



permanent tsb

Permanent TSB's

SUSTAINABLE SUPPLIER CHARTER





Our Commitment To Building A Sustainable Business

The global climate crisis has elevated the sustainability agenda not only in Ireland, but around the world. We see it in the continued shift in consumer trends and the growing demand for sustainable products and services – not just in the financial services industry, but more broadly across other sectors. The conversation is only getting started.

Now more than ever businesses, such as Permanent TSB, have a significant role to play in supporting our stakeholders to navigate the green transition and to embrace the opportunities that sustainability brings.

Sustainability is about more than just being green. For us, it is about doing everything we can to support our customers, colleagues and communities, while ensuring that we conduct and manage all areas of our business in a responsible way.

Of course, we can only do that if we are focused on the right things.

In 2021, we engaged stakeholders to complete a materiality assessment to support us in identifying the Environmental, Social and Governance (ESG) issues that are material to our business. The findings were insightful, and helped guide and inform the development of an overarching Sustainability Strategy for the organisation.

Our Sustainability Strategy is built around four pillars:

- » Addressing Climate Change & Supporting The Transition To A Low Carbon Economy
- » Elevating Our Social Impact & Connecting With Local Communities
- » Enhancing Our Culture & Investing In Our People
- » Championing Our Customers & Creating A Bank That Is Fit For The Future

Sustainable Procurement is a key area of focus for the Bank under the Addressing Climate Change & Supporting The Transition To A Low Carbon Economy pillar of our Strategy.

We insist that all of our business activities are conducted lawfully, sustainably and above all, ethically. This Sustainable Supplier Charter sets out our expectations, and is one of the many ways in which we ensure that we purchase goods and engage with our suppliers in a responsible way, as we focus on continuous improvement and further integrating sustainability into all areas of our business.

You can learn more about the Bank's commitment to building a sustainable business by visiting our website www.permanenttsb.ie/responsible-business/

Our Commitment To Sustainable Procurement



Sustainable procurement is at the heart of our Sustainability Strategy and ensuring that we purchase goods and engage with our suppliers in a sustainable way is fundamental to its delivery. We set high standards for ourselves and for you as our supplier, as we consider you to be an extension of our wider banking team.

We insist that all of our business activities are conducted lawfully, sustainably and above all, ethically. This Sustainable Supplier Charter acts as a Code of Conduct and details what is expected from you with regard to business practice and your responsibilities as a supplier [to] of Permanent TSB. It has been prepared in line with our Third-Party Risk Management Policy and our membership to the Financial Supplier Qualification System (FSQS), an online platform where suppliers are encouraged to submit their compliance data and sustainability information relating to their organisations.

If you have any questions regarding this Charter, please contact our Procurement Team at procurement@permanentsb.ie

Scope

All suppliers are expected to engage and comply with this Sustainable Supplier Charter, in addition to the requirements set out within your respective Supplier Agreement(s), Permanent TSB Policies and the applicable laws and regulations in the jurisdictions you operate in.

Support

We expect all of our suppliers to meet, or in some cases exceed, all provisions set out within this Sustainable Supplier Charter. We are committed to supporting you in navigating the green transition and to working alongside you to meet our sustainable procurement goals and objectives.

Compliance

Where you may not yet be compliant with the expectations set out within this Charter, you are obliged to let us know, so that our team can do everything they can to support you in developing solutions for those areas where you may have a gap. Failure to comply within a reasonable time frame may result in review of the Terms of your Supplier Contract with Permanent TSB. This may include a reduction to the goods or services we require from you and may ultimately impact ability to engage in future contracts.

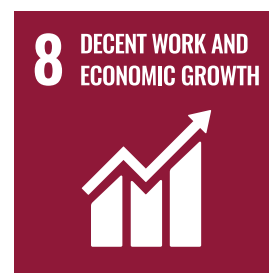
Sustainable Supplier Charter

We have categorised our Sustainable Supplier Charter into the following seven core areas aligned to ISO 20400, which outline our expectations of you as a supplier of Permanent TSB. They include:

- Environmental
- Human Rights
- Operating Practices
- Labour Practices
- Supply Chain
- Social
- Health, Safety & Wellbeing

These core areas are underpinned by the United Nations Sustainable Development Goals, or SDGs as they are more commonly known. The SDGs were launched in 2015 to provide a plan of action for people, planet and prosperity. The goals act as an urgent call for action for countries to work together to develop strategies to tackle some of the world's most critical issues.

While we recognise that we may contribute to all 17 SDGs in some way, we have identified six as being core to our [Sustainability Strategy](#).



Environment

Permanent TSB recognises our environmental impact and is mindful that making a positive contribution to the economy through consideration of environmental issues across each channel of our organisation is fundamental to running our business in a responsible and sustainable way.

At a minimum, we expect our suppliers to:

- Establish a Sustainability Strategy which outlines how your organisation is working towards reducing its environmental impact.
- Introduce an Environmental Policy and/or Statement which is appropriate and relevant for your operations.
- Comply with relevant environmental laws and regulations in the jurisdiction in which you operate in.
- Measure your organisation's environmental footprint such as energy, water and waste, and put in place measures to reduce this impact.

