Group Supplier Code of Conduct

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L&G's purpose is 'Investing in the long term. Our futures depend on it.' This means we strive to improve the lives of our customers, build a better society for the long term and create value for our shareholders. In doing so, we seek to build a better future and a more sustainable world.

Our role in the economy goes straight to the heart of our purpose. It manifests in the ways we do business: the investments we make, the ways in which we seek to influence other actors in the economy and how we operate. We invest pensioners' money, insurance premiums and our clients' wealth in useful ways, matching capital with investment opportunities and creating assets with long-term value.

Ethical and responsible behaviour is an integral part of the way we do business here at L&G. We drive to embed a culture of integrity which is why we take our responsibility as an employer and as a participant in labour markets through our value chain extremely seriously. We insist on very high standards of business and personal integrity from our people, our suppliers and those doing business with us. This is because we believe that we can only deliver on our ambitions if we have the right foundations for success in place.

Our approach to the supply chain

At L&G, we have a robust procurement framework to engage with our supply chain effectively and fairly in a manner that manages risk and promotes value in the best interests of our customers, employees, regulators and shareholders.

As part of that framework, our contracts set out the commercial and legal parameters of our engagements with our suppliers including compliance with laws and regulations and provisions to ensure continuity of services and the security of data.

Our procurement spend spans all categories across the group from services including HR, professional services, group real estate, marketing, and goods such as stationery and corporate items to IT systems and desktop hardware and software.

Our spend generates a positive economic impact in the marketplace and supports the development and growth of other companies within the supply chain. L&G aims to build a collaborative supplier ecosystem driven by value-adding partnerships with suppliers that support innovative solutions.

Purpose of this document

Aimed at our supplier community, this Code of Conduct is a set of guiding principles underpinning our ambition and direction of travel across several important areas. It is our aim to have all our suppliers agree to the principles in the Code of Conduct and work together with us with intent to drive positive social change.

How we will assess compliance

We will assess your compliance through online questionnaires, issued by L&G directly or via a designated assessment provider, as part of our onboarding due diligence process, and again at suitable regular intervals in line with our policies. This will include seeking confirmation that you have read and understand this code, and that you will work with us to develop a sustainable supply chain.

Your confirmation and question responses will be evaluated and form part of tender evaluations and contract renewals. We will use aggregated data on responses as part of our annual reporting on key aspects of social impact in our annual reports and would encourage suppliers to do the same, wherever feasible.

Code of conduct focus areas

- Business conduct
- Tax
- Inclusion and Wellbeing
- Human rights & modern slavery
- Environmental management
- Digital accessibility
- Responsible Business
- Prompt payment
- Real living wage

Business conduct

What we do	What we ask of our supply chain
Supplier selection and due diligence: we operate a robust supplier management framework which includes undertaking rigorous due diligence when onboarding new suppliers and through the term of the contracts. We have a group Speak Up (whistleblowing) policy in place and concerns may be raised by email: speakup@landg.com	Suppliers will: • adhere to the L&G due diligence process and answer questions honestly, completely and in a timely manner • take reasonable steps to resolve any issues or risks identified through the process • undertake an appropriate level of due diligence on their own suppliers to ensure continuity of service and security of data • have, or take steps to put in place, a whistleblowing policy • keep up to date with legal and regulatory developments.
We operate a Group Global Financial Crime Risk Management framework which implements policies, systems and controls to prevent, detect, investigate and report financial crime. The Framework and supporting Group Policy apply globally across L&G business divisions and wholly or majority owned subsidiary businesses. They address key financial crime risks including money laundering, terrorist and proliferation financing, sanctions, external and internal fraud, bribery and corruption, facilitation of tax evasion and market abuse. Our policies and standards include requirements to: • perform appropriate risk-based due diligence on customers, business relationships, suppliers and transactions, including enhanced due diligence where higher financial crime risks are identified • screen and monitor customers and business relationships, including for politically exposed persons, sanctions and adverse media • monitor payments and transactions to detect, investigate and report unusual or suspicious activity, including reporting to relevant authorities as appropriate	Suppliers will ensure appropriate processes and procedures are in place that prevent financial crime risk to L&G through the course of the relationship. This includes having appropriate systems and controls to manage risks arising from money laundering, terrorist and proliferation financing, sanctions, external and internal fraud, bribery and corruption, facilitation of tax evasion and market abuse. In addition to maintaining effective policies and procedures for the management of financial crime risk, suppliers will: • comply with reasonable requests to provide documents, information or material to support L&G in identifying and managing fraud risks and complying with legislative and regulatory requirements • provide relevant transaction or other records related to the relationship upon reasonable request • ensure disbursements through the supply chain are legitimate and lawful, and that no payments flow to sanctioned individuals or facilitate criminal activity

