

Taking action
for people
and our
planet

Contents

Building a family of brands, for the world to love, generation after generation.

This is Pentland Brands' first annual Positive Business Report, evaluating the progress we've made during the period January 2019 to December 2019 and our plans for 2020 and beyond. It has been approved by the Pentland Brands Executive Team.

Previously, all Pentland Brands' corporate responsibility activities were recorded in the annual Pentland Group Corporate Responsibility Review. You can view these reports [here](#).

Feedback

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

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1.0

Introduction



A view from our CEO, Andy Long

Looking back at recent times, it's clear that the role of corporate responsibility has evolved and accelerated. More than ever, importance is placed on not just demonstrating value to consumers but also to society. Doing the right thing has never been more essential.

For Pentland Brands, 2019 marked a step-change in our approach to corporate responsibility. Reflecting a growing need to factor our social and environmental impact into all that we do, we introduced our commitment to 'positive business' – our strategy to take action for people and our planet. This includes building brands with purpose, creating products sustainably, embracing a diverse and inclusive workforce, supporting our communities and protecting the people working within our supply chain.

Our mandate from our shareholders is to 'do the right thing'. Our history shows that we have always been committed to doing business the right way, with more than an eye on how our work impacts the world around us.

However, when faced with a volatile retail climate and ever-increasing societal demands, the real challenge is deciphering what this means today. We need to unite the need to fulfil our consumers' demands for great products anywhere, anytime, with a guarantee that those products

are made responsibly in a way that supports communities and minimises our impact on the environment. This is made even more complex by challenges as a result of COVID-19, which we talk more about on page 6 of this report.

Our purpose is to make brands matter and we're using our influence to champion positive business across our brand portfolio. 2019 was a Rugby World Cup year for Canterbury of New Zealand, which supplied official apparel for the tournament and brought together players and fans alike to 'Be Part Of It'. These global events are integral to promoting diversity and inclusion, health and wellbeing and body confidence, creating value for consumers in more ways than products ever would in isolation.

We continue to adapt to support our people to work at their best. As the sponsor of diversity and inclusion at Pentland Brands, I personally attain great value from attending regular committee meetings, reviewing our progress and overseeing the evolution of the plan. We're proud to share our targets for increasing diversity across our workforce, particularly our senior leadership team, and we'll continue to track our progress in this area.

Our ability to have a positive impact increases when we work as one, so we continue to be guided by our partners, academic institutions and charities. We learn and improve by bringing the

outside in and we strive to partner with institutions that provide us with valuable insight and understanding. Our charity partners are going from strength to strength and we've worked together to make great progress in our aims of empowering women in our sourcing markets and helping young people increase their physical activity.

We recognise that we no longer operate in a business landscape where corporate responsibility is solely overseen by the corporate responsibility team. This year we've focused on building our overarching ambitions to support people and our planet and have made changes across many departments and disciplines, reflecting our goal to build positive business into the fabric of all our operations and processes. That's when we can truly move forward with purpose.

We're committed to learning and improving, through being authentic in our actions, true to the purpose of our brands and focusing on the areas where we can make the most significant difference. I look forward to sharing our progress with you.

[Andy Long](#)
CEO, Pentland Brands

A view from Sara Brennan, Head of Corporate Responsibility

With consumers now at the forefront of campaigns for sustainable causes and a growing investment in the future of the planet and its people, 2019 was a year where many businesses took a second look at the impact of their operations.

‘Sustainability’ is the word of the moment and arguably the theme that most significantly defined our focus areas in 2019. It’s our aim to make brands that matter, and to be able to do this generation after generation, we need to help our consumers choose products that put people and our planet at the forefront.

In 2019, we set up a sustainability steering committee and working group. This team of passionate individuals from across our business has the sole aim of improving the sustainability of our brands, products and processes. They now make up a global network of representatives driving the projects and initiatives that continue to shape our business. Many of the results documented in this report can be credited to their efforts in 2019.

A particular achievement for my team was attaining ‘achiever’ level by the Ethical Trading Initiative (ETI), for strengthening our approach to ethical trade through NGO collaboration, multi-stakeholder initiative representation and monitoring for improvement. Our focus now is on continuing to work with the ETI and our other partners to further cement our ambitions and reach our targets.

As a business looking to build a sustainable future for the long term, we’re looking for solutions and initiatives that will stand the test of time – not a quick fix. While we know we’re not there yet, we’re committed to listening to our people and our partners, so that we’re able to use our influence to make a difference.

[Sara Brennan](#)
[Head of Corporate Responsibility,](#)
[Pentland Brands](#)
corporate.responsibility@pentland.com



COVID-19

This report was written prior to the impact of COVID-19, which inevitably caused us to re-work some elements of our corporate responsibility plans. It also provided us with new opportunities to support our people, partners and communities. Just some of our work includes:

- + Our brands and suppliers have also been supporting the global efforts by developing and distributing personal protective clothing and equipment for frontline workers.

- + Our employees have been supporting through volunteering, fundraising, or making PPE clothing and equipment.
- + As a founding member of ACT (Action, Transformation, Collaboration), we have committed to paying for goods produced for Pentland Brands and we will continue this during the COVID-19 pandemic to maintain our long-standing relationships with our vendors.
- + Making product and financial donations to some of the UK and international charitable organisations doing incredible work to help those most in need during the pandemic.

You can find out more about the work we've been doing in our [COVID-19 corporate responsibility update](#).

Who we are and how we work

Building brands for the world to love, generation after generation

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, ellese, SeaVees, Boxfresh, Red or Dead and Mitre. We're the licensee for Kickers in the UK and we have a joint venture partnership for Lacoste footwear.

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. You can find out more about Pentland Group [here](#).

Our brands



*footwear licensee **joint venture

Our story

The business we know today as Pentland Brands took its first steps as the Liverpool Shoe Company in 1932. Founded by Minnie and Berko Rubin, what began as a small shoe business expanded until we were both a manufacturer and a wholesaler of footwear.

Being a responsible business has been important to us from the beginning. As a family business and a family of brands, we believe that our reputation is our currency. Our Standards set out our expectations for ourselves, our partners and our suppliers to ensure that we continue to do business in the right way. Honesty, respect and hard work run through all that we do.

Our focus is building a long-term, sustainable business that adapts to the changing environment. We aim to make a positive impact through our business,

our products and the communities in which we operate. We work in a way that's considerate of our impact on people and our planet and we pride ourselves on being a socially and environmentally conscious business.

Over the decades, we've continued to acquire and nurture brands over the long-term. In January 2020, we confirmed the addition of Speedo North America - uniting the global Speedo brand. Today, we're one of the UK's leading brand management companies operating in sports, outdoor and footwear. Just as importantly, we continue to nurture the culture and principles of the family business so we can continue to make brands matter, generation after generation.



How we got here

1932

Established

+ Berko and Minnie Rubin set up the Liverpool Shoe Company, a small family business selling shoes

46

+

We expand into manufacturing shoes

64

+

We open an office in Hong Kong, strengthening our ability to source shoes in Asia and we become a public company listed on the London Stock Exchange

73

+

The company name changes to Pentland Industries Ltd

+

We buy a 55% stake in a small athletic footwear brand called Reebok USA

81

89

+

We're appointed UK distributors for ellesse and Kickers

+

We sell our share in Reebok and invest in Speedo Europe, International and Australia

90

+

We build a strong relationship with the Lacoste family and become the worldwide licensee for its footwear

91

+

Outdoor footwear and clothing brand Berghaus joins the Pentland family

93

+

The company is privatized and reverts to being a fully owned family business again

99

05

+

The rugby brand Canterbury joins the group

12

+

We acquire Californian sneaker brand SeaVees

17

+

Endura join us

18

2020

Making purpose a reality

Respect for people and our planet has long been at the heart of our business. We strive to do the right thing, not the easy thing, and make all our decisions in good conscience.

Our Positive Business strategy focuses on:

- + Helping people to live active, healthy lifestyles by building brands with a social purpose
- + Creating products that are sustainable and supportive of wellbeing and confidence
- + Protecting human rights by doing business ethically and sustainably
- + Enabling an ethical and transparent supply chain
- + Reducing the environmental impact of our operations and materials



Performance highlights of 2019

Engage, influence, impact

We have a targeted approach to sustainability to make real, tangible improvements across our organisation. Our brands led the way in fulfilling their own positive business ambitions, working as a portfolio to maximise impact.

Nurturing brands with purpose

- + Speedo championed diversity and inclusion, partnering with inner city swimming club Swim Dem Crew to empower people to feel good in their skin and renewing its sponsorship of Team GB at the Invictus Games 2020.
- + Endura established its 1 Million Trees initiative – a pledge to plant one million trees each year in a bid to make a difference to global warming.
- + SeaVees created its first sustainable footwear collection, SeaChange.

Leaving a positive footprint

- + We progressed to level ‘achiever’ with the Ethical Trading Initiative (ETI), for strengthening our approach to ethical trade through NGO collaboration, multi-stakeholder initiative representation and monitoring for improvement.
- + We progressed to ‘strategic member’ level with the Sustainable Apparel Coalition (SAC).
- + We hosted our third Global Inclusion Week, celebrating what it means to be a diverse business and starting the conversation about how we can do more to support diversity and inclusion in our workplaces.
- + We built a sustainable materials library for our Tier Two footwear suppliers and rolled out 100% recyclable packaging across six of our brands.

