



Scottish Leather Group

## Code of Conduct Policy

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| <b>Document Title:</b><br><br><b>Group Code of Conduct Policy</b> |            |   |  |   |
| <b>Document No:</b>   |            | <b>Related Policies/Documents/Regulations</b>       |  |   |
|   |            | <a href="#">ILO Conventions and Recommendations</a> |  |   |



## Introduction

Scottish Leather Group (SLG) is committed to the responsible sourcing of its goods and services with this Code of Conduct and it sets the minimum performance standards. The goal of our Code of Conduct is to ensure safe and healthy workplaces for the people who make products for SLG, where human and civil rights conditions are in compliance with the core labour conventions of the International Labour Organization (ILO). SLG will apply its Code of Conduct as one of the criteria used in its selection of business partners and suppliers. It is a requirement that all SLG suppliers and their sub-suppliers follow the Supplier Code of Conduct.

The standards detailed below form part of SLG's broader commitment to uphold human rights and to operate in a responsible manner. SLG will determine the level and the degree necessary to investigate and act upon complaints.

## Code of Conduct Policies

### Human Rights

SLG:

- will ensure that fundamental human rights as recognised in the Universal Declaration of Human Rights will be respected at all times, regardless of nationality, place of residence, sex, national or ethnic origin, colour, religion, or any other status.
- will not be complicit in any human rights abuses.

### Child Labour

SLG:

- will not hire people under the age of 15, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age would apply, as defined by the International Labour Organization (ILO) Convention 138. Total duty time and schooling shall not exceed 10 hours per day.
- will ensure that where young people under the age of 18 are employed, their work is not likely to be harmful to their health and/or development, including not working under hazardous conditions and ensuring compliance with all applicable laws.
- acknowledge that according to the United Nations Convention on the Rights of the Child, a person is a child until age of 18. In keeping with ILO Convention 182, SLG will ensure young workers in the age group 15-17 are employed according to the protective restrictions prescribed by local laws. Where local laws do not exist or where they set lower standards than the ILO, the ILO standards shall prevail.

### Wages and Benefits

SLG:

- will ensure that the basic or minimum wage or salary and any additional entitlements payable directly or indirectly, in cash or in kind, by the employer to the worker and arising out of the worker's employment are adhered to in full. This includes paid sick days, family and medical leave, paid overtime etc.

### Hours of Work

SLG:

- will ensure regular working hours do not exceed forty-eight (48) hours per week, and that the combination of regular hours and required overtime hours do not exceed sixty (60) hours per week except in emergency circumstances.



### **Forced Labour**

#### **SLG:**

- will not use forced, illegal, trafficked, or prison labour, including indentured or bonded labour, or any form of compulsory labour to manufacture our products (ILO Conventions 29 & 105). Workers shall be free to leave employment without penalty on the provision of reasonable notice.
- will not require workers to lodge deposits or their identity papers as a condition of employment, or financially penalize workers for resigning.
- will not require any foreign contract worker to remain in employment for any period of time against his or her will and will pay any required agency recruitment commissions.
- must ensure that all workers have the legal right to work and any migrant workers should be in possession of a valid work permit issued by the relevant authority.

### **Freedom of Association**

#### **SLG:**

- will recognize and respect that workers, without distinction, have the right to form, join or refrain from joining worker organisations of their own choosing and to bargain collectively (ILO Convention 87). SLG will allow workplace access for such organisations to facilitate their representative functions.
- will ensure that where the right of freedom of association and collective bargaining is restricted under law, SLG facilitates and does not hinder the development of parallel means for independent, free association and bargaining (ILO Convention 98).
- will ensure that workers' representatives are not discriminated against and have reasonable access to carry out their representative functions in the workplace.

### **Occupational Health & Safety**

#### **SLG:**

- will provide our workers with safe and healthy work environments including providing adequate training and effective protective equipment to safely carry out their duties, which at a minimum is in compliance with country and local health and safety laws and regulations.
- will take adequate steps to prevent accidents or injuries to health arising out of, associated with, or occurring in the course of work.
- will ensure that any living facilities provided for personnel are safe and clean and meet the basic needs of personnel. This includes the provision of access to clean toilet facilities, potable water and clean facilities for food storage. Facilities must be constructed and maintained in accordance with applicable laws and regulations, and accommodation, where provided, shall be clean, safe and meet the basic needs of workers while respecting their dignity.
- will ensure that there are appropriate exits, procedures and equipment in place to deal with emergency situations.
- will ensure that safety information relating to hazardous materials, including chemical and processing materials, shall be available to educate, train and protect workers from hazards.
- will ensure that contractors must work in a way that assures their own safety and the safety of others and in compliance with applicable SLG and regulatory environmental, health and safety requirements. Any incidents that may impact the SLG must be reported promptly.
- shall not possess, use or sell illegal drugs on SLG property or perform their work under the influence of alcohol or illegal drugs.



### Harassment

#### SLG:

- will provide a workplace free of harsh and inhumane treatment, including any sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, or verbal abuses of workers and no threat of any such treatment.
- will treat workers with respect and dignity and ensure workers are not subjected to any form of physical, sexual, psychological, or verbal harassment or abuse.
- will ensure workers are free to express their concerns about workplace conditions without fear of retribution of losing their jobs. Workers should have access to a formal avenue to express concerns directly to factory management.

