

Safety and profit with purpose.

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Thomas Thune Andersen
Chairman



Despite a challenging market environment during the financial year, our business remained stable. Our global, marine and offshore new construction orderbook was higher than expected, although the longer term outlook is less optimistic, and we continue to see volatility in the energy sector.

We have transformed our operating model and have made investments in digital across all sectors, progressed to support our customers and created new opportunities for business growth. The focus on cost and operational efficiency will continue to improve our competitive advantage and the return to the Foundation.

Safety and culture

Throughout change and volatility, our purpose remains resolute – working together for a safer world. LR's expertise across safety, security and sustainability, combined with the work of the Foundation, is focussed on making a positive impact on society within a purpose-driven business model for the 21st century.

Safety underpins all that we do and remains a priority for the Board, executive team and colleagues. We are pleased to report another year of improvement in our health and safety record including a further reduction in the rate of recordable and lost time incidents. Every incident is however a reminder of the challenges we face to achieve our aspiration of zero harm. This year the introduction of data insights into our analysis brought new learnings to the team improving our safety training and I am delighted that we are sharing best practice with our customers around the world.



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Strong collaboration between our consultancy and data innovation teams and the Foundation has helped us to become even more active in the HiLo Maritime Risk Management venture, an independent joint industry initiative founded by Shell, Maersk and LR. HiLo is using data, complex models and deep risk management consultancy expertise to improve safety in global shipping.

The Board is increasing its focus on diversity and inclusion and I am pleased to report progress towards the closing of the gender pay gap and the deployment of LR's new Diversity and Inclusion Programme across all leadership teams this year.

Sustainability

In the two years since LR became a signatory to the United Nations Global Compact, the guardian of the UN Sustainable Development Goals and the world's largest corporate responsibility initiative, I am delighted to witness the progress being made. This includes the launch of the UNGC's Ocean Opportunities, Global Goals report on the role of business for a healthy, productive and well-governed ocean and our signatory to its Sustainable Ocean Principles covering climate change, ocean health and productivity; governance and engagement; and data and transparency. Our emphasis on ocean sustainability is reinforced in our work supporting customers to prepare to meet the obligations of the IMO's 2050 greenhouse gas (GHG) reduction target with further work on zero-emission vessels in partnership with the Global Maritime Forum.

Board changes

I would like to thank my fellow Board members for their support, enthusiasm and commitment to strong governance throughout the year.

I would also like to extend my deep thanks to Ron Henderson who retired from the Board in December 2018 after 10 years of service to LR. His contribution has been tremendous including his Chairmanship of the Audit and Risk Committee and serving on the Pension Trust Investment Board.

I take great pleasure in welcoming Ishbel Macpherson as a non-executive Director of the Lloyd's Register Group Limited Board and Chair of the Audit and Risk Committee. Ishbel has spent over 20 years in corporate finance in the City of London and since leaving the City has become an experienced non-executive Director.

Finally, on behalf of the Board, I would like to thank our Group Chief Executive Alastair Marsh, his executive team, and all our dedicated LR colleagues around the world, for navigating LR through such a challenging yet exciting year. We have great confidence in the ability of LR's exceptional people to continue the transformation of our unique organisation to meet the needs of tomorrow.

Thomas Thune Andersen
Chairman, Lloyd's Register Group Limited