



A GUIDE TO THE **FINANCIAL SUPPLIER QUALIFICATION SYSTEM**





INTRODUCTION

Phoenix Group is committed to introducing responsible business practices that make it easier for our suppliers to do business with us.

To support this commitment, we use the Hellios Financial Supplier Qualification System (FSQS).

It is designed to standardise and manage our requests for compliance and assurance data, along with other major financial services organisations that have adopted FSQS.

As the regulatory environment becomes more complex, it's important that we can demonstrate to our stakeholders that we're working responsibly

with our suppliers to minimise risk and protect customers. The introduction of the FSQS provides a standard and simple mechanism for collecting and managing supplier assurance information across Phoenix Group. The FSQS is also an integral part of our sourcing process.

Our Supplier Managers also use the system to find pre-qualified suppliers to be considered for new business. Qualified supplier status gives visibility across our procurement process, and therefore creates potential new business opportunities.

www.thephoenixgroup.com/site-services/company-registration.aspx

OUR COMPANIES



*A part of the Phoenix Group

BENEFITS FOR YOU

- A single online process to submit assurance and compliance data, reducing duplicate requests from Phoenix Group and other financial services customers who you provide goods and services to.
- Compliance requirements which are proportionate to the products and services being provided.
- An online supplier profile which can be updated throughout the year to demonstrate your ongoing compliance with our policies.
- Qualification means you won't have to provide assurance information each time you bid for business with us.



HOW TO GAIN QUALIFICATION

THERE ARE TWO LEVELS OF QUALIFICATION

A SIMPLE TWO-STAGE PROCESS

Stage 1 Qualification collects basic information about your organisation and is used to determine whether Stage 2 Qualification is necessary, based on the nature of the goods or services being supplied. For example, if a supplier deals directly with our customer data, then they will be asked to demonstrate how they comply with relevant regulatory requirements.

STAGE 1 QUALIFICATION

Suppliers will receive an email invitation to complete an online questionnaire. The invitation will come from Hellios, an external partner, who has been appointed to collect and administer the data on behalf of Phoenix Group. The questionnaire should take around one hour to complete. This information will allow us to determine whether your organisation only requires Stage 1 Qualification or is required to complete Stage 2 Qualification.

STAGE 2 QUALIFICATION

Stage 2 requires the completion of a more detailed online questionnaire, and in some areas, may require the provision of supporting evidence. To make the process as efficient as possible, most of the questions have selectable answer options rather than lengthy written responses. No proprietary, contractual or pricing information will be asked. This stage typically covers your policies and practice in areas such as:

- | | |
|-------------------------|--------------------------|
| • Anti-Bribery | • Cyber Security |
| • Sanction | • Records Management |
| • Remuneration | • Diversity & Inclusion |
| • Customer Treatment | • Environmental |
| • Products and Sales | • Data Management |
| • Anti-Money Laundering | • GDPR |
| • Health & Safety | • Physical Security |
| • Whistleblowing | • Operational Resiliency |
| • Business Continuity | • IT Asset Management |
| • Information Security | • Conduct Risk |

Funding of FSQS is shared by Phoenix Group and the other financial services organisations that will use the system, and larger suppliers. If your organisation is an autonomous small, medium or micro-sized enterprise (SME), then registration on FSQS is subsidised 100% i.e. there is no charge. For non-SME organisations, if Stage 2 of the process is required then this incurs an annual fee of £1650 (plus VAT), which is payable directly to our external partner Hellios to help fund the operational costs of administering the system.*

* An SME is defined as an enterprise which has less than 250 employees and a turnover of less than £40m (including any consolidated figures should the enterprise belong to a group of companies).



FOLLOWING STAGE 2 QUALIFICATION, PHOENIX GROUP MAY WISH TO CONDUCT FURTHER ASSURANCE ACTIVITIES INCLUDING AN ON-SITE AUDIT, WHICH WON'T INCUR ANY FURTHER FEES

TIMELINES FOR QUALIFICATION

Existing suppliers to Phoenix Group are given up to eight weeks to complete qualification for the first time, to familiarise themselves with the new questionnaires and process. However, we expect most suppliers will be capable of completing qualification in significantly less time.