- undertake quality assurance and independent assurance of the adequacy and effectiveness of financial crime systems and controls; and
- provide mandatory, thematic and role-based financial crime risk training to employees, agents and contractors.
- notify L&G immediately of a material risk of breaching financial crime legislation or regulatory requirements relevant to the relationship
- notify L&G immediately of reports to law enforcement or other authorities relevant to the relationship.

Tax

What we do

Our tax strategy, which is published annually on our website, sets out our attitude to our tax affairs and how we conduct ourselves. It is designed to be sustainable, well-governed, fair and transparent.

We aim to be:

- sustainable in the long term - our group's tax rate depends on our business performance and not artificial tax planning
- well governed - we manage tax risk like any other risk in our business and invest in our people
- fair - we recognise the impact tax has on wider society and undertake to act responsibly in all tax matters
- transparent - we seek to explain the taxation of our business to all our stakeholders.

What we ask of our supply chain

Suppliers will meet all legal obligations in respect of taxation, in the UK and globally, making all appropriate tax returns and tax payments accurately and on time.

Inclusion and Wellbeing

What we do

We're committed to running our business in a responsible way and this in turn influences our inclusion and wellbeing strategy, which is about fostering a dynamic, multi-faceted and thriving workforce. Bringing together colleagues from different lived experience and with different ways of thinking enables us to build an inclusive culture, strengthen our teams, and enrich our insights into client needs and investment strategies.

Our inclusion and wellbeing goals include:

- Acknowledging, valuing and supporting difference in representation, including from an intersectional lens, and cultivating diversity of thought
- Addressing any inconsistencies in our existing practices and helping reshape talent processes, benefits, and policies to ensure they are fair, transparent, and equitable
- Prioritising the wellbeing of our employees, so they have access to the support they may require at different life stages and moments
- Driving personal transformation in leaders and employees, enabling them to recognise and mitigate bias, to identify, model, and advance inclusive behaviours that promote wellbeing, and facilitate business outcomes.

These goals are centred around four key principles that help identify and prioritise our initiatives:

- Talent: Advancing inclusive and equitable policies and practices to attract, develop, and retain a broad pipeline of talent
- Culture: Cultivating and promoting an inclusive company culture where all employees feel heard, respected, and valued and their wellbeing is supported
- Measurement: Measuring and reporting to drive better results and improve transparency and accountability

What we ask of our supply chain

We encourage suppliers to have clear policies for their people and their own suppliers covering inclusion and wellbeing factors and to demonstrating commitment by transparently publishing objectives that includes building an inclusive culture that promotes diverse representation and creates fair opportunities for everyone.

Suppliers will fulfil all mandatory gender pay gap reporting requirements and we encourage suppliers to make voluntary disclosure of their ethnicity pay gap, in line with relevant local legislation.

Suppliers will protect their employees from discrimination on the basis of any protected characteristic including, but not limited to: age, gender reassignment or transgender status, being married or in a civil partnership, being pregnant or on maternity leave, disability, race including colour, nationality, ethnic or national origin, genetic information, religion or belief, sex, and sexual orientation, in line with relevant local legislation.

Suppliers must maintain a working environment that is free from discrimination, bullying, harassment, sexual harassment, victimisation and other inappropriate conduct.

Suppliers must take all appropriate steps to prevent and address such behaviour by their employees, workers, contractors and any other individuals acting on their behalf when interacting with L&G employees, workers, contractors, customers or other third parties. Suppliers must maintain appropriate policies, procedures, training and reporting mechanisms to support these commitments and investigate concerns promptly and appropriately.

Suppliers must cooperate with L&G in relation to any concerns or investigations involving alleged harassment or other inappropriate conduct connected with the services they provide.

- Community: Promoting inclusion and wellbeing beyond our business, in the wider industry, with our customers and clients, and in the communities in which we operate.

As an equal opportunities employer we do not discriminate against employees or potential employees based on any protected characteristic and have a zero-tolerance approach to any form of discrimination.

