

Pentland Group plc

Including Pentland Brands plc

**GROUP EMPLOYMENT
STANDARDS POLICY**

Group Employment Standards Policy

Approved by the board of RSH on 18th June 2001

1. Principle

The Company and its shareholders believe that business should be conducted honestly, fairly and with respect for people, their dignity and their rights.

2. Policy

2.1 Our Employees

It is our policy that the people who work for our Group companies, and their health, safety and rights at work, should be respected and protected. We strive to comply with all relevant employment laws and regulations in each country in which we operate. Beyond that, we follow our own Code of Business Conduct and we aspire to match the best employment practices in the country concerned.

2.2 People Who Make Our Products

Our products, most of which bear our brand names, are manufactured by hundreds of different supplier organisations employing probably hundreds of thousands of people in many countries, mostly in Europe and Asia. Our policy is only to do business with suppliers that adopt and implement our standards or have their own policies that reflect the same standards.

Our suppliers all have suppliers of their own and they in turn are supplied by others. It would be impossible for us to control the working conditions of the vast number of people who contribute in some way to what finally becomes one of our products. We therefore address our policy primarily to our direct suppliers and encourage them, in turn, to apply it to their own supply chains.

For our businesses to be and remain competitive in the market place, they need to have their goods made where they can be produced at the lowest overall cost, consistent with our required quality and technical specifications. This means that many products are made in countries where wages are relatively low. Nevertheless, suppliers should treat their workers properly, in accordance with our, and internationally recognised, standards.



We have developed a Code of Employment Standards for Suppliers. It spells out how our suppliers should treat their employees and its requirements are that:

- Living wages are paid,
- Working hours are not excessive,
- Working conditions are safe and hygienic,
- Child labour is not used,
- Employment is freely chosen by employees,
- No discrimination is practised,
- There is no harsh or inhumane treatment,
- Freedom of association is respected,
- Regular employment is provided

The full Code reflects the Base Code of the Ethical Trading Initiative (ETI) and is consistent with the relevant conventions and recommendations of the International Labour Organisation (ILO).

3. Implementation

3.1 Our Employees

Local management in each of the countries in which Group companies have activities should, so far as is possible in the context of local laws and regulations, ensure that their employees are employed on terms that reflect Group standards as indicated above. Human Resources managers in all Group companies have a functional responsibility to the Group Human Resources Director and are responsible for reporting back to him any employment practices that fall short of Group policy standards.

3.2 Our Suppliers' Employees

In many of the countries in which our products are made, the history, traditions, culture and, in some cases, even the law, make full compliance with our policy difficult for our suppliers in the short term.

In such circumstances, our approach is to work with suppliers to improve the conditions of their workers progressively, rather than to walk away from the issue. Normally, only if a supplier fails to co-operate with us in implementing an improvement programme, will we sever our relationship with him.

Many of the difficulties we encounter are endemic to countries, regions or communities. We often work in partnership with other organisations, locally and internationally, to seek to address these issues. Such organisations may include other companies in our field of activity, local industry organisations and local and international welfare organisations, such as charities and other NGOs. In particular, we are a member of the Ethical Trading Initiative (ETI), an alliance of companies, non governmental organisations and international trade union organisations working to improve conditions of employment throughout global supply chains.

Each Group company is responsible for implementing the policy in respect of its own suppliers. The Group Business Standards Department, a small central team of specialists, provides advice, training and assistance, helps co-ordinate programmes across the Group and arranges participation in co-operative projects with other organisations. It also monitors the progress of Group companies and reports back to the Board.