

Supplier Code of Conduct

1. Background

XPS Group is one of the largest providers of pensions and actuarial services in the UK. We have a responsibility to ensure that our supply chain operates responsibly and improves the lives of workers, their communities and the environment.

Our suppliers play an integral part in the success of our Group and cooperative conduct results in enduring business relationships which are mutually beneficial. This is why we set great store by close cooperation with our suppliers. We expect our suppliers to act responsibly and to agree to comply with the requirements set out in this Code.

This Code sets out the way in which XPS Group expect our suppliers to act when providing services to us. In addition, we expect our suppliers to request their suppliers to comply with this Code.

We will periodically review this Code and make revisions when needed, which we will expect suppliers to adopt.

2. Application

XPS Group expects our suppliers to maintain high standards of integrity and professionalism in their business dealings. We expect suppliers to comply with the laws of the countries where they operate and to take appropriate action to minimise negative impacts and potential risks.

3. Our values

At its core this Code is consistent with our corporate values. Our goal is to provide our services to our clients in line with our values. These are that:

> **We are ambitious.** XPS is an ambitious business – we're aiming high to achieve our purpose of benefiting people and society.

We have ambitious goals for our clients, our industry and ourselves. This means leading our industry in thought, action and opinion. It means we are progressive, principled and think differently about pensions.

We invite bold thinking and actions within our business, and we give each person the support they need to become their very best.

> **We are experts.** We know our stuff, and we each bring something special to our collective knowledge. We make a point of cultivating our individual expertise and diversity of thought – and we use it, share it and support each other for the benefit of our clients and colleagues every single day.

We understand the responsibilities that come with our skills and abilities, so we each put them to good use – and build on them with constant learning.

> **We are agile.** We're forward-thinking, innovative and quick moving. When we see a better and more sustainable way to do something, we make change happen. We don't just follow the way things have always been done in our industry.

We take a fresh look at things – and find new ways of achieving the best outcomes for our clients while benefitting people and society.

> **We are helpful.** We are one firm who build and sustain great relationships with our clients and with each other. This means we're always ready and willing to help out – clients and colleagues know they can trust us. We work hard together, we support each other, we listen and we are helpful. And we have fun together.

Ultimately, we're out to make people's lives better – and we play an active role across our industry and wider society to help achieve this.

> **We do the right thing.** We're approachable, honest and fair; both with our clients and each other. We are inclusive, we value each person for what they bring to the company. We respect and reward hard work and talent. We act with integrity, build great relationships and take responsibility for what we do.

And if we see or hear something that doesn't match up to our standards, we'll sensitively but actively call it out. Through all of these things, we'll grow responsibly and sustainably, for everyone's benefit.

4. Requirements

Economic sustainability

Economic sustainability is about bringing economic benefit to the workers, investors and communities in which a company operates. Commercial transactions should be economically beneficial to all parties and relationships should be based on the principle of fair and honest dealings, whilst promoting fair and sustainable development. We expect suppliers to:

- > embed basic business principles in a Code of Business Standards or a similar policy, including such items as adherence to local laws and regulations;
- > ensure that policies are in place to stop fraud, money laundering, tax evasion, bribery and corruption and refrain from offering gifts and entertainment to XPS Pensions Group employees;
- > comply with national and international sanctions policy and legislation; and
- > have reasonable and lawful payment policies with their own suppliers and subcontractors.

Social responsibilities and employee rights

We respect and are committed to improving human rights. We expect our suppliers to respect the human rights of their employees and to comply with all relevant legislation, regulations and directives in the countries and communities in which they operate. Suppliers must:

- > provide a safe and hygienic working environment and takes appropriate measures to guarantee health and safety at the workplace so that good working conditions are ensured in accordance with international standards and national laws. This includes access to clean toilet facilities, drinkable water and, if applicable, sanitary facilities for food storage;
- > ensure that appropriate measures are taken to remove employment barriers for disabled people;
- > Comply at all times with the Worker Protection (Amendment of Equality Act 2010) Act 2023.

