

Positive Business report



2021

Contents

This is Pentland Brands' third annual Positive Business report, evaluating improvements made during the period January 2021 - December 2021 and our plans for 2022 and beyond. It evaluates our progress against core metrics set out by the World Economic Forum's International Business Council. It was approved by the Pentland Brands Executive team on 11/05/22. Our 2020 Positive Business report can be viewed [here](#).

We welcome your feedback on how we can improve our policies and approach to corporate responsibility. To get in touch, email us on corporate.responsibility@pentland.com



01	Message from our CEO	3
02	About us	4
	Our business	5
	Positive business	7
	2021 impact	8
03	Our brands	9
04	Governance	18
05	People	25
06	Planet	39
07	Prosperity	58
08	Learnings and looking ahead	63

Message from our CEO



Our purpose is to pioneer brands that make life better. Although 2021 came with its challenges, we're proud of how our brands and business continued to be bold and 'do the right thing'. Our business recovered well to create a solid foundation for continued, positive growth in 2022 and our brands helped more people live positive, active and sustainable lifestyles.

Through a positive business lens, our aim is to build brands with purpose, develop products sustainably, embrace a diverse and inclusive workforce, support our communities, and protect the people working within our supply chain.

To help us build a positive legacy, we took the time to reflect on the business we want to be. As we look to how we run our business today, and into the next decade and beyond, we must continue to assess the long-term value we create for our consumers, communities and the planet.

With the 100th anniversary of Pentland Brands in 2032 approaching, we have set out three ambitious, positive business goals that shape our impact on the world and that of our individual brands. These are to help 100 million consumers live positive, active, sustainable lifestyles; improve the lives of one million people in our communities and to become a net zero business by 2032. These positive business goals form a crucial part of our overall business strategy and we're proud of how

our brands moved towards these targets in impressive strides in 2021.

Sustainability has been a focus area for Pentland Brands for some time, with Berghaus and Endura offering repair services for over a decade. This past year, Kickers launched a 100% vegan boot and collectively, our brands planted six million trees in 2021.

We launched four diversity squads to foster a more inclusive and diverse culture. Our brands also have a key part to play in championing diversity and inclusion, with Speedo teaming up with the Black Swimming Association to tackle barriers to swimming.

As a business built on family values, we continue to adapt to best support our people. In 2021 we introduced hybrid working to support our employees to flex their working patterns around their personal needs.

We believe everyone has the right to fair pay, safe working conditions, and dignity and respect. We strive to build a fair, ethical and transparent supply chain, details of which can be seen in our Modern Slavery report.

Being a responsible business has always been at our core and we have a strong history of supporting charities. This past year, we donated over 100,000 products to charitable organisations across eleven global regions to impact the communities in the areas we operate in.

We're committed to addressing global challenges within the challenging environment we continue to operate in. Through the escalating conflict in Ukraine, our focus has been on supporting the humanitarian efforts and our Ukrainian friends, colleagues and partners, and those impacted by the conflict through financial and product donations to the United Nations High Commissioner for Refugees.

Collaboration is a vital part of driving change forward and we are engaging with many organisations from across the globe to build a fairer, greener and better world. We recognise the role businesses play in meaningfully reducing inequalities and tackling climate change, and we ensure our positive business activities align with the United Nations' Sustainable Development Goals.

We pride ourselves on pioneering purpose-driven brands and are committed to helping people and planet through sustainability initiatives and charitable actions. To build on this positive momentum, we'll take our learnings and focus on fewer, bigger, and better things in 2022. As we continue to learn and improve, we're optimistic that we can make a positive impact.

A handwritten signature in black ink, appearing to read 'Chirag'.

Chirag Patel
CEO, Pentland Brands

About us



About us

Pentland Brands is the name behind some of the world's best sports, outdoor and lifestyle brands. We own Speedo, Berghaus, Canterbury of New Zealand, Endura, ellesse, SeaVees, KangaROOS, Red or Dead and Mitre. We're the UK footwear licensee for Kickers and the UK footwear distributor for Lacoste footwear. We also manage the Fitco business. Our products are available in over 190 countries and are sold either directly or are represented by licensees and distributors.

Pentland Brands is a division of Pentland Group, a privately owned, global brand management company with retail and wholesale businesses in sports, outdoor and fashion.



Our brands

 **berghaus**

Mitre

 **ellesse**

speedo 

ENDURA 

Red or Dead

***Kickers**

SEAVEES

 **KangaROOS**

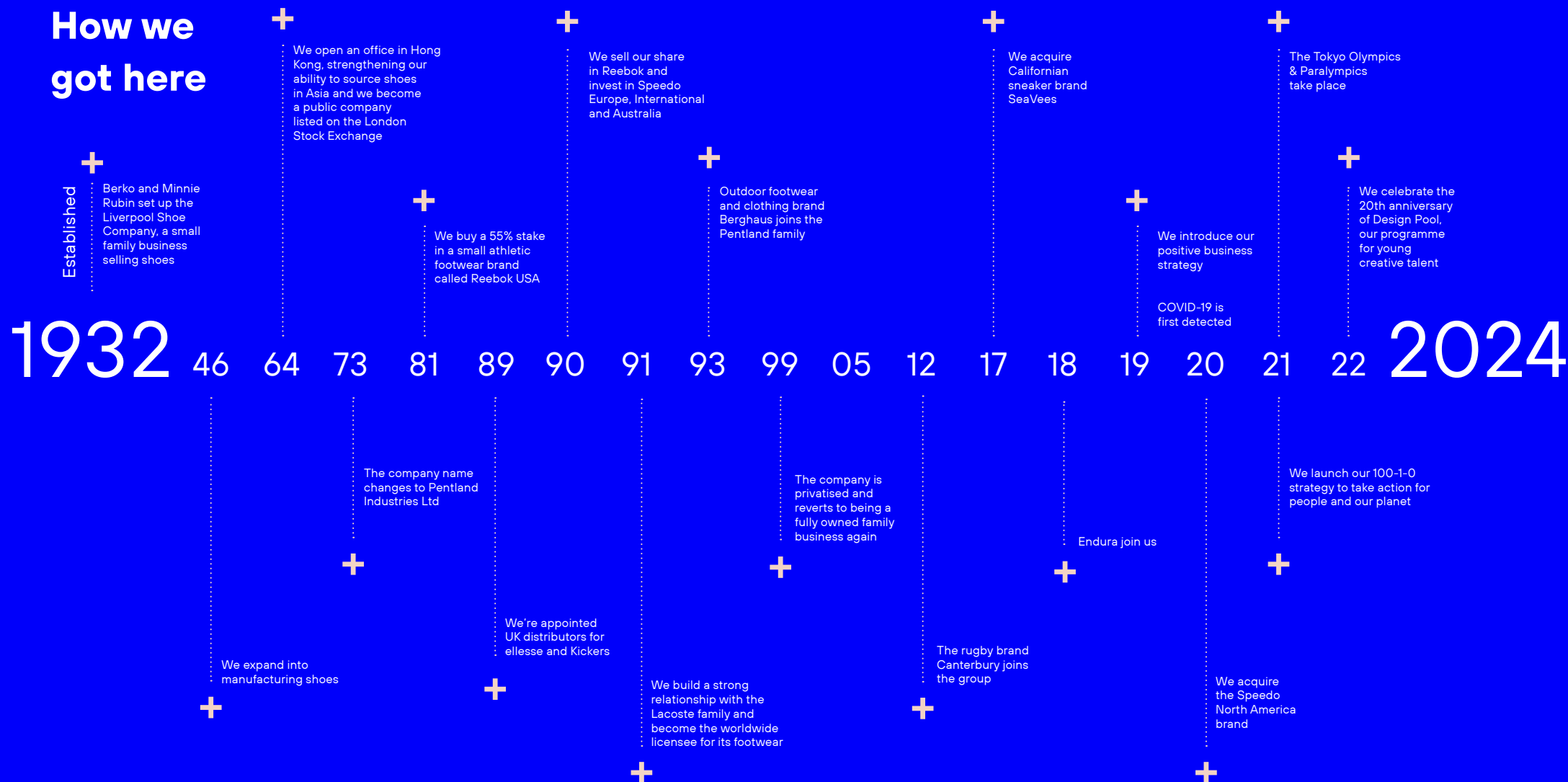
 **canterbury**

FITCO
ACTIVERETAIL

LACOSTE  **

*UK footwear licensee **UK footwear distributor

How we got here



Positive business

We're committed to taking action for people and the planet. Our positive business strategy sets out three major goals to achieve by 2032. Read more on our [website](#).

100-1-0



Making life better:

We will improve the lives of **1 million** people in the communities in which we operate.





Driving a sustainable future:

We will be a **net zero business**

Pioneering brands for good:

We will help **100 million** consumers to live positive, active and sustainable lifestyles.

