A purpose-driven workplace.

Improving our culture
Our values inspire us to respect each other and the wider communities we work in. Our Be the Change programme is an initiative designed to make sure that LR’s global culture is as progressive and inclusive as possible. As a supplier, we know we need to be easy to do business with – as focussed on our customers’ commercial drivers as we are on their technical needs. As colleagues we know how important a truly diverse and inclusive team is and we’re learning to be more open-minded, collaborative and appreciative of each other’s perspectives to create a sense of belonging and with it a high-performing and innovative culture.

Be the Change
More than 6,000 colleagues attended Be the Change between 2016 and 2019

Diversity and Inclusion (D&I)
There are no shortcuts to creating a diverse business, but a genuinely inclusive business automatically becomes diverse over time. By putting into practice our D&I strategy and three year-plan, we aim to demonstrate through actions and transparent metrics that we’re committed to creating an inclusive culture based on our vision:

- 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.

Based on current performance we know that we are at the start of this journey. We are committed in reaching the following targets in 2020.

<table>
<thead>
<tr>
<th>Outcome Measure</th>
<th>Current</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase women in leadership roles</td>
<td>Proportion of female leaders (grade 4a and above)</td>
<td>21% female (2018)</td>
</tr>
<tr>
<td>LR leadership reflecting our global footprint</td>
<td>Proportion of non-British senior leaders</td>
<td>53%</td>
</tr>
</tbody>
</table>

Working together for a safer world lies at the heart of why we exist and what we strive to achieve.

We care about each other, our customers and the environment. We share our expertise, and we do the right thing, even if it means making difficult decisions. Our Stop Work Authority, which empowers everyone at LR to stop work if they feel that there are unacceptable health, safety or security risks, is just one example of this.

We are wholly owned by the Foundation, formed in 2012, and as the commercial trading arm our work funds this unique global charity. Working jointly, we have invested in public safety research and have funded vital projects in fields such as deep learning, AI and marine construction.

We know that how we deliver is as important as what we deliver. Our values underpin our culture, help shape our spirit, attitude and they are what guides us.
Competence creates winning safety culture

At LR we are acutely aware of the importance of safety no matter where we are, but this is particularly true in potentially hazardous situations. In response to a series of high potential incidents, LR created a dedicated training programme to improve the competency of our personnel to safely undertake high-risk activities.

There are 10 LifeSavers modules, each of which relates to a high-risk activity that field-based colleagues face. These activities include working at height, entering confined spaces or boat transfers. Each LifeSaver provides clear guidance on the minimum requirements. They simplify each requirement by breaking down high-risk activities into a series of behaviours and actions that are easy to understand.

Because no training programme was provided for these risks, we had to create a new dedicated syllabus and then source global providers. Over a 10-month period we identified and visited 24 technical training schools to review their capability and willingness to partner with us to develop a bespoke training course.

Eight training centres were approved and appointed in each region of the world, all of which could deliver a consistent training course. This ensured that regardless of the location of our employees, any local legal standards or the individual’s level of competency, they would have a consistent learning experience.

LifeSavers has been recognised by a major operator for the second year running.

Shell runs safety awards for its suppliers each year. In 2018, we co-won the Maritime Partners in Safety Award, in recognition of the impact our LifeSavers have had.

We’ve gone one step further this year, winning Shell’s Best Behavioural Safety Initiative award at the 2019 Safety HSSE Contractor Awards. The judges were impressed with our practical training initiative and our entry with the theme, ‘Competence Creates Culture’.

Our submission talked about the importance of procedures, technical competency and acting safely in creating the right behavioural culture. It also detailed how we developed our training programme in response to feedback from surveyors, which said they felt their competence would significantly improve with practical experience of potentially high-risk tasks – such as entering confined spaces and working at height – in a ‘safe environment’.

Since launching the training programme in 2016 – which aligns with our LifeSavers and continues to be rolled out around the world – we’ve seen a 56% reduction in related incidents. Feedback from colleagues who have taken part, told us that 90% had changed the way they worked and 93% felt better equipped to deal with hazardous situations as a result.
Environmental programmes and emissions

Our Green Shares behavioural change campaign was launched on World Environment Day 2018 focusing on the simple personal actions, or micro-habits, we can all take to make a difference to reduce our personal environmental footprints.

