

Pentland Group plc

Including Pentland Brands plc

GROUP CODE OF BUSINESS
CONDUCT

Group Code of Business Conduct

Approved by the board of RSH on 18th June 2001

Introduction

Robert Stephen Holdings is a family owned group of companies. Our values are family values. We believe that business should be conducted honestly, fairly and with respect for people, their dignity and their rights. This code is intended to make clear what this means in terms of practical behaviour. It spells out the standards of behaviour by which we try to manage the organisation. We expect and require that all managers and employees of the Group apply the same standards in their dealings with other people and organisations.

What are we in Business for?

We are in business to create shareholder value by developing and marketing products of quality, reputation, performance, style and value and by selling them on fair terms to our customers.

To build long term sustainable shareholder value, we need to implement our vision to develop a portfolio of category leading brands and businesses. We will do this honestly, fairly and with respect for people.

To continue to grow and prosper we will need, increasingly, to build partnerships with our customers and suppliers. Such partnerships must be based on mutual trust and we will earn our partners' trust by operating according to the principles laid out in this document.

Stakeholders

There are a number of categories of people and organisations who are affected by our actions and to whom we have responsibilities. These include our employees, our customers, our suppliers, other business partners (such as licensees, distributors and joint venture partners) and the wider community. These are, of course, in addition to our shareholders, the owners of the business, to whom we have the responsibility to protect their investment and to make sure that they receive an appropriate return.

Status of this Code

This Code has over-riding status in governing the standards of our business behaviour. All contracts entered into by Group companies should be consistent with it. If there are any inconsistencies, Group companies are required to act in accordance with this Code's standards rather than any lower standards set out in such contracts.

In running our businesses, Group companies are required to observe the standards of conduct set out below.

Standards of Behaviour

Towards Employees

Our employees are our greatest asset. Our continued success depends entirely on harnessing their talents and enthusiasm. We will:

- Respect the human rights of all employees (a separate Group Employment Standards Policy document has been issued).
- Provide good, safe and healthy conditions in which to work (a separate and more detailed Group Health & Safety Policy document has been issued).
- Provide competitive earnings and other employment benefits.
- Offer fair terms of employment through contracts of employment that even-handedly confer mutual benefits and responsibilities on employer and employee.
- Promote the development and best use of people's talents.
- Select, train and promote employees fairly, on merit, giving equal opportunities to all.
- Not discriminate among employees on the basis of sex, race, colour, religion or political opinion.
- Ensure a working environment that is free from harassment and bullying.
- Manage people with consideration and respect, providing feedback on their performance.
- Ensure that disciplinary procedures are documented, fair and open.
- Keep all employees informed about changes, trends and developments within the Group.
- Not ask any employee to do anything that is illegal or immoral or that fails to comply with the standards of any recognised professional body of which he or she is a member.

- Encourage employees to speak up about any instances of wrongdoing or breaches of this Code that they become aware of anywhere in the Group.
- Respect employees' rights to join whatever lawful representative organisations they wish or to choose not to join any such organisations.
- Respect employees' rights to take part in civic activity (such as charitable work, acting as a school governor and standing for election to public office) and to practice their religions in accordance with their own beliefs, subject to their compliance with their contracts of employment.
- Not seek to employ people on casual, fixed term, or other bases in order to avoid giving them employment protection, social security or other normal employee benefits.

Towards Customers

To continue to succeed, we need to win and retain customers by building partnerships with them. We will:

- Supply products and services that offer consumers good value in terms of price, quality, performance, style, safety and environmental impact.
- Establish mutually beneficial business relationships and strive to meet or exceed the spirit as well as the letter of our contractual commitments.
- Seek clarity in all our agreements, trying to avoid any ambiguity about what we undertake to do and what we expect of our customers.
- Ensure that any quality or performance problems that occur in our products are dealt with expeditiously with the minimum inconvenience to our customers and consumers.
- Not seek to obtain sales or other business advantages by giving bribes or other dubious inducements. We will not make any payments to any employees of customers or government departments or agencies in order to obtain commercial advantage.
- Take all reasonable practicable measures to prevent counterfeits of our products from being marketed.

Towards Suppliers

An efficient and reliable supply chain is an increasingly key factor in business success. This requires close inter-dependent partnerships with our suppliers. We will:

- Seek to develop mutually beneficial partnerships with suppliers.
- Comply with the spirit as well as the letter of contracts with suppliers, not taking advantage of unintended errors.
- Seek clarity in all our agreements, trying to avoid any ambiguity about what we undertake to do and what we expect our suppliers to do.
- Develop business with suppliers on the basis of their embracing and complying with our Code of Business Conduct, especially our Employment Standards, Health and Safety and Environmental policies.
- Agree clear payment terms with our suppliers and make sure we pay them on time in accordance with those terms, not avoiding payment on technical pretexts.
- Insist on honesty and integrity in all aspects of our business with suppliers and not tolerate any attempts to obtain business from us by payments or gifts to our employees or agents or members of their families.
- Not establish business relationships with people or organisations that we have any reason to believe may be involved in unlawful or unethical business practices.

Towards the Wider Community

We believe that business organisations have an obligation to be good corporate citizens. We will:

- Comply fully with the requirements of all laws and regulations of each country in which we operate.
- Try to minimise any adverse effects of our activities on the environment and the earth's natural resources (a separate Group Environmental Policy document has been issued).
- Not make payments to political parties or take any part in party politics, although we reserve the right to raise matters that affect our legitimate business interests with governments and political organisations.
- Encourage our employees to become involved in community activities.
- Support worthwhile relevant charity and community organisations and activities.

Other Matters

Competition

We believe in a free and fair market economy as the most appropriate environment for business. Therefore we will:

- Compete vigorously but fairly in the markets in which we operate.
- Not try to restrict competition by price fixing or participation in cartels.
- Not seek to obtain confidential information about competitors by underhand means.
- Respect other people's intellectual property rights.

Financial Matters

- All transactions by any Group company will be open and be fully documented and accurately reflected in the accounts of the company in accordance with established accounting procedures and will be subject to internal and external audit.
- We do not speculate in currency. Currency transactions are only used to protect underlying trade.

Confidentiality

We will take care to safeguard the confidentiality of information that we hold about employees and our business partners. Such information will only be made available to those by whom it is needed to undertake their work.

Understanding and Compliance

- We will develop and implement programmes to enable all present and future employees to be informed about and understand our standards of business conduct and the behaviour required of them.
- We will require all our senior executives to report at least once a year on their compliance with our standards of business conduct and the steps they have taken to communicate these standards to all employees and monitor their application.