Sustainable Development Goals

Our positive business strategy is shaped by the United Nations' Sustainable Development Goals that tackle global inequalities and environmental challenges. We believe our businesses can have the biggest impact on these goals:

SUSTAINABLE
DEVELOPMENT
GOALS

3
GOOD HEALTH
AND WELL-BEING

5
GENDER
EQUALITY

6
CLEAN WATER
AND SANITATION

8
DECENT WORK AND
ECONOMIC GROWTH

9
INDUSTRY, INNOVATION
AND INFRASTRUCTURE

10
REDUCED
INEQUALITIES

12
RESPONSIBLE
CONSUMPTION
AND PRODUCTION

13
CLIMATE
ACTION

2021 Impact

Pioneering brands for good	Making life better	Driving a sustainable future
330 UK charitable organisations supported by Mitre 	4 new employee diversity and inclusion networks launched 	 6 million trees planted by brands
 1,600 young female rugby talent nurtured by Canterbury of New Zealand	 Speedo awarded highest scoring British brand in the 2021 Fashion Transparency Index	4,500 products repaired by Berghaus for free 
600+  schools joined an anti-racism event supported by Kickers and Show Racism the Red Card	50%  female representation for Pentland Brands Executive team in the UK <i>*April 2021</i>	 17,000+ square feet of kelp regenerated through SeaVees support
 Speedo teamed up with the Black Swimming Association to teach people to swim safely	 100,000+ products donated to charities	100%  vegan boot launched by Kickers and Lucy & Yak
ellesse and Patta united to break down barriers to inclusion to enjoy tennis 	100,000+  people supported through charitable actions	 55% of Berghaus apparel products were MADEKIND™
 500 free mountain biking sessions given to young people by Endura	 1,000+ charitable organisations supported across 11 global regions	100%  renewable electric energy procured in our owned offices

Our brands

As the changemakers in our business, our brands have a critical role to play in achieving our positive business strategy – our global plan to take positive action for the planet and its people.



Speedo's sustainability actions flow from their love of water. Their efforts are inspiring more eco-friendly products, driving water equity, and helping to protect the blue planet.

- + Currently, 1 in 4 UK kids leave school without swimming skills. Since 2015 Speedo has helped hundreds of thousands of people learn how to swim safely and experience the joy of swimming. They do this through partnerships with the Black Swimming Association, Royal Life Saving Society UK and Epic Partners.
- + Speedo was proud to be named the highest scoring British brand in the 2021 Fashion Transparency Index. This tool measures transparency in areas of human rights and environmental practices. Although their score jumped 55% from 2020, they recognise there's still more to be done to make their supply chain fairer and more ethical and transparent.

- + Their love of the world's wild waters inspired them to launch Trees for Clean Seas – a plan to plant millions of mangrove trees. Mangroves are ten times better at absorbing carbon dioxide than trees. They have planted two million trees through Eden Reforestation Projects in Madagascar, Mozambique and Kenya, with plans to plant another two million by the end of 2022.
- + Speedo continues to rethink product designs through repurposing existing materials and exploring new materials. In 2021 they launched a kickboard and buoy made from a biobased material mix that includes algae. By 2024, they hope to produce 100% of their swimwear and packaging with more sustainable materials. Read more about their innovative, lower-impact fabrics and products on page 54.





Berghaus designs durable, outdoor gear that is built to last. They also support organisations who share their eco ethos.

- + Berghaus has committed to plant 10 million trees by 2025. In 2021, two million trees were planted across Madagascar and Kenya through [Eden Reforestation Projects](#).
- + Their Real Action Heroes campaign supported grassroots environmental organisations that helped local communities



reconnect with nature. Proceeds from product sales supported causes aiding beach clean-ups, planting trees and helping locals grow food gardens.

- + To assist in consumers caring for and prolonging their kit's lifespan, Berghaus designs repairable products. In 2021 Berghaus repaired over 4,500 products in the UK through their unlimited, free repairs service called Repairhaus, helping to keep products out of landfill for longer.
- + Berghaus continue to create products that carry their MADEKIND™ label, which demonstrates the sustainability credentials of a product. More information can be found on page 53.
- + Berghaus supported conservation and mental health causes, partnering with [Outward Bound Trust](#) and [John Muir Trust](#) and supporting [Millimetres 2 Mountains](#) and [Down to Earth Derby](#).





This cycle brand is committed to reducing its carbon footprint and helping charitable organisations uplift communities through sport and outdoor activities.

- ✦ The Endura Lifecycle Trust supplied 500 free mountain biking sessions to young people in Scotland. Their partnership with Developing Mountain Biking in Scotland shares cycling with people with a mental health diagnoses. They also donated kit and equipment to Richmond Cycling Corps in the USA and Brixton BMX Club in the UK.



- ✦ By 2024, Endura is working towards becoming carbon negative, and by 2027, they plan to lock away all historic carbon dioxide emissions. To help achieve this, in 2021, they planted one million trees to restore degraded mangrove swamps in Mozambique's Maputo Bay region and create new woodlands in Drymen, Scotland. Reforestation boosts biodiversity and absorbs carbon.
- ✦ For the past 15 years, Endura has helped consumers extend the life of their already-durable products through their repairs service.
- ✦ Endura is committed to engineering more sustainable products. They use recycled yarns in all their MTB jerseys and over a third of their road jerseys. Additionally, a portion of their products carry the MADEKIND™ label, certifying environmentally friendly and safe working practices. Endura has committed to having 70% of their garments either PFC free, made from recycled fabrics or MADEKIND™ certified next year.





Canterbury of New Zealand is a heritage sports brand dedicated to creating the best kit for on and off the field. They're committed to taking steps towards a more sustainable future.

- + Canterbury's partnership with [Sports Aid](#) champions grassroots rugby. In 2021, the brand supported seven athletes on their rugby journey through financial aid, kit and tips from the Canterbury squad.



- + Through their partnership with Irish Rugby, Canterbury supported the Give it a Try initiative – encouraging 1,679 young girls to take part and learn how to play rugby in 2021.
- + Their best-selling item, the British & Irish Lions jersey, is made from recycled materials. The Test jersey is part recycled material, while the main body of the pro jersey is 100% recycled polyester.
- + Canterbury has increased the number of styles manufactured at their local UK production facility. This helps to increase visibility in their supply chain and reduce transport emissions.
- + Plans are afoot to accelerate Canterbury's sustainability journey. They aim to continue mapping their supply chain, transition more styles into lower-impact fabrics and implement more sustainable packaging in 2022.
- + Canterbury planted 500,000 trees in 2021 through [Eden Reforestation Projects](#).





In 2021 ellesse continued to shake up tennis court culture for good. The sports fashion brand promoted accessibility and inclusivity in sport through partnerships with brands and influencers as well as its own initiatives.

- + ellesse's partnership with global streetwear brand Patta gave young players from under represented communities the opportunity to compete for tennis equipment and one year's sponsorship, with two sponsorships awarded. Performance Plus Sport funded the event. The brand also renovated a tennis court in Tower Hamlets in the UK, providing a space for the local community to gather and play.



- + ellesse donated products to Exist Loudly, a charitable organisation supporting black LGBTQ+ vulnerable young adults experiencing homelessness.
- + A global design competition facilitated through their Tailors Programme provided a talent platform for young designers. The winning designer created an additional capsule collection for ellesse, to be sold commercially in 2022.
- + In 2021 ellesse saw its usage of Better Cotton surge, with a target to source 80% of cotton through the programme by 2022. Overall, they contributed to sourcing 1,157 tonnes of Better Cotton in 2021, totalling 539 million litres of water saved. They are also furthering their sustainability efforts by incorporating recycled polyester and natural dyes in their collections.
- + The fashion brand planted 500,000 trees in 2021 through Eden Reforestation Projects.



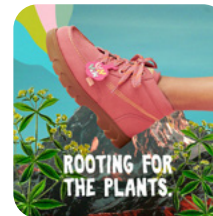
The football brand championed health and wellbeing through supporting causes and donating products. They also used football to raise awareness for important issues in the UK, such as homelessness.

- + Mitre donated products to UK-based causes, clubs and schools to encourage sports participation in local communities. This included donations to [In Kind Direct](#), a UK charity that distributes donated products to other charitable organisations. Mitre was one of the organisation's lead donors in their 'Summer of Sport' campaign giving children the summer they deserve.
- + Their #NoHomeKit campaign raised awareness around homelessness – a growing national crisis. They designed a bespoke football with £5 from each sale donated to the homeless charity [Shelter](#).
- + Mitre supported the [Homeless World Cup](#) through product donations. The annual Four Nations Tournament raised further awareness of homelessness, using the popular sport to change beliefs about people who are homeless.
- + They worked with UK artists from Art of Football to create five new bespoke football designs, with three donated to the youth football charity [Football Beyond Borders](#) for auction.
- + Mitre planted 500,000 trees in 2021 through [Eden Reforestation Projects](#).



This footwear brand takes action in areas of education and diversity and inclusion. Behind the scenes, they are working hard to reimagine a better way of making footwear while ensuring their current processes ethical and increasingly more sustainable.

- + Kickers is proud to continue working with the UK's leading anti-racism educational charity, [Show Racism the Red Card](#). This key partnership encouraged 600+ schools to take part in a national anti-racism fundraising event.
- + For every pair of Kickers sold on [kickers.co.uk](#), In August, they donated a breakfast to kids across the UK. This equated to 30,000 breakfasts and was facilitated through the [Magic Breakfast Club](#).



- + Kickers supported [National Saturday Club](#) to ignite school children's creativity through classes and virtual events.
- + Kickers teamed up with the ethical clothing brand [Lucy & Yak](#) to launch a 100% vegan boot. The collection used recycled rubber in the soles and organic cotton canvas using plant-based and non-thermal dying processes. The cotton was Global Organic Textile Standard (GOTS) accredited and the pink colour was created from naturally dyed rhubarb.
- + Kickers is launching plant-based materials. Vegan alternatives are part of their long-term goal to offer more choice to customers.



SeaVees is a brand dedicated to the planet. They are committed to supporting environmental causes and including more consciously sourced materials in their collections.

- + For the past six years, SeaVees has been a proud 1% For the Planet member, donating 1% of their annual revenue to environmental causes. They also supported local causes aligned with their values of LGBTQ+ rights, breast cancer awareness, local food insecurity and environmental causes supporting The Pacific Pride Foundation, Unity Shoppe, Keep a Breast, Gaviota Coast Conservancy, Food Forward, Planting Justice and SeaTrees.