We used short and engaging videos, ‘eco-talk’ discussion generator material and visual content to run the year-long campaign focusing on four themes: reducing waste and recycling, energy efficiency, water conservation and low impact travel. The campaign concluded on World Environment Day 2019 with a global micro-habits competition where eco-themed prizes were awarded to the winners.

Our first focus was on finding ways to reduce, re-use and recycle the waste we all create. We explored the issue of single-use plastics, discussed their alternatives, and shared tips on how we can all ensure as little as possible of our waste ends up in landfill.

Next, we looked at ways to be more efficient with the energy we use. We provided tips to save energy – from simply switching off and unplugging the appliances we don’t need, to thinking about how we heat and cool our environment, both at work and at home.

Our third theme was water conservation. We don’t consume much water at LR, but there are still many things we can do to look after this precious and finite resource and our third focus area shared plenty of tips on how to do just that.

And finally, travel, LR’s biggest source of carbon emissions and integral to the way we deliver customer services. For our last theme in our campaign, we considered ways to reduce the impacts from travel, asking that we challenge ourselves if we do really need to travel, whether it’s by air or any other mode of transport. The simplest way to do our bit is to travel less and to travel smarter.

LR greenhouse gas emissions:

<table>
<thead>
<tr>
<th>GHG Emissions</th>
<th>GHG 2017-18</th>
<th>GHG 2018-19</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy efficiency (MWh / £m turnover)</td>
<td>26.4</td>
<td>23.2</td>
<td>12% ↓</td>
</tr>
<tr>
<td><strong>Scope 1</strong> GHG (tCO2e)</td>
<td>Natural gas consumption</td>
<td>1,275</td>
<td>1,375</td>
</tr>
<tr>
<td><strong>Scope 2</strong> GHG (tCO2e)</td>
<td>Purchased energy</td>
<td>7,007</td>
<td>4,997</td>
</tr>
<tr>
<td><strong>Scope 3</strong> GHG (tCO2e)</td>
<td>Employee business travel – Air</td>
<td>16,013</td>
<td>20,353</td>
</tr>
<tr>
<td></td>
<td>Employee business travel – Car</td>
<td>4,731</td>
<td>3,275</td>
</tr>
<tr>
<td></td>
<td>Water</td>
<td>–</td>
<td>59</td>
</tr>
<tr>
<td><strong>Total tCO2e</strong></td>
<td>29,626</td>
<td>30,059</td>
<td>4% ↑</td>
</tr>
</tbody>
</table>

Anti-bribery, corruption and fraud

Our Code of Ethics contains a detailed Anti-Bribery and Corruption (ABC) policy and procedure referencing our corporate Gift & Hospitality Register and our whistleblowing policy, Speaking Out. Its role is to ensure that everyone who works for or with a member of LR understands that unlawful or unethical business practices will not be tolerated.

Our ABC policy provides detailed advice and instructions on what is acceptable and what is not in terms of corporate entertainment.Instances of malpractice are required to be reported in accordance with the whistleblowing procedures.

Other LR ABC controls that have been put in place also include:
- Compliance online training and awareness programmes.
- All key suppliers have been issued LR standard contract forms to help ensure compliant ABC practice aligned with LR’s policy.
- Regular auditing of LR’s Gifts & Hospitality Register has been introduced and is conducted by the Technical Assurance & Quality team on a quarterly basis – a report is provided to the Ethics Committee.
- Due diligence procedures have been developed and implemented by area business teams prior to the engagement of agents.
- An agency agreement template has been developed with controls to mitigate ABC risks.

To further enhance our approach to ethical and responsible business, an Anti-facilitation of Tax Evasion policy approved by the Ethics & Compliance Committee has been added to LR’s Code of Ethics.

A dedicated ethics mailbox for reporting matters of concern is monitored daily and matters notified through our whistleblowing Speaking Out procedure.

