

Supplier Code of Conduct

July 2023

1. Welcome

Coventry Building Society's (the 'Society') purpose is to give people the power to be better off through life. How we deal with our members, our employees, our suppliers, the communities in which we operate and our impact on the environment are fundamental to achieving this purpose.

This Code of Conduct is designed to provide clarity about our expectations for suppliers and their extended supply chain. We'll always make sure our expectations and the requirements we set are proportionate to the size of your organisation and the goods or services you provide. We not only look at the impact of a supplier's products and services, but also pay explicit attention to the sustainability of all aspects of business operations. We want to encourage the companies we work with to pay attention to this.

In this Code of Conduct, we outline the minimum requirements that our suppliers must meet with regard to integrity conflicts of interest, labour practices, health and safety and impact on the environment.

This Code of Conduct is consistent with internationally recognised standards of corporate responsibility. These include the United Nations Sustainable Development Goals, the United Nations Global Compact and the labour and social standards of the International Labour Organisation. It provides a clear set of standards and provides an ethical and behavioural framework for successful engagement with our suppliers. We ask new suppliers to confirm adherence to the Supplier Code of Conduct during onboarding in addition to all key (high impact) suppliers.

The Society is committed to developing its supplier relationships and building trust by:

- (i) being open and proportionate in all of our dealings with suppliers including in relation to the resolution of any disputes;
- (ii) complying with our contractual commitments including timely payments; and
- (iii) seeking a shared commitment to continuous improvement.

2. Integrity

Principle 1: The Society's suppliers must adhere to applicable law.

Compliance with all applicable laws and regulations is a matter of course for the Society. We require our suppliers to adopt the same approach. In particular, we expect:

- all suppliers to comply with the laws, regulations and guidelines that are relevant to them and their activities;
- all suppliers to observe applicable antitrust and competition law standards. This includes, making sure they do not undertake any unlawful activities such as agreements with competitors about prices, agreements about market allocation by customers or regions with competitors, boycotts or the unlawful exchange of competitively sensitive information with competitors;
- no supplier to commit any form of fraud or fraudulent behaviour (e.g. fraud, theft, tax evasion or money laundering) regardless of whether Society assets or third party assets are used; and
- no supplier to undertake any activity that could constitute (or appear to constitute) any offence under applicable anti-bribery legislation (including the Bribery Act 2010).

3. Conflicts of interest

Principle 2: We expect high standards of conduct from our Suppliers and will not tolerate any behaviours that breach our conflicts of interest policy.

The Society makes sure it acts with integrity and can demonstrate impartiality in its engagements with suppliers and its decision making.

- Suppliers must avoid interactions with Society members of staff that may appear to prevent or prejudice that person's ability to act in the best interests of the Society.
- All potential conflicts of interest (e.g. family relation or business relationship) must be disclosed in a fully transparent manner to the Society's Procurement team.
- To make sure that we can build strategic relationships with our suppliers and engage appropriately with them, suppliers must also disclose all business activities that might result in a conflict of interest in relation to arrangements between the supplier and the Society.

4. Labour practices

Principle 3: The Society's suppliers shall respect and support the protection and support of universally recognised human rights and make sure they are not complicit in violations of human rights.

The Society believes in fair and ethical employment practices and to upholding the human rights of workers. For simplicity, this Code of Conduct refers to suppliers' 'workers' but its requirements apply to any employee, worker or contractor engaged by the supplier in connection with the provision of goods or services to the Society irrespective of their technical employment status.

We therefore expect:

(i) Wages and benefits of employment

Wages and benefits paid for a standard working week must meet, as a minimum, national legal requirements (and all supplier workers working regularly on Society premises must be paid at least the Living Wage, as defined by the Living Wage Foundation). All workers should be provided with understandable written information about their employment conditions and wages before employment. Deductions from wages as a disciplinary measure is not permitted except to the extent required by law. Suppliers must make sure overtime work is used responsibly and compensated fairly. For each pay period, workers shall be provided with a timely and understandable wage statement that includes sufficient information to verify accurate compensation for work performed.