- + We rolled out our apprenticeships programme, recruiting three new apprentices in disciplines across our business.

Collaborating and connecting

- + We set up our sustainability steering committee and working group to push ahead with sustainability initiatives across our business and brands.
- + We continued to collaborate with our charity partners, working towards our goals of inspiring 5,000 young people across the UK to engage in physical activity and empowering 10,000 women in disadvantaged communities in our sourcing markets in Asia.
- + We were inspired by future trends to look at how we can create new propositions that offset our environmental challenges.

Positive business: taking action for people and our planet

A rapidly changing consumer world and an ongoing climate emergency means decisive action is more vital than ever. Positive business is about accelerating our approach to taking action, for people and our planet.

We spoke to people across our organisation, analysed the efforts of businesses like ours and looked closely at our operations to work out areas where we can have the most impact. The result is our Positive Business strategy; three targeted pillars setting out our ambitions in the areas we believe we can make the biggest difference.

Positive business means that working ethically, transparently and sustainably is the responsibility of our entire organisation. By focusing on impact, we have created a plan that will allow us to achieve results faster, together.

In essence, it means...

- + Having a positive impact on our employees, partners, communities and consumers
- + Operating sustainably, taking positive action to reduce our impact on the world we live in

Which in practice, equates to...

Building purpose-led brands

- + We build brands that sell products to support health, wellbeing and confidence. Our products are made sustainably and enhance, not diminish, the communities in which we operate

Owning our footprint

- + We focus on wellbeing, creating diverse, inclusive and green workplaces in which our people can be at their best. We have a transparent supply chain where workers are empowered and we deliver on our environmental targets

Circularity and collaboration

- + We partner with industry bodies, academic institutions and charities to develop our industry expertise. We innovate for success and we're not afraid of change if it means improvement

We're part of something bigger

We're a signatory of the UN Global Compact through our parent company, Pentland Group. We believe businesses should align their strategies with environmental and societal goals and we fully support the Global Compact's ten principles on human rights, labour, environment and anti-corruption.

We support the UN Sustainable Development Goals (SDGs), which address the global challenges we face. We've selected the eight goals where we believe we can make the biggest difference. These goals underpin our Positive Business strategy to ensure that we're focusing on the areas where we can make the most significant contribution to people and our planet.



Our brands

Our purpose is building brands for the world to love, and we want to make sure we can do this generation after generation.

As a global brand management company, we power all our brands to create more moments that matter. It's our ambition to build a business that's sustainable in the long-term, which is why we build purpose into the fabric of our brands. Here's a snapshot of how our brands are helping to bring our positive business ambitions to life, for people and our planet.



Speedo Made For This

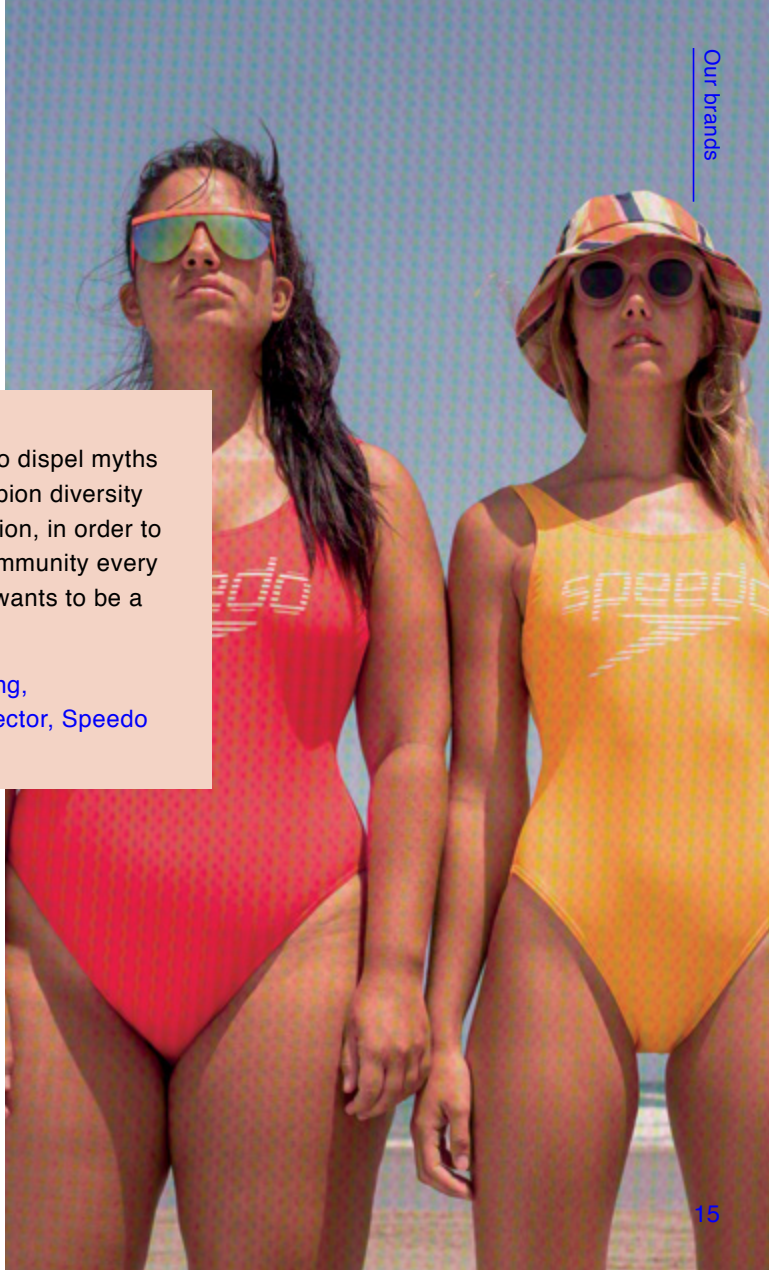
Supporting people

Speedo believes in embracing every type of swimmer from all communities. As a brand, it's serious about breaking down prejudices, removing barriers and empowering all swimmers to be themselves. Whether it's tailor-making competitor suits for the Paralympics or building communities with inner-city swim club Swim Dem Crew, Speedo believes in empowering all swimmers to be comfortable in their own skin.

Speedo is proud to take an inclusive approach to sponsorship, supporting athletes from a variety of backgrounds and championing their passion for the pool. The brand recently announced its plans to renew its role as official swimwear provider for Team UK as part of the next Invictus Games; the international sporting competition undertaken by wounded, injured or

sick military service personnel. The partnership will not only see Team UK competitors kitted out with Speedo Fastskin performance swimwear for the main event in 2021, it will also support hopefuls with gear for qualification and training events in the lead up to the Games.

In support of its inclusive strategy, Speedo will champion swimmers competing in the Tokyo Paralympic Games in 2021. The brand will support several teams as part of Team Speedo, as well as providing access to elite swimwear to allow unsponsored Olympic and Paralympic nations to compete. Since signing five-time Paralympic gold medal winner Ellie Simmonds as a brand ambassador in 2019, Speedo has continued to demonstrate its belief that swimming should be accessible to everyone – whatever unique challenges they may face along the way.



“We want to dispel myths and champion diversity and inclusion, in order to build a community every swimmer wants to be a part of.”

Rob Hicking,
Brand Director, Speedo

Speedo Made For This

Protecting our planet

Our oceans are at risk of being contaminated by debris created from single-use plastics. This poses a very real threat to marine life, as well as human safety, water consumption and climate change.

Speedo loves the water and believes it should be protected. This is a belief that is reflected in its products – H2O Active, its environmentally friendly fitness range, is created from 78% ECONYL® yarn. ECONYL is an innovative regenerated fibre which turns waste from fishing nets,

manufacturing by-products and even carpet into first grade nylon fabric – creating a functional fabric that’s also kind to the planet.

The brand also made sure that environmentally friendly fabrics featured in its collaboration with House Of Holland, with some items in the collection made using recycled yarn created from old fishing nets.



Speedo Made For This

See it in action: saving lives through water safety

A brand that believes that anyone, anywhere, should have the right to swim, Speedo helps teach children and adults basic swimming skills, promotes water safety and encourages a lifelong passion for the pool through its Swim Generation programme.

Speedo has established an official two-year partnership with the Royal Live Saving Society (RLSS) Commonwealth. The brand will be partnering with the RLSS to support a large-scale project in a developing country. This will be in addition to the already established 'Small Grants Programme', which supports individual RLSS Commonwealth members with funding for drowning prevention projects.

Following a 'call for proposals' from water safety charities locally and globally, Speedo is also proud to be supporting projects in countries including the UK, Cambodia, Sri Lanka and Jamaica.

Speedo supports the Nottingham-based 'Every Child a Swimmer' programme, which provides swimming lessons and kit to disadvantaged children locally to Speedo International HQ. The brand also works with 'Futures For Business' to give students in Nottingham the opportunity to undertake a water safety qualification to maximise their local employment opportunities.