- + SeaVees source materials and components to achieve more sustainable business practices. Their SeaChange range was the first sneaker collection made from almost completely recycled material.

The range incorporated:

- + recycled canvas uppers
- + post-consumer recycled plastic laces
- + metal-free stitched eyelets
- + recycled rubber outsoles made from recycled material sourced from polyethylene terephthalate (PET), a plastic commonly used for single-use, transparent plastic bottles.
- + Every pair of SeaChange sneakers sold supported the organisation SeaTrees to reverse climate change by regenerating Southern California's kelp forests to sequester carbon. In 2021 SeaVees contributed to the regeneration of over 17,000 square feet of kelp.



Governance

Good governance is embedded in our culture and ways of working. Our robust policies and governance structures ensure we continue to act responsibly to our people, consumers and the communities we operate in.

Metric	SDG
Principles of governance	8, 17



Governance

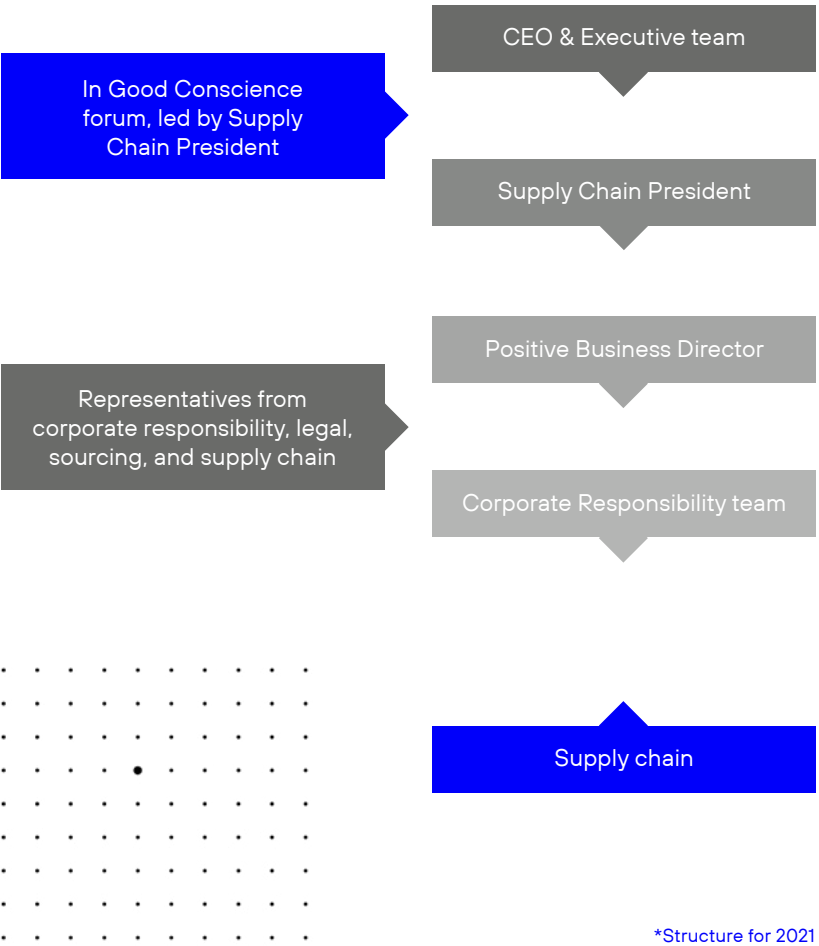
Activity	2021 progress	Status	SDG
Complete onboarding of the Speedo North America supply chain with no outstanding zero tolerance issues	Complete	Target met	8
Undergo an independent audit of our corporate responsibility team and review findings	Complete	Target met	17
Complete cycle of compulsory e-learning training on key compliance areas (anti-bribery and corruption, competition law and data protection)	Complete	Target met	8
Continue with risk committee membership across key business functions	Ongoing	In progress	17
Expand Speaking Up policy into US market	Complete	Target met	8
Recruit dedicated in-house legal counsel to support legal compliance and governance within US market	Complete	Target met	8

Governance structure

We strengthen our approach to positive business through regular collaboration across the business. This ensures we are continuously evaluating environmental, social and economic risks and opportunities, allowing us to make more informed and coherent decisions.

Our code of conduct is outlined in Our Standards, which we review regularly to set out what we expect from our employees, suppliers and partners. Our Executive team oversees all the areas detailed in Our Standards, including responsibility for human rights, supply chain and the environment.

We have dedicated teams, leaders and committees to help us put our principles into practice, each with individual focus areas including diversity, inclusion, sustainability and charity.



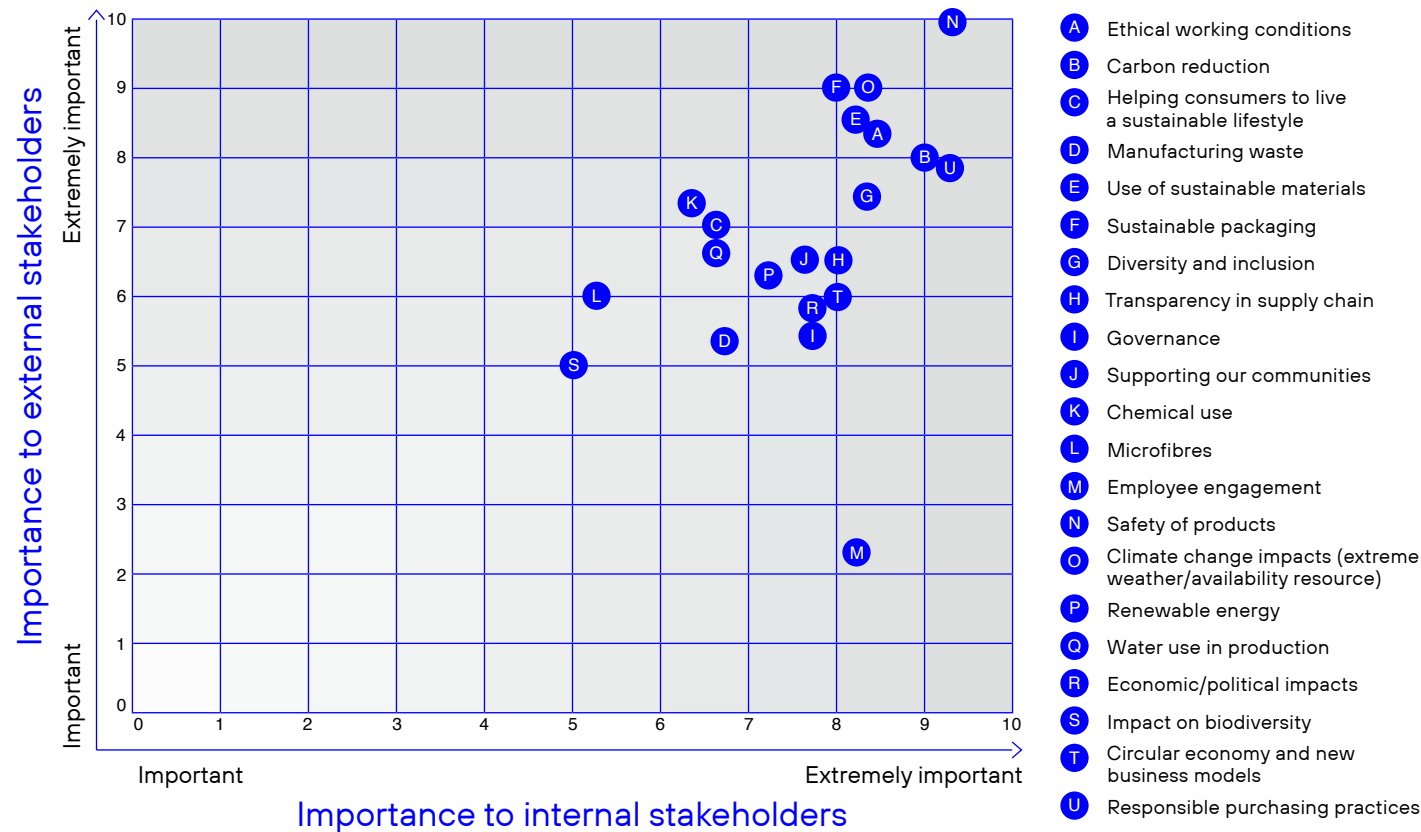
*Structure for 2021

Decision-making framework

We engage with our key stakeholders to identify topics of importance to inform decisions on issues that matter to our business. Information on our key business decisions and any resulting stakeholder engagement can be found in our Pentland Brands Section 172 statement [here](#).



Pentland Brands materiality assessment



Committees

We have a robust governance process for issues relating to supply chain, human rights and ethical behaviour. This ensures we're continuously working together to evaluate risks and opportunities and make coherent data-driven decisions.

In Good Conscience

In 2021, this forum evaluated risks and opportunities in our supply chain, including those related to ethics, integrity and the environment. This enabled us to make coherent and informed decisions around our supply chain. The forum was overseen by our Supply Chain Executive and was made up of representatives from supply chain, sourcing, corporate responsibility and legal.

Risk committee

This independent forum brings together stakeholders across key functional areas to strengthen the effectiveness of risk management in the business. They identify, monitor and measure risk to improve awareness and accountability. Supply chains was flagged as a potential risk, which we continue to mitigate through various activities.





Ethical behaviour

We promote ethical behaviour through:

- + Compulsory online legal training modules to help our people do business ethically and responsibly. These include modern slavery, anti-bribery and corruption, personal data and competition law.
- + Managing our risks through social audits to ensure compliance with the ethical, social and operational criteria set out in Our Standards. Our audit data can be viewed in our Modern Slavery report.
- + Speak up is our whistleblowing service where any employee can safely raise an issue. This goes together with our Speak Up policy that reflects our commitment to conduct our business honestly, ethically, and transparently. In 2021 we ensured our people in the US had access to this free and confidential service.

