

External Supplier Assurance Standard

We recognise the potential for procurement and supply chain practices to drive change in behaviours and outcomes in connection with various areas of sustainability. We are committed to implementing practices that support the 10 principles of the United Nations Global Compact with respect to human rights, labour, environment and anti-corruption. We look to encourage our suppliers to adhere to responsible business standards and we apply these standards when determining what suppliers we will do business with. Funding Circle is committed to social, environmental and legal ethical practices and upholds a social responsibility to meet societal obligations and expectations. Funding Circle aims to eliminate all unethical behaviours through the supply chain and use the following measures:

- Supplier assurance, including requiring information on ethical practices in supplier quotations and RFPs, supplier risk assessment, supplier monitoring, sustainability KPIs and contractual clauses that support ethical procurement;
- Application of The Chartered Institute of Purchasing and Supply (United Kingdom & Central Europe): [CIPS Code of Conduct](#);
- Application of The Institute of Supply Management (United States of America): Principles & Standards of Ethical Supply Management Conduct; and
- Application of the Funding Circle Code of Conduct in respect of Funding Circle employees involved in the procurement process.

Supplier Assurance

We ensure appropriate due diligence is conducted on all suppliers to identify and mitigate against any supply base risks to Funding Circle's standards for responsible practices. This process involves a due diligence questionnaire sent to suppliers covering financial viability, staff and training, internal controls and operations, business continuity and disaster recovery, corporate social responsibility, modern slavery, legal and compliance practices, and insurance. We regularly review supplier performance pursuant to a supplier management process, and a Supplier Risk Sub-Committee consults on a bi-monthly basis with the following responsibilities:

- To review supplier risk classifications based on service impact assessments;
- To review any risks identified through the due diligence and escalation process;
- To review any performance issues raised through the supplier management process;
- To assess, advise and oversee the execution of the responsible business strategy in connection with suppliers and procurement.

Basic Ethics of Procurement

We expect all parties involved in our procurement process to adhere to our ethical procurement standards, in particular we assess suppliers practices in connection with the following:

- **Environment:** we request suppliers environmental policies and associated targets;
- **Anti-bribery and Corruption (ABC):** we assess compliance with ABC regulations, employee training on ABC, AML, and information security;
- **Human Rights:** we assess suppliers for compliance with the Modern Slavery Act where applicable or similar standards, and seek to ensure that slavery does not exist in their supply chain and where applicable with global supplier locations;
- **Diversity and Inclusion:** we assess suppliers' diversity and inclusion policies, and request details of any monitoring statistics in respect of employee diversity;
- **Social Impact:** we assess suppliers' corporate social responsibility practices, including percentage of SMEs that the suppliers use; and
- **Service and Operational Responsibility:** we assess supplier employee selection, development and training practices, business resilience, health and safety, information security, legal and compliance programmes and insurance sufficiency.

We encourage all parties involved in the procurement process to adhere to the following standards:

- Perform respective obligations with integrity and honesty at all times and be transparent - inform and share all the provisions and information regarding the implementation of procurement to all providers of goods and services;
- Always strive for genuine, fair and transparent competition, refraining from influencing others directly or indirectly - ensure all potential providers of goods and services have been given the same opportunities and have been selected based on meeting the defined requirements;
- Be accountable and declare any personal or conflict of interest that might affect, or be seen by others to affect, impartiality in decision making;
- Reject any business practice which might reasonably be deemed improper, unethical and detrimental to the procurement process;
- Avoid and prevent the occurrence of corruption, collusion and nepotism in the procurement process;

- Employees are encouraged to report any occurrence of corruption and coercion to their line manager or via an dedicated anonymous whistleblowing email or phone number;
- Suppliers are encouraged to report any suspected occurrence of corruption or coercion to their procurement contact or legal-uk@fundingcircle.com;
- Ensure all gifts and hospitality offered or accepted are disclosed and recorded centrally in line with the Gift and Hospitality policy; and
- Uphold all standards as outlined in all the procurement policy documents when engaging with procurement activities.

Supplier Information Security

All suppliers or third parties that require access to Funding Circle's information systems as part of the service that they provide or if they handle data on behalf of Funding Circle, must comply with all Information Security Policies. Details of Funding Circle Infosec policies can be provided to the supplier on request. During the term of any supplier contract, the service is monitored and reviewed on a continuous basis to ensure that information security requirements are being satisfied. Suppliers and third parties will be asked where appropriate to demonstrate their compliance with the policies.

Anti-Bribery and Corruption

Funding Circle takes a zero-tolerance approach to bribery and corruption. In the UK we are bound by the Bribery Act 2010, in respect of our conduct both at home and abroad. To ensure the risks relevant to bribery and corruption are properly managed, Funding Circle is committed to the following principles:

- Procedures to prevent bribery by persons associated with Funding Circle are utilised proportionate to the bribery risks Funding Circle faces and to the nature, scale and complexity of the business activities;
- Senior management are dedicated to preventing bribery by persons associated with Funding Circle - ensuring a culture within the business in which bribery is never acceptable;
- Annual risk assessments are conducted to assess the nature and extent of Funding Circle's exposure to potential external and internal risks of bribery on its behalf by persons associated with it;
- Due diligence procedures are applied, taking a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the business, in order to mitigate identified bribery risks;

- Ensuring the bribery prevention policies and procedures are embedded and understood throughout the business through internal communication, including training, that is proportionate to the risks it faces; and
- Monitoring and reviewing procedures designed to prevent bribery by persons associated with the business and making improvements where necessary.

For further information, please refer to the Global Anti-Bribery & Corruption Policy.