goals (SDGs) these are goals #7 – affordable and clean energy, #12 – responsible consumption and production, and #14 marine environments. Due to the intended outcomes of these, we also believe we can make a significant contribution to goal #13 - climate action.</p> <p>However, we also make marked contributions to several 'secondary' SDGs through the breadth of services and outcomes we influence. We will play our part in achieving the goals of our core SDGs by continuing to work with our clients to understand the complexities of global sustainability challenges and demonstrate that value can be created through sustainable development, specifically;</p> <ul style="list-style-type: none"> ■ We firmly endorse and are fully committed to the International Maritime Organisation's (IMO) vision to actively eliminate greenhouse gas emissions and we will be influential in achieving the 2050 emissions targets by supporting operational and technical energy efficiency improvements in the short-term whilst enabling the transition to full decarbonisation. ■ We are committed to making supply-chains more transparent and resource-efficient, providing real-time assurance and data driven recommendations to drive efficiencies through reduced water usage, energy efficiencies and lean manufacturing for responsible global supply-chains ■ We are committed to helping the necessary transition to clean energy, to tilting the energy balance in favour of low carbon energy away from fossil fuel production and to working towards global carbon reduction targets. ■ We are committed to work with our clients to decarbonise shipping and energy, develop more efficient and responsible supply-chains so that we can jointly tackle the global challenge of climate change, steering their and our own transformation to low- or no-carbon operating models. <p>We will pursue emissions reductions in our own operations, reinforce our Zero Harm commitments, progress towards diversity and inclusion targets, and continue to ensure our people access development and equal opportunities.</p>	N/A
Partnerships & collective action	<p>We are partnering with highly influential organisations and institutions that are developing and supporting solutions for better ocean health and wealth. Recent examples of our partnerships include:</p> <ul style="list-style-type: none"> ■ We are a founding member of the UN Global Compact Ocean Action Platform, and helped develop the Sustainable Oceans Principles and continue to work with the platform to develop sectoral guidance, e.g. renewables ■ We are the only classification society to be a member of the Global Maritime Forum, an international not-for-profit organization committed to shaping the future of global seaborne trade to increase sustainable long-term economic development and human wellbeing. Lloyd's Register's CEO, Alastair Marsh, is on the advisory council of the GMF. <ul style="list-style-type: none"> – We led the development of their 'Call to Action' launched in October 2018 alongside more than 50 industry leaders which led to 84 organisations joining the Getting to Zero Coalition in 2019 ■ We work with the Friends of Ocean Action, a WEF coalition ■ We are a founding member of the Sustainable Shipping Initiative and have a Board presence ■ We are a signatory to the Ship recycling transparency initiative (SRTI) aiming to make responsible ship recycling the norm ■ We have joined the 3R Initiative along with several global food, beverage and packaging companies to tackle the global issue of plastic waste ■ We are provide independent verification for the world's first best-practice standard for Responsible Plastic Management (RPM) 	In the lead up to COP26 we will continue to engage with UN initiatives in support of action to tackle climate change.

UN Ocean Action Platform – Sustainable Ocean Principles

The following pages detail our progress towards addressing the 9 principles of the UN Sustainable Ocean Principles.

Principle	LR Approach – Practical actions to implement the Sustainable Ocean Principles	Measurement of Outcomes
Ocean Health and Productivity		
<p>Principle 1: Assess the short and long-term impact of their activities on ocean health and incorporate such impacts into their strategy and policies</p>	<p>Our vision is for Zero Harm to people, the environment and those affected by our activities. The principles underpinning this Zero Harm aspiration are simple:</p> <ul style="list-style-type: none"> ■ We believe everyone has the right to go home unharmed. ■ All harm is preventable, and all incidents can be prevented. ■ Everyone has a responsibility for their own health and safety, to protect the safety of others and be environmentally responsible <p>We aim to achieve our Zero Harm aspiration by managing HSES across all our businesses in a structured and planned way, with strong and effective control measures for the significant risks. In practice, this means that wherever we operate we:</p> <ul style="list-style-type: none"> ■ Ensure everyone is trained and competent to understand the tasks, risks and activities they undertake ■ Comply with or exceed all regulations and HSES Management System requirements ■ Never lose sight of our significant risks and continually question how we can further reduce or mitigate those risks ■ Engage with and support our clients, contractors and communities wherever we operate ■ Maintain a constant vigilance and readiness to prevent, and where required, respond to and effectively manage any incident ■ Establish challenging HSES objectives that drive continual improvement <p>Activity:</p> <ul style="list-style-type: none"> ■ One of the enablers to fulfilling our Zero Harm vision is managing risk in a planned, systematic way where HSES is at the heart of what we do. We have therefore simplified our safety and environmental systems into a consolidated HSES framework which forms an integral part of LR's corporate leadership policies and standards. ■ Our HSES Management System, subject to an internal and external audit regime, is certified to OHSAS 18001 and ISO 14001 and we ensure we are operating to the latest ISO standards so will be migrating our certification to meet the new ISO 45001 standard for Health & Safety in 2020/21. ■ We measure GHG emissions from direct and indirect sources as per the GHG Protocol and ISO14064-3 including these results in our annual reporting to form a basis from which to drive improvements. In 2020/21 we will work to establish an emissions reduction target aligned with the latest climate science 	<ul style="list-style-type: none"> ■ Compliance with ISO standards for HSE ■ Migration to latest ISO H&S standard ISO 45001 in 2020/21 ■ 2019/20 GHG emissions 99,406 tCO₂e ■ Establish emissions baseline, target scenarios and commit to a science-based target in 2020/21

<p>Principle 2: Consider sustainable business opportunities that promote or contribute to restoring, protecting or maintaining ocean health and productivity and livelihoods dependent on the ocean</p>	<p>Lloyd's Register has a long heritage of working with the oceans, dating back to our founding as a marine classification society in 1760. Today, our oceans have become a key battleground in the fight against a climate emergency, as we seek to reverse the negative impacts on biodiversity, ecosystem health, critical habitats and coastal communities, and improve the sustainability of all ocean industries.</p> <p>Most of our businesses and the markets we serve touch the ocean in some way, with many of our clients operating in the ocean transport, ocean food and ocean energy sectors. We are also partnering with several organisations and institutions that are developing and supporting solutions for better ocean health and wealth.</p> <p>Activity: Specifically related to ocean-based business opportunities LR aims to provide the thought-leadership, advice, technical standards development, and independent assurance for sustainable shipping, the transition to low carbon energy, decommissioning of ocean based assets and for responsible supply-chains particularly of food.</p> <p>See the sustainability strategy and the 'LR Decarbonisation Hub' case study on pg6 for information on LR's Ocean Clean Transport and Energy programmes that emphasise the role of low carbon transitions at the heart of our strategy.</p>	<p>We will work to align the transformational areas identified in the sustainability strategy with the overall Group strategy.</p>
<p>Principle 3: Take action to prevent pollution affecting the ocean, reduce greenhouse gas emissions in their operations to prevent ocean warming and acidification, and work towards a circular economy</p>	<p>LR has a long-standing reputation keeping assets and businesses safe, sustainable and secure through technical excellence. We work with and influence a broad range of stakeholders to achieve transformational change in the sectors within which we work, and we are proud to stand alongside other world and industry leaders in creating a cleaner, more sustainable world. Further plans are in development to determine how both the LR Group and LR Foundation can continue to contribute to and lead.</p> <p>Our corporate values mean that we operate responsibly and with integrity. We are working to verify our carbon footprint to enable an ambitious emissions reduction target that is in line with global ambitions to limit warming to 1.5 C by 2050. Whilst we have measured and reported our emissions for several years we are now committing ourselves to a meaningful target to address the defining issue of our time.</p> <p>Transformational change – our work with clients and industry peers.</p> <ul style="list-style-type: none"> ■ Greenhouse gas emissions reduction: <ul style="list-style-type: none"> – Maritime decarbonisation –practical application of low-zero carbon fuels and technologies: – First classification society to develop and issue rules for the use of LNG as a fuel – Over 30 hybrid powered ships have been classed under LT novel design – Over 50 new fuel battery hybrid powered ships are currently under LR class – CMB Hydroville was the first ship classified by LR with a hydrogen propulsion ■ Energy transition and integration – supporting a low carbon future <ul style="list-style-type: none"> – Site selection and assessment for renewable energy considering marine spatial planning principles to ensure that marine renewable energy projects can co-exist with other marine uses. – Feasibility and appraisal of clean energy projects including new technology readiness, new port facilities for the offshore wind industry and grid connection services – Underwater noise assessment to Managing the complex environmental and noise – Impacts of offshore wind farms on marine life 	<p>External:</p> <ul style="list-style-type: none"> ■ Delivery of client services <p>Internal:</p> <ul style="list-style-type: none"> ■ Emissions footprint and SBT 2020/21

