



Vitality Supplier Code of Conduct

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A MESSAGE FROM
NEVILLE KOOPOWITZ,
CHIEF EXECUTIVE OFFICER

Foreword

At Vitality, we're very clear on what we're all about: to make people healthier and to enhance and protect their lives.

We've designed our entire business model and operations around this core purpose. We call it creating Shared Value. It incentivises and rewards our members for good lifestyle choices. This helps them build healthy habits for life, resulting in better long-term health outcomes.

A key element in creating shared value is to commit ourselves to the very highest levels of honesty and integrity, right across all areas of our organisation.

We look for the same level of commitment from all our suppliers, whom we see as an extension of our business. We also look for organisations that show:

- **A cultural fit:** We pride ourselves in being a catalyst for better, making it vital that we work with like-minded organisations.
- **Excellence:** We aim to offer sector-leading service right through the supply chain, so that we can all deliver the highest quality to our members.
- **Expertise:** We want suppliers who are industry experts and can provide us with advice and support to improve how we serve our members.
- **Innovation:** Our suppliers should always be looking for new ways to make our business better; and
- **They are a force for good:** We want to work with suppliers who are as purpose-driven as we are, to help society move towards a more sustainable future.

I repeat, we're totally committed to the highest professional, legal, environmental, social and ethical standards, both inside and outside the workplace. We expect the same high standards from our suppliers. This Code of Conduct explains those needs in more detail.

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Purpose

The Vitality Supplier Code of Conduct expresses the heart and soul of Vitality when it comes to any contractual arrangement. The code outlines what Vitality believes in, how our employees view and conduct themselves in regard to our Supplier base, outlines the way Vitality will interact with Suppliers globally, and outlines how our Suppliers can expect to be treated.

Compliance with the Supplier Code of Conduct

This Supplier Code of Conduct sets out the standards of business conduct, which we ask all our suppliers and any third-party subcontractors to comply with. We will reference this code of conduct within our contractual arrangements with you. We expect you to monitor your own compliance with this code. This includes keeping records that show your compliance to this code. If you know of any actual or potential breaches, please report them as soon as possible to sourcing@vitality.co.uk

Vitality also reserves the right, upon reasonable notice, to check your compliance with this code at any time.

If you are in breach of the code, you will need to take all reasonable measures to comply fully with the code. Failure to adhere to this code is considered a material breach of contract and may result in termination of your contract.

Our commitment to you

Vitality seeks to create an environment that promotes the value of "Healthy and Happy", Vitality adheres to and rewards ethical conduct as practiced by all members of the Vitality workforce resulting in a cooperative working environment in which the dignity of each individual is respected.

All Vitality staff are expected to treat others as they themselves expect to be treated, including Suppliers and other external entities doing business with the Company.

We will:

- always strive to put the customer first.
- support an inclusive and ethical supply chain.
- support viable opportunities to reduce environmental and climate impacts and to preserve our planet and natural resources.
- share expertise in developing innovative, high-quality solutions and in managing risk effectively.
- work with you, and others in your markets, to achieve the best value for our customers - in terms of price, quality, and social impact.
- build strong, collaborative relationships with our strategic suppliers and help you to understand the environment in which we operate so that you can meet our needs and our customers' needs.
- provide clear guidance about our payment procedures.
- report on how we're helping suppliers to adopt this code, every year.
- regularly review this code and revise it as our business continues to evolve.



Your commitment

We expect your commitment to the provisions of this code, they constitute minimum and not maximum standards, and this code should not be used to prevent you from exceeding these standards. Suppliers who adhere to this code are expected to comply with national and other applicable law and, where the provisions of law and this code address the same subject, to apply that provision which affords the greater protection.