(ii) Freedom of association and worker representation

Suppliers should respect the rights of workers to join or form an association of their choosing (such as workers' council, union, or workers' association) and collective bargaining. Where the law restricts the right to freedom of association and collective bargaining, the supplier should facilitate, and not hinder, the development of parallel means for independent and free association and bargaining. Worker representatives must not be discriminated against and have access to carry out their representative function in the workplace.

(iii) Whistleblowing

We will not tolerate any attempt by our suppliers to intimidate and retaliate against workers who report actual or suspected misconduct in good faith.

(iv) No child labour

There shall be no recruitment of child labour. Suppliers shall not recruit or employ any workers under the age of 16 (or, if higher, the applicable legal minimum age for workers). Persons aged under 18 shall not be employed at night or in hazardous conditions.

(v) Employment is freely chosen

All work must be conducted on a voluntary basis and not under threat of any penalty or sanctions. There shall be no forced, bonded or involuntary prison labour. Suppliers should not utilise forced labour, i.e. all work or service which is exacted from any person under the threat of any penalty and for which the said person has not offered themselves voluntarily. Workers must be free to leave their employer after reasonable notice.

(vi) Modern slavery

Suppliers shall comply with all applicable anti-slavery and human trafficking laws, statutes, regulations and codes from time to time in force; and not engage in any activity, practice or conduct that would constitute an offence under sections 1, 2 or 4 of the UK's Modern Slavery Act 2015, as amended, or other laws or regulations in effect. Suppliers shall include in their contracts anti-slavery and human trafficking provisions that are at least as onerous as those set out in this Code of Conduct and shall implement due diligence practices to support this. Suppliers shall notify the Society as soon as they become aware of any actual or suspected slavery or human trafficking in any supply chain connected to the Society.

(vii) No discrimination

We will not tolerate discrimination by our suppliers against their workers or applicants for employment because of race, national or ethnic origin, gender, pregnancy, marital or parental status, age, disability, religion or belief, sexual orientation or any other protected characteristic specified under applicable anti-discrimination law.

(viii) Behaviour in the workplace

Suppliers must maintain a respectful and dignified relationship with their workers, free from harassment, bullying or intimidation.

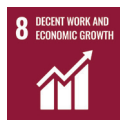
(ix) Reasonable working hours

Suppliers shall make sure workers don't work hours in excess of the limitations set by relevant laws and regulations. All overtime work is voluntary and other than for extraordinary situations, all workers are entitled to at least one day off in every seven day period.

The above requirements reflect the Society's support of the following UN Sustainable Development Goals:



We want our suppliers to comply with requirements in relation to diversity and non-discrimination.



We want to promote better working conditions and sustainable livelihoods for workers in our supply chain, specifically making sure that employment is freely entered into, there's freedom of association in the workplace, work settings are safe and hygienic, living wages are paid, there's no child labour, there's no discrimination in the workplace, and working hours are not excessive.



We are committed to upholding human rights and fully support the UN Universal Declaration of Human Rights, the International Labour Organisation Core Conventions and the UN Guiding Principles on Business and Human Rights within our own business and our supply chain. We are committed to creating an inclusive environment for colleagues and workers in our supply chains.

5. Health and safety

Principle 4: Suppliers must provide a healthy and safe working environment for their workers by observing the laws concerning health and safety in the workplace.

The Society considers providing a safe environment and complying with health and safety requirements to be a moral duty for all employers.

We therefore expect:

(i) Occupational safety

Suppliers shall control workers' exposure to potential safety hazards (e.g. electrical and other energy sources, fire, vehicles, and fall hazards) through proper design, engineering and administrative controls, preventative maintenance and safe work procedures and ongoing safety training. Where hazards cannot be adequately controlled by these means, suppliers shall provide workers with appropriate, well-maintained, personal protective equipment and educational materials about risks to them associated with these hazards. Workers shall not be disciplined for raising safety concerns and shall be encouraged to raise safety concerns.

(ii) Emergency preparedness

Suppliers shall identify and assess potential emergency situations and events and minimise their impact by implementing emergency plans and response procedures including: emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate fire detection and suppression equipment, adequate exit facilities and recovery plans. Such plans and procedures shall focus on minimizing harm to life, the environment and property.