	<p>Circular economy:</p> <ul style="list-style-type: none"> ■ Ship recycling, decommissioning and responsible food supply-chains <ul style="list-style-type: none"> – Ship recycling - assurance of ship recycling facilities and promoting transparency of ship recycling activities to raise standards – Decommissioning – safe and environmentally responsible removal and disposal of offshore oil & gas facilities – Assurance provider for Responsible Plastic Management a voluntary plastics management assurance programme – Joined the 3R Initiative to help its members develop a new ‘Project Standard’, designed to tackle the global issue of plastic waste. <p>Responsible food supply-chains:</p> <ul style="list-style-type: none"> ■ Sustainable aquaculture <ul style="list-style-type: none"> – Certification and assurance of sustainable fisheries and aquaculture, e.g. MSC, ASC – Shared use of ocean space - Seaweed aquaculture and shared ocean space research for sustainable source of protein <p>Operating responsibly – managing our own operations</p> <ul style="list-style-type: none"> ■ Science based target - Work has commenced to calculate and verify LR’s carbon footprint for 2019/20. This will help establish a credible science-based target (SBT) to reduce our greenhouse gas emissions in alignment with the Paris Agreement to limit global warming below 2C and pursue further efforts to 1.5C. ■ Environmental Principles – our largest 40 offices globally have been assessed against eight environmental principles relating to waste reduction and recycling, energy efficiency, water conservation and low carbon travel. Environmental improvement plans will be developed alongside the activities incorporated into changes to the way we work post-pandemic to ensure that environmental gains are maximised during this transition. 	
<p>Principle 4: Plan and manage their use of and impact on marine resources and space in a manner that ensures long-term sustainability and take precautionary measures where their activities may impact vulnerable marine and coastal areas and the communities that are dependent upon them.</p>	<p>As a classification society and professional services organisation we have a limited direct impact upon ocean space rather our impacts come through the work that we do for our clients and our partnerships and collaborations to influence industry that we can have a meaningful effect on sustainability of ocean health and resources.</p> <p>Many of our major clients in shipping and energy operate in the oceans and rely on its resources to deliver their business goals, we work to primarily ensure that they work safely, efficiently and sustainably.</p> <p>We have partnered with many highly influential organisations to enable our thought-leadership and research is used to positively influence sustainable outcomes in maritime industries. This is a key reason why LR was keen to engage with the UN on the Sustainable Ocean Business Action Platform and establish these high-level principles to hold ourselves and others against.</p> <p>Activity:</p> <ul style="list-style-type: none"> ■ Oceans Stewardship report – LR had presence on the editorial board of the latest report addressing five critical success areas for sustainable development of our oceans, further identifying a priority need for a new approach to integrated ocean management ■ Sustainable Ocean Principles – LR was involved in the wide consultation to develop these principles in 2019 and continue to be influential in developing individual sector guidance for applying these principles, the latest inclusion being for the renewables sector. 	<p>Development of qualitative impact narrative relating to maritime sustainability services.</p>

	<ul style="list-style-type: none"> ■ Sustainable fisheries and ship recycling facilities – our work for clients in both areas are directly aimed at protecting livelihoods of coastal communities, through ensuring safe working conditions and managing their activities in an environmentally responsible manner. ■ Seaweed revolution - Lloyd's Register and the UN Global Compact led the creation of a manifesto to drive the development of a responsible seaweed industry that can contribute to delivering on the sustainable development goals through low impact production of food and biomass, fuel, medicine and carbon sequestration. <ul style="list-style-type: none"> – The vision is a seaweed industry that is beyond sustainable, one that is upscaled, responsible and restorative, playing a globally significant role in food security, climate 	
Governance and Engagement		
Principle 5: Engage responsibly with relevant regulatory or enforcement bodies on ocean-related laws, regulations and other frameworks	<p>We proactively maintain memberships of committees and regulatory bodies to influence regulations and contribute to cross-sector partnerships:</p> <ul style="list-style-type: none"> ■ Through our membership of IACS we contribute to the IMO's Marine Environment Protection Committee (MEPC), responsible for setting an ambition to reduce GHGs by at least 50% by 2050, based on a 2008 baseline ■ Roles on working groups and committees of the IMO (Through IACS and Flag states) and other technical and regulatory bodies ■ LR working with UK Oil and Gas Authority to look at technical opportunities for improving renewable support of the O&G infrastructure in the North Sea. ■ We work with Australian Regulator NOPSEMA to prevent Macondo-type accidents ■ We are a member of the European Sustainable Shipping Forum, an EU Commission 	<ul style="list-style-type: none"> ■ Membership of industry associations and trade bodies ■ Participation in external initiatives, JVs and partnerships with industry, governmental and non-governmental organisations
Principle 6: Follow and support the development of standards and best practices that are recognized in the relevant sector or market contributing to a healthy and productive ocean and secure livelihoods	See our responses to partnerships & collective action in the UNGC Index on pg 16 for recent examples of our partnerships.	Ongoing participation in stated initiatives and maximise opportunities specifically relating to the decarbonisation of the maritime sector.

<p>Principle 7: Respect human-, labour- and indigenous peoples' rights in the company's ocean related activities, including exercise appropriate due diligence in their supply-chain, consult and engage with relevant stakeholders and communities in a timely, transparent and inclusive manner, and address identified impacts</p>	<p>LR activities and supply-chain are low risk from a human and labour rights perspective but we are acutely aware of the influence we can have through our services and role as thought-leader on businesses and organisations who interact with ocean sector and the communities they come into contact with.</p> <p>Our core services in the maritime sector, upon which our heritage is built, has always been to ensure the safety of life, property and the environment for ocean-related occupations, primarily in shipping transportation and energy but more recently in food supply-chains, fisheries and aquaculture.</p> <p>Please refer to responses to the UNGC Principles #1, 2, 3, 4, 5 & 6 pg10-13for more detail.</p> <p>Service and compliance examples:</p> <ul style="list-style-type: none"> ■ The International Labour Organisation (ILO) Maritime Labour Convention, 2006 (MLC, 2006) was introduced to help ensure that all seafarers, regardless of their nationality and the flag of the ships they work on, can enjoy decent working and living conditions. LR is fully authorised by most flag States to conduct MLC verifications and issue Maritime Labour Certificates. ■ SOLAS (Safety of Life at Sea) and MARPOL (Marine Pollution) are the bedrock of safety and environmental standards for the shipping sector containing provisions on how ships shall be constructed to be as safe as possible and to ensure pollution is prevented at all stages of ship design, use and disposal. One of the maritime industry's main concerns is the safety and well-being of crew and personnel on board vessels, SOLAS is generally regarded as the most important of all international Conventions for ensuring that. As an RO (Recognised Organisation) LR carries out statutory inspections on behalf of flag administrations, verifying compliance with these essential international conventions ■ Sustainable fisheries and aquaculture – LR Acoura, our fisheries specialists provide certification and assurance of Marine Stewardship Council (MSC) Fisheries Standard helping to drive sustainability changes across many global fisheries ensuring fish populations are productive and healthy, and ecosystems remain healthy. This ensures the ongoing viability of fishing industries supporting employment and economic opportunities that would otherwise diminish if unchecked fisheries resulted in over-exploitation of fish stocks. ■ LR Acoura also assures the Global Seafoods Assurances Responsible Fishing Vessel Standard a third-party certification scheme developed by industry to recognise vessels with high standards of crew welfare and responsible catching practices. Vessels certified under this standard ensure that seafood supply chains are free of human rights abuses; that fishing crews are treated fairly, trained appropriately, and are working in safe conditions with payment, meals, and rest time provided. ■ LR Foundation Insight reports on safety in the passenger ferry and fishing industries – both were identified as significant global safety challenges by the LR Foundation in 2017 and since then has investigated further to better understand the nature of those safety challenges drawing on expert knowledge and opinion to understand what activity is already underway to improve safety, and what more is needed. <p>Operating responsibly:</p> <ul style="list-style-type: none"> ■ Safeguarding against modern slavery - Any human trafficking or modern slavery exploitation is completely incompatible with our values and LR accordingly supports the elimination of all forms of forced labour. ■ Code of ethics – see our response for UN Global Compact Principle #1 ■ Responsible Sourcing policy, in place since 2018, is applied to key suppliers (>£100k spend) and managed by Group Procurement team, it outlines expectations for supplier conduct based on internationally recognised standards, including but not limited to the UN Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and the UN Global Compact 	<ul style="list-style-type: none"> ■ Develop the responsible procurement strategy and improve external accessibility of detailed requirements ■ Following an independent review of our compliance with the UK Modern Slavery Act we will respond to the recommendations to strengthen policies and procedures that ensure human trafficking and slavery is not taking place.
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Data and Transparency