We need you to:

- adhere to this policy.
- have a responsible business strategy and transparent reporting, and where applicable, a responsible investment policy, appropriate to the size and nature of your business.
- fully comply with internationally recognised environmental, social and corporate governance standards (ESG standards) and applicable laws.
- make your workforce aware of this code, or your own policy, if this is to a higher standard. (Your workforce includes those not employed directly i.e., agency staff, contractors and subcontractors).
- provide your workforce with the appropriate tools and training to drive continuous improvement.

Suppliers

To give us a competitive edge in the market, we source suppliers who can match the pace of our business and offer commercial innovation. To manage costs, we limit the number of suppliers we work with and only choose suppliers who can give us sustainable value. To benefit our members, we only select suppliers who meet strict levels of quality and delivery.

We have a thoroughly governed and consistent approach to how we choose and work with suppliers. This enables us to meet our regulatory obligations.

We are committed to developing healthy relationships with our suppliers. This includes regular analysis to measure your impact on the business and to make sure we continue to work with you effectively and appropriately.

We value our suppliers, so each year we host a Supplier Awards ceremony. These are a great opportunity to update you on the current business strategy and, more importantly, recognise suppliers for their outstanding contributions.

Outsourcing

We have an Outsourcing Committee that provides senior management with oversight of all outsourcing activity carried out by Vitality.

Outsourcing is fully defined in the Outsourcing Policy. Here's a brief definition:

"An arrangement of any kind between Vitality and a third-party supplier, who perform a function or activity that Vitality could reasonably perform itself."

The Outsourcing Committee aims to make sure any such outsourcing is performed in accordance with the standards set in the Outsourcing Policy. By meeting these standards, we can fully meet the obligations set out in the FCA's Handbook and the PRA Rule Book.

The Outsourcing Committee's main objectives are:

- to examine the suitability of new outsourcing arrangements, the performance and risk profile of current arrangements and the management of ending relationships.
- to review any Vitality Benefit Partners and third-party suppliers who are considered critical to the business. We'll review them in the same way we review Outsourcing Suppliers.

Competition and anti-trust

We expect you to only seek competitive advantage legally and not in a way that could prevent, restrict, or distort competition within the common market or a substantial part of it. We expect you not to share information (including pricing information) or agreements with competitors, customers, suppliers, or other business partners in any way that could be deemed as anti-competitive.

Bribery and corruption

We expect you to not offer any form of gift or hospitality to a Vitality employee for the purposes of influencing any business decision. We expect you to conduct yourselves to the highest ethical standards and comply with relevant legislation on bribery, corruption and prohibited business practice, particularly the UK Bribery Act, 2010.

Financial crime

Vitality has a zero-tolerance approach towards acts of financial crime including, but not limited to, bribery and corruption, facilitation of tax evasion, fraud, market abuse, money laundering and financial sanctions. We expect the same of our suppliers. Suppliers must comply with all applicable financial crime laws and regulations. We expect you to have in place, and maintain, reasonable policies and procedures to prevent and to ensure compliances.

Data

We expect you to take all possible measures to protect Vitality personal data when accessing, transferring, processing, or storing it. This includes always observing UK [data protection legislation](#) and [UK GDPR](#), and any local legislation (if this is to a higher standard). Where an issue regarding Vitality's personal data does arise, we expect you to inform us as soon as possible.

Evidence required from our Suppliers

- A data protection policy, and measures to make sure employees adhere to the policy.
- Privacy Notice (Articles 12, 13 and 14). An essential part of compliance, which serves two purposes: to promote transparency, and to provide individuals with more control over the way their data is used.
- A data retention policy (Articles 5, 13, 17 and 30). A data retention (or records retention) policy outlines the organisation's process for retaining information.
- Details of the training given to staff: the frequency, the number of staff who have completed it and the number of staff who haven't.
- Details of the registration with the data protection supervisory authorities where the data is processed.
- Details of any data incidents and breaches (including 'personal data breaches' as defined in the UK GDPR/EU GDPR, whether reported or otherwise).
- An inventory of processing activities.