(iii) Occupational injury and illness

Suppliers shall put procedures and systems in place to prevent, manage, track and report occupational injury and illness including provisions to: encourage worker reporting, classify and record injury and illness cases, provide necessary medical treatment, investigate cases and implement corrective actions to eliminate their causes, and facilitate the return of workers to work.

(iv) Industrial hygiene

Suppliers shall identify, evaluate and control workers' exposure to chemical, biological and physical agents. Suppliers must use engineering or administrative controls to control overexposures. When hazards cannot be adequately controlled by such means, Suppliers shall protect worker health by adopting appropriate personal protective equipment programs.

(v) Sanitation, food, and housing

Workers must have free and unrestricted access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities. Worker dormitories provided by suppliers or labour agents shall be clean and safe, and include appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges.

(vi) Health and safety communication

Suppliers shall provide workers with appropriate workplace health and safety training in their primary language. Health and safety related information shall be clearly posted in any facility operated by the supplier.

The above requirements reflect the Society's support of the following UN Sustainable Development Goals:



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We are committed to upholding human rights and fully support the UN Universal Declaration of Human Rights, the International Labour Organisation Core Conventions and the UN Guiding Principles on Business and Human Rights within our own business and our supply chain. We are committed to creating an inclusive environment for colleagues and workers in our supply chains.

6. Environment

Principle 4: Environment and climate protection as well as the responsible use of natural resources are important parts of our suppliers' responsibility toward the environment and society.

Suppliers shall commit to minimising the adverse effects of their operations on the community, environment and natural resources and to safeguarding the health and safety of the public from such adverse effects.

We therefore expect:

(i) Environmental permits and reporting

All required environmental permits (e.g. discharge monitoring), approvals and registrations are to be obtained, maintained and kept current and associated operational and reporting requirements are to be followed.

(ii) Pollution prevention and resource reduction

The use of resources and generation of waste of all types, including water and energy, is to be reduced or eliminated at the source or by practices such as modifying production, maintenance and facility processes, materials substitution, conservation, recycling and re-using materials.

(iii) Hazardous substances

Chemicals and other materials posing a hazard if released to the environment are to be identified and managed to ensure their safe handling, movement, storage, use, recycling or reuse and disposal.

(iv) Wastewater and solid waste

Suppliers shall implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle solid waste (non-hazardous). Wastewater generated from operations, industrial processes and sanitation facilities is to be monitored, controlled and treated as required prior to discharge or disposal. In addition, measures should be implemented to reduce generation of wastewater.

(v) Air emissions

Air emissions of volatile organic chemicals, aerosols, corrosives, particulates, ozone depleting chemicals and combustion by-products generated from operations are to be routinely monitored, controlled and treated as required prior to discharge. The supplier shall conduct routine monitoring of the performance of its air emission control systems.

(vi) Energy consumption and 'greenhouse gas' emissions

Energy consumption and 'greenhouse gas' emissions are to be tracked and documented at the facility and/or corporate level. Suppliers are expected to look for cost effective methods to improve energy efficiency and to minimise their energy consumption and 'greenhouse gas' emissions.

(vii) Responsible sourcing of minerals

Suppliers shall have a policy to reasonably assure that the tantalum, tin, tungsten and gold in the products they manufacture does not directly or indirectly finance or benefit armed groups that are perpetrators of human rights abuses. Suppliers shall undertake due diligence on the source and chain of custody of these minerals and make their due diligence measures available to customers upon customer request.

(viii) Protection/enhancement of biodiversity

Suppliers are expected to track, document and advise the Society of any potential threats to biodiversity that arise as a result of discharging the contract. Suppliers should promote ways of working that enhance biodiversity through the delivery of goods and services to the Society, as part of sustainability discussions in scheduled supplier management meetings.

The above requirements reflect the Society's support of the following UN Sustainable Development Goals:



Our suppliers should have measures to reduce both water use and the associated local environmental impact of wastewater generation.



We are committed to high standards of environmental protection outlined above. The Society is committed to being carbon neutral by 2030 and asks its suppliers to have a plan for making sure this is delivered.



We are committed to the practices of Reduce, Reuse, Recycle; this has helped us reach the stage already where we send zero waste to landfill. We only procure FSC™ certified paper for use within the Society and for communicating with members.