<p>Principle 8: Where appropriate, share relevant scientific data to support research on and mapping of relevance to the ocean.</p>	<p>We hold a leadership position on decarbonisation and the industry is actively seeking our support to navigate the transition. Our 2016 report on Low Carbon Pathways, our substantial work in 2017 on Zero Emission Pathways (which was the first research to state that zero emission vessels were needed by 2030) have set the tone the pace for change. Our Zero Emission Vessels: Transition Pathways report, published early in 2019 and produced in conjunction with the University Maritime Advisory Service (UMAS), has highlighted transition pathways for achieving the IMO's 2050 ambitions.</p> <p>Our vision for sustainable shipping is not confined to addressing emissions and net zero targets but also includes how principles of circular economy and resource efficiency can be applied to the sector. Primarily through our work to tackle known safety and environmental issues of ship recycling through design, management of hazardous materials, recycling facility standards and audits to drive higher standards across the industry.</p> <p>As a prominent player with a heritage of over 260 years in the maritime sector we are well positioned to provide thought-leadership and technical leadership in developing the necessary technical capability to support the industry to keep pace with our call for the industry to do more, faster.</p> <p>Activity:</p> <ul style="list-style-type: none"> ▪ Research papers, in partnership with the UK's University Maritime Advisory Services (UMAS), into decarbonisation pathways for the maritime sector, for example on zero emissions vessels, Sulphur 2020 regulations and responsible decommissioning ▪ Poseidon Principles for investments in sustainable shipping - as the only class society involved LRs role is to provide Banks with access to relevant data to inform decision-making ▪ Nautilus (Nautical Integrated Hybrid Energy System for Long-haul Cruise Ships) project aims at developing, evaluating and validating a highly efficient and dynamic integrated marine energy system fuelled by Liquefied Natural Gas (LNG) for long-haul passenger ships. ▪ FASTWATER consortium aims to start a fast transitionary path to move waterborne transport away from fossil fuels and reduce its pollutant emissions to zero impact, through the use of methanol fuel. ▪ Ship Recycling Transparency Initiative (SRTI) – LR is a founder member of this transparency initiative for ship recycling based on the principle that data sharing drives best practice and improve standards ▪ LR Foundation research focus areas in the period have included Ocean Engineering; Safety in fishing and passenger ferry industries; and food safety 	<p>The LR Global maritime Decarbonisation Hub will help transform the maritime industry through collaboration, producing and sharing evidence-based research.</p>
<p>Principle 9: Be transparent about their ocean-related activities, impacts and dependencies in line with relevant reporting frameworks</p>	<p>For several years we have reported our sustainability performance in annual reporting, including our operational carbon footprint and narrative covering the impacts of our products and services. We have used the Global Reporting Initiative as the framework to structure our disclosures and have worked towards achieving 'Core' status in 2019/20.</p> <p>As signatories to the UN Global Compact we also submit an annual communication on progress.</p>	<p>Statement of verification – Carbon Trust (scope 1, 2, 3 emissions footprint) and Corporate Citizenship for reporting against UNGC, SOPs and GRI disclosures.</p>

GRI Content Index

GRI Ref.	Disclosure Title	Core	Material	Comments	UNGC Principles	Sustainable Ocean Principles
GRI 102 General disclosures						
Organisational profile						
102-01	Name of the organization	X		Lloyd's Register and variants of it are trading names of Lloyd's Register Group Limited, its subsidiaries and affiliates.	-	-
102-02	Activities, brands, products, and services	X		See Solutions for a summary of what we do.	-	-
102-03	Location of Headquarters	X		71 Fenchurch St, London, EC3M 4BS	-	-
102-04	Location of operations	X		<p>>180 offices in 70 countries Countries of significant operation (>100 staff):</p> <ul style="list-style-type: none"> United Kingdom China Netherlands USA South Korea Germany India Spain Singapore Italy Japan Greece France Canada United Arab Emirates Malaysia 	-	-
102-05	Ownership and legal form	X		<p>See Who we are for a description of our ownership and relationship with the Lloyd's Register Foundation.</p> <p>Lloyd's Register, LR and any variants are trading names of Lloyd's Register Group Limited, its subsidiaries and affiliates. Lloyd's Register Group Services Limited (Reg. no. 6193893) is a limited company registered in England and Wales. Registered office: 71 Fenchurch Street, London, EC3M 4BS, UK. A member of the Lloyd's Register group.</p>	-	-
102-06	Markets served	X		<p>See Sectors for a summary of the sectors we serve offering services that include assurance, classification, inspection, product certification, management system support, training and consulting.</p> <p>Our clients range from large international organisations to small national companies in marine & shipping, energy production, transportation, food and beverage, engineering, heavy industry, extraction and manufacturing sectors on a global basis.</p>	-	-
102-07	Scale of the organization	X		<ul style="list-style-type: none"> 6,675 employees 	-	-

			<ul style="list-style-type: none">3 main business streams Marine & Offshore, Business Assurance & Inspection Services and Energy (sold October 2020)Unable to provide a turnover figure for the reporting period – LR Group accounts will be published in early 2021 to cover and extended 18-month period from July 2019 to December 2020 due to the coronavirus pandemic.																																																																																																		
102-08	Information on employees and other workers	X	<p>The majority of work performed for LR is conducted by employee types as summarised below as of 30-Jun-20. On-demand workforce is used in exceptional circumstances to meet demand or for specific project demand.</p> <table><thead><tr><th></th><th>Female</th><th>Male</th><th>TOTAL</th></tr></thead><tbody><tr><td colspan="4">Total number of employees by employment contract by gender</td></tr><tr><td>Permanent employee (A)</td><td>2,062</td><td>4,213</td><td>6,275</td></tr><tr><td>Fixed-term employee (B)</td><td>107</td><td>124</td><td>231</td></tr><tr><td>Fixed-term contractors (C)</td><td>67</td><td>102</td><td>169</td></tr><tr><td>Total</td><td>2,236</td><td>4,439</td><td>6,675</td></tr></tbody></table> <table><thead><tr><th></th><th>Female</th><th>Male</th><th>TOTAL</th></tr></thead><tbody><tr><td colspan="4">Total number of employees by employment type by gender</td></tr><tr><td>Full-time</td><td>1,986</td><td>4,245</td><td>6,231</td></tr><tr><td>Part-time</td><td>248</td><td>143</td><td>391</td></tr><tr><td>On-call</td><td>2</td><td>51</td><td>53</td></tr><tr><td>Total</td><td>2,236</td><td>4,439</td><td>6,675</td></tr></tbody></table> <p>Types A, B, C only, excludes on-demand workforce</p> <table><thead><tr><th></th><th>Amer.</th><th>North Asia</th><th>North Europe</th><th>SAMEA</th><th>South Europe</th><th>UKI</th><th>TOTAL</th></tr></thead><tbody><tr><td colspan="8">Total employees by employment by gender</td></tr><tr><td>Permanent employee</td><td>661</td><td>990</td><td>1,093</td><td>884</td><td>715</td><td>1,932</td><td>6,275</td></tr><tr><td>Fixed-term employee</td><td>6</td><td>63</td><td>70</td><td>26</td><td>31</td><td>35</td><td>231</td></tr><tr><td>Fixed-term contractors</td><td>4</td><td>31</td><td>24</td><td>12</td><td>10</td><td>88</td><td>169</td></tr><tr><td>Total</td><td>671</td><td>1,084</td><td>1,187</td><td>922</td><td>756</td><td>2,055</td><td>6,675</td></tr></tbody></table>		Female	Male	TOTAL	Total number of employees by employment contract by gender				Permanent employee (A)	2,062	4,213	6,275	Fixed-term employee (B)	107	124	231	Fixed-term contractors (C)	67	102	169	Total	2,236	4,439	6,675		Female	Male	TOTAL	Total number of employees by employment type by gender				Full-time	1,986	4,245	6,231	Part-time	248	143	391	On-call	2	51	53	Total	2,236	4,439	6,675		Amer.	North Asia	North Europe	SAMEA	South Europe	UKI	TOTAL	Total employees by employment by gender								Permanent employee	661	990	1,093	884	715	1,932	6,275	Fixed-term employee	6	63	70	26	31	35	231	Fixed-term contractors	4	31	24	12	10	88	169	Total	671	1,084	1,187	922	756	2,055	6,675	6	-
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102-09	Supply chain	X	<p>As a professional services organisation we operate a relatively uncomplex supply-chain although our global presence means we have a significant number of suppliers. Our spending is focussed on ensuring our technical staff have the right tools and are enabled to deliver our client services. For instance, our largest spend items are for Information Systems and technology solutions, healthcare services, lease car fleets, travel fares and property expenses.</p>	3, 4, 5, 6, 8, 10	-																																																																																																

