



Third-Party Supplier Code of Conduct

May 2020

This document sets out the key standards of conduct we commit to offering third-party suppliers and those we expect existing / prospective third-party suppliers to meet.

Simple Personal Fair
What a bank should be



Foreword

Responsible sourcing is an essential part of our commitment to be the 'simple, personal and fair' bank of choice, for customers and communities across the UK. We are committed to do business in the right way; contributing to the long-term health, resilience and prosperity of those we serve. In order to guarantee this hallmark of responsibility runs throughout our own business and is a positive influence on others, we will only work with third-party suppliers and stakeholders who share these values.

In recent years, there has been increased demand for greater ethical awareness and accountability from the financial community, so that people both within and external to our business can better understand and challenge our contribution to them as individuals, as well as wider society. This means going beyond regulation and legal compliance, and interrogating every aspect of our activity to demonstrate and quantify the value of good business.

With this in mind, we have clearly set-out the high standards of conduct which all Santander UK's third-party suppliers must meet. Whilst core regulatory and risk requirements are of course at the heart of our contractual supplier terms, we want to clarify the conduct standards in order to:

- Minimise the risk of preventable issues arising;
- Minimise the risk of non-compliance with relevant regulatory and legal requirements; and
- Work together in an ethical and responsible manner to ensure the best outcomes for our people, customers, shareholders, and communities.

We recognise that there are many situations in which ethical or reputational issues may arise. The choices we make in those situations will either reinforce or undermine our 'simple, personal and fair' mandate. Aside from regulatory requirements, we all know that behaving responsibly is quite simply the right thing to do; for our customers, bank and industry as a whole. Being fighting fit for the future means helping to build safer, stronger and fairer financial services. We can and must lead by example.

I would encourage you to reflect on our Third-Party Supplier Code of Conduct. Please help us ensure these standards are met for any and all services provided to Santander UK.

Steven Wyles
Director of Third-Party Risk Management Santander UK

1. Introduction

The Third-Party Supplier Code of Conduct (“Code of Conduct”) applies to all third-party suppliers providing goods, services, or activities to Santander UK plc and its affiliates (including agents and intermediaries). This includes potential suppliers seeking to work with the Santander UK Group.

The provisions of this Code of Conduct are in addition to and not in lieu of any legal agreement or contract. We reserve the right to review your policies, procedures, and supporting documentation related to compliance with this Code of Conduct and, in some higher risk instances, we may undertake an on-site assessment of key suppliers to validate adherence.

2. Our Commitment To You

To ensure responsible and sustainable sourcing practices, we commit to:

- Provide mechanisms for prospective third-party suppliers to be considered for work;
- Treat third-party suppliers fairly with an open tendering process and a clear relationship management process;
- Work closely with our third-party suppliers to collaborate and develop high quality products and services, effectively managing risks;
- Provide clear guidance on our payment procedures and pay invoices in line with agreed terms and in accordance with the Prompt Payment Code; and
- Make channels available for you to raise concerns.

3. Our Expectations Of You

We are committed to doing business with organisations that share our commitment to treat all stakeholders fairly and ethically. We also expect our third-party suppliers to share our values and operate in a Simple, Personal, and Fair manner and in line with our expected Behaviours. As our supply partners, we would expect you to:

- Comply with applicable laws, regulations, and contractual obligations;
- Raise any concerns that you have in a timely manner via the process outlined below; and
- Meet the expectations and principles set out on subsequent pages, applying equivalent standards and setting out management and control frameworks to ensure practices are adequate and appropriate for the areas in which you operate.

Raising Concerns

Our expectation is that our third-party suppliers feel able to raise concerns about things that are wrong, without fear of victimisation. In the first instance, concerns can be raised via your Santander UK Service Manager.

You can also report concerns over wrongdoing or misconduct involving Santander UK employees or contractors by contacting the Santander UK Central Whistleblowing Team at: centralwhistleblowingteam@santander.co.uk

We recognise that some may prefer to raise their concern with an external organisation. We have therefore engaged **Expolink**, an independent organisation based in the UK to operate a telephone and secure web-based service called **Speak Up on behalf of Santander**.
Telephone: 0800 048 4513.

Alternatively, Expolink also operates a secure two-way web-reporting service (<https://wrs.expolink.co.uk/inconfidence>)

The Expolink service may be used by third-party suppliers to raise concerns.