The brand is also proud to support the Sri Lanka Women's Swimming Project, which is developing an app to teach women how to swim. The app contains videos and advice which function as learning aids for water survival skills.



Berghaus

Built to last

Supporting people

Berghaus continues to encourage people of all genders and backgrounds to improve their wellbeing by escaping into the outdoors. As a brand, it's led by its purpose to improve the physical, mental and emotional health of its consumers. Now in the second year of its #TimeToGetOut campaign, the brand shows no signs of slowing down in its drive to encourage people to improve their wellbeing by getting into the outdoors.

Most recently, the brand hosted the 'Women In Adventure' speaker series at Kendal Mountain Festival, the UK's main event for outdoor enthusiasts. Speakers included inspirational paraclimber, Anoushé Hussain, and the Ice Maidens, the first all-female team to cross Antarctica unsupported.

In December 2019, Berghaus was proud to keep ambulance crews in the North East of England warm during winter callouts by donating thousands of pounds worth of waterproof and insulated jackets from its specialist range.

Berghaus is also working with ex-professional rugby player Ed Jackson, supporting his most recent expedition in which he became the first person affected by quadriplegia to summit the highest trekking peak in Nepal. The brand will continue working in partnership with Ed to adapt and create kit to support his future expeditions.



Berghaus

Built to last

Protecting our planet

Berghaus creates products that are built to last and loved by people all over the world. To encourage people to love their Berghaus products throughout their lifetime, the brand offers a product lifetime guarantee – committing to fix or replace any item with a fault or defect within its expected product lifetime. This provides an alternative solution to clothing being sent to landfill and polluting the environment. It also gives consumers the option to fix their items rather than purchase new ones, saving materials and being kinder to the environment.

Berghaus is continuing to work to reduce the environmental impact of its products. Following a thorough review of its range, and how it could be made more sustainably, the brand has committed that its t-shirt collection will be 100% organic cotton by Spring/Summer 2021. You can find out more about how Berghaus has been working to make its products more sustainable on page 45.



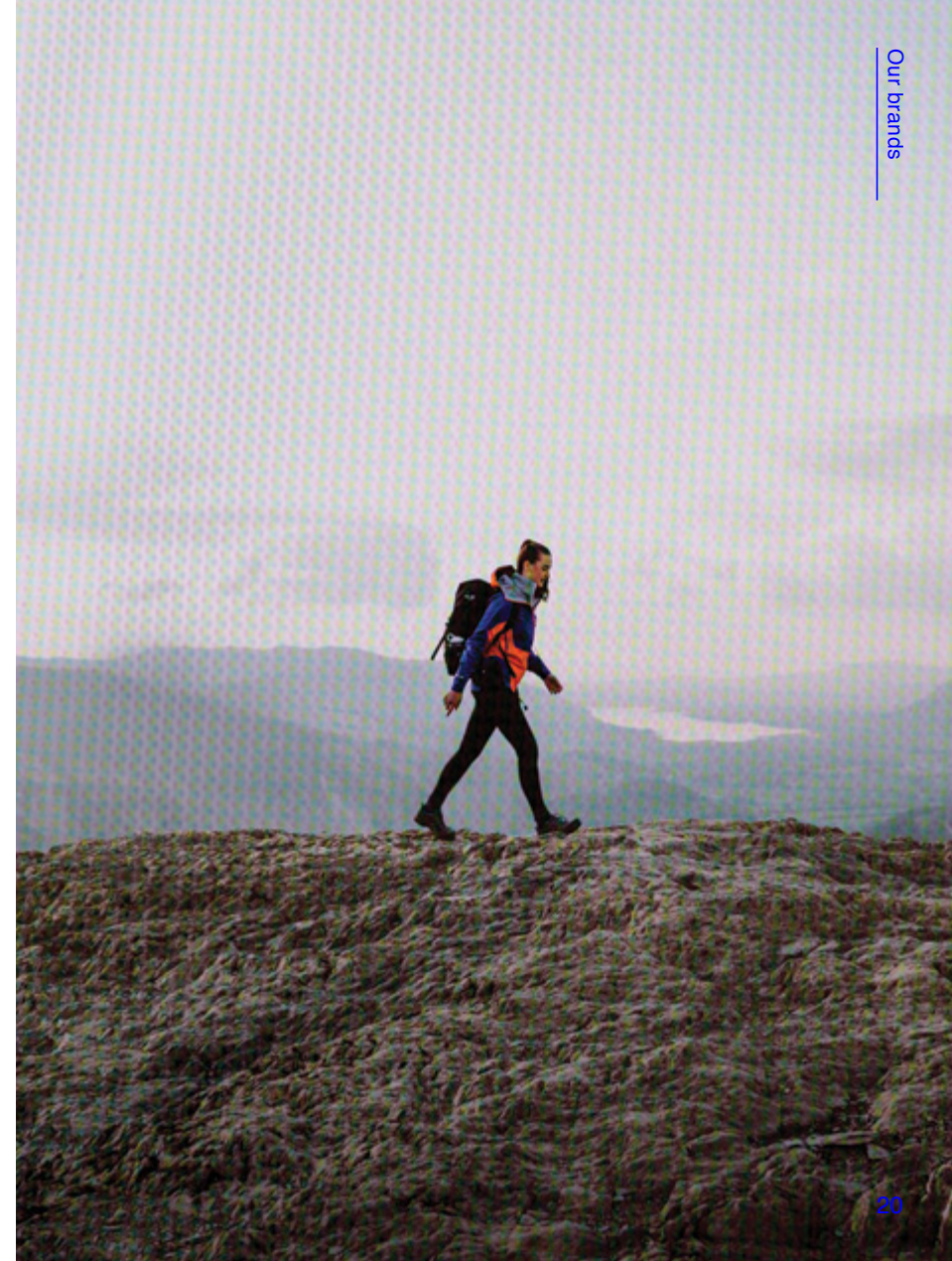
Berghaus

Built to last

See it in action: taking care of our world

Berghaus collaborated with Gore-tex® to create a capsule collection of jackets made from materials that are kind to the planet. The four jackets in the range are all made from a minimum of 46% recycled fabrics, over 90% Bluesign® fabrics, Colourkind fabrics and PFC-free durable water repellent (DWR). All auxiliary fabrics have either PFC-free DWR or no DWR to further reduce their environmental impact.

MADEKIND™ is the overarching framework Berghaus uses for all its product-related sustainability initiatives. This ensures that ensure that it creates products which protect the environment and conserve non-renewable resources. We reviewed our MADEKIND™ targets for 2025 and how we can achieve over and above the ambitions set out when it first launched in 2015. You can find out more about how we're adapting our materials to be kinder to the planet on page 10.



Canterbury

Changing the game

In celebration of the Rugby World Cup 2019, Canterbury launched the 'Be Part Of It' campaign. Centered around togetherness in the rugby community, the campaign brought together professional players, referees and fans of all ages and genders – demonstrating Canterbury's belief that no individual is greater than the team. Celebrating inclusion in all its forms, the campaign inspired community spirit by depicting a wide array of rugby lovers standing shoulder to shoulder with players and officials to highlight that everyone can play their part in the sport.

As part of the campaign, the brand introduced its #BePartOfGood charity initiative, with Canterbury donating over £10,000 worth of rugby kit to schools to support inclusivity in the game and encourage more children to get active.

Justin Tipuric, Welsh International rugby player and Canterbury ambassador, says, "Now I play at an international level all over the world, it's even more important for me to inspire young people to get involved in the grassroots game – both to give them that sense of enjoyment and physical wellbeing, and, ultimately, to secure the future of the sport."

In partnership with the Rugby Football Union (RFU), Canterbury continued its support of the All School programme. The programme invites schools to participate in workshops to design a new school rugby kit. Canterbury turns the students' drawings into kits worn by the school's rugby team.

"We're passionate about getting more people from a wide range of backgrounds involved in rugby, so we're incredibly proud of our work in supporting the RFU All Schools legacy programme, which has introduced the sport to one million children, from 750 state secondary schools, since its launch in 2012".

Charlotte Cox,
Brand Director, Canterbury



Endura

Riding in the right direction

See it in action: 1 Million Trees

In a move to take action for the planet, Endura has committed to planting one million trees annually. For its first project, Endura will work to restore mangroves in the Maputo Bay region of Mozambique. The region was once covered by huge mangrove forests and estuaries, which have been decimated by human activity in recent decades. Endura will work with the charity Eden Restoration Projects to help local communities to restore, replant and protect these vital forest systems, providing important habitats for threatened species of birds and mammals as well as employment for residents of the local area. In addition, Endura is working on a project closer

to home to plant native species of trees in their Scottish homeland. This will restore forest systems in Scotland and help reduce the quantity of carbon in the atmosphere.

Endura founders, Pamela Barclay and Jim McFarlane, say, “We continue to work hard to drive authentic sustainability across the whole product offering and the business, but our brand has a long way to go. We would hate to look back and think we could have done something and we didn’t. That’s it really. That’s what is driving our efforts. It’s not tinkering around the edges. It’s not a gimmick. We need to focus on the real things that will make a difference. If we don’t stop climate change, we won’t have a world to clean up.”