102-10	Significant changes to the organization and its supply chain	X		<p>There were no specific changes to size, structure or supply-chain during the reporting period.</p> <p>Necessary responses to Covid-19 infection control have seen a significant shift to a remote workforce and digital first approach to delivering and supporting client services in the last quarter of the reporting period. It is expected that these changes will be maintained at least in the short-term as the pandemic response continues.</p>	-	-																												
102-11	Precautionary Principle or approach	☒		<p>The precautionary principle is not formally applied in our decision-making processes but its intent is evidenced throughout all the work we do to further the understanding and mitigation of risk both for clients and wider society</p> <p>We implement the precautionary principle in some the following ways:</p> <ul style="list-style-type: none">■ Technical research and thought leadership for decarbonisation of the shipping sector and continuing work with UN on ocean sustainability.■ We are proving alternative propulsion technologies, alternative fuels and influencing industry targets to decarbonise shipping■ We support the production of energy with zero or low carbon emissions, including on/offshore wind, wave, nuclear, solar and energy storage and help to develop and prove new low carbon technologies■ Work with clients to make their global supply-chains more transparent and resource-efficient, providing real-time assurance to drive efficiencies through reduced water usage, energy efficiencies and lean manufacturing■ Within our own operations we are working to reduce emissions in alignment with the latest climate science and environmental expectations of our suppliers are contained within our Responsible Sourcing Policy.■ We operate a global environmental management system, certified to ISO14001, that states our commitment to making continuous improvements in the management of our environmental impact	7	2, 3, 4																												
102-12	External initiatives	X		<p>Some of the recent, key external initiatives that LR has signed up to include:</p> <table><thead><tr><th>Initiative</th><th>Date Joined</th><th>Scope</th><th>Compliance</th></tr></thead><tbody><tr><td>Sustainable Shipping Initiative</td><td>2010</td><td>Global</td><td>Voluntary</td></tr><tr><td>UN Global Compact</td><td>2017</td><td>Global</td><td>Voluntary</td></tr><tr><td>Global Maritime Forum</td><td>2017</td><td>Global</td><td>Voluntary</td></tr><tr><td>Ship Recycling Transparency Initiative</td><td>2018</td><td>Global</td><td>Voluntary</td></tr><tr><td>3R initiative</td><td>2019</td><td>Global</td><td>Voluntary</td></tr><tr><td>Responsible Plastic Management</td><td>2019</td><td>Global</td><td>Voluntary</td></tr></tbody></table>	Initiative	Date Joined	Scope	Compliance	Sustainable Shipping Initiative	2010	Global	Voluntary	UN Global Compact	2017	Global	Voluntary	Global Maritime Forum	2017	Global	Voluntary	Ship Recycling Transparency Initiative	2018	Global	Voluntary	3R initiative	2019	Global	Voluntary	Responsible Plastic Management	2019	Global	Voluntary	-	2
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3R initiative	2019	Global	Voluntary																															
Responsible Plastic Management	2019	Global	Voluntary																															

102-13	Membership of associations	X		Examples of trade and industry memberships for each business stream include:	2						
				<table><thead><tr><th>Marine & Offshore</th><th>BA & IS</th><th>Energy</th></tr></thead><tbody><tr><td><ul style="list-style-type: none">• International Maritime Organisation• International Association of Classification Societies• European Commission• International Chamber of Shipping• Intertanko• Cruise Lines International Association• Interferry• Intercargo• Society of International Gas Tanker and Terminal Operators</td><td><ul style="list-style-type: none">• American Society of Mechanical Engineers ...• Association of Professional Social Compliance Auditors• Food Safety System Certification• Chartered Quality Institute and The International Register of Certificated Auditors• Global Food Safety Initiative• institute of Environmental Management and Assessment• International Standards Organisation• Supplier Ethical Data Exchange• United Kingdom Accreditation Service</td><td><ul style="list-style-type: none">• Oil & Gas UK• International Association of Drilling Contractors• Society of Petroleum Engineers• American Petroleum Inst.• European Wind Energy Association• Business Network for Offshore Wind</td></tr></tbody></table>	Marine & Offshore	BA & IS	Energy	<ul style="list-style-type: none">• International Maritime Organisation• International Association of Classification Societies• European Commission• International Chamber of Shipping• Intertanko• Cruise Lines International Association• Interferry• Intercargo• Society of International Gas Tanker and Terminal Operators	<ul style="list-style-type: none">• American Society of Mechanical Engineers ...• Association of Professional Social Compliance Auditors• Food Safety System Certification• Chartered Quality Institute and The International Register of Certificated Auditors• Global Food Safety Initiative• institute of Environmental Management and Assessment• International Standards Organisation• Supplier Ethical Data Exchange• United Kingdom Accreditation Service	<ul style="list-style-type: none">• Oil & Gas UK• International Association of Drilling Contractors• Society of Petroleum Engineers• American Petroleum Inst.• European Wind Energy Association• Business Network for Offshore Wind	
Marine & Offshore	BA & IS	Energy									
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Strategy						
102-14	Statement from senior decision-maker	X		As shown by CEO statement on page 3.	-	-
102-15	Key impacts, risks, and opportunities		X	See 'Annex C - Management Approach to Key Risks & Opportunities' (pgxx) for summary of key, impacts, opportunities and the management approach	-	1
Ethics and Integrity						
102-16	Values, principles, standards, and norms of behaviour	X		Our values are the foundation of our culture. They are set to share beliefs that underpin everything we do - whoever we are, wherever we live and whatever our role. The LR Values are: <ul style="list-style-type: none"> ■ We care about each other, our clients and the environment. ■ We share our expertise with each other, with our clients and with all of our stakeholders. ■ We do the right thing in every situation. 	-	-
102-17	Mechanisms for advice and concerns about ethics		X	LR's Code of Ethics includes a whistleblowing mechanism, called 'Speaking Out' where employees are able to raise serious concerns, which they believe indicate malpractice or wrongdoing within LR, without fear of being dismissed or otherwise disciplined or jeopardising their position.	10	5, 7
Governance						
102-18	Governance structure	X		The LR Board membership for the reporting period can be found here		
102-22	Composition of the highest governance body and its committees		X	See the Governance section of the external website for profiles and tenure of the LR Board of Directors and Executive Leadership Team.		