Santander UK will take all whistleblowing concerns received seriously and, where appropriate and proportionate, investigate further. A whistleblower's confidentiality will be respected and a whistleblower will not be treated any differently for raising a concern.

In support of these expectations, we require the following of our third-party suppliers:

Responsible Business Practices

To be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and communities, we must ensure that we operate in a responsible and ethical manner in our day-to-day business to ensure that we do not simply meet our legal and regulatory requirements; but we exceed people's expectations by being Simple, Personal and Fair in all we do. In this context, we are committed to doing business with organisations that share our commitment to treat all stakeholders fairly and ethically, ensure compliance with all applicable laws and regulations.

Our expected standards for third-party suppliers are centred on the following key principles:

Bribery & Corruption

We are committed to meeting our obligations under the UK Bribery Act 2010 and the anti-bribery legislation of other jurisdictions in which Santander UK operates by maintaining the highest level of ethical standards. We have zero tolerance for bribery or corruption carried out when acting for or on behalf of Santander UK, or otherwise carried out in relation to any business agreement with the Bank. As such, we expect our third-party suppliers to act with equal integrity and to undertake business transparently, honestly, and without bribery or corruption. Third-party suppliers must not engage in bribery or corruption when acting as a third-party of the Bank and must refrain from actions such as offering, giving or receiving fees, gifts, or advantages of any kind that are or could be considered acts of corruption.

Additionally, third-party suppliers should take all necessary measures to identify, mitigate, and manage conflicts of interest which includes relationships with bank staff involved in decision making relating to the supplier. Third-party suppliers are expected to ensure appropriate policies, procedures, and controls are in place to comply fully with these expectations, with the Bribery Act, and with any other applicable legislative and regulatory requirements when performing any form of service on our behalf. This should include:

- Implementing adequate procedures aligned to the Ministry of Justice Guidance issued under the Bribery Act;
- Training of employees to ensure that bribery and corruption risks are identified, assessed, managed, and reported;
- Ensuring that your supply chain and sub-contractors also understand and apply these principles; and
- Establishing confidential reporting and escalation routes for concerns regarding bribery and corruption.

Facilitation of Tax Evasion

In a similar way to the above we also expect our third-party suppliers to comply with the Criminal Finances Act 2017, and support the Bank in meeting its obligations under it. As such

third-party suppliers must not deliberately and dishonestly facilitate tax evasion when acting as a third-party of the Santander UK. In addition third-party suppliers must not involve the Bank, its employees, or anyone else acting on the Banks behalf in the evasion of tax. We have a zero tolerance to any of these acts being undertaken by third-party suppliers.

Third-party suppliers are expected to ensure appropriate policies, procedures, and controls are in place to comply fully with these expectations, the Criminal Finances Act, and any other applicable legislative and regulatory requirements. These are expected to include the same key principles articulated for bribery and corruption, but in this case align to the HMRC guidance under the Criminal Finances Act.

Data Protection & Management

Where Santander UK data is processed, transmitted, stored, or accessed by our third-party suppliers, we expect that this is managed and controlled in line with the requirements of the Data Protection Act 2018 and other applicable laws and regulations in line with data protection and record retention standards provided by us.

Our third-party suppliers are expected to have in place appropriate and proportionate control frameworks to ensure compliance with data protection principles and to ensure that data subjects' rights are not infringed. Where breaches are identified, we expect these to be brought to our attention immediately.

Money Laundering & Sanctions

Our policy is to meet our legal obligations and regulatory responsibilities in relation to anti-money laundering and counter terrorist financing. Santander UK also has a zero tolerance approach to non-compliance with sanctions requirements.

We expect our third-party suppliers to apply equivalent standards and set out management and control frameworks to ensure their practices are both adequate and appropriate for the areas in which they operate.

Physical, Cyber & Information Security

Santander UK's policy is to ensure that our confidential data, including that of our customers and colleagues, is secure and appropriately managed. We expect our third-party suppliers to have in place their own policies and control frameworks to ensure:

- The ongoing protection of our information through appropriate cyber and information security controls; and that
- They do not put in peril Santander UK's physical security and assist us in providing a safe working environment for all our staff, customers, and visitors.

Operational Resilience

Our policy is to manage and control operational resilience, specifically focusing on crisis management, business continuity and IT disaster recovery in order to minimise or mitigate risks to the continuity of services provided. Third-party suppliers are expected to maintain management and control frameworks to ensure operational resiliency practices are both adequate and appropriate for the areas in which they operate.