Suppliers bidding for new business with Phoenix Group may need to complete the qualification much more quickly, in accordance with procurement timescales. Hellios will advise the deadline dates for Stage 1 and, if required, Stage 2 completion in the FSQS email communications issued.

FAQS

1. Why has Phoenix Group introduced a Financial Supplier Qualification System?

Suppliers told us that our process for collecting compliance and assurance information was complex and time consuming. The introduction of an online system simplifies the process for suppliers to submit information and prevents suppliers receiving multiple requests from Phoenix Group for qualification data. It is also important that we (your organisation and Phoenix Group) can demonstrate to our stakeholders that we are working together responsibly to minimise risk across our supply chain, to protect our customers. As the regulatory environment we operate in becomes more complex, it is vital that we have a robust system in place to support the collection and maintenance of Supplier Assurance data and respond to regulatory change.

2. Who is Hellios?

Hellios Information Management Ltd is a UK-based company. The team has extensive experience in collecting and maintaining supplier data on behalf of a number of global and UK companies.

3. What is the role of Hellios?

Phoenix Group has appointed Hellios to collect and administer Supplier Assurance related data on behalf of the Phoenix Group. Hellios will collect and check the data provided by suppliers and ensure the data is maintained on the Financial Supplier Qualification System. Hellios is an approved supplier of Phoenix Group. Hellios does not assess a supplier's suitability for qualification, that decision rests with Phoenix Group.

4. How does Hellios protect the data we provide?

The FSQS application, infrastructure and data storage is hosted exclusively in the UK in data centres that are SSAE18 SOC2 and ISO27001 certified. Encryption to the latest industry standards is employed, along with cyber security measures such as weekly scans and penetration testing. Hellios ensures the limited amount of personal data collected is fully compliant with GDPR and the Data Protection Act 2018. Hellios is certified to ISO27001 and Cyber Essentials Plus, the National Cyber Security Centre standard backed by the UK Government.



TIMELINES FOR QUALIFICATION (CONTINUED)

5. Do we have to register each of our legal entities separately?

Yes, your organisation is required to register any legal entity that submits an invoice to Phoenix Group.

6. Can any supplier apply for qualification?

No, qualification is by invitation only.

7. Will other suppliers have access to the information we provide?

No, other suppliers will not have access to the information you provide.

8. Will assurance information be available across Phoenix Group?

Yes, one of the benefits of the new system is that suppliers' assurance information will be available to other areas of Phoenix Group. This will reduce requests for duplicate information.

9. Will I be asked to provide pricing information on my company's products and services?

No, your organisation will not be asked to provide any commercial information of this nature.

10. If I'm required to apply for Stage 2 Qualification, how do I pay the fee to Hellios?

Payment details will be made visible once the Stage 1 Qualification has been completed. Organisations have the option to pay before or after the Stage 2 information has been inputted, however the questionnaire cannot be submitted until payment has been made.

11. How long is qualification valid for?

The renewal date is set one year after qualification has been completed. Hellios will issue reminders to suppliers several weeks in advance of their qualification expiry date.

12. How long does it take to complete qualification?

Typically, we find it takes less than one business day to enter the information in the system (if you're asked to complete both stages). However, the time required to collate the information varies depending on the size of an organisation. Larger organisations often have to source the data from a number of internal departments and therefore we are giving existing suppliers approximately eight weeks to complete qualification.

13. As an existing supplier, what happens if I fail to apply for qualification within the assigned timelines?

Suppliers will be fully supported by Hellios throughout the qualification process. However, failure to complete qualification will result in a supplier being classified as non-compliant in our internal systems.



CONTACT INFORMATION

WHO CAN I CONTACT FOR FURTHER INFORMATION?

Please contact Hellios Supplier email:

fsqs@hellios.com or telephone **01865 959120** 8.30am to 5.30pm, Monday to Friday.