Risk and opportunities

COVID-19

During the global pandemic, our priority has been the health and wellbeing of our employees. This includes working for our partners and within our supply chain and the communities in which we operate, while also keeping our business running for our retail customers and consumers. An internal team has been monitoring the situation and advising and agreeing actions and support, aligned to World Health Organisation and various government guidelines, for our employees, partners, and vendors. We expect the pandemic will continue to impact our business in 2022.

Post-Brexit

With more complex border controls in place post-Brexit, and following changes to legislation and ways of working regarding exporting goods between the UK and EU, we worked closely with our vendors to ensure documentation requirements were followed with freight forwarding partners to minimise delays to orders.

Global shipping crisis

In 2021 the global shipping industry continued to be an unpredictable and challenging market to operate in. Globally, a short supply of containers, along with reduced shipping lines, fleet sizes and sailing routes, caused delays in container availability to our suppliers and delays to orders being delivered to our retail customers.

Digital re-platform

Following a detailed review of our brand's online and digital services, we onboarded a third-party partner to manage the digital ecommerce experience for our portfolio of sports, outdoor and lifestyle brands. Our partner completely re-platformed the current ecommerce estate, marking a significant step-change in Pentland Brands' global ecommerce strategy.



People

As a global family business, people are at the heart of what we do. We continually work on building an inclusive culture that enables our employees to be engaged, equipped and energised.

Metric	SDG
People	3, 5, 8, 10



25

People

Activity	2021 progress	Status	SDG
Create and trial supplier gender equality guidelines based on ETI framework for gender equality	Ongoing	On track to achieve in 2022	5
Support our suppliers to adopt the ACT purchasing practices commitments, with focus on ringfencing labour costs	Ongoing	On track to achieve in 2022	8
Establish employee networks	Complete vs ongoing	Target met	5
Create a diversity and inclusion learning series for our people	Complete	Target met	5
Collect diversity data for the UK	Complete	Target met	5
Improve the lives of 100,000 people in our global communities through charitable actions	Complete	Target met, impacted 100,000+ people	10
Donate 50,000 products to charitable organisations	Complete	Target met, donated 100,000+ products	10



Our Culture

Our purpose is to pioneer brands that make life better. We believe that every person in our business has a part to play.

Our values help guide us and our people to learn and grow, make choices in good conscience, and do the right thing. We instil these principles in our business, including our approach to recruitment, development and wellbeing.

Diversity and inclusion

Our hope is to build a business where everyone feels welcome. Diverse teams encourage empathy among employees and drive performance, innovation and growth. Our employee networks and diversity and inclusion positive business squad, made up of passionate people across the business, helps drive these initiatives forward. Although there is still so much to be done, we're proud of our progress.

Positive: Our people and brands power diversity and inclusion.

Inclusive: Everyone feels a true sense of belonging.

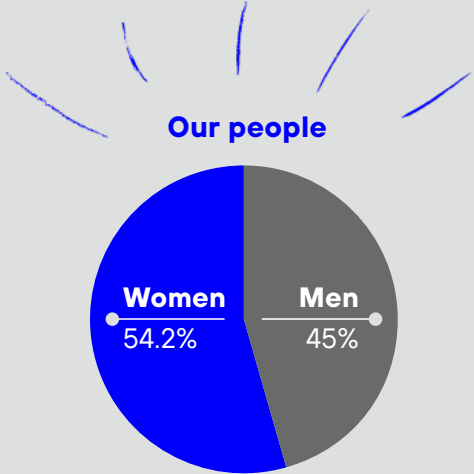
Diverse: Striving for better representation across our business to reflect the diverse consumers we serve.

- + Building a more respectful workplace starts with understanding our people. This belief ignited the launch of four employee networks to foster positive conversation, allyship and action around wellbeing and equal rights for women, LGBTQ+ and black colleagues. Brand-led online

speaker sessions complemented these networks and created engaging opportunities for brands to share their progress.

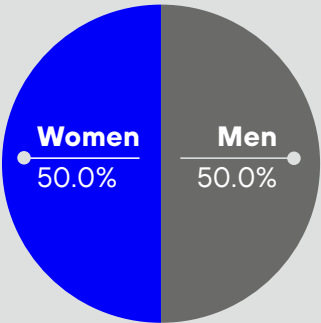
- + We listened to our people's experiences and worked with them to create a learning series to equip everyone to be more inclusive in the workplace. Multiple topics were covered including neurodiversity, inclusive recruitment, and race and disability inclusion.
- + We're building a clearer picture of our company makeup by offering the option for people to share their diversity data. Data around ethnicity, sexuality and background helps us cultivate a culture of true inclusivity. We plan to roll this out globally in 2022.

Our annual employee survey found that 76% of our people agree with this statement, "I feel like everyone has an opportunity to succeed at Pentland regardless of gender, ethnicity, background etc."



*This figure represents our employees across our offices and distribution centres worldwide. It excludes 50 people who chose not to share their data.

Our Pentlands Brands Executive team in the UK



*(April 2021)

Learning and development

We believe in equipping our people to reach their potential. We support them in their personal and professional learning journeys through experience, exposure and education.

- + All our people have unlimited access to LinkedIn Learning, an essential tool to aid in self-development. In 2021 we expanded our course offerings to include an exciting new learning series covering diversity and inclusion topics. This was the most accessed learning series created by Pentland.



The Pentland Perspective on:
+ Neurodiversity
+ Inclusive leadership
+ LGBTQ+ inclusion
+ Race inclusion
+ Inclusive recruitment
+ Disability inclusion
+ Cross global working
+ Gender equality

- + Our Design Pool team inspires creativity and innovation in our brand's products and processes through webinars, guest speakers and sessions.
- + Our compliance e-learning curriculum empowers new starters and current employees by teaching best practices to keep them and our business safe. The curriculum includes modern slavery, anti-bribery and corruption, unconscious bias and health and safety.
- + 2021 laid the foundation for an exciting new talent criterion launching in 2022. Aligned to Pentland Brands' principles, this will be a new way to assess talent and foster characteristics that contribute to building a purpose-filled and ambitious business.



Health and wellbeing

Our positive business culture is rooted in our people's health and happiness, and we promote physical, mental and emotional wellbeing in many ways. We support our employees to create a healthy work-life balance, an essential strategy as we learn to live and thrive in an ever-changing world.

- + All employees have unlimited access to Unmind, our mental wellbeing platform.
- + Confidential, 24/7 access to counsellors and information specialists in the areas of emotional health, management, legal, debt, elder and younger care and financial advice.
- + Gym access and other great facilities at some offices.
- + We introduced 'smart' working. This enables our employees to split time between working from home and

the office to better manage childcare, wellbeing or personal commitments. Our UK offices promoted a 12pm–1pm time out to encourage a healthy work-life balance.

- + Volunteering is good for emotional and mental health. With that in mind, we give our people paid time off to volunteer for a cause they care about.
- + Our offices in Asia regularly hosted virtual and onsite gatherings to foster community and connection during a mentally stressful time. Fun activities included calligraphy and drawing workshops, festival celebrations and office cooking competitions. They also sent out regular motivational emailers to increase morale.



Supporting young talent

For the past 20 years, we have been proud to support the next generation of creative talent. We link arms with global creative and academic institutions to offer their students real-world opportunities that test and refine their skills. Despite COVID-19 restrictions on face-to-face interaction, we still provided online creative lectures and masterclasses. We are also a part of the UK Government's Kickstart Scheme, which supplies job placements for 16 to 24 year olds on Universal Credit.



20

universities supported

12

guest speaker spots
for creative industry events

8

design competitions judged

7

live briefs

4

young people joined our Design
Pool in 2021 as junior creatives
(April 2022)

"I've felt so supported in the Design Pool and have been able to explore different creative tools and projects – from 3D animation, graphics and even art direction on brand photoshoots. I may be a junior, but I feel like I have a voice."

Alana O'Flynn, Junior Designer,
Design Pool, 2021

Charity



We believe that giving back to our communities is simply good business. Driven by our goal to improve the lives of one million people in our communities, we support individuals and causes that inspire young people to be more active, empower disadvantaged communities, and reduce our environmental impact.

2021 impact

100,000+*
people supported

100,000+
products donated

1,000+
charitable organisations supported

11
global regions reached

*This figure excludes the number of people supported by charities through our individual brands

Charity partners

We partner with global charities that align with our positive business values to help communities based in our offices, supply chain and sourcing market locations. We also offer separate funding to our brands to support charities that resonate with their values. A full list of our charity partners can be viewed [here](#).

UK



SportInspired tackles childhood obesity in disadvantaged communities in the UK through fun and inclusive sports programmes. Over our three-year partnership, we inspired 846 young people to get active.



Panathlon provides sporting opportunities for thousands of young people in the UK with disabilities. We enabled them to expand their reach to 855 disabled swimmers, while supporting 2,145 children and 332 leaders.

GLOBAL



We economically empowered young people in the Southeast Asia craft sector by helping **The British Council** roll out a free digital toolkit. This educational opportunity enabled 650 trainees to complete the programme in 2021.



We aided **Oxfam GB** support migrant families in China with important services like after-school care and extra -circular activities. We helped 2,060 people access social support.

Product donations

To help those in need, while extending the lifespan of our products, we donate a portion of our brands' products. These donations are channeled through reputable charitable organisations. What we can't rehome, we recycle.

