

Our Standards

Our brands



Building a family of brands
for the world to love
generation after generation

Respect for people and the environment has long been at the heart of our business. We strive to do the right thing, not the easy thing, and make all our decisions in good conscience.

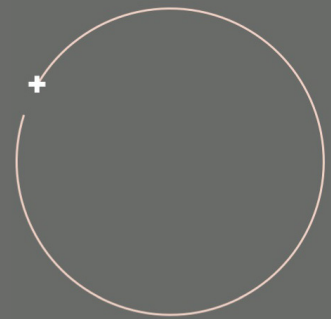
Our Standards intend to make clear what this means in terms of practical behaviour. Good governance, effective risk management and robust legal and regulatory compliance are essential to making sure we continue to do business in the right way.

We expect our people and our partners, whether they are distributors, licensees, suppliers or the affiliates that we work with, to adopt and implement our Standards or have their own policies that reflect equivalent or similar standards.

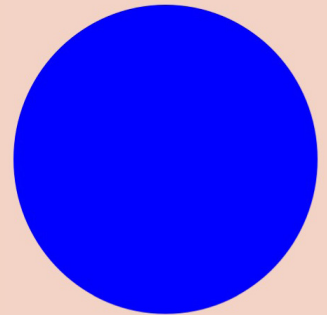
At Pentland Brands, we focus on how we can be a positive business. Our Positive Business strategy outlines our commitment to taking action, for people and our planet.

Our people are guided by four principles, which encourage everyone not only to do a great job, but to do it in the right way:

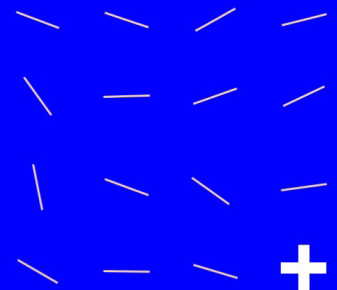
- + *Success is a team game*: Our individual strengths are amplified when we work as teams, sharing skills and with shared ambition.
- + *With clarity and courage*: Clear in our ambitions, bold and direct in pursuit of them.
- + *Better as standard*: Creating, learning, improving; getting better at what we do is our business as usual.
- + *In good conscience*: Reputation is earned; we believe in doing the right thing, not the easy thing, both as individuals and as an organisation.



Better as
standard



With clarity
and courage



In good
conscience



Success is
a team game

Our commitment and approach:

Our leadership teams are focused on achieving the long-term, sustainable success of our business. As a business, we're guided by good corporate governance, transparency, accountability and ethical conduct.

Our approach to corporate governance is three-pronged:

- **Prevent:** create and maintain a culture that promotes our principles. We strive to establish good risk management by implementing policies, procedures, training and communication and by offering advice and support.
- **Detect:** introduce controls, reviews and opportunities to speak up.
- **Respond:** confront issues swiftly and remediate them effectively and appropriately.

A) People

These Standards are important, not only to comply with applicable employment laws, but also because they contribute to our culture. This ensures that our people know they belong to a company that puts them at the heart of all it does. The relationships we form with our employees will enable our business to outperform and outlast our competitors in all corners of the globe.

1. We recognise that hiring and retaining the best people to work within our company is critically important.
2. We make decisions about recruitment, hiring, reward, development and promotion on the basis of ability, skills, experience, behaviour, potential and performance.
3. We champion a diverse and inclusive environment for our people, treating all people equally, with respect and dignity. We celebrate a diverse and inclusive culture where everyone is welcomed, supported and encouraged to thrive. Diversity and inclusion (D&I) is crucial to the way we operate our business.
4. We offer suitable and appropriate opportunities for training and professional development in order to support our people in achieving their potential and to grow our business.
5. We seek to attract, retain, motivate and reward our people by establishing and maintaining an appropriate, competitive salary and benefit programme, while remaining mindful of our financial responsibility to our shareholders. We have a global levelling framework in place to ensure fairness and consistency across our roles.
6. We always aim to recruit people who share and will uphold our Standards and principles.
7. We provide an inclusive working environment that promotes collaborative ways of working amongst our teams.
8. We strive to treat everyone fairly, with dignity, honesty and respect, thus creating an environment where people feel valued.
9. Our four principles promote teamwork, ambition, continuous improvement and integrity.
10. We provide and maintain safe and healthy working environments for all employees.
11. We respect the rights of our people to practice their religion and faiths in accordance with their own beliefs.
12. We encourage our people to play their part in making a difference inside and outside of our organisation, to support our customers, consumers and communities.
13. We do not tolerate discrimination, bullying or harassment and will take action to remove such behaviour. We encourage and empower employees to speak up about behaviour that concerns them, without fear of retaliation.
14. We have a zero-tolerance policy on workplace violence and prohibit any act that could cause another individual to feel threatened or unsafe.
15. We do not allow employees to work under the influence of alcohol or illegal drugs.
16. We respect the privacy rights of employees by using, maintaining and transferring personal data in accordance with appropriate data protection standards.