Endura

Riding in the right direction

Supporting people

Endura stands for cycling, helping aficionados and amateurs alike push physical boundaries every day. The brand collaborated with London-based bicycle manufacturer Brompton, to encourage Londoners to cycle to work. With roughly 4 million people commuting in London every year, Endura supported the 80,000 Londoners beating the rush on their bikes - helping them become fitter, smarter and healthier by taking part in the cycling revolution sweeping cities across the world.

Showing that it's about more than just hardcore cycling, the Endura Lifecycle Trust delivered 650 ride sessions to disadvantaged children and adults at dedicated cycling trails in 2019.



Endura

Riding in the right direction

Protecting our planet

It's Endura's ambition to go above and beyond to create kit that has a minimal impact on the planet. The brand removed the water repellent compound PFC from its production processes in Autumn 2018, so its latest generation of fabrics are PFC-free. As part of this commitment, Endura has put in place long-term measures to ensure its cycling ranges are made sustainably while maintaining the same high quality. The brand launched its own PFC cleaning and re-proofing agents.

Both products use environmentally responsible fluorocarbon-free technology and restore the water repellent finish to consumers' clothing, while protecting the planet.

Encouraging consumers to maintain their garments reduces the number of items going to landfill, taking a responsible approach to production.

Alongside future-proofing its products for the environment, 98% of Endura's point-of-sale packaging can be recycled. However, the brand isn't going to stop there – the team at its HQ in Livingston, Scotland, are now actively developing alternative solutions to polybags and hangers in-store.



ellesse

Fashion with confidence

Supporting people

ellesse believes in bringing the best out of everybody effortlessly and it's accelerated to meet the needs of consumers around the world. Working with its 65 global partners to be inclusive in style, pricing and gender, ellesse believes that celebrating diversity is crucial to its success.

This year ellesse collaborated with Foot Locker to create the 'Me By Me' collection for women. Embracing female identity in all its forms, the collection celebrated female empowerment.

Each style was branded with the statement 'Me By Me' in three languages and encouraged women to express their uniqueness through their style.

The brand also supports British wheelchair tennis player Alfie Hewett and will continue to work closely with him on his journey to the Tokyo Paralympics in 2021.



ellesse

Fashion with confidence

Protecting our planet

Alongside supporting people to be at their best, ellesse has made inroads into developing sustainable products. In collaboration with its apparel partner, the brand has developed 'Sustainable Tech' - a selection of apparel made from recycled fabrics, which will be part of its main range in Autumn/Winter 2020.

ellesse also collaborated with ASOS to produce another sustainable product range specifically for the high street retailer. Created in both men's and women's styles, the products were made from recycled polyester. Plastic bottles and textile waste were used to create new fibres, which saves water and reduces greenhouse gas emissions.

See it in action: bringing tennis to the masses

ellesse has confirmed a three-year partnership with Dutch streetwear brand Patta, with a shared ambition of bringing tennis to the masses. Their purpose is to make the sport more accessible by bringing people together to participate in community tennis tournaments. As part of this ambition, ellesse is partnering with the charity Performance Plus Sport, which provides opportunities for young disadvantaged sportspeople.



Kickers*

It starts in...

Supporting people

Kickers continues to prioritise diversity and inclusion by making its classic styles gender neutral, expanding its unisex range and using models that inspire body positivity in its flagship campaigns.

Kickers will also partner with the Young Women's Trust, which supports women aged 18-30 to get into work.

Protecting our planet

Kickers is continuing to look at how it can reduce its environmental impact. The brand undertook a review of its 'Back To School' range to work out how it could improve its materials. As a result, it has switched all its cotton laces to BCI Cotton, approved by the Better Cotton Initiative. Its leather comes from tanneries accredited by the Leather Working Group and the brand has also swapped its polyester footwear linings to recycled PET. Kickers is in the process of transitioning to using 98% recycled material in all its sock linings for footwear, which will be implemented from Spring/Summer 2021.



Kickers*

It starts in...

See it in action: collaborating with Confetti Crowd

In celebration of female empowerment, Kickers launched its collaboration with Confetti Crowd on International Women's Day. The two brands worked together to product Kickers' first vegan-friendly style: the Kizziie Qween Boot. The project was in partnership with the Young Women's Trust, which campaigns for economic justice for young women aged 18-30 in the UK. 10% of all sales were donated to the Trust and the cause.

*UK footwear license



Mitre

Two centuries of team spirit

In 2019, Mitre was proud to support the Homeless World Cup Foundation – a pioneering charity which uses football to help change the lives of those living on the streets. The brand donated 640 sets of training kit and 64 training balls for all the teams taking part, plus 100 balls for the tournament.

Mitre continues to support the Walking Football Association, a unique sport for men and women over 50 looking to play football in a safe and social environment. It's also supporting local charities in Nottingham where the brand's HQ is based, donating footballs to causes supporting disadvantaged children.



SeaVees

Supporting people

SeaVees is a timeless sneaker brand for all people and it is proud to celebrate its core values of equality, inclusivity and diversity every day. A highlight was its collaboration with fashion designer Trina Turk for its Pride collection, which was launched during Pride month in the USA. Proceeds from the shoes sold via the SeaVees website and flagship store were donated to the Pride Pacific Foundation - an organisation local to the brand's office in Santa Barbara - that provides services for the LGBTQ+ community.



SeaVees

Protecting our planet

SeaVees believes nothing is more important than community and is committed to bettering its shoes, people and the environment by ensuring that sustainability is integral to its business plans. Under the '1% For The Planet' initiative, it donates 1% of its net profit sales value to environmental causes. "We've been a proud member of 1% For The Planet since 2012 and we're really focused on preserving coastal lifestyle, in and out of the water," says Steven Tiller, Founder and CEO of SeaVees.

The brand launched a robust campaign for Earth Month by donating \$5 for every pair of shoes purchased on seavees.com to three charities dedicated to combatting climate change. Customers were engaged in

the process by voting for which of the three organisations they'd like SeaVees to support. The SeaVees crew also spent Earth Day on an informative hike led by 1% For The Planet partners, Los Padres ForestWatch. The team helped remove rubbish from the popular Santa Paula Canyon hiking trail located locally to the brand's HQ in the Los Padres National Forest.

SeaVees is also bringing its sustainability ambitions to life through its products. Launched for Spring/ Summer 2020, SeaVees has created its first and almost completely recycled men's and women's capsule collection, SeaChange. The brand is partnering with SeaTrees, a charity that helps fight climate change by regenerating ocean ecosystems, to restore one foot of Californian kelp forest for every pair of SeaChange shoes sold.



"Since our relaunch in 2008, we've been working with our factories and our suppliers on challenging the industry norms," says Tiller. "What we want to do with SeaVees is try to preserve the California dream for the next generation and generations going forward."

Steven Tiller,
Founder and CEO of SeaVees

3.0

Our footprint

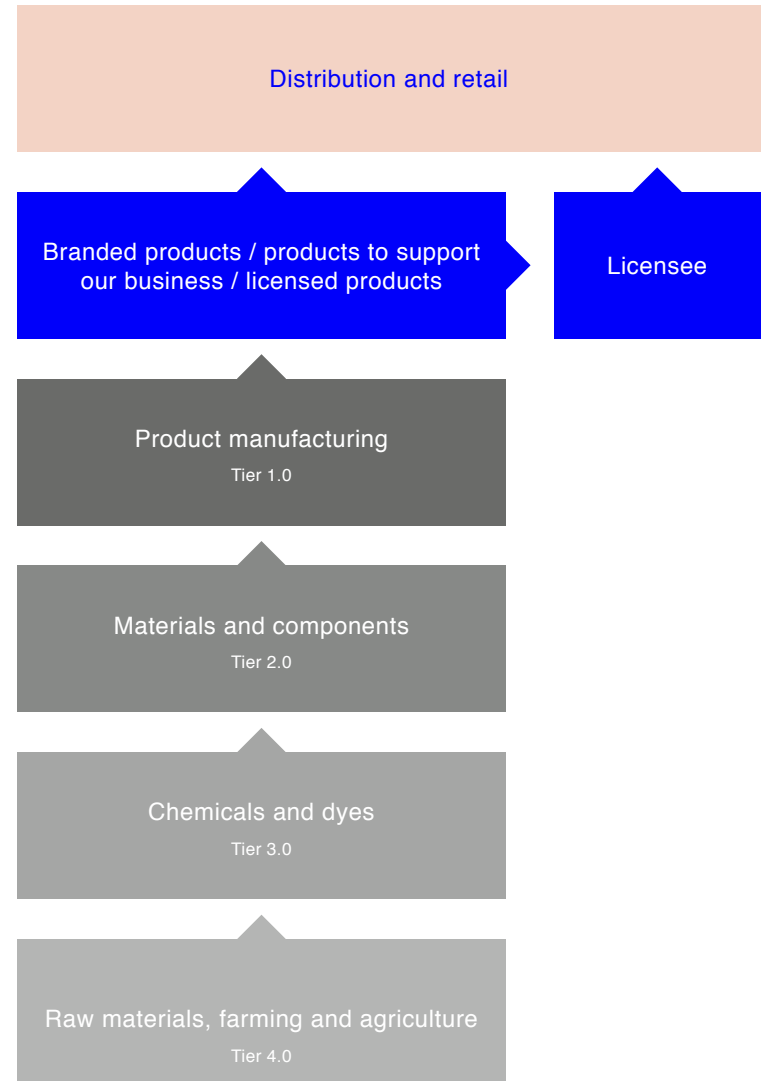


Our footprint

Managing our footprint isn't just about making sure we're operating sustainably – it's about making a positive impact on the world around us and the communities in which we operate.