102-25	Conflicts of interest		X	Our Conflict of Interest, Independence, Impartiality and Integrity policy (GMS02-11-01) helps to ensure that LR surveyors, auditors, or inspectors always 'do the right thing.																																		
102-29	Identifying and managing economic, environmental, and social impacts		X	<p>The Executive Leadership Team review ESG progress quarterly as part of our Safety Council. The Safety and sustainability report is also shared with the Board of Directors with the same frequency. The ELT and Business Stream leadership teams and programme boards discuss progress of various initiatives as the need arises to monitor progress.</p> <p>The CMO has overall responsibility for sustainability, reporting into the CEO. The Group Counsel and Company Secretary chairs the Ethics committee.</p>		1																																
Stakeholder Engagement																																						
102-40	List of stakeholder groups	X		Please see 'Partner Organisations & Stakeholders, pg8																																		
102-41	Collective bargaining agreements	X		<table><tr><td></td><td>Amer.</td><td>N. Asia</td><td>N.Europe</td><td>SAMEA</td><td>S.Europe</td><td>UKI</td><td>TOTAL</td></tr><tr><td colspan="8">Employees covered by CBA</td></tr><tr><td>Total no.</td><td>0</td><td>59</td><td>28</td><td>0</td><td>480</td><td>0</td><td>567</td></tr><tr><td>Proportion</td><td>0%</td><td>5.6%</td><td>2.4%</td><td>0%</td><td>64.3%</td><td>0%</td><td>8.7%</td></tr></table>		Amer.	N. Asia	N.Europe	SAMEA	S.Europe	UKI	TOTAL	Employees covered by CBA								Total no.	0	59	28	0	480	0	567	Proportion	0%	5.6%	2.4%	0%	64.3%	0%	8.7%	1, 3	7
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102-42	Identifying and selecting stakeholders	X		Please see 'Partner Organisations & Stakeholders, pg8	-	-																																
102-43	Approach to stakeholder engagement	X			-	-																																
102-44	Key topics and concerns raised	X			-	-																																
Reporting Practice																																						
102-45	Entities included in the consolidated financial statements	X		Refer to p54-59 of Lloyd's Register Group Limited Annual report and consolidated financial statements (30 June 2019)	-	-																																
102-46	Defining report content and topic Boundaries	X		<p>The sustainability strategy and report content were developed with through a series of virtual engagements with representatives from the following:</p> <table><tr><th>Internal Stakeholder</th><th>Contribution</th></tr><tr><td>Marine & Offshore Business Assurance & Inspection Services</td><td rowspan="2">Impact narrative of LR products and services, their contributions to our transformational goals and alignment to the UN Sustainable Development Goals</td></tr><tr><td>Energy</td></tr><tr><td>Corporate and External Affairs</td><td>Guidance and input to UNGC and Sustainable Oceans Principles.</td></tr><tr><td>Health, Safety, Environment & Security</td><td>Input to our <i>Operating Responsibly</i> areas of 'Safety & Well-being' and 'Green LR'</td></tr></table>	Internal Stakeholder	Contribution	Marine & Offshore Business Assurance & Inspection Services	Impact narrative of LR products and services, their contributions to our transformational goals and alignment to the UN Sustainable Development Goals	Energy	Corporate and External Affairs	Guidance and input to UNGC and Sustainable Oceans Principles.	Health, Safety, Environment & Security	Input to our <i>Operating Responsibly</i> areas of 'Safety & Well-being' and 'Green LR'	-	9																							
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				HR Operations	Guidance, narrative and measurement of D&I, career development and scale of the organisation		
				Group Legal	Input to 'Leading with Integrity', business ethics and anti-corruption		
				Procurement & Estates	Measurement of scope 1 & 2 emissions footprint		
				Inputs were collated and presented in this report by a core team led by the CMO with periodic review and oversight provided by the Executive Leadership Team.			
102-47	List of material topics	X		As described in Appendix A on pg 38, material topics are deemed to be: <ul style="list-style-type: none">Strategic themes – decarbonisation of ocean transport and ocean energy, secure and sustainable food supply-chainsOperating responsibly – health, safety and well-being, diversity & inclusion, anti-corruption, emissions and environmental impacts		-	9
102-48	Restatements of information	X		N/A		-	-
102-49	Changes in reporting	X		N/A		-	-
102-50	Reporting period	X		01st July 2019 – 30th June 2020		-	-
102-51	Date of most recent report			January 2020		-	-
102-52	Reporting cycle	X		Annual		-	-
102-53	Contact point for questions regarding the report	X		<ul style="list-style-type: none">Elaine Roberts – Chief Marketing OfficerJames Sutcliffe – Group Sustainability and Environment Manager		-	-
102-54	Claims of reporting in accordance with the GRI Standards	X		This report has been prepared in accordance with the GRI Standards: Core option		-	9
102-55	GRI content index	X		This document acts as LR's GRI Content Index		-	-
102-56	External assurance	X		<ul style="list-style-type: none">Independent external assurance of GHG emissions for SBT setting undertaken by the Carbon TrustIndependent external assurance of disclosures included in the 'ESG Addendum' undertaken by Corporate Citizenship		-	9
GRI 103 Management Approach							
Management Approach							
103-1	Explanation of the material topic and its Boundary	X		See 'Appendix A' (pg38) for summary of key, impacts, opportunities and the management approach.		-	-
103-2	The management approach and its components	X				-	-
103-3	Evaluation of the management approach	X				-	-
Specific Standard Disclosures							
Economic							
Economic Performance							
201-1	Direct economic value generated and distributed		X	LR Group accounts will be published in early 2021 and will now cover an 18-month period from July 2019 to Dec 2020, due to the coronavirus pandemic.			2
Market Presence							

202-2	Proportion of senior management hired from the local community		X	<table><tr><th>Outcome</th><th>Measure</th><th>Baseline (2019)</th><th>Target (2020)</th><th>Current</th></tr><tr><td>LR leadership reflecting our global footprint</td><td>Proportion of non-British senior leaders</td><td>53%</td><td>60%</td><td>51.5%</td></tr><tr><th>Measure</th><th>Energy</th><th>BA&IS</th><th>M&O</th><th>Group</th><th>Total</th></tr><tr><td>%age of leaders whose nationality is a match for the country they lead in</td><td>76.8%</td><td>83.9%</td><td>77.6%</td><td>83.8%</td><td>80.3%</td></tr></table> <ul style="list-style-type: none">The metric “Proportion of non-British senior leaders” has been replaced to “%age of leaders whose nationality is a match for the country they lead in”.Leader is considered anyone with a grade ≥4	Outcome	Measure	Baseline (2019)	Target (2020)	Current	LR leadership reflecting our global footprint	Proportion of non-British senior leaders	53%	60%	51.5%	Measure	Energy	BA&IS	M&O	Group	Total	%age of leaders whose nationality is a match for the country they lead in	76.8%	83.9%	77.6%	83.8%	80.3%	6	-
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Anti-corruption																																																			
205-2	Communication and training about anti-corruption policies and procedures		X			Amer.	N. Asia	N.Europe	SAMEA	S.Europe	UKI	TOTAL		------------	-------	---------	----------	-------	----------	-------	-------		By Area									Total no.	637	1,009	1,049	835	649	1,728	5,907		Proportion	95%	93%	88%	91%	86%	84%	88%		10	7
Environmental																																																			
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302-1	Energy consumption within the organization		X	16,692 MWh			7, 8, 9	3																																											
Emissions																																																			
305-1	Direct (Scope 1) GHG emissions		X	- Grid supplied gas and refrigerant gases at LR offices – 1,150 tCO2e - Car travel (lease cars under LR contract) – 1,695 tCO2e			7, 8	3																																											
305-2	Energy indirect (Scope 2) GHG emissions		X	Purchased energy at LR offices – 3,793 tCO2e			7, 8	3																																											
305-3	Other indirect (Scope 3) GHG emissions		X			tCO2e		------------------------------	--------		Business travel*	43,842		Purchased goods and services	34,761		Upstream leased assets	7,608		Capital goods	3,065		Fuel and energy	1,902		Employee commuting	1,663		Waste	16		TOTAL	92,769	*Only Business Travel included in scope of emissions footprint verification			7, 8	3													