People & Human Rights

We aim to do business in a way that values and respects the human rights of our colleagues, customers, and communities guided by the [Santander Group Human Rights Policy](#). We expect

our third-party suppliers to operate in accordance with the United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the International Labour Organization (ILO) and the United Nations Guiding Principles on Business and Human Rights. This means that suppliers should:

- Prohibit forced labour, ill-treatment of employees, and human trafficking, ensuring that third-party employees and contractors have a right to work in the UK or applicable jurisdiction;
- Ensure the absence of child labour in their operations and that of their supply chain;
- Allocate a living wage sufficient to meet the basic needs of their employees and in compliance with the current legal requirements. Santander UK is accredited by the Living Wage Foundation for our commitment to pay all staff working for suppliers in our sites the Real Living Wage. As part of this commitment, where Santander UK enters into an arrangement which involves third-party supplier colleagues who are dedicated to providing services to Santander or based at our sites, we require that controls are in place to ensure these employees receive the Real Living Wage;
- Ensure that working hours are not excessive and that the maximum working day complies with national legislation; and
- Respect their employees' freedom of association.

Additionally, any third-party suppliers who provide additional staff resource based on Santander UK demand should receive no less favourable terms and conditions than our permanent workforce and to work in compliance with the UK's Agency Worker Regulations;

We are committed to supporting diversity and creating an open and inclusive culture within Santander UK as we believe it is important to business success and integral to achieving the strategic objective of being the best bank to work for. We aim to achieve higher standards than the minimum set out in the Equality Act 2010. We wish to trade with like-minded third-parties and therefore expect our third-party suppliers to:

- Achieve higher standards than the minimum set out in the Equality Act 2010;
- Be committed to a zero tolerance of harassment and bullying, driving inclusion and increasing diversity overall;
- Present diverse colleagues and teams to work alongside Santander UK;
- Be able to evidence that recruitment practices are accessible to widest possible groups and do not disproportionately affect anyone due to gender, race, ethnic or national origin, age, disability, sexual orientation, gender expression, gender identity and socio-economic background;
- Have diversity training available to the workforce and that uptake is being monitored; and
- Collect data to understand the profile of the workforce and have measures to improve diversity.

Health, Safety and Wellbeing

We are committed to achieving the highest standards of health, safety, wellbeing and protection for our colleagues, customers, and anyone that visits our premises. We expect our third-party suppliers to comply with applicable health and safety standards and legislation, providing their workforce with a safe and appropriate working environment.

Sustainability & Environment

Our policy is to manage and control sustainability, specifically focusing on corporate social responsibility (CSR) and social and environmental risk. Santander UK's CSR principles are based on best practice drawn from international conventions and protocols, codes of conduct

and international guides on sustainable business practice and, in particular, the United Nations Sustainable Development Goals.

Our third-party suppliers are expected to have their own visions, aligned to Santander's Sustainability Policy. Moreover, Santander UK's policy is to ensure measures are in place to protect the environment, prevent pollution and contribute to the transition to a low carbon economy, adhering to relevant environmental legislation. We encourage third-party suppliers to align to our commitments in this area by having their own policies which aim to protect the environment, prevent pollution and contribute to the transition to a low carbon economy. This could include implementing environmental management systems and / or setting targets for reducing emissions and consumption.

Supply Chain Risk

Where the provision of goods, services or activities to Santander UK is sub-contracted or materially reliant on another party, we expect our third-party suppliers to ensure their supply chain risks are identified, assessed, managed and reported through a defined control framework. Changes or risks impacting the services provided to Santander UK should be escalated in a timely manner.

We encourage our third-party suppliers to extend the principles of this Code of Conduct to their supply chain.

Innovation & Collaboration

In your role as a third-party of the Bank, you have the responsibility to act in the best interests of the organisation, identifying opportunities to deliver the best service to our customers and reduce costs where possible. We ask that all suppliers collaborate with the Bank in identifying new processes, systems and technologies to drive innovation in our service provision, alongside proactive collaboration in demand management to drive cost improvement.

4. What You Need To Do

We ask that you reflect on our Third-Party Supplier Code of Conduct and how you meet these expected standards and behaviours.

We expect you to confirm agreement with this Code of Conduct when you submit a proposal to perform a service for Santander UK or complete our supplier qualification process via the Financial Services Qualification System (FSQS). It is important that you recognise that non-compliance with this Code may adversely affect your commercial relationships with Santander UK and may also constitute a contractual breach where directly related to established contractual provisions.