

LLOYDS
BANKING
GROUP



A guide to the
Lloyds Banking
Group

SUPPLIER QUALIFICATION SYSTEM

Improving the way we do
business with our suppliers



Lloyds Banking Group is committed to introducing responsible business practices that make it easier for our suppliers to do business with us.

To support this commitment, we've introduced the Lloyds Banking Group Supplier Qualification System (SQS). It is designed to standardise and manage our requests for compliance and assurance data.



As the regulatory environment becomes more complex, it's important that we can demonstrate to our stakeholders that we're working responsibly with our suppliers to minimise risk and protect customers. The introduction of the SQS provides a standard and simple mechanism for collecting and managing supplier assurance information across the Group.

The SQS is also an integral part of our sourcing process. Our Sourcing Specialists use the system to find pre-qualified suppliers to be considered for new business. Qualified supplier status gives visibility across Group Sourcing and, therefore, creates potential new business opportunities.

Benefits for suppliers

- A single online process to submit assurance and compliance data - reducing duplicate requests from the Group
- Compliance requirements which are proportionate to the products and services being provided
- An online supplier profile which can be updated throughout the year to demonstrate your ongoing compliance with Lloyds Banking Group policies
- Qualification means you won't have to provide assurance information each time you bid for business with the Group

HOW TO GAIN QUALIFICATION

There are two levels of qualification. Stage 1 Qualification will be sufficient to cover most suppliers. However, some products and services are subject to additional compliance and policy requirements. For example, if a supplier deals directly with the Group's customers, then they will be asked to demonstrate how they comply with the Group's "Customer Treatment Policy" which is a component of the Stage 2 Assessment.

A simple two-stage process

Stage 1 Qualification

Suppliers will receive an email invitation to complete an online questionnaire. The invitation will come from Hellios, an external partner, who has been appointed to collect and administer the data on behalf of the Group. The questionnaire should take around one hour to complete. This information will allow us to determine whether your organisation only requires Stage 1 Qualification, or is required to complete the Stage 2 assessment.

Stage 2 Qualification

Stage 2 requires the completion of a more detailed online assessment and the provision of evidence to support your application. This stage typically covers your policies and practice in areas such as:

- Anti-Bribery
- Sanctions
- Remuneration
- Customer Treatment
- Products and Sales
- Anti-Money Laundering
- Health & Safety
- Whistleblowing
- Business Continuity
- Information Security
- Cyber Security
- Records Management
- Diversity & Inclusion
- Environmental

Application for Stage 2 incurs an annual fee of £1,395 (plus VAT), which is payable directly to Hellios, to cover the operational costs of administering the system. In support of the Group's Helping Britain Prosper Plan, if your organisation is an autonomous small, medium or micro sized enterprise (SME)* then no fee will be charged to apply for Stage 2 Qualification.

Following Stage 2 qualification, the Bank may wish to conduct further assurance activities including an on-site audit. This will be conducted by Lloyds Banking Group and will incur no further fees.

TIMELINES FOR QUALIFICATION

Typically we find that it takes between four to eight weeks to attain qualification. For exact timelines, existing suppliers should refer to the deadline dates in the Hellios email communications.

If you are being asked to apply as part of a tender process then please refer to your Lloyds Banking Group Sourcing Manager who will confirm completion deadlines.

FAQS

Why have Lloyds Banking Group introduced a Supplier Qualification System?

Suppliers told us that our process for collecting compliance and assurance information was complex and time consuming.

The introduction of an online system simplifies the process for suppliers to submit information and prevents suppliers receiving multiple requests from the Group for qualification data. It is also important that we (your organisation and the Group) can demonstrate to our stakeholders that we are working together responsibly to minimise risk across our supply chain to protect our customers.

As the regulatory environment we operate in becomes more complex, it is vital that we have a robust system in place to support the collection and maintenance of Supplier Assurance data and respond to regulatory change.

Who is Hellios?

Hellios Information Management Ltd is a UK based company. The team has extensive experience in collecting and maintaining supplier data on behalf of a number of global and UK companies.

What is the role of Hellios?

Lloyds Banking Group has appointed Hellios to collect and administer Supplier Assurance related data on behalf of the Group. Hellios will collect and check the data provided by suppliers and ensure the data is maintained on the Supplier Qualification System. Hellios is an approved supplier of the Lloyds Banking Group.

Hellios does not assess a supplier's suitability for qualification. That decision rests with the Lloyds Banking Group.

Do we have to register each of our legal entities separately?

Yes, your organisation is required to register any legal entity that submits an invoice to the Lloyds Banking Group.

Can any supplier apply for qualification?

No, qualification is by invitation only.

Will other suppliers have access to the information we provide?

No, other suppliers will not have access to the information you provide.

Will assurance information be available across the Lloyds Banking Group?

Yes, one of the benefits of the new system is that suppliers' assurance information will be available to other areas in the Lloyds Banking Group. This will reduce requests for duplicate information from the Group.

Will I be asked to provide pricing information on my company's products and services?

No, your organisation will not be asked to provide any commercial information of this nature.

If I'm required to apply for Stage 2 Qualification, how do I pay the fee to Hellios?

Hellios will provide full details of the payment options available however we recommend suppliers make an online payment to Hellios for immediate access to the Stage 2 assessment.

How long is qualification valid for?

The renewal date is set at one year after Stage 1 Qualification has been granted. Or in the case of Stage 2 Qualification, one year after payment has been made to apply for qualification. Hellios will issue reminders to suppliers in advance of their qualification expiry deadline.

How long does it take to complete qualification?

Typically, we find it takes less than one business day to enter the information in the system (if you're asked to complete both stages). However, the time required to collate the information varies dependent on the size of an organisation. Larger organisations often have to source the data from a number of internal departments and therefore we're giving existing suppliers approximately eight weeks to complete qualification.

As an existing supplier, what happens if I fail to apply for qualification within the assigned timelines?

Suppliers will be fully supported by Hellios throughout the qualification process. However failure to complete qualification will result in a supplier being classified as non-compliant in our internal systems.

Who can I contact for further information?

Please contact Hellios Supplier Support: email: fsqs@hellios.com or telephone 01865 959120 - 8.30am to 5.30pm, Monday to Friday.