We build close relationships with the suppliers that manufacture our products and we only work with factories that comply with our ethical, social and environmental standards. Our value chain is the sequence of processes used to create our products, from raw materials to manufacturing, all the way

through to wear, use and disposal by our consumers. With suppliers in 22 countries around the world, we recognise that the impact of our supply chain is significant and far-reaching. That's why we closely monitor each stage of the process, analysing how we can use our influence to protect people and the environment throughout the entirety of the product life cycle.



An empowered, transparent and ethical supply chain

We're committed to doing business ethically, with a focus on supporting the environment and communities in which we operate. We believe everyone has the right to fair pay, safe working conditions, and to be treated with dignity and respect.

We're working hard to tackle the risks of modern slavery and we strive to protect rights and improve conditions for everyone in our supply chain.

'Our Standards' sets out what we expect from our employees, partners and suppliers. It includes guidance on how to do business with integrity and respect, and it's available in 13 languages.

We have detailed policies in place to protect vulnerable workers in our supply chain, which are available on our website:

- + [Child labour and young worker policy](#)
- + [Migrant worker policy](#)
- + [Homeworking policy](#)

Our executive team oversees all the areas detailed in Our Standards, including responsibility for human rights, supply chain and the environment. Our corporate responsibility team reports directly to a member of our executive team and works closely with the wider

executive team to provide advice, guidance and expertise in all supply chain-related issues.

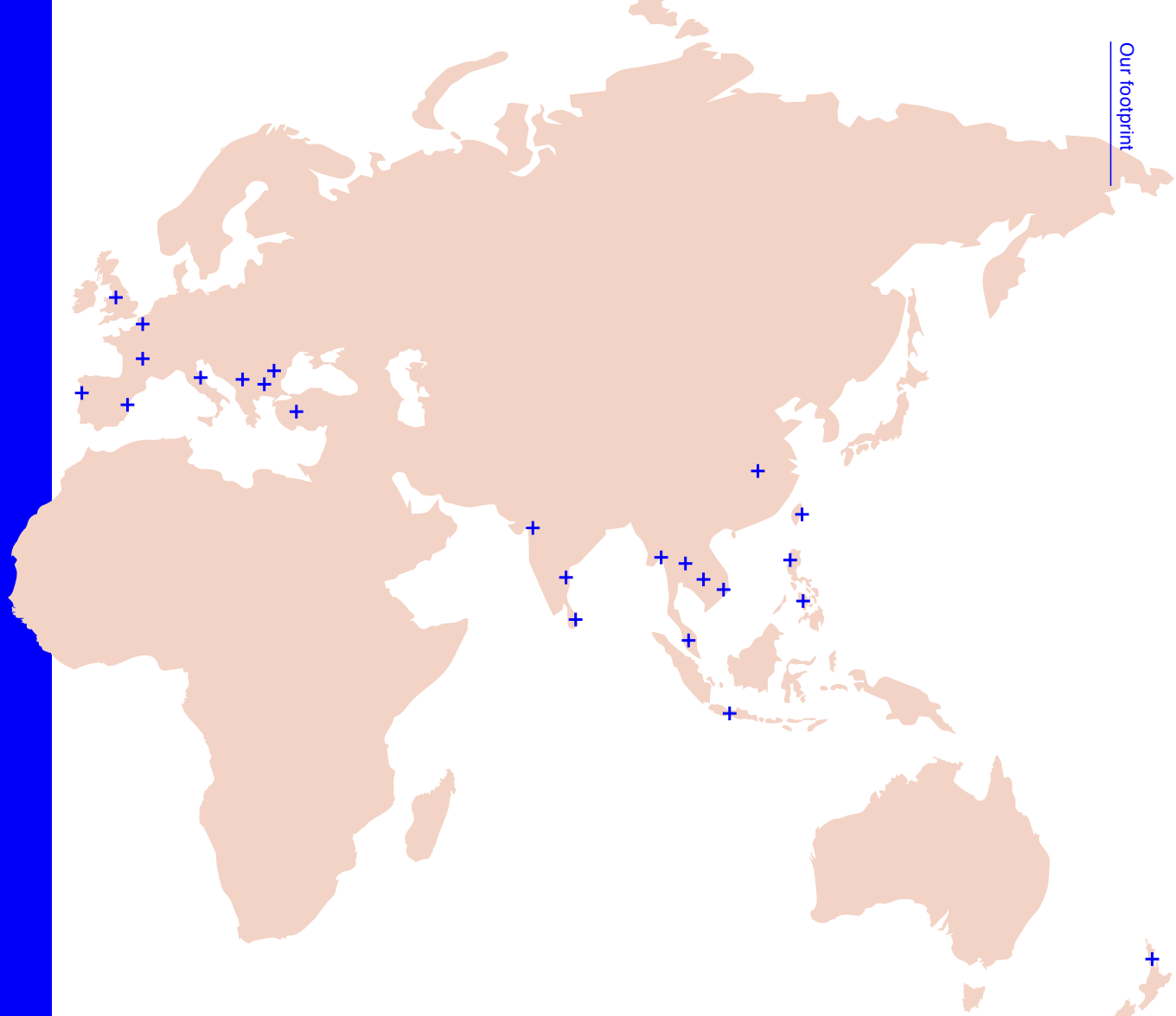
More information about how we're working to create an empowered, transparent and ethical supply chain can be found in our Modern Slavery report 2019.

Working with suppliers

We own one factory in Scotland through the Endura brand, and we co-own four further factories: three in Sri Lanka and one in Vietnam. We engage with our suppliers and partners to ensure working conditions are safe and that workers are paid fairly and treated with respect.

We're transparent about who we source from because it means our factories are accountable for their standards and we can work in a way that's both open and constructive. We publish a list of the tier 1 suppliers that manufacture our products on our website.

For our owned brands, we source directly from 182 factories. For our licensed brands, we work with the licensee to influence conditions in their sourcing factories. For both owned and licensee suppliers, we aim to provide maximum support by stationing corporate responsibility officers in and around our sourcing locations.



+ Sourcing country

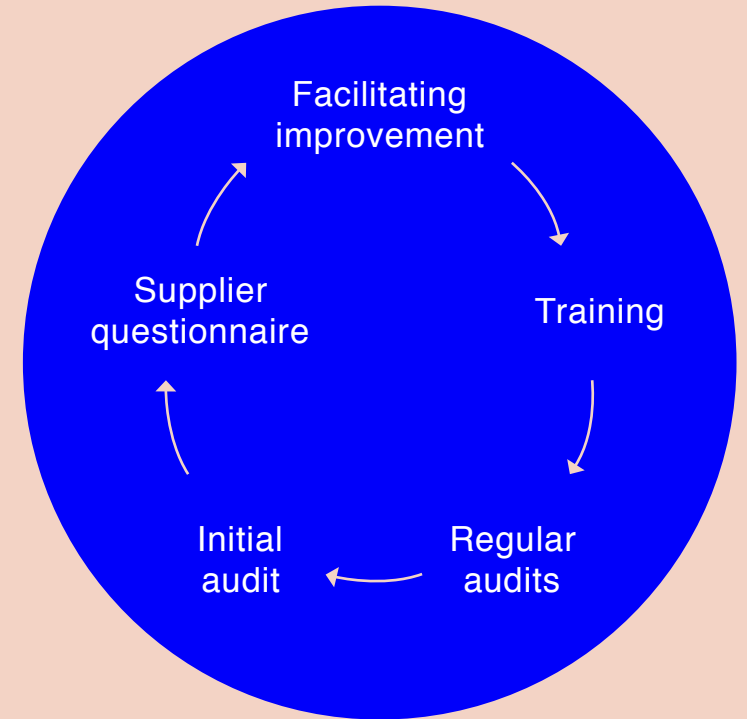
Our governance

We have an established factory review process, which means that we're able to carry out monitoring from when we first consider working with a new supplier and regularly for the duration of our partnership.

All our tier 1 suppliers are required to sign our Supplier Agreement and Corporate Responsibility Charter to commit to Our Standards in protecting people and the planet. We've also requested our nominated tier two suppliers to commit to our Supplier Agreement.

A quarter of our tier two suppliers have signed the agreement and we'll continue to roll it out to others going forward.

We conduct regular audits for all our tier 1 suppliers to ensure compliance with Our Standards. These audits are performed by a combination of certified third-party audit providers, our corporate responsibility team and other organisations, such as Better Work.