### Non-discrimination

#### SLG:

- will consider employees for positions on the basis of their qualifications and abilities. SLG will not discriminate in hiring, compensation, access to training, promotion, termination or retirement on the basis of race, class, religion, age, nationality, social or ethnic origin, sexual orientation, gender, gender identity or expression, marital status, family status, pregnancy, union membership, political affiliation, disability or other legally protected class (ILO Conventions 100 & 111).
- will ensure pregnant workers are assigned work tasks appropriate for, and not threatening to, their condition.
- will not seek to avoid obligations to workers under labour or social security laws and regulations arising from the regular employment relationship through the excessive use of fixed-term contracts, labour-only contracting, subcontracting, home-working or apprenticeship schemes.

### Business Ethics

#### SLG:

- is committed to exercising appropriate standards of professionalism and ethical conduct in all business activities. SLG will not tolerate bribery or corruption in any form, or any breach of its Bribery Policy.
- is not permitted to directly or indirectly promise, offer or provide any improper advantage to any person or entity, including officials of a government or a government-controlled entity. SLG's employees are not allowed to accept any such advantage and we expect the same approach in business dealings from our business partners, suppliers and third parties.
- must disclose any personal relationships, economic interest or other ties to their business held by an employee or contractor with SLG.
- shall provide high-quality products and services that meet all applicable quality standards and demonstrate that they have robust quality-management systems in place. We expect suppliers to immediately report to SLG any concerns about product safety.
- will not allow the use of conflict minerals. SLG will continue to promote responsible mineral sourcing and expect suppliers to communicate our conflict-free policy with next-tier suppliers. SLG shall exercise due diligence on the source and chain of custody of these minerals and make their due diligence measures available upon request.

### Accuracy of Business Records

#### SLG:

- will maintain accurate records of their activities and performance that clearly demonstrate compliance and disclosure of financial and nonfinancial information according to all applicable standards, regulations and SLG requirements.



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| Document Title: | Scottish Leather Group – Code of Conduct Policy |
| Document No:    | <b>SLG – TBC</b>                                |

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- will ensure that all financial books and records must conform to generally accepted accounting principles.
- will ensure that records are legible, transparent, and reflect actual transactions and payments. SLG shall not hide, fail to record, or make false entries.

### **Intellectual Property and Confidential Information**

SLG:

- shall take appropriate measures to secure and protect all confidential information related to SLG and its customers and use it only for the purpose authorised under contractual agreement. This obligation shall remain in force regardless of the status of the business relationship.

### **Environmental Commitment**

SLG:

- will ensure all waste materials, as a by-product of production, are disposed of properly in an environmentally responsible manner, and according to the local and international laws and regulations.
- shall operate in an environmentally precautionary, responsible and efficient manner to minimize adverse impacts on the environment.
- will undertake initiatives that promote greater environmental responsibility, such as the conservation of natural resources, avoidance of the use of hazardous materials where possible and engagement in activities that reuse and recycle.
- will endeavour to secure raw materials from fully traceable, sustainable sources and where required, will be members of relevant multi-stakeholder initiatives or reporting platforms that support SLG's responsible sourcing ambition. SLG encourages the development of environmentally friendly technologies.
- shall also comply with any additional category specific requirements regarding the goods or services for customers, for example our requirements with respect to animal welfare.
- shall respect the rights to land tenure of local communities and indigenous peoples impacted by its operations, including its raw material sourcing, and will adhere to the principle of Free, Prior and Informed Consent.
- shall have systems in place to ensure the safe handling, movement, storage, recycling, reuse or management of waste, air emissions and wastewater discharges. Any waste, wastewater or emissions with the potential to adversely impact human or environmental health shall be appropriately managed, controlled and treated prior to release into the environment. Systems shall be in place to prevent and mitigate accidental spills and releases into the environment.

### **Legal and Ethical Requirements**

SLG:

- will comply with national and other applicable laws of the country of manufacture of products including those laws relating to labour, worker health and safety, and the environment. Where the provisions of law and the Code of Conduct address the same issue, the provision that is most stringent will apply.
- will develop, implement and maintain methods and processes appropriate to our products and services to minimise the risk of introducing counterfeit parts and materials into deliverable products.
- will uphold the standards of fair business and competition rules, including business practices that unlawfully restrain competition, improper exchange of information, price fixing or bid rigging, and will not partake in retaliation.



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### Compliance and Implementation

SLG will ensure our operations comply with all applicable laws and regulations at a minimum.

SLG shall have the appropriate processes and systems for compliance, including a means for the confidential reporting of concerns about misconduct or unethical behaviour and an appropriate mechanism for addressing any issues identified. Where issues are identified through internal reporting, whistle-blowers will be protected from any negative repercussions.

SLG or any authorised third party is allowed to conduct audits to verify compliance with these standards or other required certifications. In the event deficiencies are identified, SLG will take the steps necessary within an acceptable timeframe to correct any deficiency to SLG's satisfaction. SLG shall immediately report any concerns about compliance with legal requirements or any aspect of this Code, to their designated point of contact.