100,000+

products donated

10,000+

products recycled



In Kind Direct

In Kind Direct believes no usable product should go to waste and has set up a network of charitable organisations in the UK and abroad to distribute donated products. During our 20-year partnership, we have helped In Kind Direct support over 3,000 charities with clothing, footwear and sports equipment from our brands — keeping communities active and warm.

2021 impact:

993

charitable organisations

63

pallets of product, equating to two and a half truckloads

8

brands donated clothing and sports equipment

"It is so much more than just a shoe; it is about making sure our children are comfortable and dry. A pair of new shoes means the world to them."

Derbyshire Children's Holiday Centre, Derbyshire



Wage Equality

We are committed to paying the Real Living Wage, as outlined by the Living Wage Foundation, to people working at Pentland Brands in the UK. This goes beyond the statutory National Living Wage and minimum wage to pay an amount that better reflects the cost of living. We maintain high standards and processes to make sure that pay is determined on a fair and comparable basis, for every role in our organisation. This includes consistent role evaluation processes and internal and external salary and benefits benchmarking for roles.

We are mindful that the area where we still need to make improvement is in the disproportionate number of men within the director level of our organisation. We are looking to make improvements in this area and our ambition is to increase the female representation at the director level reporting into the Executive team. We are doing this through a combination of continued succession planning, talent pipeline development and external recruitment.

Our gender equality data, targets and actions for our UK employees can be viewed in our latest Gender Pay Gap report [here](#).



Modern slavery



We believe everyone has the right to fair pay, safe working conditions, and dignity and respect.

We strive to build a fair, ethical and transparent supply chain that protects workers' rights and improves working conditions. We action this through transparent partnerships with our suppliers, robust policies and governance, regular risk assessments and audits, and global memberships. The Code of Conduct in Our Standards outlines our requirements to ensure all employment is freely chosen.

Unfortunately, COVID-19 increased the drivers of modern slavery, particularly in the global footwear and apparel industry. For those already vulnerable to modern slavery, this further increased their risk of exploitation. During 2021 we continued to closely monitor the impact of the pandemic on our suppliers and the people who work in our key sourcing markets.

Our [Modern Slavery report](#) outlines our actions to mitigate modern slavery and increase visibility in our supply chain.

Find out more about our supply chain model [here](#).

View our tier 1 and tier 2 supplier lists on our [website](#).

How we source

Our supply chain encompasses a product's journey from creation to distribution. We seek to have 100% visibility of our supply chain to ensure we're mitigating the risks of modern slavery.

Our supply chain model varies for owned and licensed brands. We operate the footwear license for Kickers in the UK. We also act as the licensor for our owned brands; for example, ellesse is managed by our partners in France, Italy and the UK.



174

tier 1 suppliers manufacturing
in 16 locations

99

nominated fabric and trim
suppliers manufacturing
in 12 locations

154

audits in 2021

over

100,000

people worked in our supply
chain across 20 global locations
(tier 1 and tier 2)

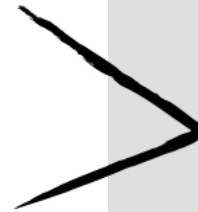


Working conditions

As a member of the [Sustainable Apparel Coalition](#), we use the Higg Index suite of tools for the standardised measurement of our value chain sustainability.

One type of assessment we use to assess working conditions in our supply chain is the Higg Facility Social and Labour Module (FSLM). This assessment reduces audit fatigue and enables factories to focus on improving working conditions rather than completing similar audits for multiple companies.

More information on the Higg Index can be found on page 47.



44

of our tier 1 factories completed the Higg FSLM self-assessment.

70%

of our tier 1 annual business volume.

21

of our tier 1 factories completed the Higg verified FSLM self-assessment.

33%

of our tier 1 annual business volume.

21

of our tier 2 factories completed the Higg FSLM self-assessment.

48%

of our tier 2 annual business volume.

13

of our tier 2 factories completed the Higg verified FSLM self-assessment.

14%

of our tier 2 annual business volume.

Planet

We recognise that we have a part to play in protecting our planet. To leave a lighter footprint, we're actively working on ways to reduce our impact.

Metric	SDG
Planet	6, 12, 13



Activity	2021 progress	Status	SDG
Complete Higg FEM and vFEM targets for tier 1 and tier 2 factories in our supply chain	Complete	Target met	12
Complete projects with charity:water and Planet Water Foundation to provide clean and easily accessible water to communities in our sourcing markets	In progress	Due to complete in 2022	6
Brands plant six million trees	Complete	Target met	13
Establish our carbon data baseline and tracking across all key data points	Complete	Target met	13
Map out visibility on products in the business to prevent stock reaching landfill	In progress	UK mapped out	13
Increase recycled contents across all plastics used in hard and soft goods and minimise amount of material used	In progress	Updates to be rolled out in 2022	12

Office footprint

To reduce our carbon emissions by 25% by 2025 we're taking steps to minimise our footprint across our operations. Despite country-wide restrictions limiting our activity in energy efficiency and savings initiatives, we're taking steps towards improving our energy efficiency.

- + We procure 100% renewable electric energy in our owned offices
- + LED lighting at various UK locations
- + Solar panels at our Nottingham office
- + Electric vehicle charging points at our Lakeside, Nottingham and Sunderland offices
- + We reviewed our UK company car policy and restricted all vehicle options to fully electric or plug-in hybrid electric. In 2022 we will be launching an electric vehicle salary sacrifice benefit that offers senior employees the opportunity to lease fully electric cars. We can already see improvements in the reduction of carbon emissions as we shift our policy to 100% green cars.
- + Endura's head office in Scotland runs on renewable energy. They are also installing a solar system on their office roof in 2022 to fulfil half of their electricity requirements.



Greenhouse gas emissions

The gross greenhouse gas (GHG) emissions for Pentland Brands are 1,806 tonnes of carbon dioxide equivalent (tCO₂e) for the period 1st January 2021 to 31st December 2021, which is a 40% reduction on 2020. The reduction was largely driven by our investment in a zero carbon electricity tariff. The gross GHG emissions figure, reportable under Streamlined Energy and Carbon Reporting (SECR) legislation, includes all material scope 1, 2 plus scope 3 required to disclosed by the legislation; that is the emissions associated with UK electricity and natural gas consumption, and business travel in company and private vehicles by employees. In accordance with the legislation an intensity ratio has been calculated, and for Pentland Brands Ltd this is 5.25tCO₂e per £m revenue, representing a 50% reduction in carbon intensity on 2020 figures.

Greenhouse gas emissions by year (tonnes CO₂e)

Emissions source	2020 (location based)	2021 (market based)	Share (%)	YoY variance (%)
Fuel combustion: natural gas	1,575	1,593	88%	1%
Purchased electricity	1,294	90*	5%	-93%
Fuel combustion: transport	124	123	7%	-1%
Total Emissions (tCO₂e)	2,994	1,806	100%	-40%
Revenue (£m)	288	344		20%
Intensity: (tCO₂e per £m)	10.4	5.25		-50%

Greenhouse gas emissions by scope (tonnes CO₂e)

Emissions source	2020 (location based)	2021 (market based)	Share (%)	YoY variance (%)
Scope 1	1,666	1,678	93%	1%
Scope 2	1,192	0	0%	-100%
Scope 3	136	127	7%	-6%
Total emissions (tCO₂e)	2,994	1,806	100%	-40%

Scope 1: Natural gas and company-operated transport
Scope 2: Electricity
Scope 3: Losses from electricity distribution and transmission and grey fleet travel

This only includes emissions reportable under SECR and may not reflect the entire carbon footprint of the organisation.

Energy consumption by year (kWh)

Emissions source	2020	2021	Share (%)	YoY variance (%)
Natural gas	8,567,176	8,696,838	62%	2%
Electricity	5,112,408	4,770,260	34%	-7%
Transport fuel	499,830	520,828	4%	4%
Total consumption (kWh)	14,179,414	13,987,926	100%	-1%

*The 2021 emissions figure for purchased electricity used throughout reflects our investment in a zero carbon electricity tariff at all our sites. In the terms of the Greenhouse Gas Protocol, this is called 'market-based' reporting as opposed to 'location-based' reporting. Location-based reporting does not take into account the electricity supply contracts a company has and instead uses a national carbon emissions factor for electricity, reflecting the diverse source of electricity generation supplied to the national grid. Following the location-based methodology (which is required to be also reported under SECR alongside market-based figures), our 2021 emissions from electricity were 1,103 tCO₂e (including transmission and distribution losses), giving total annual emissions of 2,818 tCO₂e and an intensity of 8.19tCO₂e per £m revenue – a 21.3% reduction on 2020 figures. The electricity emissions figure above of 90 tCO₂e is from grid transmission and distribution losses.

Boundary, methodology and exclusions:
An operational control approach has been used to define the Greenhouse Gas emissions boundary. This approach captures emissions associated with the operation of all buildings such as warehouses, offices and manufacturing sites, plus company-owned and leased transport. This report covers UK operations only, as required by SECR for non-quoted large companies. This information was collected and reported in line with the methodology set out in the UK Government's Environmental Reporting Guidelines, 2019. Emissions have been calculated using the latest conversion factors provided by the UK Government. There are no material omissions from the mandatory reporting scope. The reporting period is January 2021 to December 2021, as per the financial accounts.

Biodiversity



We protect and cultivate biodiversity around our offices. At our global HQ in North London we:

- + Promoted moss growth to avoid grass mowing and cultivate an environment for small mammals, birds and microorganisms to thrive.
- + Protected native species in our lake including Rudd, Tench, Common and Mirror carp. We added 20 Koi carp to further increase biodiversity.
- + Allowed banks and riverbeds to grow naturally without harmful chemicals or pesticides.
- + Cultivated Purple Loosestrife to support bee populations.

