

## Supplier Code of Conduct

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### Introduction

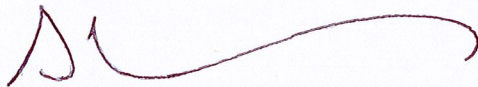
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Principality Building Society (PBS) is a mutual organisation committed to serving the communities in which it operates. The Society's purpose is to help people prosper in their homes at every stage of life. The Society seeks to deliver long-term value for our Members through acting responsibly and this commitment extends to the products, goods and services provided by suppliers through their supply chains.

We will always require that our suppliers comply with all applicable laws, regulations and standards within the geographies in which they operate and, in addition, all suppliers are expected to represent PBS in a manner that reflects its focus on doing the right thing for customers, colleagues and wider stakeholder groups.

PBS expects all suppliers to act ethically and with integrity and to behave in a way which supports our values:

- Taking ownership
- Doing the right thing
- Making it straightforward
- Delivering with passion
- Being courageous



Steve Hughes  
Chief Executive Officer  
September 2017

### Governance

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We will conduct appropriate due diligence before entering relationships and include suppliers' confirmation that they will adhere to this Code of Conduct (the Code) into our evaluation and selection criteria.

During the relationship, we will apply a risk based approach to managing suppliers and obtaining assurance of compliance with the Code. We expect suppliers to maintain documentation necessary to demonstrate compliance with the Code and to provide PBS with access to the documentation on request.

Where appropriate, suppliers will be subject to on-site audits.

We will communicate the Code (and any changes to the Code) to our suppliers and we expect suppliers to make the Code available to all employees.

Although we do not necessarily expect suppliers to extend adherence to the Code to their supply chain, we do expect the supplier to manage its own supply chain in a way that enables them to confirm adherence to the principles of the Code within its supply chain.

We will use suppliers' adherence to the Code to assess suppliers' performance and risk rating; suppliers not meeting the Code will be subject to appropriate measures.



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### Human Rights

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Suppliers will not use forced or involuntary labour; employment is voluntary.

Suppliers will not employ anyone under the age of 16.

Suppliers will adhere to any working time directive.

Suppliers will comply with all applicable wage legislation and regulation including minimum wage, overtime & compensation.

Suppliers will respect the rights of employees to join (or not join) worker organisations including trade unions.

Where suppliers are required to make their own statements in accordance with the Modern Slavery Act 2015, PBS will monitor the content of the statements published.

The PBS statement on Modern Slavery is located at: - [www.principality.co.uk/modern-slavery-statement](http://www.principality.co.uk/modern-slavery-statement)

### Equal Opportunities

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Suppliers will adhere to a positive stance of bullying and harassment, and shall not discriminate in hiring or employment practices on grounds of:-

- race, religion or belief,
- age,
- sex, sexual orientation, gender reassignment,
- marital or civil partnership status,
- pregnancy, maternity
- disability.

### Environmental Sustainability

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Suppliers must comply with all applicable environmental legislation, regulations and standards and strive to implement appropriate management systems to meet and exceed these requirements. Suppliers should continually seek ways to maximise the efficient use of energy, water, resources and raw materials and minimise waste and pollution.

PBS want to reduce the impact our business has on the natural environment and we are committed to making continuous improvements in paper consumption, recycling rates, energy use and staff travel and will work proactively with suppliers to introduce measures to help reduce environmental impacts within our supply chain.

### Health & Safety

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We expect our suppliers to provide a safe, positive working environment which supports health and safety as well as complying with all health and safety legislation.

### Conflicts of Interest

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We expect our suppliers to promote an anti-bribery and anti-corruption culture and to operate with honesty and integrity in all business activities including, but not limited to, improper payments, fraud, competition, gifts & hospitality.



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Our suppliers must also make us aware of any actual or potential conflicts of interest. Specifically, suppliers should declare if it believes one of our employees or contractors has an interest or economic tie to the supplier's organisation.

### Ethical Trading

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We expect our suppliers to support our duty to deal with our regulators in an open and cooperative way, and suppliers must disclose to the appropriate regulator anything relating to PBS of which that regulator would reasonably expect notice.

Where suppliers are engaged in the provision of financial services or deal with PBS members or PBS customers directly, everyone in the supply chain needs to be committed to treating the customer fairly and to understand their responsibilities in achieving this.

### Data Protection

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We expect our suppliers to provide the highest levels of protection for our customers' or staff data supported by robust systems and controls which comply with all relevant data protection legislation requirements.

We expect to be notified of any transfers of our data particularly outside of the EEA, and informed of any onward processing of our data by third parties to ensure that technical and organisational measures are implemented to adequate levels of security.

Our suppliers should also notify us of any incidents or breaches involving our data and where appropriate, seek our approval before notifying the relevant regulators.

### Information & Cyber Security

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We expect our suppliers to conform to Cyber Essentials as a minimum with a commitment to gaining Cyber Essential Plus within a mandated timeframe. Where appropriate, for example where PBS has assessed information security and /or cyber security risk as high, additional safeguards will be required.

For more information on Cyber Essentials please visit:-

<http://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

### Whistleblowing

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We expect our suppliers to encourage their employees to raise any concerns about inappropriate conduct by PBS or its employees and to make them aware of how to do this.

The Group Public Interest Disclosure "Whistleblowing" Policy and Procedure maintained by Principality which applies to all suppliers is located at:- <http://www.principality.co.uk/en/principality-suppliers.aspx>