WOOLWORTHS FINANCIAL SERVICES

**External Supplier Control Obligations
Business Continuity Management (BCM)**

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Control Title	Control Description	WHY THIS IS IMPORTANT
1. Business Continuity Management governance	Supplier must establish effective governance to maintain BCM capabilities, for all key processes and services, sufficient to minimize disruption from significant incidents. Supplier will provide Supplier Personnel with education and/or awareness on BCM appropriate to their respective roles.	WFS has a commercial (and risk-driven) requirement to avoid and/or be able to recover in a timely manner from significant process disruptions i.e., to be suitably resilient. WFS must be assured and must be able to assure its stakeholders, that appropriate governance and measures are in place to avoid, wherever possible, significant process disruptions taking WFS' businesses outside of their risk appetite and, if such disruptions occur, to deal with them in a pre-agreed or approved manner that minimises their impacts (whether customer, financial and/or reputational).
2. Identify the activities requiring Business Continuity Management provision	Supplier must establish the BCM needs for key processes and services including but not limited to the Recovery Time Objectives (RTOs), Recovery Point Objectives (RPOs) and Revised Operating Levels (ROLs) (as defined below) in line with the applicable Resilience Category designated by WFS. (See the Business Continuity Requirements Matrix below)	Supplier needs to be clear on the resource needs of their processes and services in times of significant disruption. Supplier and WFS must have a shared understanding of the BCM requirements.
3. Define Business Continuity Management plans	Supplier must establish recovery plans that ensure the timely availability of resources (including people, facilities, suppliers, IT applications and infrastructure) necessary to operate its key processes and services in situations of significant disruption. Supplier must review the recovery plans annually, and at times of significant change, and share with WFS a summary of the plans	Supplier needs to be clear on the recovery plans for their processes and services in times of significant disruption. Supplier and WFS must have a shared understanding of the BCM plans.

4.	Identify and remediate gaps in Business Continuity Management capability	Supplier will test and validate all provisions for BCM set out in the plans and shall promptly remediate any deficiencies identified. Supplier must periodically ensure the resource needs (including people, facilities, suppliers, IT applications and infrastructure) of its processes and services will be available when required, to assure delivery on their BCM Strategy. Supplier, by mutual agreement, may involve WFS in the validation of Supplier's plans and may periodically be required to participate in the validation of WFS' plans. Supplier and WFS will agree the extent of testing and validation commensurate with the importance of the service, not less frequently than specified in the Business Continuity Requirements Matrix below. All provisions in the BCM plans must have a current validation report. Supplier shall share with WFS a summary of such validation reports, promptly after testing. Supplier must record each identified single point of failure from the tests and must develop and own delivery of a documented remediation plan, shared and agreed with all dependent parties involved, and managed to closure with Executive sponsorship, resourcing, funding and commitment to deliver to an agreed timeframe.	All provisions for BCM set out in plans need to be tested and validated, to identify and prevent unacceptable service shortfalls. For services to be suitability resilient, each component process or service must either be able to continue operating unaffected or fully recover from a disruption (regardless of the risk event) within defined timeframes, or Supplier must be able to switch to an alternative means of performing the process or service to the equivalent standard (within defined timeframes). Retention of evidence gathered during validation testing is also important as it may be required for audit or regulatory review.

5.	Manage incidents effectively	Supplier must establish procedures that provide for consistent, effective handling, management and review of significant events (i.e. events exhibiting the potential for significant impact on normal operations) that: • address any conduct risk issues (for example, relating to regulatory compliance, or impact on customers or markets) that arise from process disruption. • include clear agreement on cross-business engagements and operational escalation procedures, up to and including WFS and the invocation of crisis management procedures; and • ensure subsequent recording and reporting of the incident. Supplier must establish procedures that provide for consistent, effective handling and management of crisis situations (where significant impact has taken place or is unavoidable) that: • ensure inclusion of Senior Executives from all affected areas to form a suitable Crisis Leadership team, i.e., one with the necessary levels of authority to direct all necessary activities and deal decisively with the crisis in hand; and • include commitment to undertake regular, periodic exercises on crisis management invocation and operation, including suitable de-briefing and 'lessons-learned' steps to allow for process improvement.	Supplier needs to be clear on its procedures to handle and manage its services in times of significant events or crisis situations. Supplier and WFS must have a shared understanding of the cross-business engagements and operational escalation procedures for significant events and crisis situations.
6.	Report on Business Continuity Management status	Supplier must maintain the capability to coordinate the production of periodic reporting of the overall BCM status for the service, for delivery to WFS and to executive management. Reporting must include actual BCM capability versus required BCM requirements and remediation programme status.	Reporting provides an overview of required versus actual BCM levels, together with progress on remedial actions. Reporting must reflect changes in both desired and actual capability (with trending).

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Definitions

"Recovery Point Objective"	means the target status for the availability of data at the start of the recovery process. It is a measurement of the maximum data loss that is tolerable in a recovery situation.
"Recovery Time Objective"	means the targeted duration of time between an unexpected failure or interruption and the resumption of operations at agreed service levels.
"Revised Operating Level"	means the minimum resource levels required to sustain business operations at agreed service levels.

Business Continuity Requirements Matrix

WFS' minimum BCM and validation requirements are defined by the Resilience Category assigned to a supplier (0-5) by ABSA. A higher Resilience Category (i.e. lower number) will require a higher standard of BCM commensurate with the importance of the service. Supplier and WFS must establish the Recovery Time Objective (RTO), Recovery Point Objective (RPO) and validation requirements for the service defined at the most critical Resilience Category (Category 0), and which as a minimum meet the requirements summarised in the following table. The Revised Operating Level (ROL) must be agreed between WFS and Supplier.

Risk Impact Assessment	Exceptional Impact	High Impact	High Impact	Moderate Impact	Insignificant Impact
BCM Recovery Category	0	1	2	3	4
BCM Type	Continuous	Highly Resilient	Recover	Recover	No Planned Recovery / Suspend / Backup Only
RTO	Five (5) minutes	0- four (4) hours	0-eight (8) hours	0-24 hours	No Planned Recovery
Risk Profile (Suppliers)	High Risk	High Risk	Medium Risk	Medium-Lite Risk	Low Risk
* RPO: Transactional	Five (5) minutes	30 minutes	30 minutes	24 hours	Eventually
* RPO: Non-Transactional	Five (5) minutes	0-four (4) hours	0-eight (8) hours	0-24 hours	No Planned Recovery
Frequency	Minimum every 12 months	Minimum every 12 months	Minimum every 12 months	Minimum every 24 months	No Planned Recovery