



Anti-Bribery and Corruption policy

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Purpose and Scope

At Pentland Brands we believe that business should be conducted honestly, fairly and with respect for people, their dignity and their rights. It is our policy to conduct our business in an honest and ethical manner. We have a zero-tolerance approach to bribery and corruption, including criminal tax evasion, and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships. Pentland complies with all applicable anti-corruption laws, including but not limited to the UK Bribery Act (UKBA) and the U.S. Foreign Corrupt Practices Act (FCPA).

The purpose of this Policy is to set out our responsibilities, and of those working for us, in observing and upholding our way of doing business, complying with our legal obligations, and to provide information and guidance to those working for us on how to recognise and deal with anti-bribery and corruption issues.

Who is covered by the Policy?

This Policy applies to all persons providing services to or working for Pentland Brands or on its behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners.

This Policy sets out the general principles that we expect to apply when Pentland Brands and any of its brand companies carry on their business. We expect our partners, whether they are distributors, licensees, suppliers or the affiliates that we work with, to adopt and implement this Policy or have their own policies that reflect equivalent or similar standards.

Violations of anti-corruption laws have very serious implications for companies like Pentland Brands. Anti-corruption laws are actively enforced by governments around the world with stiff financial penalties and, for individuals, lengthy imprisonment terms. Moreover, companies and individuals can be prohibited from doing business with public entities if they are found to have engaged in corrupt activities. The reputational risk from even being investigated or having allegations in the press can be serious as well.

Any employee who breaches this Policy will face disciplinary action, which could result in dismissal for gross misconduct. Any third party who breaches this Policy may have their contract terminated with immediate effect.

You should immediately contact Pentland Legal if you become aware of a breach or potential breach of this Policy.

What is bribery?

Bribes are a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage or benefit. **Under some anti-corruption laws, the prohibition on bribery is broadly defined to include “anything of value,” which has been interpreted by governments and courts to include, for example, providing an unpaid internship to family members of government officials in exchange for favourable treatment in awarding contracts.**

Bribery also goes beyond the giving, accepting or seeking a bribe - it includes the offering and promising of something of value, even if a bribe is never paid or fails to achieve the intended unethical conduct. **It can also include asking a government official to not take an action, for example, to decide to ignore a tax liability or to look the other way when paperwork for a permit has not been properly completed. Under our Policy, all forms of bribery –**

whether between private companies or involving government officials or state-owned companies, are strictly prohibited.

It is also critical to understand that under our Policy or under anti-corruption laws such as the UKBA and FCPA, it does not matter whether a bribe is paid directly or indirectly through a third party. In fact, many bribery schemes usually involve a third party who is engaged to disguise the corrupt activity or to obscure the involvement of a government official.

What is criminal tax evasion?

Criminal tax evasion is any fraudulent activity that intends to divert funds from any public revenue authority.

Knowing When To Report or Take Action

Many anti-corruption laws, such as the FCPA, prohibit bribery not only when there is certainty that a corrupt act is taking place, but also when those engaged in the activity do so by deliberately ignoring warning indicators of corrupt activity – this is often described as “wilful blindness” or putting one’s head in the sand.

Under our Policy, we expect that when you observe or become aware of a warning indicator or “red flag” around bribery, you should raise those concerns to your management or by using the reporting channels mentioned below. You should be particularly mindful of warning indicators around any business activity that involves a third party, such as a distributor, sales agent, or consultant.

Red Flags - What to look out for

The following is a list of possible “red flags” that may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags, or something else that causes you a concern, you must report them promptly to your line manager, the General Counsel or using the Speaking Up helpline. Red flags may arise when:

you become aware that a third party engages in, or has been accused of engaging in, improper business practices;

- you learn that a third party has a reputation for paying bribes, or requiring that bribes are paid to them, or has a reputation for having a "special relationship" with government officials;
- a third party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us;
- a third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- a third party requests that payment is made to a country or geographic location different from where the third party resides or conducts business;
- a third party requests an unexpected additional fee or commission to "facilitate" a service;
- a third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- a third party requests that a payment is made to "overlook" potential legal violations;
- a third party requests that you provide employment or some other advantage to a friend or relative;
- you receive an invoice from a third party that appears to be non-standard or customised;
- a third party refuses to put terms agreed in writing;

- you notice that we have been invoiced for a commission or fee payment that appears large given the service stated to have been provided;
- a third party requests or requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to us;
- you are offered an unusually generous gift or offered lavish hospitality by a third party.

The Pentland Brands Anti-Bribery and Corruption Principles

Anyone providing services to or working for Pentland Brands and any of its brand companies must follow these principles. You (or someone on your behalf) must not:

- give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return (other than goods or services rendered), or with the intention to induce the other party to perform a relevant function improperly, for example, an expectation that a person will not act in good faith, impartially or in accordance with a position of trust;
- accept any offer from a third party that you know, or suspect is made with the expectation that we will provide a business advantage for them or anyone else or that we will perform the relevant function improperly;
- give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure;
- threaten or retaliate against another person who has refused to offer or accept a bribe or who has raised concerns about possible bribery or corruption;
- deliberately and dishonestly take action to facilitate, by action or inaction, the evasion of tax (UK, US, or overseas) by any associated person. This includes third party companies, suppliers, customers, employees etc.