In addition, we encourage our suppliers to:

- Adopt an Environmental Management System which is designed in line with ISO 14001 Environmental Management programming.
- Adopt circular economy practices which aim to eliminate waste.
- Provide evidence of your commitment to reducing carbon emissions in line with targets set in your jurisdiction, including metrics and initiatives.

Human Rights

Permanent TSB recognise our responsibility to respect the human rights of every individual. The Bank ensures the protection of our colleagues' human rights through its Dignity and Respect Code and Equality through Diversity and Inclusion Charter. The Code and the Charter focus on the prevention of discrimination, the provision of equal opportunities and ensure that employees are treated with dignity and respect in the workplace.

We acknowledge our responsibility to respect human rights as set out in the International Bill of Human Rights and the eight fundamental conventions on which the United Nations Guiding Principles on Business and Human Rights are based. We will work to enforce these rights within our supply chain and encourage our suppliers to do the same. We have a zero-tolerance policy for human rights violations.

At a minimum, we expect our suppliers to:

- Ensure respect for all employees, while complying with applicable laws and legislation in the jurisdiction in which they operate.
- Prohibit child labour.
- Prohibit forced or compulsory labour, and/or labour held under slavery or servitude.
- Ensure wages meet legally binding minimum wage in the country you operate.
- Ensure working hours and overtime are in accordance with local regulation and industry practice.
- Prohibit mental, physical and verbal abuse, and put in place procedures to address this and have clear disciplinary and grievance procedures.
- Establish a procedure to encourage reporting of suspected wrongdoings/breaches and provide guidance on how to raise these concerns – 'Speak Up Policy'.

Operating Practices

Permanent TSB is committed to operating responsibly and conducting our business to the highest ethical and professional standards. We are similarly committed, under our Sustainability Strategy, to building trust and playing an active role in communities across the country.

We are focused on upholding the highest standard of conduct and behaviour among our people. This is not just a 'nice-to-have' – it is a commitment that underpins how we work together, our relationship with society, and, most importantly, how we build trust with our customers and play an active role in the communities in which we live and work.

At a minimum, we expect our suppliers to:

- Have in place an Anticorruption and Antibribery Policy and/or Statement.
- Provide guidance and training which takes a zero-tolerance approach to these actions.
- Prevent corruption by raising awareness and providing training, where appropriate.

In addition, we encourage our suppliers to:

- Prohibit inappropriate influence by stakeholders and behaviours such as manipulation, intimidation and coercion that can undermine your procurement process.
- Provide support to Small and Medium Enterprises (SMEs) that include raising awareness of sustainability issues and best practice, while also focussing on providing additional assistance or support, where required.
- Establish your own Code of Conduct/guidelines regarding Sustainability.

Labour Practices

Permanent TSB is an equal opportunities employer committed to creating a professional environment in which our employees feel valued.

At a minimum, we expect our suppliers to:

- Have in place a Diversity and Inclusion Policy and/or Statement.
- Foster and promote an inclusive, equitable and diverse working environment across your business through programmes and training.
- Treat all employees fairly and do not discriminate on the basis of gender, age, sexual orientation, race, religion, ability/disability, background or life experiences.

In addition, we encourage our suppliers to:

- Develop a Wellbeing Strategy or Policy which addresses physical, emotional and mental wellbeing in the workplace.

Supply Chain

Permanent TSB continues to enhance its Procurement and Sourcing Frameworks to ensure that they support our sustainability goals and objectives. Our Procurement Policy sets out a framework for engaging with our suppliers, including a commitment to procure goods, services and works from suppliers who can support the needs of our business in a sustainable manner. We expect our suppliers to place the same level of importance on their own supply chain, through ensuring the integration of responsible procurement practices.

At a minimum, we expect our suppliers to:

- Have in Place a Sustainable Procurement Policy and/or Statement.
- Have clear and fair payment policies/process for your own suppliers.
- Have open and transparent methods of communication with your suppliers to both improve operations and encourage best practice.
- Comply with consumer data protection and privacy laws applicable in your jurisdiction.
- Manage your supply chain to mitigate risk of breaching the expectations set out within this Charter.

In addition, we encourage our suppliers to:

- Support SMEs and your communities.
- Stay up to date with industry standards.
- Put in place your own Sustainable Procurement Framework in line with ISO 20400.

Social

With 98 branches nationwide, Permanent TSB is a local community bank whose purpose is to work hard every day to build trust with our customers. We are a community serving the community and our commitment to having a positive and meaningful impact in the communities in which we operate is a demonstration of that purpose in action.

At a minimum, we expect our suppliers to:

- Have in place a Community Policy, or similar.
- Engage in local initiatives which give back to the communities you operate in, while respecting the cultural, social and political diversity of the people who live and work in them.

In addition, we encourage our suppliers to:

- Invest in skills development and education in the areas which are important to you as an organisation.
- Where possible, contribute to development of innovative or low-cost technologies that can have positive impact on society.