B) Customers

1. We win and retain customers by building strong, long-lasting relationships. We commit to taking an honest, ethical approach that delivers on our promises.
2. We endeavour to provide products and services that offer customers good value in terms of price, quality, performance and style. We commit to continuous improvement and innovation to make our products the best they can be.
3. We supply customers with clear and honest information about our products and services.
4. We respect the privacy rights of customers and will always treat the information they provide us with the utmost care and confidentiality, in accordance with appropriate data protection standards.
5. We understand our responsibility to advertise our products and services in a responsible and truthful manner.
6. We strive to ensure that any quality or performance problems that occur in our products or services are dealt with promptly with the minimum inconvenience to our customers.
7. We take all reasonable, practicable measures to prevent counterfeits of our products from being marketed.

C) Partners

1. We recognise that our partners, whether they are distributors, licensees, suppliers or the affiliates that we work with, have a material bearing on the level of success we achieve in our businesses.
2. We behave responsibly and ethically towards our partners.
3. We commit to initiating and maintaining strong, equitable and loyal relationships with partners, developing mutually beneficial partnerships.

4. We evaluate prospective partner companies thoroughly against a set of business requirements before we embark upon a relationship with them. These include quality, service, assurance of supply, reputation, cost, innovation and sustainability.
5. We advise partners of Our Standards, Code of Conduct, and environmental principles, which we expect them to comply with wherever relevant. All manufacturers producing our products, either directly or indirectly (via licensee, agent or declared and approved subcontracting relationships), must comply with our Code of Conduct.
6. We establish clear payment terms with suppliers and honour our obligations in accordance with those terms.
7. We insist on honesty and integrity in all aspects of our business with suppliers and do not tolerate any attempts to obtain business from us by payments, lavish hospitality or gifts to our employees, agents or members of their families.

D) Code of Conduct

Positive business means that working ethically, transparently and sustainably is the responsibility of our entire organisation. By focusing on impact, we have created a strategy that will allow us to achieve results faster, together.

We're committed to trading ethically. Our Code of Conduct reflects the Ethical Trading Initiative (ETI) base code and International Labour Organisation (ILO) conventions. This Code provides minimum standards that should be exceeded where possible. In applying it, suppliers must comply with national and other applicable laws and, where the provisions of the law and this Code address the same subject, apply the provision that gives workers the greater protection.

1. Employment is freely chosen

- 1.1 There is no use of forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits", identity papers or any other security with their employer and are free to leave their employer after reasonable notice.

2. Freedom of association and the right to collective bargaining are respected

- 2.1 All workers have the right to join or form trade unions of their own choosing and to bargain collectively. They also have the right to choose not to join a trade union.
- 2.2 The supplier adopts an open attitude towards the activities of trade unions and their recruitment of members.
- 2.3 Workers' representatives are not discriminated against and are allowed access to the workplace to carry out their representative functions.
- 2.4 If rights to freedom of association and collective bargaining are restricted by law, the employer supports the development of parallel means for workers' free and independent association and bargaining.

3. Working conditions are safe and hygienic

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

4. Child labour shall not be used

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.
- 4.5 In this Code, "child" means anyone under 15 years of age, unless national or local law stipulates a higher mandatory school leaving or minimum working age, in which case the higher age shall apply; and "child labour" means any work by a child or young person.

5. Living wages are paid

- 5.1 A living wage is the minimum income necessary for a worker to meet the basic needs of himself/herself and their family, including some discretionary income. This should be earned during legal working hours limits (i.e. without overtime).

Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event, wages should always be enough to meet basic needs and to provide some discretionary income.

- 5.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers.

Sub-clauses 6.2 to 6.6 are based on international labour standards.

6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week.*

6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

6.4 The total hours worked in any seven-day period shall not exceed 60 hours, except where covered by clause 6.5 below.

6.5 Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all of the following are met:

- this is allowed by national law;
- this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
- appropriate safeguards are taken to protect the workers' health and safety; and
- the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.

6.6 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14 day period.

7. No discrimination is practiced

7.1 There is no discrimination in hiring, compensation, access to training, promotion,

termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

8. Regular employment is provided

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.

8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harsh or inhumane treatment is allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

9.2 Companies should provide access to a confidential grievance mechanism for all workers.

10. Unauthorised subcontracting is not permitted

10.1 Subcontractors within our supply chain must be declared and approved by us in writing before any orders are placed with them. All dealings with such subcontractors must be in accordance with the terms of the licensee, manufacturing and distribution agreements with partners. We permit homeworking where it is declared by our suppliers and managed in line with the guidance in our Homeworking policy.