Whenever you are asked to make a payment on our behalf, you should always be mindful of what the payment is for and whether the amount requested is proportionate to the goods or services provided. Any request for a payment for an amount that exceeds the value of the goods or services being provided is a significant red flag that should be resolved before moving forward. You should also always receive a receipt for any payment which accurately describes, in detail, the purpose for the payment.

Facilitation Payments and Kickbacks

Facilitation payments are typically small, unofficial payments made to secure or expedite a routine government action by a government official – for example, a small payment to process a customs form more quickly. Although some countries allow these payments to be made internationally, they are effectively small bribes and prohibited in all countries where they would be paid.

Kickbacks are typically payments made in return for a business favour or advantage. All personnel must avoid any activity that might lead to, or suggest, that a kickback will be made or accepted by us.

Our policy forbids such payments, and we will not make, and will not accept, facilitation payments or "kickbacks" of any kind. If you have any suspicions, concerns or queries regarding a payment, you should raise these with your line manager or Pentland contact before taking any action.

Extortion Demands

The only exceptions to the strict prohibition on corrupt payments and facilitation payments under this Policy are those that may arise when someone is threatened with death or injury in connection with our activities. This is an unlikely scenario – but should such a situation come about, because the demand is made with duress, it not considered a bribe and may be paid if no other alternative is possible.

All extortion demands must be reported as soon as practicable, which should be no more than 24 hours after the event. Also, if you are aware of situations where such demands might arise, you must report them in advance so that appropriate measures can be taken to avoid putting someone's life or limb at risk.

Our Commitment

We are committed to helping you have clear guidelines and support to help us make decisions and behave in a compliant way. In order to do this, we have developed support for you which includes:

This Policy which sets out the Pentland Brands approach to anti-bribery and corruption compliance and expectations of you in that regard. This Policy also sets out some common “red flags” to watch out for in which anti-bribery and corruption issues may arise.

Gifts and Hospitality Guidance which provides some guidelines so that you are comfortable in exchanging gifts and hospitality when appropriate.

Employee Training Programme consisting of e-learning on the basic principles of anti-bribery and corruption compliance as it applies within Pentland Brands so that you are able to:

- understand and apply the basic principles;
- identify issues if they arise; and
- know how to respond, including when to engage the Legal Team or access the Speaking Up line.

This e-learning is mandatory and the responsibility of individuals to ensure that it is completed within the timeframes required.

Access to Legal Team support when you have any doubts, queries, and/or concerns.

Anonymous Reporting / Speaking Up line which you can access if you'd prefer to raise a concern or issue in that way.

Gifts and hospitality

This Policy does not prohibit the giving or accepting of reasonable, proportionate and good faith hospitality for legitimate business purposes such as building relationships, maintaining our image or reputation, or marketing our products and services.

A gift or hospitality will not be appropriate if it is unduly lavish or extravagant or could be seen as an inducement or reward for any preferential treatment or for improperly influencing business decisions (for example, during contractual negotiations or a tender process).

Pentland Brands has separate gifts and hospitalities guidance to provide some guidelines so that you are comfortable in exchanging gifts and hospitality when appropriate. In all cases, gifts

must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift.

Gifts or hospitality must not include cash or cash equivalent (such as vouchers) or be given in secret or otherwise concealed.

Gifts and hospitality for public officials and their immediate family are generally prohibited, unless you have sought and received prior approval in writing from General Counsel.

Gifts or hospitality must be given in our name, not your name.

More guidance for employees can be found on MyPentland and/or within employee handbooks provided to staff.

Raising concerns confidentially

We all have a duty to report instances of actual or suspected wrongdoing, or breaches of this Policy. Where you feel unable to raise the matter internally, Pentland have provided access to an external confidential service within which Pentland employees can raise concerns. If you wish, you may submit reports anonymously through this reporting channel. There will be no criticism or reprisal against individuals who raise concerns in good faith. Details are provided on My Pentland and/or within employee handbooks provided to staff.

Records

Pentland Brands companies must keep accurate financial records and have appropriate internal controls in place which will evidence the business reason for making payments to third parties and ensure that policies and procedures are being followed. Gift registers must be kept and risk assessments should be carried out where appropriate.

All Pentland employees must submit all expenses claims relating to hospitality, gifts or payments to third parties in accordance with our Travel and Expenses Policy and accurately record the reason for expenditure.

Other information and supporting policies

This Policy does not form part of any employee's contract of employment and it may be amended at any time. This Policy and its supporting guidance and policies will be periodically reviewed and updated as necessary to ensure they are effective and meet Pentland Brand's requirements. All are available on My Pentland.

Who is responsible for the Policy?

The board of directors has overall responsibility for this Policy and for ensuring that the company complies with its legal and ethical obligations relating to anti-bribery. Day to day responsibility for anti-bribery programs is delegated to the General Counsel. Management at all levels are responsible for ensuring those reporting to them are made aware of and understand this Policy and that they regularly refresh their understanding of the Policy. Pentland Group Internal Audit will periodically review the use and effectiveness of these procedures in countering bribery and corruption.

This Policy will be periodically reviewed and updated as necessary to ensure it is effective and meets Pentland Brands' requirements.