Health, Safety & Wellbeing

The wellbeing of our employees throughout all stages of their career and personal lives is of paramount importance to us and we are committed to providing a safe working environment for all.

We all have a responsibility to protect ourselves, each other and our customers by ensuring we play an active role in making sure that the workplace remains a safe place for everyone.

At a minimum, we expect our suppliers to:

- Have in place a Health, Safety and Wellbeing Policy and/or Statement.
- Comply with the level of health and safety performance appropriate for your organisation (for example, OHSAS18001 certified) and to provide employees with the necessary training.
- Provide a safe working environment for all customers, employees and any subcontractors.
- Abide by local laws and regulations to ensure health and wellbeing for all customers, employees and any subcontractors.
- Complete an annual risk assessment to identify any hazards for all work activities including potential data breaches.
- Inform us of any incidents that may affect us in a timely manner.

In addition, we encourage our suppliers to:

- Be certified (or working towards certification) to ISO 45001, the Internationally recognised Occupational Health and Safety Management Standard.
- Have a dedicated Health and Safety Advisor or access to an expert.

Reporting

Suppliers who believe that a Permanent TSB employee, or anyone representing Permanent TSB, has engaged in illegal or improper conduct must report the matter.

Suppliers should also report any violation of this Charter. Reports may be made directly by email to procurement@PermanentTSB.ie

Permanent TSB's relationship with a supplier will not be affected by an honest report of potential misconduct.

Audit Investigation

Permanent TSB requires the rights to conduct an audit of our supplier (or our supplier's supply chain) as relevant, to ensure that our suppliers are acting in good faith and adhering to the relevant legislation.

If Permanent TSB has reasonable grounds to believe that a Third Party has engaged, and/or been in any violation of the above, Permanent TSB will either work with the supplier to rectify the violation, and/or terminate its Agreement.

Definitions & Acronyms



Definitions & Acronyms (1/3)

Term	Definition
Circular Economy	An economy that is restorative and regenerative by design, and which aims to keep products, components and materials at their highest utility and value at all times, distinguishing between technical and biological cycles (Ellen MacArthur Foundation).
Ethical Behaviour	Behaviour that is in accordance with accepted principles of right or good conduct in the context of a particular situation and is consistent with international norms of behaviour (ISO 26000).
Financial Services Qualification System (FSQS)	A community of financial institutions including banks, building societies, insurance companies and investment services, collaborating to agree a single standard for managing the increasing complexity of third and fourth-party information needed to demonstrate compliance to regulators, policies and governance controls (Hellios).
Hellios	Hellios is a supplier information and risk management company. Hellios collects, validates and monitors supplier information provided by relevant vendors (Hellios).
International Norms of Behaviour	Expectation of socially responsible organisational behaviour derived from customary international law, generally accepted principles of international law, or intergovernmental agreements that are universally or nearly universally recognised (ISO 26000).
ISO 20400	International guidance for sustainable procurement as issued by the British standards Institution (BSI) (ISO 20400).
Labour Practices	Practices relating to work performed within, by or on behalf of the organisation, including subcontracted work (ISO 26000).
Lifecycle	Consecutive and interlinked stages of a goods or services system, from raw material acquisition or generation from natural resources to final disposal (ISO 20400).
Procurement	Activity of acquiring goods or services from suppliers (ISO 20400).
Social Responsibility	<p>Responsibility of an organisation for the impacts of its decisions and activities on society and the environment, through transparent and ethical behaviour that:</p> <ul style="list-style-type: none"> • Contributes to sustainable development, including health and the welfare of society; • Takes into account the expectations of stakeholders; • Is in compliance with applicable law and consistent with international norms of behaviour; and, • Is integrated throughout the organisation and practised in its relationships. (ISO 26000).

Definitions & Acronyms (2/3)

Term	Definition
Supply Chain	Sequence of activities or parties that provides goods or services to the organisation (ISO 20400).
Sustainability	State of the global system, including environmental, social and economic aspects, in which the needs of the present are met without compromising the ability of future generations to meet their own needs (ISO Guide 82).
Sustainable Procurement	Sustainable procurement is defined by the United Nations Development Programme (UNDP) as ‘a means of ensuring the products and services we buy are as sustainable as possible, with the lowest environmental impact and most positive social results.’ (United Nations Development Programme).
Transparency	Openness about decisions and activities that affect society, the economy and the environment, and willingness to communicate these in a clear, accurate, timely, honest and complete manner (ISO 26000).

Definitions & Acronyms (3/3)

Term	Definition
BSI	British Standards Institution
CDP	Climate Disclosure Project
FSQS	Financial Services Qualification System
ILO	International Labour Organisation
ISO	International Organisations for Standardisation
JV	Joint Venture
KPI	Key Performance Indicator
PTSB	Permanent TSB
SDG	Sustainable Development Goals
SME	Small and Medium-sized Enterprises
SPF	Sustainable Procurement Framework
SRM	Supplier Relationship Management
TCO	Total Cost of Ownership
TPRM	Third Party Risk Management