10.2 All declared and approved subcontractors must comply with our Code of Conduct.

10.3 Systems and processes should be in place to manage sub-contracting, homeworking and external processing.

E) Environment

Respect for our planet has long been at the heart of our business. In line with our Positive Business strategy, we're committed to reducing the environmental impact of our operations and materials. We have a targeted approach to sustainability to make real, tangible improvements across our organisation, allowing us to leave a positive environmental footprint.

1. We commit to being as resource-efficient as reasonably practicable and we comply with relevant environmental legislation.
2. We operate facilities, including our offices, distribution centres and retail stores, efficiently with regards to energy, water and waste. For each of our facilities we aim to:
 - use energy more efficiently in order to reduce our carbon dioxide emissions, reduce costs, limit exposure to energy-scarcity risks and ensure we are better prepared to respond to new regulations;
 - reduce our water use and, in doing so, limit risk from future water scarcity; and
 - reduce the amount of waste generated and recycle as much as is practicable.
3. We limit the extent to which we use air freight to transport products, to reduce carbon dioxide emissions.
4. We look for ways to design and manufacture products with consideration for the environment, moving towards the use of more environmentally sustainable materials and packaging.
5. We manage the use of restricted substances in the manufacture of products, and comply with relevant legislation.
6. We encourage suppliers to improve the environmental efficiency of their manufacturing facilities, and specifically to reduce energy use, water use and waste.
7. We look for opportunities to increase the proportion of environmentally preferable products and services we buy.

8. We recognise that the long-term future of our brands and products requires innovative and creative efforts to preserve and respect natural resources.
9. We support worthwhile relevant charity and community organisations and activities.

F) Our way of doing business

We believe that our focus on honesty and integrity has played a central role in our success and longevity as a company. It is a hallmark of our behaviour in all that we do and affects and shapes every aspect of our relationship with our people, our customers, and our partners.

1. Risk

- 1.1 We understand that a key component of good corporate governance is the identification, assessment and management of risks. Regular monitoring of key risks is performed, with significant new risks highlighted to appropriate levels of management.
2. Our parent company's Group Internal Audit function regularly reviews the effectiveness of internal controls to manage risks.

3. Ethics and integrity

- 3.1 We will not tolerate dishonest, unethical or corrupt behaviour.
- 3.2 We will never knowingly seek to gain an advantage by acting dishonestly or fraudulently, or by making false claims.
- 3.3 We will never knowingly allow company money or resources to be used for deception or fraud.

4. Anti-Bribery and corruption

- 4.1 We will never tolerate the giving or receiving of bribes or improper payments and we will never participate in any kind of corrupt activity, directly or through third parties.

4.2 Our Anti-Bribery and Corruption policy sets out our responsibilities, and those of the people who work for us, in observing and upholding our way of doing business. It also provides information and guidance to those working for us on how to deal with anti-bribery and corruption issues.

5. Tax

5.1 We publish our UK tax strategy for Pentland Group and its UK subsidiaries annually on our website. This can be found at pentlandgroup.com/corporate-governance.

5.2 We will never tolerate or participate in the evasion of tax, either directly or through third parties.

5.3 We commit to adhering to all relevant legislation both as a taxpayer and in our relationships with our people, our customers and our partners, including the Corporate Offences of Failure to Prevent Facilitation of Tax Evasion under Part 3 of the UK Criminal Finances Act 2017.

6. Gifts and hospitality

6.1 Our Gifts and Hospitality Guidance sets out our position on gifts and hospitality, which is legal, fair and appropriate to our industry.

7. Conflicts of interest

7.1 We require our employees to take great care not to involve themselves in anything that can give rise to a conflict between their personal interests and those of the company.

7.2 We require our employees to take into account their duty of care towards the company and consult with an appropriate senior manager if in doubt.

8. Competition

8.1 We believe in open and fair competition and only seek competitive advantage through fair and lawful means.

8.2 We refrain from exchanging non-public or other sensitive information with third parties unless covered by appropriate agreements.

8.3 We will not seek to obtain confidential information about competitors by underhand means.

8.4 We provide resources, including a policy, guidance and training, to educate and inform our people about the importance of adhering to relevant and applicable competition legislation, and assist them in understanding how to prevent, detect and respond to potential challenges.

7. Intellectual property

7.1 Intellectual property is one of our core assets and, as such, will always be used and protected properly. This includes trade marks, designs, logos, copyright and patents.

7.2 Third parties will only be allowed to use our intellectual property with proper authorisation and an appropriate agreement.

8. Information technology

8.1 We require our employees to use their company email, internet and social media accounts responsibly and protect the security of the company's management and business information systems.

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