You need to keep business records of our relationship for the required period, as set out in UK data protection legislation, or any local legislation (if this is to a higher standard). Records should accurately reflect all business transactions.

You should return or safely dispose of any data at the end of our relationship.

If you know of any actual or potential data breaches, please report them as soon as possible to.

Employment standards

We expect you to operate to the highest standards when it comes to looking after your employees

Freedom of Association

We expect you to maintain constructive relationships with your employees. This includes observing local legislation regarding collective representation.

Diversity and equality

We expect you to treat, reward, and protect all your employees equally regardless of ages, sex, race, nationality, disability, gender reassignment, sexual orientation, pregnancy, maternity, religion or belief, or marriage/civil partnership.

Workplace

We expect you to provide a working environment free from harassment, verbal, visual or physical abuse, or any behaviour that creates an intimidating, offensive or hostile workplace.

Pay and benefits

We expect you to observe local regulations on pay and benefits. At a minimum this must be enough to meet basic needs of employees and their families.

Working hours

We expect you to observe local regulations on working hours. This includes making sure employees are entitled to annual leave and are allowed at least one non-working day per seven days on average.

Forced or involuntary labour

In line with the Modern Slavery Act, 2015, we expect you to only employ people who have freely chosen to work. You must not engage in any form of human trafficking or forced, involuntary or debt bonded labour.

Child labour

We expect you to avoid all use of child labour. All local regulations regarding child labour must be observed. No person under the age of 15 (or where it is higher, the local mandatory school leaving age) must be employed.

We expect suppliers who employ juveniles (individuals younger than 18 but higher than the legal minimum age) to observe the ILO Minimum Age Convention No. 138. This makes sure juveniles don't take on work that may put their health, safety, or morals at risk. It is also expected that juveniles will not work overtime or at night.

Referencing

We expect you to make reasonable checks to make sure your employees have a legal right to work in that country.

Health, safety, and environment

We expect you to maintain a safe and hygienic working environment that ensures the health, safety and welfare of your people, visitors, and contractors. This would be delivered through a formal health and safety management system such as Occupational Health and Safety Assessment Series (OHSAS) 18001.

We also expect you to commit to good environmental practices, such as seeking energy efficiency and reducing waste. This should be delivered via an environmental management system that meets the standards set out in ISO 14001.

Vitality has a sustainability ambition to be carbon neutral by 2025. This includes having an engaged and mobilised green workforce, promoting green living for our members as part of new product offerings, and more importantly considering the way we do business. To achieve this ambition Vitality will work with Suppliers who have sustainability targets and objectives that align with our principles.

We expect you to commit to support this ambition by providing details of your own green credentials and striving to meet our ambitions.

Tax compliance

We expect you to remain compliant with changes to UK tax law. We won't work with suppliers who engage in practices which may constitute tax evasion or involve workers not being taxed appropriately. We expect you to have procedures in place to help prevent tax evasion and other offences, as set out in the Criminal Finances Act, 2017. We expect individuals involved in providing services to Vitality to be paid subject to deduction of PAYE tax. Individuals can only provide your services via a personal service company (PSC), Sole Trader or other type of intermediary within

our supply chain in exceptional circumstances. If you are providing services to Vitality which include a supply of labour through an intermediary (such as a PSC or Sole Trader), you must inform your Vitality Sourcing Business Partner services begin, so that compliance checks can be made.

If you're not sure whether you use a staffing arrangement affected by the off payroll working rules, you must talk to your Vitality Sourcing Business Partner. Failure to do so could place your organisation and Vitality at risk of being in breach of tax law. We reserve the right to ask for the immediate removal of any individuals found to be providing services via a PSC without approval within the supply chain.

Conflicts of interest

We expect you, and anyone acting on your behalf, to avoid any conflicts of interest that may adversely influence your business relationship with us. Where a conflict does arise, you must inform us as soon as possible.