Responsible sourcing

We have extended our environmental, ethical and social responsibility standards to our suppliers by deploying LR’s Responsible Sourcing Policy (RSP). This defines the minimum standards that we ask our suppliers to respect and to adhere to when conducting business with LR.

These are not new requirements but rather a formalisation and explicit statement of our shared commitments to high standards of environmental, ethical and social responsibility performance within the supply chain. Acknowledgement of the RSP is a pre-requisite for major contract for supply and in 2018/19 78% of our key contracts (>£100k spend) have signed LR’s RSP or have equivalent arrangements in place.
Meet Henk
Senior Geologist
Aberdeen
Henk Kombrink is a Senior Geologist based in Aberdeen. He has been at LR for five years.

Why did you join LR and why stay?
My role entails working on projects for customers who are seeking to narrow down on sites where to drill for oil or gas, inject CO2 or produce geothermal energy. Collating data from the subsurface and coming up with a reconstruction of how things look deep below our feet is the best way to describe what I do on a daily basis. I joined LR because working in a dynamic environment where you interact with customers and never know what’s round the corner attracted me. My drive is to create value for our customers and I feel very supported in doing so. I stayed because of the nature of the project work suits me very well, and working on projects is what we do most of the time! For instance, over the past three years I have been working on a big geological mapping project for the UK Government for which the results were made publicly available. A great way of seeing your work being used and available for the geological community.

Proudest moment at LR?
A colleague and I worked on a proposal for the Oil and Gas Authority (OGA). They are in charge of oil and gas licenses in the North Sea. We have done work for them for many years. This proposal was for a three year project that was quite important to win and would keep a number of us busy for a few years – it was quite critical. It was a three week manic exercise to get the proposal up to shape and we won it! That was a great achievement and we had the confidence from management to work on it and to submit it in the state we felt happy with it, and it was good to see that was appreciated.

What is your key highlight of 2018/19?
This summer we finished the project we won and in accordance with the expectations set by the OGA, on time and also on budget. A big team of us have worked on it over the years and it was quite a milestone to finish it. The client was happy and we had good feedback from them. Looking back over the last year this was probably the biggest thing to accomplish.

Meet Amelia
Business Innovation Architect
Southampton
Amelia Stead is Business Innovation Architect for Marine & Offshore (M&O) and based in Southampton, UK. She has been at LR for five years.

Why did you join LR and why stay?
LR’s fundamental purpose initially appealed to me. With limited experience straight after completing my degree, I wasn’t sure which type of role I wanted. The LR graduate scheme offered me the opportunity to spend time in different parts of the business to apply my engineering knowledge and develop my skills, with the benefit of learning about the energy and marine industries on a global scale. The variety of work at LR means that there are always opportunities to keep learning, whether that means specialising in one particular area or getting broader experience of our customers and industries.

Describe a typical day at LR?
My role is focussed at the front end of the innovation pipeline and how we are going to develop our innovation strategy for M&O. This means working with technical experts and the sales community to work with customers to really understand which areas we should be looking at. In terms of a typical day it might be organising innovation sessions at technical or external events engaging with customers about innovation, to prioritising which innovation activity we should be focussing on and finding customers to pilot projects with.

What is your key highlight of 2018/19?
At the M&O conference last summer we did our first innovation show for all the global sales leaders. We turned a room in a hotel into a dedicated interactive innovation space. It had taken time to set up a new team, establish ourselves and to develop projects we could show. It was a really proud moment to bring everything together into one room.
Meet Michael
Financial Planning and Analysis Manager
South Korea/London
Michael Roach is a Financial Planning and Analysis Manager for the Business Assurance stream for the South Asia, Middle East, Africa (SAMEA) region, based in Dubai. He has been at LR for a year.

Why did you join LR and why stay?
What attracted me to the company initially is that it is quite unique in its size, it’s quite rare that you can use your expertise in a company that is owned by a charity. It feels like you are contributing towards a better world. I have the largest geographical area compared to my counterparts. It means different time zones, mentalities and cultures which is really interesting. Dubai is a cultural melting pot and I would challenge any other office to find as many cultures and languages in one area. Everyone from the Philippines to India, we have the English here, some Europeans, Dutch, Australians. You come across so many different nationalities that you never would have in previous walks of life. The culture of trust is a really big attraction for me. I can make my own decisions and more importantly make mistakes! I can learn from them which has been really important for my growth. The appetite for knowledge here is great – it is a place where people develop people. It is a place where you don’t just develop professionally, you develop personally as well.