We are committed to fostering a culture of openness, integrity, and accountability. Our employees are expected to follow a Dignity at Work Policy and an Inclusion & Wellbeing Policy. We expect all employees to treat colleagues and third parties (including customers, suppliers or visitors to our premises) fairly and with dignity, trust and respect. We encourage everyone to speak up and to support each other. We expect all leaders and managers to take proactive steps to prevent and address discriminatory and/or unwanted conduct. This includes fostering an environment where employees feel safe to speak up and are treated with dignity and respect.

We require those who work with us in any capacity to uphold the same standards that apply to our employees. We report publicly on our ambitions and several key metrics, including gender and ethnicity pay gaps, in our annual reporting, available on our Group website. Further information about our commitment to inclusion and wellbeing can be found in the Sustainability section of our corporate website, including our Board Inclusion & Wellbeing policy.

Human rights & modern slavery

What we do

We understand our responsibility to prevent, mitigate and remediate the risks of human trafficking, and forced, bonded and child labour where appropriate; and to respect human rights in our operations and our supply chain.

Our approach to preventing modern slavery continues to be aligned with the United Nations Guiding Principles on Business and Human Rights. We fully support the principles of the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and we have been a signatory and supporter of the UN Global Compact since 2012.

Further information about our commitment to human rights can be found in the Sustainability section of our corporate website.

We believe in collaboration and seek to proactively work with our suppliers and supply chain to prevent and mitigate against modern slavery and breaches of human rights in our supply chain.

What we ask of our supply chain

We expect suppliers not to participate, facilitate, enable, or benefit directly or indirectly in human rights violations and abuses in their own operations, supply chain, use or design of products/services, and/or customers.

We require suppliers to publish their Modern Slavery Statement if in scope of the Modern Slavery Act 2015 and work with L&G where relevant, to help prevent and mitigate against breaches of human rights and incidents of modern slavery. This might include, but is not limited to, agreeing to unannounced visits or audits taking place on their sites and helping to improve awareness of modern slavery and human rights among staff.

If applicable, suppliers will adopt and disclose a commitment to human rights covering their operations and value chains, adhering to applicable voluntary or mandatory human rights frameworks.

Suppliers will work with L&G to remediate any situation where an incident of modern slavery and/or breach of human rights is suspected. We will exit a relationship where we believe it is necessary and warranted by the severity of the harm or the other party's response, including refusal to remediate, failure to take corrective action, lack of cooperation or deliberate withholding of information. Suppliers must understand that a continued business relationship is conditional on taking concerns seriously and demonstrating timely, effective action.

Environmental management

What we do	What we ask of our supply chain
At L&G we recognise that the way in which we operate our businesses has the potential to create both environmental impacts and opportunities. To help ensure that we continue to drive environmental improvements through our operations and to support our long-term approach to managing climate and nature risks, we have a suite of environmental targets and commitments. Managing the risks and opportunities from climate change and nature loss are a core component of our strategic priorities and we have set targets to manage our emissions. All our targets are published on our Group website.	Suppliers will share their approach to managing all environmental risks, from regulatory requirements to managing the risks of climate change. Suppliers will provide details of the carbon emissions associated with the products and services provided to L&G. We recognise that not all suppliers will have this information readily available and would welcome the opportunity to work with suppliers to help capture and report this important data.
We are committed to protecting the natural resources we use through the implementation of sustainable procurement principles throughout our supply chain and recognise that the purchasing of goods and services is a large contributor to our scope 3 carbon emissions. We want to ensure that we are working with suppliers who share our net zero ambition and are already taking strides to manage their carbon footprint and wider environmental impacts.	We expect that larger suppliers have science-based carbon reduction targets and net zero targets. We define a target as science-based if it is aligned to SBTi criteria, i.e. is a mid-term reduction target with enough ambition to align with the global net zero trajectory. We would expect this to be between 40-50% reduction depending on the base year. For small and medium enterprise sized suppliers we expect to see evidence of efforts to reduce carbon emissions. We are happy to offer support in setting science-based carbon reduction and net zero targets in the future.

