



CYBG



**SUPPLIER CODE
OF CONDUCT**

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MAIN PRINCIPLES FOR SUPPLIERS

1. INTRODUCTION

Our Supplier Code of Conduct ("Code") sets out what we value as a company. The principles in our Code define who we are, how we work, and what we stand for. They explain what we expect from ourselves and all suppliers who work with us. The Code is not a set of compliance rules and it cannot cover every possible situation. The Code is in addition to any contractual terms that have been agreed with you. We are all required to use our best judgment in applying the principles of the Code and to demonstrate its spirit in everything that we do.

Our Core Values

At CYBG, our values are the basis for how we operate both as individuals and as an organisation. We believe that creating an inclusive environment where our staff and suppliers embrace our values is essential to our continued success. We ask that you share our values and behaviours with your employees and sub-contractors and encourage them to embrace these.

OUR VALUES	OUR BEHAVIOURS
 <p>Be ambitious Bring drive and vision to deliver a truly superior customer experience and outcome for CYBG</p>	<ul style="list-style-type: none"> • Champion our products and services outside CYBG • Champion our customers inside CYBG • Shorten the distance between us and our customers
 <p>Be courageous Challenge yourself and those around you to win for our customers and CYBG</p>	<ul style="list-style-type: none"> • Take on stretching goals • Act when you see opportunities, challenges and reasons to celebrate • Give support and energy to others who are taking a brave path
 <p>Be curious Welcome diversity in all its forms, embrace new ideas and alternative views</p>	<ul style="list-style-type: none"> • Adapt what you do and how you think to make people feel included • Ask questions and maintain a growth mind-set • Seek and embrace new ideas and make them succeed
 <p>Be all over it Don't wait to be told. Do the right thing and make a positive difference</p>	<ul style="list-style-type: none"> • Go beyond your role to own our success • Make CYBG a more inclusive place to work and bank • Use good judgement to make the right calls on risks
 <p>Be connected Work with others to increase our speed to market and create a 'consumer brand' feel – leaner, faster, smarter!</p>	<ul style="list-style-type: none"> • Connect outside your team • Build on the ideas and opinions of others • Create winning solutions for our company, customers and colleagues – together

Our aim

We have a responsibility to our customers, employees and the communities in which we work. We have a strict set of values to guide us in our business dealings. Our Supplier Code of Conduct sets out the principles and assessment criteria that we will follow when assessing proposed services and new suppliers, and when dealing with appointed suppliers, sub-contractors, third parties and agencies. We will, where possible, ensure our sourcing activities and decisions are made in support of these principles and assessment criteria. We want to be confident that our supply chains are working to the same standards that we are and we will support our suppliers working together with us to meet these expectations.

The Bank has drawn up this Supplier Code of Conduct, which sets the standards for doing business with us and for suppliers to adhere to our stated principles. Our aim is to engage with suppliers who actively manage their own downstream supply chain in line with industry best practice principles and follow legislative and regulatory guidelines expected of them. This in turn will enhance our own reputation within the industry giving our stakeholders and customers the level of trust and professional commitment expected of us.

We appreciate that many of the suppliers who work with us have developed their own principles to guide them within the workplace. We are not asking you to replace those with ours. However, we do ask that you respect our Code and understand that we have made a fundamental commitment to work only with those suppliers whose standards are consistent with our own. The provisions of this Code are in addition to, and not in lieu of, the provisions of any legal agreement or contract between a supplier and the Bank or any of its affiliates.

Partnering for Success

We are focused on building partnerships with our suppliers by sharing details of our strategy, aligning how we work together with increased collaboration for mutual benefits.

The performance of our suppliers has a direct impact on the quality of our products and services. We value suppliers who can work with us collaboratively and help reduce our overall costs. In return, we will help suppliers maximise competitive advantage by sharing ideas and strengthening relationships with a focus on strategy rather than transactional activity, allowing suppliers to better influence and inform our business practises and achieve revenue/margin growth and a competitive edge.

Who does it apply to?

THE BANK	SUPPLIERS AND PARTNERS	YOUR SUPPLY CHAIN
Our staff will apply our Code thoughtfully and consistently.	We are committed to working only with suppliers and partners whose standards are consistent with our own and respect our principles.	When you work with us, we expect you to demand these same standards of your partners, sub-contractors, consultants and suppliers.