Describe a typical day at LR?
Most days I work with Korean clients or ship builders in London to maintain the relationship, as well as searching for new business opportunities. Sometimes clients need my technical expertise, at other times I am looking at different projects. Every day is busy!

Proudest moment at LR?
When I joined LR from another class society, and thought joining would give me more opportunities and experience because LR has so much history and technical expertise. Since I have been here, I have gained more experience and have been provided with many opportunities that have allowed me to progress from a Senior Surveyor to what I do now. I also value my colleagues who are really supportive. When I moved to London they helped me adjust to life here when I had never been here before, and I really appreciate that.

Meet Jasmine
Customer Experience and Performance Manager
Singapore
Jasmine Chen is a Customer Experience and Performance Manager in our Inspection Services team based in Singapore. She has been at LR for 15 years.

Why did you join LR and why stay?
My background is in marine and transportation. My professor really loved LR and kept promoting it, from talking about LR being the first classification society in the world, to defining standards and codes and improving safety.

When I was looking for an internship job I reached out to LR in China and Shanghai. The internship wasn’t just the basic job. I was given a brilliant mentor who guided and mentored me, teaching me all about LR.

I head up two departments: customer experience and performance. I have had a lot of opportunities in terms of development and training and the biggest thing I feel is that I am totally trusted in my role.

Proudest moment at LR?
The biggest challenge I had when I first started was that it didn’t feel open to people who had a non-technical background. They wanted everyone to understand the technical things and recruited people who had that understanding. The business was slowly starting to change and realised that non-technical backgrounds were really important. I was one of the first people to sit in a dedicated sales team. Although people were really friendly I did feel frustrated that people assumed that what I was doing wouldn’t work – I had a choice, I could leave or prove it would work. I chose the latter and I am really proud that I proved them wrong.

What is your key highlight of 2018/19?
A really big moment for me was after being in sales for 11 years, I was given the opportunity to do innovation and project management for inspection services. I was then given the chance to move to Singapore in a new role which was completely outside my comfort zone. It has been a challenge, going into an area I don’t know well but has really helped me to grow in terms of strategic thinking.

Joanna Mycroft
Senior Surveyor
Sydney
Joanna Mycroft is a Senior Surveyor, based in Sydney. She has been at LR for nine years.

Why did you join LR and why stay?
I never thought I would be in commercial shipping, I always thought I would be a yacht designer. I actually interviewed for a different position, and at the end of the interview got to talking about my honours thesis from university. At this point I was asked if I would be interested in coming back to interview for a different position the following week! I realised then that I didn’t get the first job – but I was lucky enough to get the second one. It has been such a varied career in nine short years, from starting off in the ‘rules and procedures’ team, to now being based in a surveying team in Australia.

Mostly, it is the great colleagues I have. They are so willing to share their knowledge and help me to learn and progress. They inspire me every day. There are so many opportunities here to explore – so much room to learn – that I haven’t wanted to leave yet. I have worked for the company on two different sides of the world. Every day is different and it is impossible to get bored. Finally, knowing that I work for a greater cause – the Foundation – is something that drives me every day.

Describe a typical day at LR?
I am one of very few people with a split role. Three days a week I am a shipboard surveyor and for the other two days I am a structural plan approval and project manager.

As a surveyor, I would be heading down to the ships, meeting the crew, doing whatever survey is necessary and completing related paperwork. If it is my structural plan appraisal job it is checking emails, reviewing the drawings, stamping them, calling customers to discuss any issues and then sending off the information for someone else to take the next step.

Proudest moment at LR?
When I do plan approval the boats could be built anywhere – Thailand, Spain, Americas, anywhere. When the surveyor on site posts a photo of the boat launched I always get a thrill of excitement.