An 'in good conscience' approach

We have committees that guide how we take action across issues relating to sustainability, diversity and inclusion, and supply chain. Our committee that oversees supply chain is known as the In Good Conscience forum. Led by our supply chain executive, this evaluates risks and opportunities in our supply chain, including those related to ethics, integrity and the environment.

Made up of representatives from supply chain, sourcing, corporate responsibility and legal, the forum allows us to make coherent and informed decisions around our supply chain.

It also ensures that we understand business risks and that supplier communications are aligned.

Our In Good Conscience forum has contributed to updating our process for resolving zero-tolerance issues in factories, reviewing our restricted substances list and strengthening our corporate responsibility approach to new portfolio acquisitions.

Taking action

If an issue is identified, our experienced corporate responsibility team works with the factory to analyse the root cause, remedy the issue and make lasting improvements to working conditions in line with Our Standards.

We recognise the impact that terminating a relationship with a supplier could have on their workforce so, where possible, we avoid doing so. If a factory consistently fails to comply with Our Standards, we will exit relationships responsibly, following the ACT responsible exit policy to minimise any negative impact on its employees.

When we acquire new businesses, we carry out audits of new factories and work closely with them to ensure they comply with our standards.

Audits

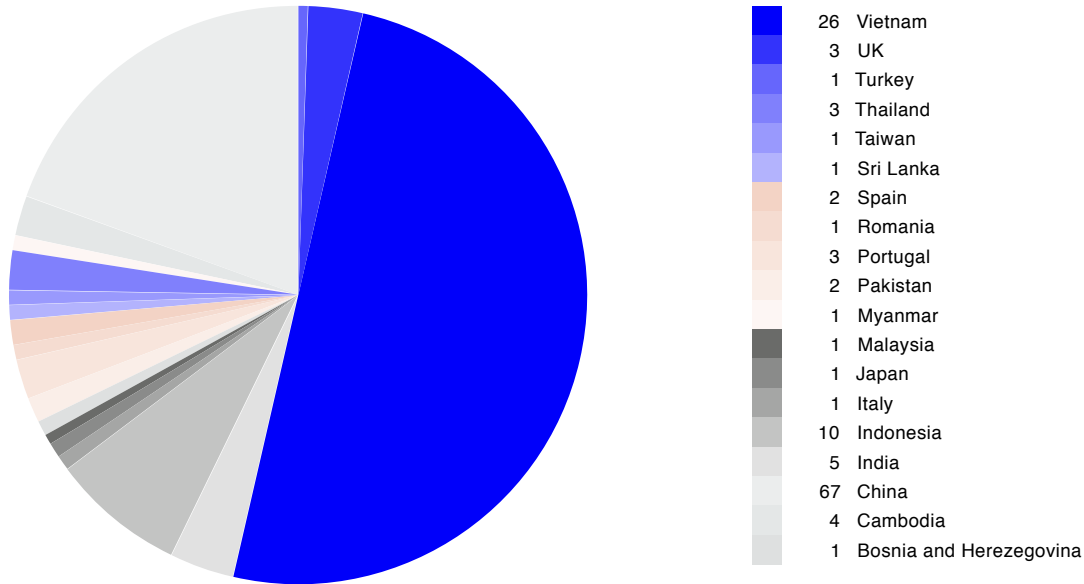
We conducted 134 audits in 2019, compared with 104 in 2018. Nine of these were part of the Better Work programme. We also carried out 17 Initiative for Compliance and Sustainability (ICS) audits as part of our joint venture with Lacoste.

The increase in audits is a result of changes in our internal corporate responsibility processes which are detailed in our Audit Policy. We've also onboarded new factories as a result of bringing the production of ellesse apparel back in-house.

Type of assessment	Number of assessments in active, pending and inactive factories as of 31/12/19
Audits by third party auditors	85
Risk assessments and audits by our in-house CR team	5
Follow-up audits by party auditors	23
Better Work assessments	9
Other organisations (i.e audits submitted by licensees)	12
Total number of audits	134



Factory audits by location

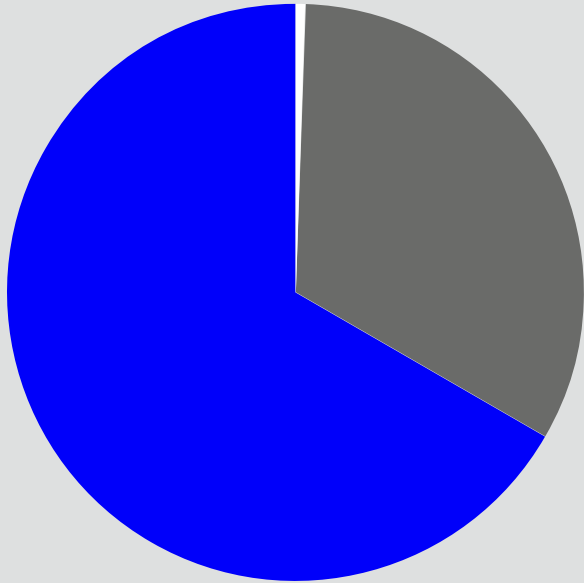


Identifying issues

The majority of issues uncovered by our audits were classed as minor, comprising of 66.5% of all issues identified. 32.7% of issues were classed as critical (slightly up from 31% in 2018).

As part of our audit programme, we identified 9 zero tolerance issues in 2019; the same number identified last year. While none of these zero tolerances are related to employment being freely chosen, they did fall under safe and hygienic working conditions, business documentation and excessive working hours. In all cases, the issues identified were successfully remediated by the supplier.

Issues by type



Minor 66.5%

Issues which can be more quickly addressed, often by improving management practices.

Critical 32.7%

An issue of serious concern that could turn into a zero-tolerance issue.

Zero tolerance 0.8%

An issue that has an unacceptable impact on worker rights or conditions, which, if not remediated, could cause us to suspend or end production with a supplier.



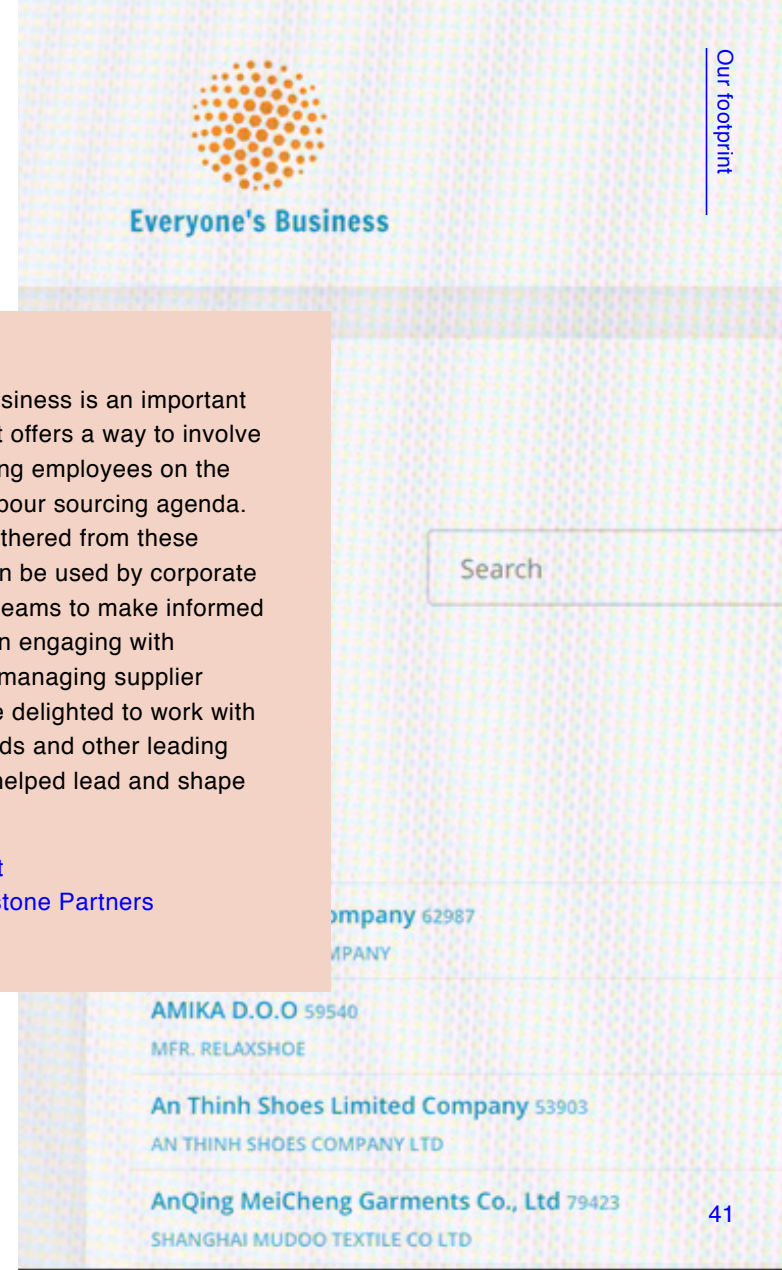
Modern slavery is Everyone's Business

In 2018, we became one of four businesses to develop and pilot the Everyone's Business app to support people to identify issues associated with modern slavery. Since launching the app, we've used a video and supporting materials to carry out internal training for factory-facing employees. We've provided face-to-face training to quality assurance teams and merchandisers who work on the ground in factories. Training has also been added to sessions on audit protocol, which has been undertaken by our employees in the UK, Hong Kong, China and Vietnam.