6 million trees planted in 2021

Trees sequester carbon, protect drinking water, and prevent climate change related events like flooding. We believe everyone has a part in protecting ecosystems and have committed to planting 50 million trees by 2032.

So far, our brands' reforestation partner [Eden Reforestation Projects](#) has planted mangroves and forests. Studies show that coastal forests such as mangroves can help turn the tide on climate change as they remove between two to four times more carbon than tropical forests. Our reforestation partner also empowers local communities through fair wages and long-term ownership over the forests they plant. Our brands have helped plant trees around the world.

- + **Scotland** • Creating new woodlands in Drymen
- + **Mozambique** • Restoring degraded mangrove swamps in the Maputo Bay region
- + **Madagascar** • Planting mangrove trees to restore healthy aquatic ecosystems
- + **Kenya** • Rehabilitating forests and mangroves

We also helped offset our employees' carbon dioxide emissions. We planted 10 trees for every employee who returned to our offices in the first week of reopening following the UK national lockdown.



Water

Water is essential to life yet one in ten people can't access it (Unicef). As a business that is part of the textile industry, we understand our actions put immense pressure on water sources.

Freshwater availability

To protect this precious resource, in 2021 we supported water projects through [charity:water](#). This organisation is building sustainable solutions to supply clean and safe water to communities in water-stressed areas in our sourcing markets of Cambodia and India.



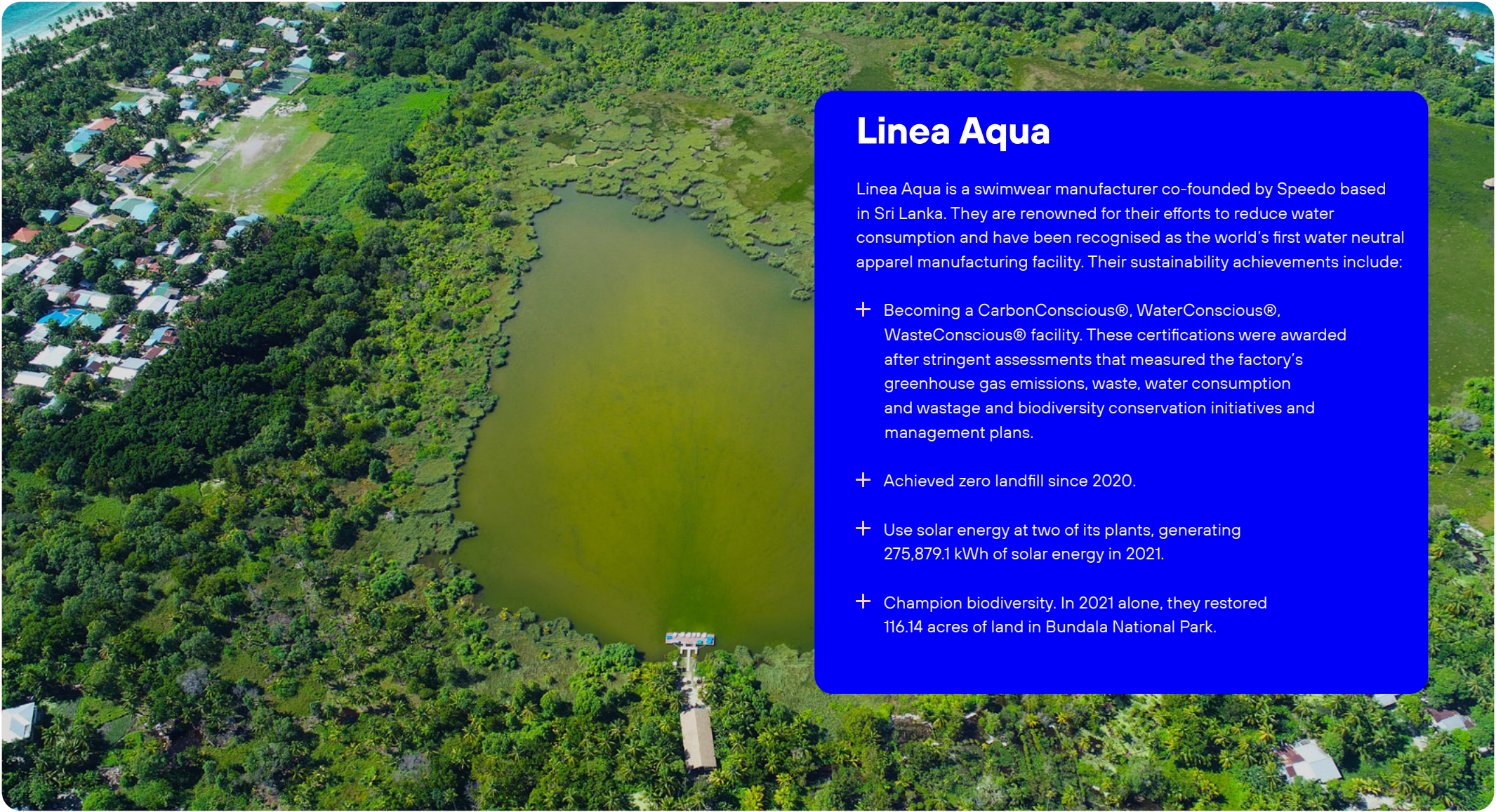
Office consumption

Water consumption of UK locations in 2021

Year to date	m ³ /Day	m ³ /Year
2021	25	9,031

The gross water consumption across our UK offices in 2021 was 9,031m³. The reopening of many of our offices during 2021 caused our annual water consumption to increase by approximately 3% compared to 2020. While there was an increase in 2021, against the 2019 baseline, there was a reduction of 38.71%. We're continuing to review our sustainability initiatives to minimise our water footprint.





Linea Aqua

Linea Aqua is a swimwear manufacturer co-founded by Speedo based in Sri Lanka. They are renowned for their efforts to reduce water consumption and have been recognised as the world's first water neutral apparel manufacturing facility. Their sustainability achievements include:

- + Becoming a CarbonConscious®, WaterConscious®, WasteConscious® facility. These certifications were awarded after stringent assessments that measured the factory's greenhouse gas emissions, waste, water consumption and wastage and biodiversity conservation initiatives and management plans.
- + Achieved zero landfill since 2020.
- + Use solar energy at two of its plants, generating 275,879.1 kWh of solar energy in 2021.
- + Champion biodiversity. In 2021 alone, they restored 116.14 acres of land in Bundala National Park.

Measuring social and environmental impact with the Higg Index

As a business guided by positive business principles, we strive to improve the lives of people working in our supply chain and reduce our environmental impact. The [Sustainable Apparel Coalition](#) (SAC) has developed the Higg Index tools to help apparel, footwear and textile retailers to track their social and environmental impact better. We use all five of their modules to understand the impact of different parts of our value chain.



Brand and Retail Module (BRM)

This module evaluates social and environmental impact across a wide range of business operations.

Read more on page 48

Facility and Environmental Module (FEM)

This tool helps factories assess their environmental impact.

Read more on page 49

Facility, Social and Labour Module (FSLM)

This tool helps factories assess their working conditions.

Read more on page 38

Materials Sustainability Index (MSI)

This tool measures the environmental impact of different materials.

Read more on page 50

Product Module (PM)

This tool measures a product's environmental impact during its lifetime.

Read more on page 52

Higg Brand Retail Module



This module measures a brand’s environmental and social impact on their value chain.

We completed the verified module for the first time in 2021. It evaluated our 2020 performance, offering us insight into our strengths and areas for improvement.

Our stores were identified as a weak area. With only 12 stores globally, most of our

business is direct trading and for the past few years, we’ve focused on other value chain areas where we can make a bigger impact. We recognise we need to make progress.

Operations and logistics is another area for improvement. They have been impacted by COVID-19 and the shipping crisis.

We are also committed to improving our supply chain visibility, as demonstrated by our commitment to having 100% transparency by 2032. Moving forward, we will implement feedback from external auditors, including ensuring our policies, processes and expectations are clearer to our suppliers.

Section Scores



We aren't a retailer as per the Higg definition so we weren't scored in this area.

50.7%
Total **Environmental**

69.5%
Total **Social**

Higg Facility Environmental Module

This tool measures the environmental impact of apparel, footwear and textile factories by assessing categories such as emissions, chemical usage and waste. This helps us to better understand our supplier's holistic footprint and make improvements.

In 2021, we trained footwear teams at nine factories, introducing them to better environmental practices. Moving forward, we aim to increase the number of suppliers who take part in this module.

"System training (FEM) is very detail, clearly delivered and very useful. For practical operation of FEM online and understanding on how it works is very helpful."

Team member, translated from local language

45

of our tier 1 factories completed the FEM self-assessment. This equates to 80% of our tier 1 annual business volume.

30

of our tier 1 factories completed the verified FEM self-assessment. This equates to 82% of our tier 1 annual business volume.

38

of our tier 2 factories completed the FEM self-assessment. This equates to 45% of our tier 2 annual business volume.

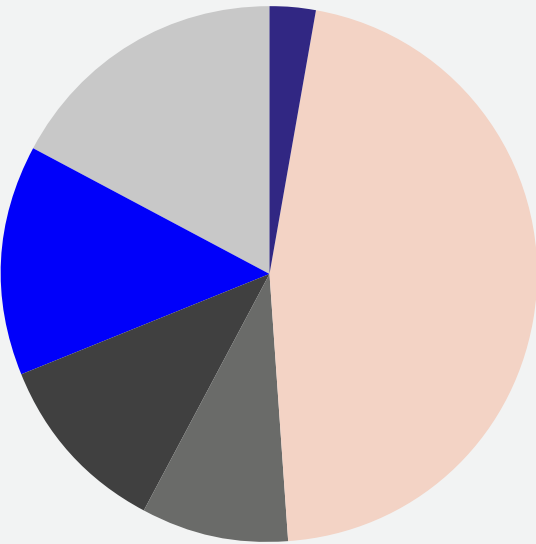
27

of our tier 2 factories completed the verified FEM self-assessment. This equates to 73% of our tier 2 annual business volume.