Environmental Compliance																																																																																																																																	
307-1	Non-compliance with environmental laws and regulations		X	No sanctions for environmental and socio-economic non-compliance issued						8	3																																																																																																																						
Social																																																																																																																																	
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401-1	New employee hires and employee turnover		X	<table><tr><td rowspan="3">Employee Turnover</td><td colspan="2">Age Band</td><td><25</td><td>26-35</td><td>36-45</td><td>46-55</td><td>56-65</td><td>>66</td><td>TOTAL</td></tr><tr><td>Total no.</td><td>53</td><td>206</td><td>282</td><td>224</td><td>161</td><td>38</td><td>964</td></tr><tr><td>Rate %</td><td>0.8%</td><td>3.0%</td><td>4.2%</td><td>3.3%</td><td>2.4%</td><td>0.6%</td><td>14.3%</td></tr><tr><td rowspan="2">New starters</td><td>Total no.</td><td>90</td><td>223</td><td>196</td><td>105</td><td>37</td><td>1</td><td>652</td></tr><tr><td>Rate %</td><td>1.3%</td><td>3.3%</td><td>2.9%</td><td>1.6%</td><td>0.5%</td><td>0.01%</td><td>9.6%</td></tr></table> <table><tr><td rowspan="3">Employee Turnover</td><td colspan="2">Gender</td><td colspan="2">Female</td><td colspan="2">Male</td><td>TOTAL</td></tr><tr><td>Total no.</td><td colspan="2">350</td><td colspan="2">614</td><td>964</td></tr><tr><td>Rate %</td><td colspan="2">5.2%</td><td colspan="2">9.1%</td><td>14.3%</td></tr><tr><td rowspan="2">New starters</td><td>Total no.</td><td colspan="2">259</td><td colspan="2">393</td><td>652</td></tr><tr><td>Rate %</td><td colspan="2">3.8%</td><td colspan="2">5.8%</td><td>9.6%</td></tr></table> <table><tr><td rowspan="3">Employee Turnover</td><td>AREA</td><td>Amer.</td><td>N. Asia</td><td>N.Europe</td><td>SAMEA</td><td>S.Europe</td><td>UKI</td><td>TOTAL</td></tr><tr><td>Total no.</td><td>113</td><td>69</td><td>143</td><td>161</td><td>64</td><td>414</td><td>964</td></tr><tr><td>Rate %</td><td>1.7%</td><td>1.0%</td><td>2.1%</td><td>2.4%</td><td>0.9%</td><td>6.1%</td><td>14.3%</td></tr><tr><td rowspan="2">New starters</td><td>Total no.</td><td>68</td><td>27</td><td>88</td><td>129</td><td>55</td><td>285</td><td>652</td></tr><tr><td>Rate %</td><td>1.0%</td><td>0.4%</td><td>1.3%</td><td>1.9%</td><td>0.8%</td><td>4.2%</td><td>9.6%</td></tr></table>						Employee Turnover	Age Band		<25	26-35	36-45	46-55	56-65	>66	TOTAL	Total no.	53	206	282	224	161	38	964	Rate %	0.8%	3.0%	4.2%	3.3%	2.4%	0.6%	14.3%	New starters	Total no.	90	223	196	105	37	1	652	Rate %	1.3%	3.3%	2.9%	1.6%	0.5%	0.01%	9.6%	Employee Turnover	Gender		Female		Male		TOTAL	Total no.	350		614		964	Rate %	5.2%		9.1%		14.3%	New starters	Total no.	259		393		652	Rate %	3.8%		5.8%		9.6%	Employee Turnover	AREA	Amer.	N. Asia	N.Europe	SAMEA	S.Europe	UKI	TOTAL	Total no.	113	69	143	161	64	414	964	Rate %	1.7%	1.0%	2.1%	2.4%	0.9%	6.1%	14.3%	New starters	Total no.	68	27	88	129	55	285	652	Rate %	1.0%	0.4%	1.3%	1.9%	0.8%	4.2%	9.6%	6	-
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403-1	OHS Management system		X	<p>Lloyd’s Register operates a formalised and documented OHS management system that is certified to OHSAS 18001. There is an active programme to migrate the system to ISO45001 by June 2021.</p> <p>The programme is globally applicable to all countries, employees and contractors working on behalf of Lloyds’ Register. The purpose of the OHS management system is to:</p> <ul style="list-style-type: none">Enhance OHS performance and support the realisation of LR’s Zero Harm aspiration.						1	6																																																																																																																						

				<ul style="list-style-type: none"> ■ Establish a systematic and risk-based approach to each of our significant risks, with clearly defined accountabilities. ■ Ensure legal compliance in each country and jurisdiction that LR operates within. ■ Define the minimum requirements that all LR businesses and operations must comply with. ■ Provide clear, auditable criteria against which HSES management systems can be assessed across all LR operations. ■ Provide a basis from which to drive continual improvement. <p>The OHS management system is formed of a series of documents organised in four chapters. Each document has a different purpose and expectation. Some elements of the Framework are mandated, whereas others are recommended best practice.</p> <p>LR's Management System is consistent with the principles of continuous improvement and aligned with the international management systems such as ISO 14001 and OHSAS 18001. It is also aligned with sector-specific standards, such as the International Safety Management Code and the International Association of Oil & Gas Producers' requirements for Health, Safety and Environmental Management.</p> <p>There are 24 Standards which form LR's HSES Management System. Each Standard contains a statement of overall intent and a set of requirements, the majority of which are mandatory. This document must be used in conjunction with the associated LifeSavers, LR's life-safety rules and behaviours, along with the Guidance materials that support twelve of the twenty-four Standards.</p>		
403-2	Hazard identification and risk assessment		X	<p>Lloyd's Register identifies and assesses HSES risks and opportunities at three levels within the organisation as per the HSES Management System procedure GMS03-10-202 Hazards, Risks and Opportunities:</p> <ul style="list-style-type: none"> ■ Strategically: HSES risks, opportunities and stakeholder's expectations shall be considered at Group-level when establishing requirements, setting objectives and reviewing the adequacy of LR's HSES control and mitigations. ■ Operationally: HSES risks, opportunities and stakeholder's expectations will be identified and evaluated by each Area and business to determine local policies, controls and goals. These will be documented and maintained in HSES Risk Registers. ■ Tactically: Employees and contractors will use the S.T.O.P. process and task risk assessments to identify hazards, assess the risks and opportunities they face at the point of work and evaluate the adequacy of control measures. <p>When a project will involve an ongoing commitment to undertake a work in a new location or involve a different form of work activity that is not already considered within the HSES Risk Register, Managers must consider HSES risks and opportunities when planning and managing projects within a Project HSES plan. The risk assessment process is consistent</p>	- 1	6 6
403-3	OHS services		X			

				<p>with the requirements of internationally recognised HSES management system standards and the Group Risk Management Procedure.</p> <p>At a 6-monthly basis, the risks and opportunities that the Group faces are reviewed. These reviews evaluate the continuing implementation and effectiveness of the HSES Management System and to ensure that it remains relevant and appropriate to the nature and extent of the associated risks.</p> <p>All HSE incidents, injuries, near misses are reported into the incident management system 'Protect' as per procedure GMS03-10-221 Incident Reporting and Investigation.</p>		
403-4	Participation, consultation and communication		X	<p>A key element of our HSES management system is our standard for proactive communication and consultation (GMS03-10-206 Consultation, Participation and Communication).</p> <p>Worker participation and consultation is performed in a variety of ways, at an Area and country level at forums such as works councils, and at Group level through consultation on Group projects. Informal communication, participation and feedback is via social media tools including Yammer.</p> <p>Each of the businesses and, where appropriate, countries have established local HSES Committees and consultative forums, and we have appointed HSES Representatives and HSES Leaders. Together with the Group HSES team we consult with employees, including on topics such as:</p> <ul style="list-style-type: none"> ■ The identification of hazards and assessment of risks and opportunities ■ The introduction and revision to policies, procedures and standards ■ The selection and provision of control measures, including PPE, equipment or supplies <p>Some examples of the methods used for internal communication include:</p> <ul style="list-style-type: none"> ■ The preparation and issuance of HSES updates and Lessons Learnt by Group or the Area HSES teams. ■ The provision of monthly and quarterly HSES updates by Group and the Area teams to the country management team or businesses. ■ Periodic campaigns to promote key HSES messages, either within a country, Area, business or Group-wide. ■ Questionnaires for safety campaigns, such as driving safely ■ User acceptance testing for safety critical tools like our Protect incident reporting and management system ■ Participation in innovative campaigns such as the training of Mental Health First Aiders as part of a Health and Wellbeing Strategy ■ The provision of the HSES Management System and other relevant information on the Group Management System (GMS). ■ Updating Group and local relevant HSES information initiatives, contact details on the HSES Connect site. 	-	-