Business and financial records

Vitality Corporate Services Limited and companies we work with must keep accurate records of all matters related to business between us. This includes the proper recording of all expenses and payments. Permitted expenses must be in line with Vitality's Expense Policy. If we are being charged for your company employee's time, time records must be complete and accurate. You should not delay sending an invoice or do anything else that would shift an expense to a different accounting period.

Business Continuity Planning

We expect you to be prepared for any disruptions to your business (e.g., natural disasters, terrorism, software viruses, illness, pandemic, infectious diseases). This includes having documented business continuity plans which are regularly tested for effectiveness.

Environmental, social, and corporate governance (ESG)

All businesses have a responsibility to proactively identify, manage, and reduce their environmental impact. This includes greenhouse gas emissions, energy consumption, air and water pollution, water usage, waste (including hazardous), hazardous chemicals and impacts on nature and biodiversity.

We expect you to understand these impacts and to:

- abide by all legislation and regulations related to environmental protection, climate-related disclosures and transition plans that apply to your organisation.
- have a written Environmental Sustainability Policy which is appropriate and relevant for your organisation. It should include how your organisation is working to measure and reduce your environmental impacts, considering the lifecycle of your products and services, and supporting the transition to a low-carbon economy.
- understand and reduce the key physical and transition risks that climate change poses to your business.

We encourage you to:

- make sure that climate change and a nature-positive approach is embedded within the strategy and governance of the organisation, so that related risks and opportunities are managed appropriately.
- work with us to help reduce our combined environmental impacts (including carbon reduction, energy consumption, travel, water consumption and operational waste).
- be certified (or work towards certification) to a formal Environmental Management System Standard such as ISO14001 or ISO50001.

Proprietary information

We expect you to treat any information shared during our relationship to remain confidential. It should never be used for personal or commercial gain.

Government, media, and investor relations

You should always get our written consent before making any form of public announcement or statement to the government, media, or investors (unless it's needed by law or regulation). This includes any use of the Vitality brand.

Communities

We expect you to recognise your responsibilities to the communities in which you operate your businesses. We encourage you to contribute to the social and economic development of these communities.

Customers

We should work together to consistently deliver good customer outcomes and always act in the customer's best interest. We treat all customers with respect, and we expect our suppliers to do the same. This is particularly important when it comes to vulnerable customers - we should have processes in place to identify them, protect them, and treat them fairly.

Communications and training

We expect you to communicate this code to your employees and make sure they fully understand it. This includes providing your employees with any necessary training so they can work to this code.

We expect you to communicate and enforce this code with any subcontractors and business partners who have responsibilities for fulfilling your contract with us.

Continuous improvement

We expect our suppliers to use recognised industry practices in the delivery of goods and services as well as use innovation to continually improve these goods and services. We expect our Suppliers and Channel Partners to work with Vitality to effectively manage performance and reduce risk in accordance with our Supplier Relationship Management Requirements and subcontractors who work with Vitality.

The Sourcing team and business stakeholders manage and improve performance. One of the ways we do this is by 360 Supplier Relationship surveys. Key suppliers are surveyed annually, and everyone else is surveyed on an ad-hoc basis.

Whistleblowing and reporting actual or potential misconduct

If you believe that a Vitality employee, or anyone acting on our behalf has engaged in illegal or otherwise improper conduct, you should report the matter to Vitality. We want you to feel able to raise any issues of compliance or ethics you experience with Vitality and feel confident that we'll take your concerns seriously and handle them appropriately.

The first step is to raise any concerns with the Vitality employee's manager, or with Vitality's Sourcing Director (chris.wilson@vitality.co.uk). If you are uncomfortable speaking to anyone in person, you can call Vitality's confidential whistleblowing hotline on **0800 333 362** or email whistleblowing@vitality.co.uk.

Vitality will not tolerate a reprisal by any of our employees against suppliers for reporting a concern in good faith or assisting with an investigation.

If you have any questions about our Supplier Code of Conduct, please contact: sourcing@vitality.co.uk

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