Tier 1 carbon footprint by product type



This chart shows the assembly portion and not the total carbon footprint of the entire products. It represents 60% of the production volume for 2020 using the Higg FEM and Higg verified FEM data, excluding Speedo North America.



- + accessories & equipment | 149,994 | 3%
- + apparel | 2,120,425 | 46%
- + balls | 390,026 | 9%
- + footwear | 493,551 | 11%
- + goggles | 628,527 | 14%
- + hardgoods | 775,421 | 17%

Materials Sustainability Index

The Higg Material Sustainability Index (MSI) measures the environmental impact of different materials. For example, it assesses the nutrient pollution in the water, water scarcity and a material's potential to contribute to global warming.

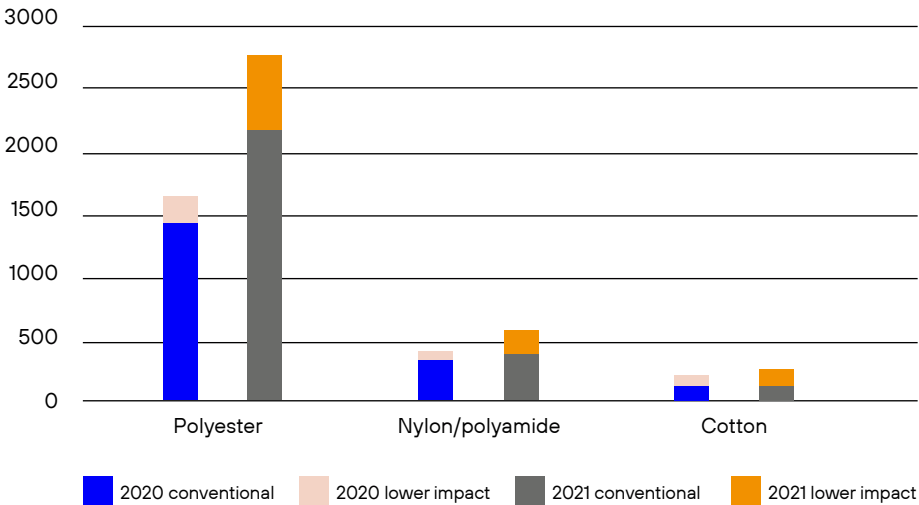
Since 2020 we've been using the Higg MSI Index to measure the footprint of some of our materials. In 2021 we completed our first comprehensive review of the water and carbon footprint for some of our brands' materials, which has helped them identify materials with a lower environmental impact.

Top three textile fibres

In 2021 we progressed in our journey to use more lower-impact materials, such as recycled content or organic content, compared to conventional materials. These figures represent most of our apparel business, excluding Endura and ellesse.

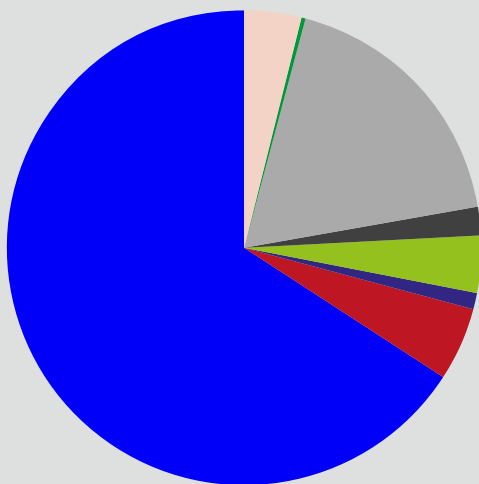
Textile by tonnes	2020	2021
Polyester	1,659	2,787
Nylon/polyamide	400	567
Cotton	204	253

Top three textile fibres by tonnes



Water footprint

2021 water (H2O) volume in cubic metres (m3)

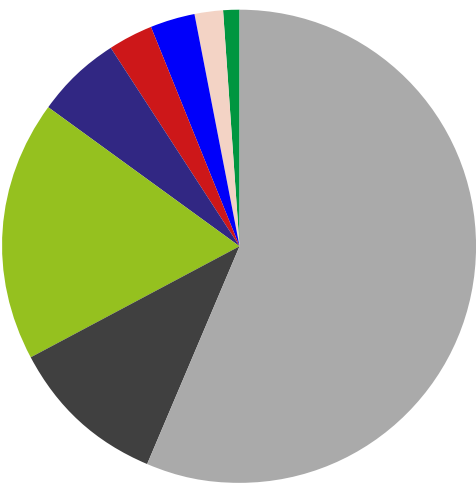


- + organic cotton | 1,035,968
- + conventional viscose | 12,528
- + conventional polyester | 4,812,681
- + recycled polyester | 434,342
- + conventional polyamide (nylon) | 1,156,974
- + recycled polyamide (nylon) | 211,226
- + conventional elastane | 1,215,953
- + conventional cotton | 17,071,952

Part of the MSI module

Carbon footprint

2021 carbon dioxide equivalent (CO2e) volume in kilogrammes (kgs)



- + organic cotton | 575,684
- + conventional viscose | 18,000
- + conventional polyester | 17,035,034
- + recycled polyester | 1,666,158
- + conventional polyamide (nylon) | 7,007,711
- + recycled polyamide (nylon) | 684,087
- + conventional elastane | 975,437
- + conventional cotton | 1,265,575

Part of the MSI module

Chemical management

We prioritise working with materials suppliers who have third-party accreditations in chemical management and manufacturing. We offer advice on materials to our brands so we can expand our range of environmentally friendly products.

Fabrics	Suppliers	Volume covered
bluesign® system partner	50%	/
Oeko-tex® standard 100	81%	/
one or more of the above	92%	82%

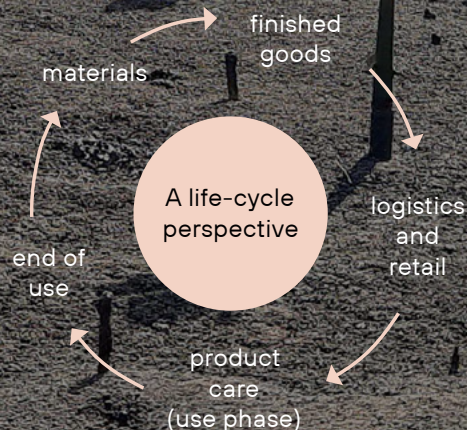
*All brands excluding Endura, Kickers and ellesse. Nominated suppliers only.



Product Module

The Higg Product Module measures a product's impact during its lifetime, looking at its impact from resource extraction, to manufacturing, and what happens to it at the end of its lifecycle.

This is a progressive tool as it helps to inform our brands about a product's real impact and enables them to work towards developing products with a lower environmental impact. We introduced this module to some of our brands' product development teams in 2021 with plans to run more in-depth workshops in the upcoming year.

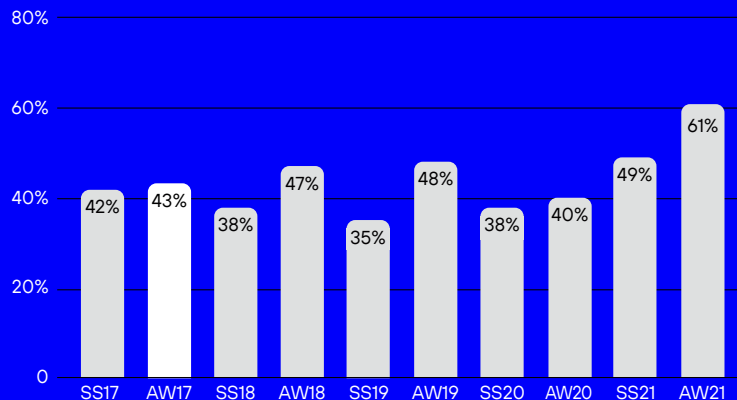


Berghaus champions MADEKIND™

MADEKIND™ was created for Berghaus as a label to show the sustainability credentials of products. To be MADEKIND™, a product must fit one of several sustainability criteria, including having more than 50% recycled or bio-based content, more than 90% bluesign® approved fabric or made with certified sustainable down or cotton.

+ 55% of Berghaus apparel products were MADEKIND™ in 2021

MADEKIND™ apparel products



In 2021 Berghaus developed ranges for SS22 and AW22. The graph shows what products were developed and not what products were sold.





Speedo is exploring new materials that have a lower impact by collaborating with innovative partners to make their own fabrics. In 2021 they used these lower impact fabrics in some of their swimwear.

Eco EnduraFlex: Yarns in this fabric come from 100% pre-consumer waste, which is recycled materials discarded before consumer use, such as waste fabric from factories.

Watershorts: Speedo's range of watershorts are made from recycled waste or from environmentally friendly fabrics including:

- + **100% recycled nylon:** This fabric is made from pre-consumer waste; waste fabric from factories is collected up and transformed into a new nylon fibre.
- + **100% recycled polyester:** The Peached Poly Eco and Express Lite ECO fabrics are made from post-consumer waste. Waste plastic such as plastic bottles is recycled into these polyester fabrics.
- + **100% polyester:** The Ecoya material is made from polyester produced using an environmentally friendly dyeing method, resulting in less water, energy and chemical usage.

For every 1kg of recycled nylon fibre used instead of virgin nylon fibre, climate impacts are reduced by 39%.

For every 1kg of recycled polyester fibre used instead of virgin polyester fibre, climate impacts are reduced by 16%.