				<ul style="list-style-type: none">Promoting local HSES information and initiatives in each office through notice boards/screens.HSES postings on Yammer, email, Toolbox talks and Safety / Environment Moments.												
403-5	OHS Training		X	<p>Practical Training – over 1,900 of LR field employees underwent safety training to address 3 of the most critical risks that they face every day whilst delivering client services.</p> <p>Practical training was held in every Area for all of our business streams in Confined Space Entry (CSE), Working at Height (WaH) and Working over Water (WoW) with an overall completion rate of 84%.</p> <p>Lifesaver Training – LR LifeSavers are the 10 critical safe behaviours required for our field and support personnel stay safe in the environments that they encounter.</p> <p>In the reporting period there were 3,654 successful completions of the LifeSaver training courses by 801 individuals.</p>	-	6										
403-6	Promotion of worker health		X	<p>We have always promoted the value of healthy lifestyles that go beyond management of occupational safety hazards by providing open access resources for physical, financial and mental-health well-being. All full-time employees have access to opt-in to some level of health insurance or benefits coverage wherever they work, in particular where government provided services are basic or not universal.</p> <p>In November 2019 a Mental Health First Aid pilot was initiated to select and train colleagues that would be able to provide support and resources about health and well-being issues across the organisation.</p> <p>53 Mental Health First Aiders (MHFAs) were trained (41 in UK and 12 in Spain) by January 2020 and the programme launched in February 2020 with a ‘Time to Talk Day’. With the onset of the global pandemic, shift to remote working and job retention schemes the MHFAs were able to work with our LR Academy training team to put together a wealth of information, resources and sessions to support colleagues in this difficult period.</p> <p>Since March the MHFAs have run sessions each week, in total over 70 sessions have been run or scheduled so far to support colleagues – although led from the UK, these are available to colleagues globally and we’ve run dedicated sessions outside of our time zone to support colleagues in different areas.</p>	-	6										
403-8	Workers covered by the management system		X	<table><tr><td></td><td>A,B,C employees</td><td>Exclusions</td><td>TOTAL covered</td><td>% covered</td></tr><tr><td>HSES MS coverage</td><td>6,675</td><td>-158*</td><td>6,517</td><td>97.6%</td></tr></table> <p>* <u>Nettitude</u> employees x158 – a recent cyber security acquisition operates its own HSE management system</p>		A,B,C employees	Exclusions	TOTAL covered	% covered	HSES MS coverage	6,675	-158*	6,517	97.6%	-	-
	A,B,C employees	Exclusions	TOTAL covered	% covered												
HSES MS coverage	6,675	-158*	6,517	97.6%												

403-9

Work related injuries - incident and HiPO rates

X

	Amer	North Asia	North Europe	SAMEA	South Europe	UK & Ireland	GROUP
Fatalities	0	0	0	0	0	0	0
TRI*	0.53	0.30	0.19	0.22	0.41	0.00	0.25
LTI*	0.09	0.10	0.09	0.11	0.14	0.00	0.07

*per 200,000 hours worked

Incident / Injury Type	Low	Medium	High	Very High	TOTAL
Env Incident	2	7	0	0	9
NMSO	4,463	546	30	2	5,041
Minor Injury	36	20	0	0	56
First Aid	7	7	0	0	14
Medical Treatment	4	5	0	0	9
Restricted Work	0	2	0	0	2
Lost Time Incident	0	3	1	1	5
Fatality	0	0	0	0	0
					5,136

The safety critical risks faced by LR employees relate to work on client sites including working over water, confined space entry, working at height, working with stored pressure and pressure testing equipment. Driving is also identified as a significant safety risk faced by field colleagues in particular.

As described for 403-5 a programme of practical training for the 3 most significant safety risks (working at height, confided space entry, working over water) is in motion for all field staff.

-

6

Training and Education

404-2	Programs for upgrading employee skills and transition assistance programs		X	<p>Learning is delivered and managed via a Learner Experience Platform (Learning Zone) provided by SAP. This provides all colleagues with access to a range of learning content in a variety of formats available to support: -</p> <ul style="list-style-type: none"> ■ Mandatory/compliance training ■ Role specific training ■ Personal development, Career and employability learning <p>During the reporting period July 19- June 2020 circa 75,000 learning items were completed via Learning Zone as follows: -</p>	6	-
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				<table><tr><th>Mandatory / compliance training</th><th>Role specific training</th><th>Personal development, Career and employability learning</th></tr><tr><td>51.7%</td><td>23.2%</td><td>25.1%</td></tr></table> <p>LR sets an annual training budget of 1.5% of basic salary per employee. In 19/20 the overall budget was approx. £7.9million.</p> <p>Group wide programmes are available to upskill colleagues and managers in areas such as Leadership and Management Development, Sales, Project Management, Customer Experience and Change management. The range and content of these programs is driven by business data such as strategic workforce plans and individual development plans to ensure programmes equip and upskill colleagues in line with the changing needs of the business.</p> <p>Continuous technical development is managed through an online Technical Competency platform linked to learning available via the Learning Zone alongside regular on the job learning and observation.</p> <p>A dedicated career development portal CareerBox is available to all colleagues to enable them to plan and manage their career development. It provides resources to support CV creation, interview technique, career planning plus a range of Business Skills Learning everything from Finance Basics to Customer Experience. There is also access to MBA level resources.</p> <p>A career framework portal provides colleagues with access to the range of roles available in LR and skills, knowledge and experience required, enabling them to map their career journey.</p> <p>Colleagues undertook 32,959 personal development activities on CareerBox during the reporting period 19/20.</p> <p>In additional LR also provides colleagues with the financial assistance for external academic qualifications to support their professional development via an application process and covers the cost of membership to professional bodies such as CIMA, CIPD.</p>	Mandatory / compliance training	Role specific training	Personal development, Career and employability learning	51.7%	23.2%	25.1%																												
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404-3	Percentage of employees receiving regular performance and career development reviews		X	<table><tr><td></td><td>Gender</td><td>Female</td><td>Male</td><td>TOTAL</td></tr><tr><td rowspan="3">Performance Review</td><td>PPP¹ Record</td><td>1,914</td><td>3,891</td><td>5,805</td></tr><tr><td>Total headcount (Regular only)</td><td>2,050</td><td>4,153</td><td>6,203</td></tr><tr><td>% PPP</td><td>93.4%</td><td>93.7%</td><td>93.6%</td></tr><tr><td></td><td>Employment category</td><td>Permanent Employee (A)</td><td>Fixed-term Employee (B)</td><td>TOTAL</td></tr><tr><td rowspan="2">Performance Review</td><td>PPP¹ Record</td><td>5,805</td><td>136</td><td>5,941</td></tr><tr><td>Total headcount (FT and Regular)</td><td>6,203</td><td>199</td><td>6,402</td></tr></table>		Gender	Female	Male	TOTAL	Performance Review	PPP ¹ Record	1,914	3,891	5,805	Total headcount (Regular only)	2,050	4,153	6,203	% PPP	93.4%	93.7%	93.6%		Employment category	Permanent Employee (A)	Fixed-term Employee (B)	TOTAL	Performance Review	PPP ¹ Record	5,805	136	5,941	Total headcount (FT and Regular)	6,203	199	6,402	6	-
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% PPP

93.6%

68.3%

92.8%

4A	1	237	299
4B	5	429	424
5A	0	27	39
5B	0	50	77
6A	0	1	10
6B	0	0	1
6C	0	0	1
EBM	0	0	3
Grand Total	411	3670	2204
%	6.5%	58.4%	35.0%

*206 employees not graded in the LR grading system (acquisition employees not fully integrated).