Digital accessibility

What we do	What we ask of our supply chain
We aim to build and test our applications to 'AA' conformance standards in the latest WCAG (Web Content Accessibility Guidelines) and update our internal standard when any new success criteria are added to WCAG.	Suppliers will follow the L&G accessibility guidelines, with all solutions aligned to the latest standards in the WCAG. Suppliers should voluntarily disclose their accessibility compliance, preferably using a VPAT (Voluntary Product Accessibility Template).
We take a people-first approach to inclusive design, ensuring we consider accessibility when defining features - it is not an afterthought.	Suppliers will follow inclusive design approaches, ensuring accessibility is considered when defining features, whether L&G includes it as a specific requirement or not, and support users with any specific accessibility training needed to access software, applications or products.
We promote the use of our open-source design system, Canopy, to maintain high standards of accessibility. We also shift accessibility left wherever possible by adding aria labels and alt text.	Suppliers will consider using our open-source design system, Canopy, to maintain high standards of accessibility, when developing bespoke interfaces for L&G.
Accessibility is part of our quality strategy and our Definition of Done, using automated and manual testing for keyboard access, interaction and content.	Suppliers will conduct regular accessibility testing, providing evidence as required and fix any accessibility issues identified in specified time. If accessible versions cannot be applied or created, this should be communicated and justified proactively.
Our content teams keep our language clear and simple, to make our services understandable to all users. We work with third-party specialists to test our communications and monitor our accessibility status through regular third-party tests. We have introduced a 'Tell us once' preference centre via The Accessibility Hub.	Suppliers will have a contact email address for accessibility issues.
We offer accessibility training to employees through a third-party provider and nationally recognised qualification.	

Responsible business

What we do	What we ask of our supply chain
Community involvement: At L&G our aim is to recognise the importance of contributing to the wellbeing of society and fostering positive social impact in local communities. Examples include: • apprenticeship programmes that build a diverse talent pipeline aligned to strategic workforce needs; currently we have over 40 apprentices across London, Cardiff and Hove spanning data, technology, accounting, financial crime, customer service, project management and business analysis • long-term partnerships with civil society organisations aligned to L&G's purpose, through financial support, volunteering and pro bono skills.	As part of our commitment to corporate social responsibility, we expect our suppliers to share and uphold these values. We encourage suppliers to actively engage with the communities in which they operate. This could involve supporting local initiatives, contributing to community development projects, or participating in philanthropic efforts that align with community needs. We value suppliers who actively contribute to social responsibility programmes, whether through charitable donations, volunteer initiatives, or partnerships with non-profit organisations. Suppliers are encouraged to engage in activities that positively impact society and the communities in which we live and work.
Ethical marketing and communication: We seek to ensure that all our marketing and communication practices are ethical, avoid misleading advertising, respect consumer privacy and align with socially responsible principles.	Suppliers are expected to engage in ethical marketing and communication practices.
Measurement and reporting: We recognise the importance of accurate, transparent and timely reporting. Reporting openly on progress and challenges supports accountability, informs decision-making and helps us identify opportunities for continuous improvement across our operations and supply chain.	We expect suppliers to take a proportionate approach to measuring and reporting, reflecting their size, resources and activities. Suppliers should identify relevant measures, track progress and share accurate information with L&G as requested and/or make publicly available. We encourage suppliers to use these findings to strengthen the positive impact of their activities on communities.

Prompt payment

What we do	What we ask of our supply chain
The prompt payment of invoices means a more stable and sustainable economic environment which in turn enhances the resilience of the services our organisation provides.	We ask that suppliers sign up to the Prompt Payment Code or take positive steps to align to the ethos and ambitions of it by treating their suppliers fairly and paying invoices on time and within terms.
L&G is a signatory of the Prompt Payment Code. While the code has a requirement to pay 95% of invoices within 60 days, L&G's standard payment policy is within 30 days of receipt of a valid invoice associated with a valid Purchase Order.	

Real living wage

What we do	What we ask of our supply chain
L&G Asset Management are members of the Platform for Living Wage Financials (PLWF), a group of 21 financial institutions who are assessing investee companies in certain key sectors to ensure workers in their supply chain, as well as within their organisations, are being paid a living wage. We are also a Real Living Wage and Real Living Pension Employer and a member of the Living Wage Foundation. As such, we are committed to paying our people, and those regularly contracted to us, a fair and respectable wage. This includes checks on our facilities management suppliers and increasing rates as required to ensure they meet current standards.	We ask that suppliers take steps to commit to the Living Wage Foundation and ensure the Real Living Wage is paid wherever feasible. Suppliers with employees regularly working on our sites must pay the Real Living Wage to those employees. We invite our suppliers to consider becoming Real Living Pension employers themselves.