What to do if you have a serious concern (Whistleblowing)

The Bank is committed to conducting all of its business activities ethically and in accordance with applicable laws and regulations, and the highest professional standards. We encourage you to raise any questions or concerns you have in confidence and we value the information you provide. We will not tolerate any retaliation or discrimination of any kind against anyone whom has raised something in good faith. Anything you raise will be treated confidentially and communicated on a need to know basis.

Any potential or actual breaches of the Code should be raised. Both Bank staff and suppliers can support this process by raising any concerns using their own Whistleblower process.

2. A MESSAGE FROM OUR INNOVATION AND CHANGE DIRECTOR, FRASER INGRAM

“The relationship between the Bank and our suppliers is an important component in our transformation plan and we have a responsibility to ensure that the suppliers we choose to do business with, and the manner in which they do business, are a positive reflection on both our brand and corporate values.

Our Supplier Code of Conduct is underpinned by our core values and behaviours. The Bank plays a vital economic and social role in enabling companies to access funds for growth and development. Delivering integrity and embedding trust across our markets are at the core of what we do. This code sets forth the standards and practices we expect our suppliers to uphold, wherever they are located in the world.

We are committed to establishing mutually beneficial relationships with our suppliers and business partners and we honour and enforce the terms of the contracts



to which we commit. We conduct our operations with integrity and in accordance with the principles of fair competition and will not tolerate the offer or acceptance of any gift, hospitality or other inducement designed to influence unduly a decision.

We have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We strive only to do business with organisations who uphold similar business principles.

CYBG is committed to helping our suppliers to comply with this code. In turn, we expect suppliers to apply the principles from this code to its own supply chain”.

3. REQUIREMENTS

Codes

The Bank is committed to recognising the 10 principles of the UN Global Compact <https://www.unglobalcompact.org/what-is-gc/mission/principles> and these have been incorporated into our Supplier Code of Conduct.

Acting with integrity

Our Principle “Working with our suppliers and partners to do the right thing.”

The Bank is committed to creating an open, safe and supportive working environment and we expect all our employees to behave professionally. In all our communication, we must always consider what we say, how we say it and who we say it to. We value integrity, fairness, honesty, respect, consistency and collaboration as the hallmarks of good relationships. When working with suppliers we expect everyone to ensure that we protect individuals from being abused and exploited and that we follow our values to drive high levels of engagement and performance.

Laws and Regulations

Our Principle “We will comply with all applicable laws and regulatory requirements and will commit to operating in an ethical manner in all our dealings.”

As part of this commitment, we require our suppliers to comply with all applicable local and national laws, rules, regulations and requirements in the provision of products and services manufactured and provided to the Bank. It is the supplier’s responsibility to maintain and enforce these standards within its own supply chain. We will include appropriate legal obligations in any legal agreement we enter into with suppliers to meet this commitment and our legal and regulatory obligations, including those in respect of financial crime prevention.

Modern Slavery

Our Principle “We comply with the principles of the Modern Slavery Act 2015 (“the Act”) and expect our suppliers in their supply chain to comply with the Act and their sub-contractors to maintain documentation supporting compliance to laws related to minimum working age, safety and working hours.”

Modern slavery is a violation of human rights and a crime. The Act covers slavery, servitude, forced and compulsory labour, human trafficking and ultimately exploitation of a person for commercial or personal gain. We have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We strive only to do business with organisations who uphold similar business principles. We expect our suppliers to comply with all applicable local and national laws, which includes the Modern Slavery Act, and to ensure that they are responsible for themselves and others who they sub-contract services to. We have also recently taken steps to update our standard services contracts which now place specific contractual obligations on suppliers to comply with the Modern Slavery Act.

Human Rights and Labour standards

Our Principle “We respect, protect and promote human rights and labour standards wherever we operate.”

Suppliers must:

- Protect human rights as described in the United Nations Universal Declaration of Human Rights treating individuals with dignity and respect.
- Provide a safe, healthy working environment complying with the required Health & Safety laws.
- Comply with relevant employment legislation, regulations and directives in the countries where you operate.
- Be compliant with all applicable wage and working hour laws, where employees will be compensated in line with prevailing market conditions or at least the minimum wage required by applicable law and regulations. This includes any local laws for overtime hours worked.
- Respect the rights of workers in relation to freedom of association.
- Ensure all labour will not be forced, bonded, indentured or subject to threat or involuntary labour.
- Suppliers shall employ workers who are legally authorised to work in their location and facility and are responsible for validating employees' eligibility to work status through appropriate documentation.

Bribery and Corruption

Our Principle “We will not give or receive bribes or participate in corruption.”

