

Third Party Supply Policy

The way we engage and manage our suppliers across the Group is crucial to our ability to ensure that the organisation is protected from the potential combination of reputational risk, operational problems and financial risk.

The Third Party Supply Policy is designed to ensure that the Business Units have an effective approach in place to:

- Undertake due diligence on the selection of appropriate suppliers that meet our needs in respect of the quality of service/goods whilst ensuring all relevant checks are conducted;
- Ensure that material supplier relationships are scrutinised and appropriately managed;
- Create audit trails throughout the lifecycle of the supplier engagement and contracting process which meets all records retention requirements.

The Third Party Supply Policy sets a minimum standard for the due diligence, contracting and management of suppliers across the Group. For all Third Party Supply arrangements, Business Units must ensure that:

- Suppliers are assessed for 'criticality' and recorded and monitored appropriately;
- An appropriate selection and due diligence process is in place for suppliers;
- An assessment of the nature and sensitivity of any data or/and information and of any system or/and software access and connectivity is undertaken to ensure identified risks are mitigated and controlled in line with Group and local requirements;
- An appropriate contract is put in place that contains adequate commercial protection, protects the Prudential brand and provides termination and exit provisions as required with the supplier;
- Suppliers are appropriately assessed on an on-going basis to determine their compliance with contractual obligations and identify and escalate any risks, unsatisfactory performance and/ or material Changes;
- Suppliers are exited appropriately, in line with the provisions of the Contingency Plan and/ or contracts;
- All applicable regulatory requirements are met;
- The Group Approvals procedure is adhered to for supplier contract awards;
- Supplier arrangements are entered with due consideration of the Group Code of Business Conduct and all other relevant Group Policies;
- Appropriate evidence of selection and due diligence, approvals and ongoing monitoring processes is documented and retained to enable retrospective review; and in cases where a perpetual contract is applied for a new Third Party Supply arrangement, approval must be sought from an appropriate governance forum before contracts are signed, in alignment with the Group Approval Limits.