Developed in collaboration with Carnstone Partners, the Everyone's Business app can be used in any country by any employee that visits a supplier. It captures users' observations and relays any concerns to our dedicated in-house corporate responsibility team. It provides a way to access timely and accurate information, engage with suppliers and encourage responsible labour sourcing.

"Everyone's Business is an important tool because it offers a way to involve all factory-facing employees on the responsible labour sourcing agenda. Information gathered from these many visits can be used by corporate responsibility teams to make informed decisions when engaging with suppliers and managing supplier risks. We were delighted to work with Pentland Brands and other leading retailers who helped lead and shape this initiative."

[William Pickett](#)
Partner, Carnstone Partners



See it in action: partnering with the Ethical Trading Initiative (ETI)

We've been a member of the ETI since 1998 and since then, we've worked with them to promote respect for workers' rights across the globe. We recently increased to 'achiever' level with the ETI from a previous grade of 'improver', as a result of an uplift in factory activities beyond auditing, supporting our suppliers in delivering our ethical principles and a strong level of senior support.

We have aligned our work with the ETI's principles by focusing on our purchasing practices, raising employee awareness of the signs of modern slavery and developing our dedicated corporate responsibility resource.

A spokesperson for our corporate responsibility team in Asia also participated in a panel discussion on homeworking, where she shared our experiences of supporting homeworkers in India. You can find out more on page 43.

Going forward, we'll continue to focus on improving purchasing practices and developing action plans for the remediation of supplier issues.

“Responsible businesses have huge leverage in the countries they source from, enabling them to collaborate with national and local stakeholders, including governments, trade unions, NGOs and other businesses, to drive change, ensure labour laws are observed and workers' rights are protected. ETI members are expected to work with their suppliers to ensure the ETI Base Code is understood, applied, and observed, to drive continuous improvement in working conditions, to push for greater transparency within their supply chains to enable them to better identify, and mitigate the risk of modern slavery, and to act quickly to remedy modern slavery wherever it is discovered.”

Ethical Trading Initiative

Building supplier capability

Building the capabilities of our suppliers through dedicated training empowers them to comply with Our Standards and helps negate risks in our supply chain. In August, we increased our dedicated corporate responsibility resources in Vietnam; our second largest sourcing market. Since then, we've carried out visits to 75% of our existing factories in the region to undertake training on Our Standards and requirements. We also delivered individual support to help one factory understand changes in local labour laws, supporting best practice for our suppliers.

As part of our remediation programme, we carry out targeted training for suppliers to comply with Our Standards. In China, we carried out bespoke training for ten factories; seven due to critical issues, two with outstanding minor issues and one which needed support with understanding audit requirements. Feedback indicated that all factories found the training useful, with all critical issues subsequently reduced by 70%.

Training our people

We're committed to doing business honestly and ethically. As a business, we have a zero-tolerance approach to bribery and corruption. We introduced three compulsory online legal training modules for all employees – covering anti-bribery & corruption, personal data and competition law - to support our people in making the right decisions.

We're committed to addressing the complex and often hidden issue of modern slavery. In March, we introduced a compulsory online training module for all employees in identifying and understanding the different types of modern slavery that are most prevalent in the fashion industry.

See it in action: supporting homeworkers in India

Homeworkers, who carry out hand-stitching for certain styles of footwear, are a vital part of our supply chain. However, lack of visibility over their employment or working conditions creates an inherent risk.

Homeworkers are a vital part of the world economy. We support their right to work at home to earn a wage flexibly and we want the homeworkers in our supply chain to be paid fairly with the same rights and protections as other workers. As well as providing a vital source of income, homeworking allows people in rural areas to access employment and provides flexible work with the potential to also undertake other responsibilities.

Since 2016, we've worked with Homeworkers Worldwide and Cividep to map the network of agents and over 200 homeworkers used by one of our suppliers. Since 2018, this work has

allowed us to ensure that homeworkers are paid at a higher piece rate and meet minimum standards.

More recently, our supplier implemented a simple paper-based system to track orders and payments to workers, based on tools provided by Homeworkers Worldwide. It's a transparent method of record-keeping in which homeworkers are each paid the same rate, with visibility on the rate for each style of shoe.

We've continued to share what we've learned and raise awareness about the importance of protecting homeworkers. Our collaborative mapping and implementation programme was shared as a case study at meetings between fashion brands with the ETI, alongside our detailed policy on how to protect homeworkers, as an example of good practice.



Our materials

The fashion industry generates 4% of the world's waste each year. That's 92 million tonnes.

We map our supply chain so we can better understand and manage social and environmental risks. Our supply chain is made up of four tiers:

- + Tier 1 product assembly
- + Tier 2 materials and components
- + Tier 3 chemicals
- + Tier 4 raw materials

We publish a list of our tier 1 suppliers on our website. Since reviewing our materials sourcing and identifying a preferred selection of tier 2 suppliers, we'll add a list of nominated tier 2 suppliers to our website from 2020.

Source:<http://www.globalfashionagenda.com/pulse/>

Sourcing responsibly

We're committed to purchasing all our materials from credible sources and we have clear policies for putting this into practice.

Our [Ethical Materials policy](#) outlines Our Standards for sourcing raw materials responsibly, including those derived from animals such as skins, down and feathers. We encourage all our suppliers to source their materials in line with industry best practice for animal welfare.

We're a member of the Leather Working Group (LWG) and encourage our suppliers to source leather from tanneries awarded LWG gold, silver or bronze certification. We also ensure that all down used in Berghaus jackets is certified to the Responsible Down Standard (RDS) and is sourced from a selection of nominated farms with high animal welfare requirements.



Removing harmful chemicals

We set clear standards for the use of chemicals in our production processes to ensure the safety of everyone who makes or buys our products.

Our [Restricted Substances List](#) sets out our requirements, including restrictions for any potentially harmful chemicals. We're a member of the Apparel and Footwear International Restricted Substances List Management Group (AFIRM). Our Restricted Substances list is aligned with AFIRM's, which is best practice for our industry.

All our suppliers are required to declare compliance with our list of restricted substances before beginning production. We've translated our Restricted Substances list into Chinese to make it easier for our suppliers in China to understand and comply with our requirements.

To provide additional guidance, we developed a new Chemicals Management policy. This is an internal process document which works alongside our Restricted Substances List to ensure a consistent approach to chemicals management. The policy sets out the process for engaging with tier one manufacturing suppliers and tier two materials suppliers, assessing the risks and a comprehensive remediation process if required.

Twice a year, our internal Restricted Substances network brings together teams from across the business, including product development, materials, sourcing and corporate responsibility, to share updates. We invite external experts to these meetings to inform the group about new legislation and best practice. The Restricted Substances network will meet quarterly from 2020.



Using accredited suppliers

We prioritise working with suppliers which have accreditations to validate the materials they provide. We're continuing to engage with our preferred tier 2 suppliers to grow the share of their materials covered by certifications. We look for:

- + bluesign®: a system for sustainable textile production that eliminates harmful substances across the manufacturing process
- + Oeko-Tex®: a system for testing textiles to show they're free from over 100 harmful substances
- + Leather Working Group: an initiative that awards tanneries with good environmental and chemicals management a gold, silver or bronze rating

	Fabric	Trim	Footwear*
bluesign®	55%	11%	n/a
Oeko-Tex®	66%	92%	n/a
Leather Working Group	n/a	n/a	100%
One or more of the above	82%	96%	100%

*includes ellese, Berghaus and Kickers



Finding the materials of tomorrow

We're collaborating with others in our industry to reduce the environmental impact of our products. We're a member of the Sustainable Apparel Coalition (SAC), which works closely with brands, NGOs and manufacturers to promote and implement sustainable production.

We achieved Strategic Level membership with the SAC for increasing our use of SAC tools, being clear in our accountabilities for sustainable production and promoting best practice methods to our suppliers. Currently around 17% of our tier one suppliers use SAC's self-assessment questionnaire to evaluate sustainable production in their practices. We're planning to increase this to at least 25% in 2020 and we're developing guidance to help our suppliers improve their scores.

We use three of the SAC's Higg Index tools to measure the impact of our business and our supply chain. These are:



Brand and Retail Module

To assess our performance relating to corporate responsibility, the environmental and social impacts of our products across their life cycle and operations in our distribution centres and retail stores.

Facility Environmental Module

To help our tier 1 and tier 2 suppliers self-assess their environmental performance. The tool measures information on energy usage, greenhouse gas emissions, water use, wastewater, emissions to air, waste management and chemical usage.

Materials Sustainability Index

To evaluate the environmental impact of 80 materials using data to determine sustainable options for different types of products .

Finding the materials of tomorrow

See it in action: innovating for change

Our innovation team uses SAC tools to carry out in-depth materials reviews, enabling our products to be made more sustainably. First, we focused on Speedo and Canterbury, looking at reducing the footprint of products with the greatest environmental impact.