We are committed to high standards of environmental protection outlined above. The Society is committed to being carbon neutral by 2030 and asks its suppliers to have a plan for ensuring this is delivered.



We are committed to ensuring a sustainable future for our planet. The requirements set out in part 6 above are part of our solution for minimising our environmental impact.

7. Implementation

The Society will seek to ensure that the provisions of this Code of Conduct are implemented and observed in the contractual relationship with the Society.

We expect suppliers to explain the content of this Code of Conduct to workers that undertake activities for the Society and ensure that it is observed.

We ask that our suppliers seek to ensure that all parties within the supply chain that ends with the Society comply with this Code of Conduct.

We expect our suppliers to be responsive to any requests from us asking for further information about the matters covered in this Code of Conduct (including allowing us to review their policies and procedures and/or to perform on site audits to confirm compliance with requirements).

8. Contact

Suppliers should report to the Society any actual or suspected violation of this Code of Conduct or breach of any applicable law that involves or affects the Society. This also includes actual or suspected misconduct of the Society's staff.

Various reporting channels are available to suppliers and their workers for reporting violations of this Code of Conduct.

Our suppliers should feel able to bring these matters to their procurement contact, who are under a duty to pass on the information to appropriate senior management. If a supplier feels that this is an inappropriate route, they should (by phone, letter or email) bring the matter to the attention of the General Counsel.

Alternatively, suppliers may use the confidential 'whistleblowing' telephone service (0800 069 8728) to report matters of concern or email: **Procurementassurancesupplierselection@thecoventry.co.uk**

9. Supplier grievance process

As part of our responsible business commitment, Coventry Building Society will review and respond to grievances from current or prospective suppliers within 30 days of receipt. If any supplier has a concern regarding access to opportunities or the behaviour of the Society, please send a detailed description to **SRM@thecoventry.co.uk**

10. Supplier Diversity and Inclusion

Coventry Building Society is committed to encouraging and developing a truly diverse and representative supply chain that fosters new business innovations and drives value for all parties, members, and the community.

We believe in nurturing diverse and inclusive relationships. We define diversity as the organisation's profile in terms of:

- Whether the organisation is 51% or more owned, operated and controlled by black and minority ethnic individuals, women, people with disabilities, LGBTQ+ individuals or ex-forces individuals.
- Whether the organisation is a social enterprise.
- Business location(s). Local firms are defined as those within 50 miles of organisational headquarters
- Business size (Large (>250 employees & turnover >£50m), Medium (<250 employees & turnover <£50m), Small <50 employees & turnover <10m) and Micro (<10 employees & turnover <£2m).

Drawing strength from our differences allows us to benefit from a wider variety of perspectives and experiences, resulting in better decision making and increased engagement. We therefore will adopt the following principles and encourage our suppliers to apply the same principles to their supply chain.

(i) Increase opportunities for diverse suppliers

- a. Where possible, encourage diverse supply chains when seeking new suppliers to support business needs.
- b. Operate transparent and inclusive procurement practices.
- c. Reduce barriers to tendering, make the procurement process fair to all tenderers, and consider sourcing options with local and small businesses.

(ii) Track and measure diversity and inclusion success

- a. Integrate diversity and inclusion requirements into tendering processes.
- b. Measure current and potential suppliers against diversity strategies.

(iii) Provide diversity and inclusion knowledge sharing

- a. Develop and implement a supplier diversity training programme for procurement colleagues and their business stakeholders.
- b. State diversity and inclusion values and expectations to suppliers and ask suppliers to undergo diversity and inclusion training.

(iv) Share diversity and inclusion values

- a. Tackle stereotypes by engaging with, and if necessary, challenging, the way women and minority groups are portrayed (especially in advertising) by suppliers.
- b. Communicate with procurement colleagues and their business stakeholders, and existing and potential suppliers about supplier diversity objectives and the value of diverse workplaces.

The above requirements reflect the Society's support of the following UN Sustainable Development Goal:



We are committed to upholding human rights and fully support the UN Universal Declaration of Human Rights, the International Labour Organisation Core Conventions and the UN Guiding Principles on Business and Human Rights within our own business and our supply chain. We are committed to creating an inclusive environment for colleagues and workers in our supply chains.