The Bank has a zero-tolerance approach towards bribery and corruption in all its forms and is committed to complying with applicable legal and regulatory requirements; primarily the UK Bribery Act 2010. We ensure there are controls in place to protect our employees, the Bank and its reputation and expect our suppliers to have in place similar controls to deter, detect and prevent bribery and corruption events from occurring. We expect our suppliers to disclose to us any actual or potential bribery or corruption concerns and as a minimum to comply with the UK Bribery Act 2010 and all applicable laws, regulations and industry/local standards.

We expect our suppliers to immediately report any concerns in relation to bribery and corruption to their Bank contact, or through their own company's whistleblowing hotline or if this is not available then confidentially through contact with our Procurement Department.

Gifts, Entertainment and Hospitality

Our Principle “We make sure gifts and hospitality are reasonable and do not improperly influence a decision. We will act openly and fairly checking everything that you are responsible for.”

Care must be exercised when offering or accepting gifts, entertainment or hospitality. These activities should never create a feeling of obligation or reflect a perception of an attempt to influence or bribe the recipient. We do not want to create a sense of obligation that can be misconstrued or misrepresented.

We expect our suppliers to respect that Bank employees must not give, promise to give, offer or receive a payment, gift, entertainment or hospitality, with the expectation or hope that a business advantage will be received, or to reward a business advantage already given. The Bank has monetary values beyond which, all gifts, entertainment or hospitality must be recorded in a register by the Bank employee. We expect suppliers and sub-contractors to have appropriate controls in place such that we operate at all times in accordance with our principles.

Open and Fair Competition

Our Principle “We believe in open and fair competition.”

The Bank will comply with competition laws wherever we do business. We will expect you to do the same, adopting business practices that do not restrict free and fair competition. We expect our suppliers to be aware of and to comply with The Competition Act 1998 and the Enterprise Act 2002. The Bank will adhere to these statutes and prohibits practices that restrict free trading and competition within our supplier relationships.

Our suppliers must avoid practices that may be viewed as anti-competitive, for example sharing confidential or commercially sensitive information with our competitors, or other suppliers of the Bank.

Confidentiality, Disclosure and Use of Information

Our Principle “The Bank protects the data we hold and expect our suppliers to understand and follow all applicable data protection and privacy laws when working with us.”

All confidential and/or proprietary information or material belonging to the Bank must be kept safe and only disclosed to your employees who need to know this for the purposes of providing the services to the Bank. It can only be disclosed on a confidential basis to a third party where we have given authorisation to do so.

The General Data Protection Regulation (GDPR) is a regulation which is intended to strengthen and unify data protection for all individuals living within the EU. It becomes enforceable from 25 May 2018.

We expect all our suppliers who have access to any personal data to comply with all applicable data protection legislation and regulation relating to data protection, privacy and the use of information relating to individuals and our agreement with you will set out in detail your obligations.

No disclosure of personal data should take place without our prior written consent. Any legal agreement that we may agree with you will have detailed data protection clauses where any transfer of personal data forms part of the services. We expect our suppliers will not transfer data outside the EEA without our agreement and we will require a data transfer agreement based on EU model clauses to be signed.

As soon as you become aware of any breach or potential data breach we expect you to advise the Bank immediately.

GDPR defines where a Data Protection Officer (DPO) will require to be appointed within an organisation and sets out the requirements of that role. Regardless of whether GDPR obliges you to appoint a DPO or not, the Bank will expect suppliers to fully understand and meet your specified requirements under this regulation.

Market Abuse

Our Principle “We are committed to transparency and equal treatment of market participants.”

Market abuse, such as trading on the basis of ‘inside information’, is a criminal offence in the UK and many other countries. The Bank is responsible for ensuring that it complies with the Market Abuse Regulation (which came into force in 2016). This includes maintaining insider lists of every person who has access to our inside information, ensuring anyone on such lists understands the consequences, having access to such list, and being able to give the FCA a copy of such list if requested.

If we reach a stage where you receive our inside information we will agree with you (by way of a 3rd party insider letter) more specific terms on how that information must be managed, but to ensure there are no gaps in our compliance we include these provisions as standard in our service agreements, engagement letters and Non-Disclosure Agreements.

Inclusion

Our Principle: “CYBG is committed to promoting equal opportunities for all suppliers who bid for work through any competitive process that we run. We fully recognise that inclusion and diversity strengthens our supply chain and our ability to secure innovative solutions.”

