

At Hiscox, we have a clear and defined set of values which underpin everything we do and serves to highlight our commitment to conducting business in a socially-responsible way. This approach extends to our supplier relationships, which is why we have put in place an ethical guide for our suppliers.

A full copy of the guide is shared as part of every Group procurement tender and covers the following areas.

**Supplier selection process**

Our procurement team aims to conduct the supplier tendering and assessment process in an open and transparent manner, sharing information wherever possible to improve performance. When selecting our suppliers, we assess a wide-range of criteria, which include a supplier's ability to deliver enduring quality and value; their financial strength; commitment to innovation; and their commitment to wider corporate responsibility.

**Fairness and recognition**

Where suppliers are providing excellent long-term sustainable performance, Hiscox feels it is only fair for such performance to be recognised, for instance with preferable payment terms. Capability assessments may be used to identify the performance and suitability of appropriate recognition to high performing suppliers.

**Supplier diversity**

Hiscox is committed to a fair and open working environment. We believe that a diverse workforce within our business and our suppliers contributes to a stronger organisation, better able to deliver increased value to our customers. Hiscox is therefore committed to providing equal purchasing opportunities, regardless of race, gender, marital status, age, disability, religious belief, political opinion, or sexual orientation.

**Supplier engagement**

We meet our suppliers regularly to review our business relationships, share ideas and encourage best practice. Furthermore, we encourage feedback on Hiscox as a customer. We particularly welcome feedback on how we can improve our policies and processes.

**Clear supplier expectations**

We want to work with suppliers who are customer focused, and who run their businesses to the same high standards as our own, managing their social and environmental impacts responsibly. Our expectations extend to the operations of all our direct suppliers, although we would encourage them to ensure that their own supply chains adhere to the spirit of these business principles.

**Legal and regulatory obligations**

All suppliers must adhere rigorously to all relevant legislation and regulation in their operations. This includes all applicable employment, health, safety, environmental, anti-bribery and corruption legislation. Regulatory breaches that come to our attention will be taken into account when renegotiating supplier relationships.

**Conduct expectations**

We are committed to conducting our business with suppliers in a fair and honest manner, with openness and integrity, and expect that suppliers operate to these same principles. We want to work with suppliers that are committed to operating to relevant best-practice standards of employment, health, safety and environmental management in the workplace, and that suppliers provide adequate working facilities for all employees. Our expectations of suppliers go beyond regulatory compliance.

Hiscox expects that all suppliers associated with any wider Hiscox supply chains (such as the disposal of technology and materials) are not complicit in human rights abuses, eliminate all forms of forced and compulsory labour, support the effective abolition of child labour, and the elimination of discrimination in respect of employment and occupation.

**Anti-bribery and corruption obligations**

Hiscox has a strict policy on anti-bribery and corruption; we will not engage in bribery or corruption in any form and have a zero-tolerance approach to any breach – whether it involves private individuals or public officials. As such we expect that our suppliers maintain an anti-bribery and corruption policy of their own, and that they comply with any relevant legislation. We expect our suppliers to work against all forms of corruption, including extortion and bribery.

**Environmental commitments**

We are committed to using renewable and cleaner energy sources wherever possible to make a positive impact on the environment. We want to work with suppliers that share our passion for responsible business, and we encourage suppliers to consider any efficiencies or improvements to their own operations and services that will have a positive impact on the environment.

**Supplier audits**

In 2021 we commenced a programme of key supplier audits on a rolling basis over the next three years, using an independent consultancy with expertise in conducting on-site and remote audits. This will help ensure audit findings are followed-up constructively to ensure that our suppliers meet the regulatory and legal standards expected within our industry.