*These results were calculated using the Higg MSI 3.3. They were calculated by Pentland Brands and are not third-party verified.





Product innovation

Speedo has partnered with BLOOM, a company that uses algae biomass to create renewable materials, to produce a kickboard and pull buoy made from a biobased material mix that includes algae. Harvesting algae clears natural water ecosystems that have become overrun with it and are harming marine life. This innovative kickboard and pull buoy are made from a biobased material mix of ethylene-vinyl acetate (a polymer material) and algae.

- + One kickboard will return 51 bottles of clean water / 32M cubed clean air
- + One pull buoy will return 50 bottles of clean water / 31M cubed clean air



Packaging

Across our brands, we're working towards integrating more eco-conscious packaging solutions. Where possible we have shifted away from plastic while increasing recycled materials. We send out all products in Forest Stewardship Council (FSC) packaging, which is a 100% recyclable.

In 2021 we focused on building more visibility into our brands' packaging journey through data collection. We also developed alternative packaging solutions for transit polybags and explored smarter ways to ship and distribute products.

Kickers embrace lower-impact packaging

Kickers continue to forge ahead in their journey to become more sustainable. Products from Kickers.co.uk orders are packaged in FSC certified boxes made from 80% post-consumer waste. Shoeboxes are made from FSC certified paper with 90% recycled material and natural soya ink, and baby shoeboxes are made from a mix of coated and corrugated paper that is about 70% recycled. Both boxes are 100% recyclable.



SeaVees shoebox

SeaVees' 'Ship In Own Container' shoebox cuts down on overall paper usage by 40%. The new box design incorporates other more responsible packaging practices like soy-based ink, 100% post-consumer recycled material and water-activated shipping tape.

Resource circularity

We continue to explore ways to reuse resources and close the loop on waste. Our brands have a critical part in developing new and better ways to design products.

- + Upcycling helps to reduce wastewater and carbon emissions used in fabric production. Berghaus' collaboration with the climbing kit company Dirtbags creates new climbing products such as chalk bags or bum bags by upcycling their old and unusable products. One waterproof jacket and one fleece zip top make six or seven fleece-lined chalk bags.
- + Endura use recycled yarns in all their MTB jerseys and over a third of their road jerseys. They also work closely with bike shops to reuse or recycle polybags and accept low-density polyethylene (LDPE) bags from other brands.



Prosperity

We build brands and products with a social purpose. We work to create long-term value to society through employment, financial investment, product innovation and taxes.

Metric	SDG
Prosperity	8, 9, 10



Employment wealth and generation

Employment

We seek to attract, retain, motivate and reward our people by establishing and maintaining a suitable, competitive salary and benefit programme, while remaining mindful of our financial responsibility to our shareholders.

In 2021 we launched a campaign to encourage our UK employees to share details about their gender, ethnicity, religion, sexual orientation and diversity indicators. This data helps us better understand our people and increase the diversity of our employees. It will be implemented globally in 2022.

In line with our positive business principles, we established a salary sacrifice scheme for electric cars. More information can be found on page 41.

Economic contribution

We report corporation tax payable in the UK and overseas in our entity accounts and consolidated group financial statements. We also annually report our total corporate taxes paid

and payable across the whole Pentland Group on a country-by-country basis to relevant tax authorities.

Our economic contribution in respect of taxation covers business taxes, indirect taxes including VAT, goods and services taxes and customs duties and employment taxes.

Pentland Brands was cash generative in 2021 for the year at £3.3 million year to date.

Government economic contribution

We received UK Government funding for four new job placements via the Kickstart Scheme (as of April 2022), designed for young people receiving Universal Credit. More information is available on page 31.

Indirect economic impacts

Periodic COVID-19 lockdowns continued during 2021, naturally impacting our retail customers. We expect the global pandemic will continue to have some impact on our business in 2022.

We also experienced shipping challenges due to disruptions in the global shipping industry. To minimise the impact, we communicated the challenges with our suppliers and worked with them on finding solutions.

We have worked closely with our suppliers, retailers and partners to mitigate the impact of Brexit.

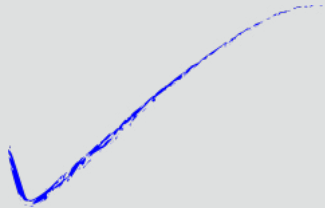
More information on these risks can be viewed on page 24.



Innovation of better products

All our brands have a social purpose. Our in-house innovation team works to create products that support health, wellbeing and confidence and solve current social and environmental challenges. We have dedicated product development teams to bring these propositions to life.

During the financial year April 2020 – March 2021, £880,000 was spent on research and development across Pentland Brands, Berghaus, Speedo International, Canterbury and Endura. This included staff overhead costs and brand innovation projects. More information can be found on page 53.



Community and social vitality

Infrastructure investments and services supported

As we expand our brand portfolio, we invest in new businesses, infrastructures and services.

We continued to invest in our India Hub in 2021 with an increase in team resource to accommodate the expansion in support services provided by the Hub. We also invested into the retail landscape in the Asia-Pacific region and continued transitioning Speedo North America into the business. Additionally, we onboarded a new digital ecommerce partner, a significant step-change in Pentland Brands' global ecommerce strategy.

In 2021, we relocated the distribution services for our Canterbury brand from our distribution centre in Great Harwood, Lancashire, UK into our distribution centre in Glover, Tyne & Wear, UK. This decision was driven by the need to drive operational excellence and provide a more united Teamsports experience for our retail customers, allowing deliveries to arrive in a more timely, unified way. As a result, and following consultation with the employees impacted, we took the difficult

decision to close our Great Harwood Distribution Centre in December 2021. Where possible, employees were offered roles at our other distribution unit in Blackburn. Where this was not possible, employees were offered enhanced redundancy packages.

Social investment

Our positive business strategy puts people at the heart. We channel our support through funding, charity work and individual employee contributions. Pentland Brands gives at least 1% of net profit after tax to charitable causes every year through a combination of financial contributions and product donations. Our rolling product donation tally can be viewed on our website.

Our budget for corporate responsibility activities is approximately 1% of our business' overheads. This includes industry membership costs that focus on social and environmental sustainability. It excludes individual corporate responsibility initiatives undertaken by our brands.



Positive collaborations

Collaborative, industry-wide efforts result in more strategic impact. We work within networks of global not-for-profit organisations.

These are some of our partnerships.

ACT

"The ACT Purchasing Practice Surveys by Brands and Suppliers was the largest surveys of purchasing practices by international brands and retailers with more than 1,300 suppliers and more than 1,800 brand employees participating. ACT's work on freedom of association agreements and dispute resolution mechanisms provided practical tools and the infrastructure to protect workers, keep communication channels open and build trust."

Making the Leap.

"We are so thankful for the continued support of Pentland Brands in championing social mobility and ensuring this important topic is at the forefront of the agenda for UK universities. We look forward to continuing this fruitful partnership in 2022."

Eugene Blavo, Operations Director



Pentland Centre for Sustainability in Business

Founded in 2015 by our parent company, Pentland Group, this centre carries out research to find practical solutions to social and environmental challenges.

"Pentland Brands colleagues form part of the Centre's advisory board and provide a vital source of insight and advice for me. Likewise, Pentland Centre members have benefited from the support provided to build their capacity to create more of an impact in sustainability transitions."

Professor Jan Bebbington,
Director of the Pentland Centre
for Sustainability in Business

Learnings and looking ahead



63

Learnings and looking ahead

We're a constant work in progress. To build on our sustainability initiatives and charitable actions, we need to critically assess our positive business activities.

+ **Equipping our people**

To achieve our ambitious goals, we need to ensure our people are equipped and motivated. We'll be launching a digital-first learning channel to enhance the digital skills of over 600 employees across our global organisation. This progressive learning series will help our people be bold in an ever-changing digital environment.

+ **We're committed to building brands that make life better**

Positive business is at the front of how we reward and incentivise our brands and our people. As a core determiner of our business' success, positive business is one of the four key strategic pillars. All our brand's activities will feed into this strategy, and employee performance reviews will be measured against positive business targets to

determine performance-related bonus payouts. We're continually improving data collection to measure our true impact.

+ **Partnerships amplify impact**

We are excited to continue collaborating with industry leaders to create long-lasting, sustainable change. To create impact at scale, and more efficiently, we work with a range of experts in academia, industry bodies, charitable organisations, and sustainability companies. In 2022 we're partnering with The People to launch the Pentland Collective – a free mentoring programme for young people from black, ethnic minority and underrepresented communities.



Pentland Brands

Lakeside
Squires Lane
London
N3 2QL

To find out more about corporate responsibility
at Pentland Brands, please contact
corporate.responsibility@pentland.com
or visit our [website](#)

© Pentland Brands 2022. All rights reserved.

Airborne Footwear Limited is the UK licensee for footwear under licence from Kickers International B.V.

BERGHAUS and  are registered trademarks of Berghaus Limited. CANTERBURY and  are registered trademarks of Canterbury Limited. ELLESSE and  are registered trademarks of Ellesse International S.p.A. ENDURA and  are registered trademarks of Endura Limited. KANGAROOS and  are registered trademarks of Asco Group Limited. KICKERS is a registered trademark of and used under licence from Kickers International. MITRE and  are registered trademarks of Mitre Sports International Limited. RED OR DEAD is a registered trademark of Red or Dead Limited. SeaVees and  is a registered trademark of SeaVees, Inc. SPEEDO and  are registered trademarks of Speedo Holdings B.V. PENTLAND is a registered trademark of Pentland Industries Limited. B.V. LACOSTE and  are registered trademarks and used under licence from Lacoste S.A. and its associated companies.