Inclusion is at the heart of our culture and is written into our values in promoting fairness and equality. We are striving to build a workforce which reflects the diversity of the communities we serve, helping us to better understand their needs, make more informed decisions, build stronger relationships, and tap into new ideas and innovation. As part of our inclusion strategy, we want to build a truly inclusive culture, where every colleague and customer feels they belong. Our sourcing decisions, contracts and management of supplier relationships will reflect and promote our corporate values and behaviours.

Similarly, we expect our suppliers to have a commitment to inclusion and diversity through all aspects of workplace management, abide by all relevant equality legislation in the countries in which they operate and promote a workplace which does not tolerate harassment, bullying, intimidation or offensive behaviour in any form.

We affirm our commitment to ensuring equal opportunities by removing barriers and working proactively to encourage inclusion; supporting SMEs and diverse suppliers from our local communities; strengthening our marketplaces; promoting competitive advantage; and enabling business sustainability in the communities we serve and support. We are committed to building an inclusive supply base and we expect suppliers to apply the above principles within their own supply chain.

We ask that our suppliers commit to inclusion and diversity and during our relationship:

- Share evidence of an inclusive and diverse culture within operational environments throughout contract monitoring.
- Demonstrate commitment to employing and retaining disabled people by being part of e.g. the Disability Confident employer scheme through the Department for Work and Pensions.
- Create an inclusive environment that goes well beyond minimum expectations and always avoids discrimination based on race, religion, age, gender, gender identity or expression, sexual orientation, nationality, social or ethnic origin, marital status, pregnancy, disability, HIV, political affiliation, union membership or any other status or characteristic that is not related to the individual's merit or the inherent requirements of the job.

- Support inclusion and diversity in their business, for example with their own internal inclusion and equality education/training.
- Actively demonstrate supply chain management covering these principles.
- Engage with us to improve inclusion.

Sustainability (ethical, environment, economic)

Our Principle “We are committed to utilising resources that ensure the long-term sustainability and profitability of the business and have a positive impact on the environment.”

We recognize our responsibility to society by managing the environmental impact from our day to day operations, through our supply chain and within the community work which we undertake. We expect our suppliers and their downstream supply chain to have in place business practices and reporting methods that support a positive impact on the environment to include the following:

- Compliance with all applicable current and future environmental laws, regulations and standards.
- Commitment to reduce negative environmental impacts where possible.
- Encouraging the use of environmentally friendly technology and practices.

Health and Safety

Our Principle “We protect the health and safety of everyone who works for us or with us.”

We are committed to the management of health and safety, improving not just our own health and safety performance, but also that of our suppliers and of others who undertake work on our behalf. As a minimum, we expect our suppliers to provide a safe work environment. When contracting on our sites suppliers and their employees and sub-contractors must comply with our Health and Safety Policy Statement and follow our reasonable instructions and security requirements.

Community and Sponsorship

Our Principle “We are fully committed to supporting our people to contribute to the well-being of the communities in which we operate.”

We expect suppliers to be aware of the impact they similarly have and take steps to influence positive change. We encourage our suppliers to:

- Look for ways to invest in charitable causes and social enterprises in the communities in which they operate.

- Actively support their employees to volunteer in their communities.
- Explore collaborative opportunities to join up with the Bank with shared purpose.

Partnership and Innovation

Our Principle “We collaborate to succeed and will nurture new ideas.”

We believe that our proactive approach to collaboration is the best way to drive long-term growth and success. We will actively engage with and solicit support from our suppliers to benefit from developing and pioneering new ideas and ways of working.

Excellence

Our Principle “We are committed to quality and continuous improvement.”

We believe that quality and assurance are both key to successful performance. We will strive to deliver this in all our engagements, satisfying our customers by delivering the products and services they need on time, whilst continuously improving our processes so that our work delivers on expectations and is done right the first time. We expect our suppliers to understand our culture and work together with us to deliver in accordance with this principle.

Violation of Code

This Supplier Code of Conduct outlines the Bank supplier expectations and we are committed to supporting them in this respect. We will work together in a transparent partnership welcoming open and honest interaction. If there is doubt that suppliers may not be able to fully adhere to our expectations, we will work together to explore these challenges and work together to a mutual resolution. Violations of laws are very serious and can lead to criminal or civil prosecution noting these can also result in very large fines. The Bank will not tolerate violations of laws or regulations. The standards outlined in this Supplier Code of Conduct will be periodically updated to reflect changes in laws, regulations and standards.

Help and useful links

If you have any questions about our Supplier Code of Conduct or wish to report a suspected violation or concern please contact your designated Bank Supplier Relationship Manager or send an email to Procurement.Mailbox@cybg.com.