Freedom of Association

407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		X	Our approach to labour conditions and protecting human rights is described in response to Principles 3 to 6 of the UN Global Compact (pg12-13) and Principle 7 of the UN's Sustainable Oceans Principles for Business (pg21).	3	7
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Child Labour

407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		X	Our approach to ensuring there is no child labour in our operations or supply-chain is described in response to Principles 4 & 5 of the UN Global Compact (pg12) and Principle 7 of the UN's Sustainable Oceans Principles for Business (pg21).	3	7
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Forced or Compulsory Labour

407-01	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		X	Our approach to ensuring there is no forced or compulsory labour in our operations and supply-chains is described in response to Principles 2 & 4 of the UN Global Compact (pg.'s 2 & 12) and Principle 7 of the UN's Sustainable Oceans Principles for Business (pg21).	3	7
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Socio-economic and customer Data Compliance

418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		X	No substantiated complaints were identified	-	-
419-1	Non-compliance with laws and regulations in the social and economic area		X	No sanctions for environmental and socio-economic non-compliance issued	8	3

Appendix A – Key impacts & management approach

Material Topic	Impacts	Internal Risks & Opportunities	External Risks & Opportunities	Management of the Topic	Evaluation of the Topic
Decarbonisation of Ocean transport & energy	Products & services Markets served	Our knowledge, safety and assurance services help clients to implement solutions and deliver projects that improve their operations and provide GHG reductions.	LR is committed to playing a leading role in the energy transition journey to zero-carbon. We're working with organisations across the marine and offshore sectors to solve their specific challenges in the integration, decarbonisation and eventual transition of their energy systems.	<ul style="list-style-type: none"> ■ We remain fuel and technology neutral. Our focus is to provide impartial, expert advice to deliver the best outcome for each client application. ■ Establish a Maritime Decarbonisation Hub in late 2020 	Participation in external initiatives such as the UN Sustainable Ocean Business Action Platform and Global Maritime Forums 'Getting to Zero' coalition.
Food supply-chain security	Products & services Markets served	Our Business Assurance business helps clients who operate across the global food and drink supply chain demonstrate their commitment to sustainability.	Our services cover a range of sustainability pillars, including animal welfare, supply chain integrity, plastic reduction and human welfare.	Our priority is to maintain our position as the market leader of Sustainable Fisheries Assessments under the MSC standard.	We aim to specialise in the certification for the largest and most complex fisheries (tuna, pollock, pelagic) to help maintain and grow market.
Health, safety & well-being	Occupational Health and Safety	Zero Harm. Safety is at the heart of our purpose, values, legacy and service offering. Our people have passion for safety.	Our customers expect LR to demonstrate best practices and a high safety performance.	<ul style="list-style-type: none"> ■ Zero Harm strategy ■ Behavioural safety framework ■ LR LifeSaver & Practical Safety critical training 	<ul style="list-style-type: none"> ■ Simplified safety programme ■ Near miss, observation and incident reporting
	Labour Practices	Our field-based staff work in high risk environments and we must ensure they are appropriately trained, equipped and supported.		<ul style="list-style-type: none"> ■ Stop Work Authority ■ HSES management system 	<ul style="list-style-type: none"> ■ Auditing of the management system to OHSAS 18001
Diversity & Inclusion	Diversity & Inclusion	A diverse range of perspectives, experiences, cultures, genders, and age enables LR to better innovate and adapt in a fast-changing environment. We recognise the need to understand the diversity of our colleagues and are working to ensure an inclusive workplace.	The technical expertise of our people is vital for delivering our client services and local employment is an important contribution to local development.	<ul style="list-style-type: none"> ■ 3-year Diversity & Inclusion Plan initiated in 2018 ■ Be the Change culture workshops ■ LR Academy learning platform ■ Career development tool 	<ul style="list-style-type: none"> ■ Metrics for female leadership and recruitment of local management ■ Employee Opinion and Diversity & Inclusion surveys

Independent Support for Lloyd's Register's Sustainability Reporting



About Corporate Citizenship

Corporate Citizenship is a specialist management consultancy, advising corporations that seek to improve their economic, social and environmental performance around the world. It is a leading assessor of corporate responsibility and sustainability reports.

The nature of our work

Corporate Citizenship undertook a review of a sample of quantitative data and qualitative statements published in Lloyd's Register ESG Report 2019/20.

Our review focussed on:

- 1) interviewing key data holders to understand data collection systems and processes in place to manage the quality of data collection across the company;
- 2) verifying how aggregate figures were derived from internal data management systems, including reviewing evidence, such as diversity within governance bodies and of employees;
- 3) reviewing methodologies for calculating figures included in the report, such as to compile percentages of employees receiving performance and development reviews using data from the Success Factors management system;
- 4) verifying that a sample of qualitative statements were backed up by evidence and records of this evidence were kept.

The sample of public disclosures reviewed spanned all sections of the report: LR Sustainability Strategy 2020, UNGC Index – Active, UN Ocean Action Platform – Sustainable Ocean Principles, and GRI Content Index. Financial and environmental data was not included in the remit of this assurance.

Limitations of our review

Corporate Citizenship's review of the data did not amount to a formal assurance in line with the International Standard on Assurance Engagement (ISAE) 3000.

Our review of Lloyd's Register's sustainability and corporate responsibility data is limited to only a sample of the relevant data published in the Lloyd's Register ESG Report 2019/20.

Peter Truesdale, OBE

Director, London
4th December 2020

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Carbon Trust Advisory Ltd Assurance Statement



Relating to Lloyd's Register's Greenhouse Gas Emissions Claim 2019/20

Terms of Engagement

Carbon Trust Advisory Limited (CTA) was commissioned by Lloyd's Register to provide an independent, limited level of assurance on the following Selected Information:

- Scope 1 emissions: natural gas, refrigerants (UK only), company cars
- Scope 2 emissions: purchased electricity
- Scope 3 emissions: business travel

The Selected Information is presented within the final footprint results summary. We have not performed any work, and do not express any conclusion, over any other information that may be included in the LR_Env_Data_2019-20_v1.3 file or on Lloyd's Register's website for the current year or for the previous periods unless otherwise indicated.

Scope

This engagement covers the verification of emissions from anthropogenic sources of greenhouse gases included within the organisation's boundary.

- Organisational boundary: Global operations
- Control approach: Operational control
- Reporting period: 01/07/2019 - 30/06/2020

Our Conclusion

Based on the work we have undertaken and the evidence provided by Lloyd's Register, nothing has come to our attention that leads us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

The total verified footprint was 50,479.50 tCO₂e, according to the location-based method. The breakdown by scope is:

- Scope 1: 2,844.49 tCO₂e
- Scope 2: 3,792.88 tCO₂e (location-based)
- Scope 3: 43,842.13 tCO₂e

This conclusion shall be read in the context of the remainder of this Assurance Statement, in particular the inherent limitations explained below and this report's intended use.

Reporting Criteria

The Reporting Criteria used by Lloyd's Register is the GHG Protocol.

Management Responsibility

The management of Lloyd's Register are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

Our Responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Lloyd's Register in the form of an independent limited assurance conclusion based on the work undertaken and the evidence obtained.

Carbon Trust Advisory Ltd Assurance Statement continued



Assurance Standards Applied

We performed our work in accordance with CTA's assurance methodology based on ISO 14064-3:2019.

Our Assurance Activities

Our objective was to assess whether the Selected Information is reported in accordance with the principles of completeness, comparability and accuracy. We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions.

Considering the level of assurance and our assessment of the risk of material misstatement of the Selected Information, whether due to fraud or error, our work included, but was not restricted to:

- assessing the appropriateness of the Reporting Criteria for the Selected Information;
- conducting interviews with Lloyd's Register management to obtain an understanding of the key processes, systems, controls and related documentation in place over the preparation of the Selected Information;
- performing analytical reviews and detailed sampling of the Selected Information; and
- reading the LR_Env_Data_2019-20_v1.3 and narrative accompanying the Selected Information in the LR_Env_Data_2019-20_v1.3 with regard to the Reporting Criteria, and for consistency with our findings.

Inherent Limitations

The accuracy and completeness of the Selected Information is subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. As such, this Assurance Statement should be read in connection with LR_Env_Data_2019-20_v1.3. For those subject matters with a limited assurance, the evidence gathering procedures are more limited than with a reasonable assurance, and therefore less assurance is obtained than in an overall reasonable assurance statement.

CTA's Competence and Independence

CTA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach is rigorous and transparent.

For and on behalf of
Carbon Trust Advisory Limited



Morgan Jones
Head of Assurance
Carbon Trust Advisory Ltd, London
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This assurance report is made solely to Lloyd's Register in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Lloyd's Register showing that it has obtained an independent assurance report in connection with the Selected Information. We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any other party other than Lloyd's Register for our work, for this assurance report or for the conclusions we have reached.