- > prohibit the use of all types of slavery and forced and bonded labour and give workers, whether local or migrant, the right and the ability to leave employment when they choose;
- > not use child or underage labour;
- > ensure that the employment of young workers adheres to appropriate international standards;
- > ensure that working hours comply at least to the respective national legal standards or the minimum standards of the respective national economic sectors and are not excessive;
- > ensure that employees understand their employment conditions and fair and reasonable pay and terms is provided;
- > provide clear and uniformly applied disciplinary practices and grievance procedures that include provisions prohibiting mental, physical or verbal abuse; and
- > pay wages that meet legally mandated minimums and industry standards without unauthorised deductions.

Discrimination and Harassment

XPS Group is committed to creating a work environment free of bullying and harassment of all types including sexual harassment, ensuring equal opportunities and fair treatment in the workplace for all its employees and the employees of its suppliers. Suppliers shall at all times provide a working environment in which all employees feel comfortable and in which everyone is treated with respect and dignity, regardless of gender, sexual orientation, gender identity, marital or family status, colour, race, nationality, ethnic or national origins, creed, culture, religion or belief, age, disability or any other personal factor.

Employees should have an absolute right to complain if they are treated in a manner that they believe constitutes bullying or harassment. This will include behaviour that has caused offence, humiliation, embarrassment, or distress. Apart from complaints about the behaviour of colleagues, employees have the right to complain if they believe that they have been bullied or harassed by a third party, for example a customer, client, or supplier. Employees who raise a genuine complaint under this policy will under no circumstances be subjected to any unfavourable treatment or victimisation due to making a complaint.

Suppliers must not discriminate against any group on religious, social, gender identity, sexual orientation or ethnic grounds or any protected classes covered under international human rights standards and such other ground as may be recognised under national law

Freedom of association

Suppliers must not hinder the right of workers to legally organise and join associations such as labour unions.

Environmental protection

We expect our suppliers to support sound environmental management principles and reduce their impact on the environment within which they operate. We expect our suppliers to support the development of sustainable technologies. As a minimum, suppliers must:

- > have a written environmental/sustainability policy appropriate to the size and nature of the supplier's operations that, where applicable, prevents, mitigates and controls serious environmental and health impacts from operations including raw material usage, greenhouse gas emissions, water, waste, air quality and biodiversity;
- > avoid waste, re-use resources and recycle, as well as ensuring the safe, environmentally friendly disposal of residual waste are taken into account during the development, production and service life of products, and during the development and execution of production processes and other activities
- > have an effective internal environmental management programme/system with adequately trained staff responsible for managing the organisations environmental performance and communicate data on key environmental indicators internally and externally;
- > abide by all legislation and regulations related to the protection of the environment and the handling of dangerous and hazardous materials;
- > keep dangerous and/or hazardous materials to a minimum and keep records for all hazardous materials that are necessary;
- > ensure that every manufacturing facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances and hazardous waste disposal;
- > validate that all input materials and components were obtained from permissible harvests consistent with international treaties and protocols in addition to local laws and regulations; and
- > train employees according to their duties, and encourage them to act accordingly

Health and safety

Suppliers must:

- > provide appropriate health and safety information and training to employees; and
- > ensure health and safety is effectively managed, so that health and safety risks, issues, incidents and non-compliance are identified and addressed in order to provide adequate facilities to ensure the health and well-being of its workforce.

5. Non compliance

Our goal is to work collaboratively with our suppliers. We reserve the right to randomly review the supplier's policies, procedures or any other document related to adherence to this Code. In some cases, we may require an on-line or on-site audit of a supplier's adherence to this Code.

Where a supplier or one of its subcontractors is found to not be in compliance with this Code, we will work with the supplier on an improvement plan. If the supplier continues not to comply with this Code, we will take steps to review the terms of the contract and if necessary, terminate that contract.

6. Your agreement

We require suppliers to adhere to these requirements and to be able to demonstrate to us how these requirements are being met.

We operate a policy of transparency with suppliers and will work collectively with suppliers to ensure adherence to the Code and develop improvement programmes if required.

By accepting business from us you are deemed to have read the Code which is available on our website (<https://www.xpsgroup.com/sustainability/governance/>) and acknowledge the requirements contained.

Change Record

Date	Author	Version	Change Reference
01/11/2022	Samena Malik	1.0	First issue
01/12/2024	David Salter	1.1	Updated to incorporate XPS Harassment Policy