As a result, we've taken the following actions:

- + We're working with an external partner to analyse the impact of Speedo Biofuse goggles across their lifecycle. This will allow us to amend our design and manufacturing processes to reduce our impact, the methodology of which can also be applied to other goggles going forward.
- + We're actively looking to replace materials used in foam equipment and armbands with bio-based foam, natural rubbers and PFC-free materials.

To ensure our research stands the test of time, we'll review our findings in alignment with the latest version of the Higg Index when it's released in 2020.

Creating a positive workplace

Our ambition is to create workplaces where people feel welcomed, supported and encouraged to grow and contribute. We're a global business with approximately 1,500 employees operating in 12 countries around the world, but we work as one team.

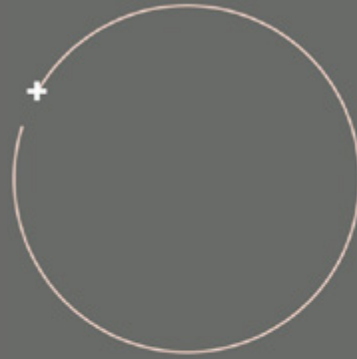
We're committed to paying the Real Living Wage (RLW) to people working at Pentland Brands in the UK. This goes beyond UK National Minimum Wage rates to pay an amount that better reflects the cost of living. RLW rates are published by the Living Wage Foundation in November each year and we align our pay rates the following April as part of our annual salary review. When we acquire new businesses, we develop a plan to roll out the RLW to their employees if this is not already in place.



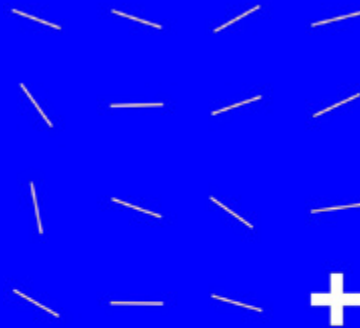
A culture that matters

We want to create and nurture a business culture that supports our people to be at their best. Since launching our new manifesto and business principles in 2018, our focus has been on helping our people understand the specific behaviours that can bring them to life. It's not just what we achieve, it's how we achieve it.

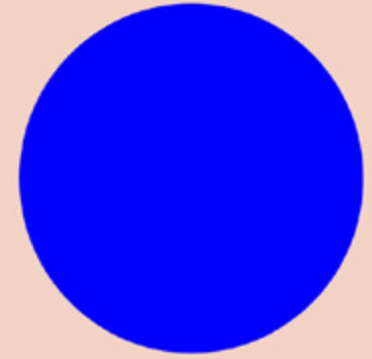
Over 750 of our people across the UK, Asia and US have participated in a 'Living our Principles' workshop. To bring the Pentland story to life, we also embedded the session into other areas of our employee life cycle, including our induction session for new starters.



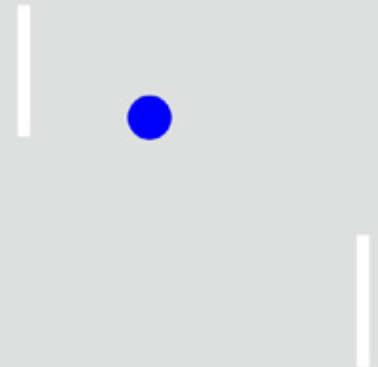
Better as
standard



In good
conscience



With clarity
and courage



Success is
a team game

Championing diversity and inclusion (D&I)

Our D&I steering committee and network continue to play a part in shaping our diversity and inclusion agenda. We now have three D&I networks in the UK, as well as a volunteer working group in Asia. Our four focus areas are gender, ethnicity, unconscious bias and inclusion.

We believe in raising awareness of the importance of inclusion by involving our people in shaping our initiatives. Through the feedback and guidance of the people in our diversity and inclusion network, we reshaped our support for people returning to work after a period of long-term leave. We updated our guidelines on returning to work and created new resources for managers to support people

in their teams. In 2020, we'll continue to evaluate how we can make our people policies more family-friendly, with a particular focus on shared parental and paternity leave.

We believe that being transparent about our goals is crucial to achieving them. When we published our Gender Pay Gap report in April 2019, our CEO, Andy Long, hosted a D&I network meeting to facilitate an open discussion about the findings and our targets for improvement. We continue to strive to be a business where everyone is encouraged to develop, both professionally and individually.

Talking about mental health

We partner with Unmind to support mental health and wellbeing at work. In 2019, we rolled out our Unmind support tool to all our sites globally.

20.5% of people registered on Unmind

15,582 minutes of programmes listened to

174% increase in usage between July and December

Bringing the outside in

We value different perspectives and believe that being exposed to different views helps enrich us as a business and as individuals. Our global diversity and inclusion speaker series is a quarterly opportunity to hear from an external speaker on their personal and professional experiences based on one of our four focus areas - gender, ethnicity, unconscious bias or inclusion. Our recent speakers included menswear designer and co-founder of the Made In Africa Foundation Ozwald Boateng, Treasurer and Vice President of the World Bank Arunma Otegha and internationally renowned drag queen Cheddar Gorgeous.

We have also trained our people to identify and tackle unconscious bias across our organisation. Our online unconscious bias training has been completed by 82% of our people globally.



See it in action: Inclusion Week

We're proud to be a diverse and inclusive business 365 days a year and we strongly believe that understanding and appreciating our differences is a strength.

In September, we celebrated our third Global Inclusion Week. We invited our people to join the conversation in a panel discussion with six speakers from across our business with varying experiences relating to diversity and inclusion. Topics explored examples of inclusivity in our brand campaigns and functions, as well as how to tackle unconscious biases.

We also took the opportunity to share how we're tracking against our diversity and inclusion targets. In 2017, we set a target of achieving at least 45% women in our senior leadership team by 2020. As of December 2019, we're tracking at 41%. We also set a target of 15% representation from Black, Asian and Minority Ethnic (BAME) communities and we're currently tracking at 12.8%. You can find out more in our video [here](#).



Getting the right start

This year, we looked at how we could improve our entire employee life cycle, from initial recruitment to end-of-year performance reviews. We updated our induction process to allow new starters to spend time with a dedicated senior leader, within the first two months of their arrival in all of our UK offices, introducing our positive business culture from the start. We evolved our new starter information booklet to introduce our business principles and share what's important to us.

We're always looking for opportunities to improve our employee experience. In July, we introduced an onboarding survey for new starters to complete 30 and 90 days after their first day, and an exit survey, allowing us to understand how we can improve our employee journey. We also reviewed our resources for performance and recognition by taking on feedback from people across our business. We updated individual objective-setting materials to encourage employees to have regular conversations with their managers, with a particular focus on personal growth. We'll continue to take on feedback and create more development resources in 2020.



See it in action: joining the apprenticeship levy

In 2019, we hired our first three early careers apprentices across IT, Finance and Design.

We're also using the apprenticeship levy to support our existing employees to learn and grow. In 2019 we launched our first Management Academy to upskill 14 of our current line managers across the UK, in topics including project management, finance and communication. We also used the levy to sponsor one individual to participate in an MBA qualification.

“There is so much for everyone to do here at Pentland and even more for us to learn. We have people from all different design backgrounds – Industrial, Textiles, Print, Footwear and much more. Everyone is happy to share their knowledge with one another and this makes for a fun and rewarding environment - an environment where you're able to do more than just the role you were hired for.”

Jordache Tedeku,
Design Apprentice

Engaging our people

We believe in the power of the collective. In 2019 we partnered with Glint to run two all employee experience surveys. As well as allowing us to understand what people think about working for Pentland, the tool allows our managers to access relevant feedback almost immediately. They use this information encourage conversations with their teams and take action at a local and global level.

In December we celebrated our second annual Pentland People Awards, in which our people nominated their colleagues for outstanding individual contributions towards our principles. 606 nominations were made across 23 locations in 11 countries.

Building leaders for the future

We're committed to empowering our leaders to support their teams to be at their best. 12 of our senior leaders have participated in our Emerging Leaders training programme, with a particular focus on developing female high potential talent within our business. Delegates were individually partnered with a senior mentor to develop their skills in areas including management, communication and strategy.

We introduced our Leading With Impact course for senior employees, supporting our top talent to become consistent, influential and inspiring leaders. Three cohorts totaling 37 delegates have completed the two-day session and we'll continue to support our leaders to be at their best in 2020.

Reducing our environmental impact

We're committed to delivering on our targets for reducing waste, water and carbon emissions. We believe that every individual can make an impact and we're committed to reducing our footprint across all our operations.

We're focusing particularly on:

- + Our workplaces
- + Our logistics
- + Our vendors
- + Our products



Our workplaces

While each of our sites is different, we're all aiming to achieve the same goal. We're working towards using 100% renewable energy at our UK offices in London, Nottingham and Sunderland.

Here's a summary of the different activities our offices across the world have undertaken to help reduce our environmental footprint.

London

Removal of single-use plastics, disposable coffee cups, food waste bins available, charging points for electric vehicles, lighting to save energy, battery recycling available

Nottingham

No single-use plastics, food waste bins available, solar panels to offset energy usage, LED lighting to save energy, battery recycling available

Sunderland

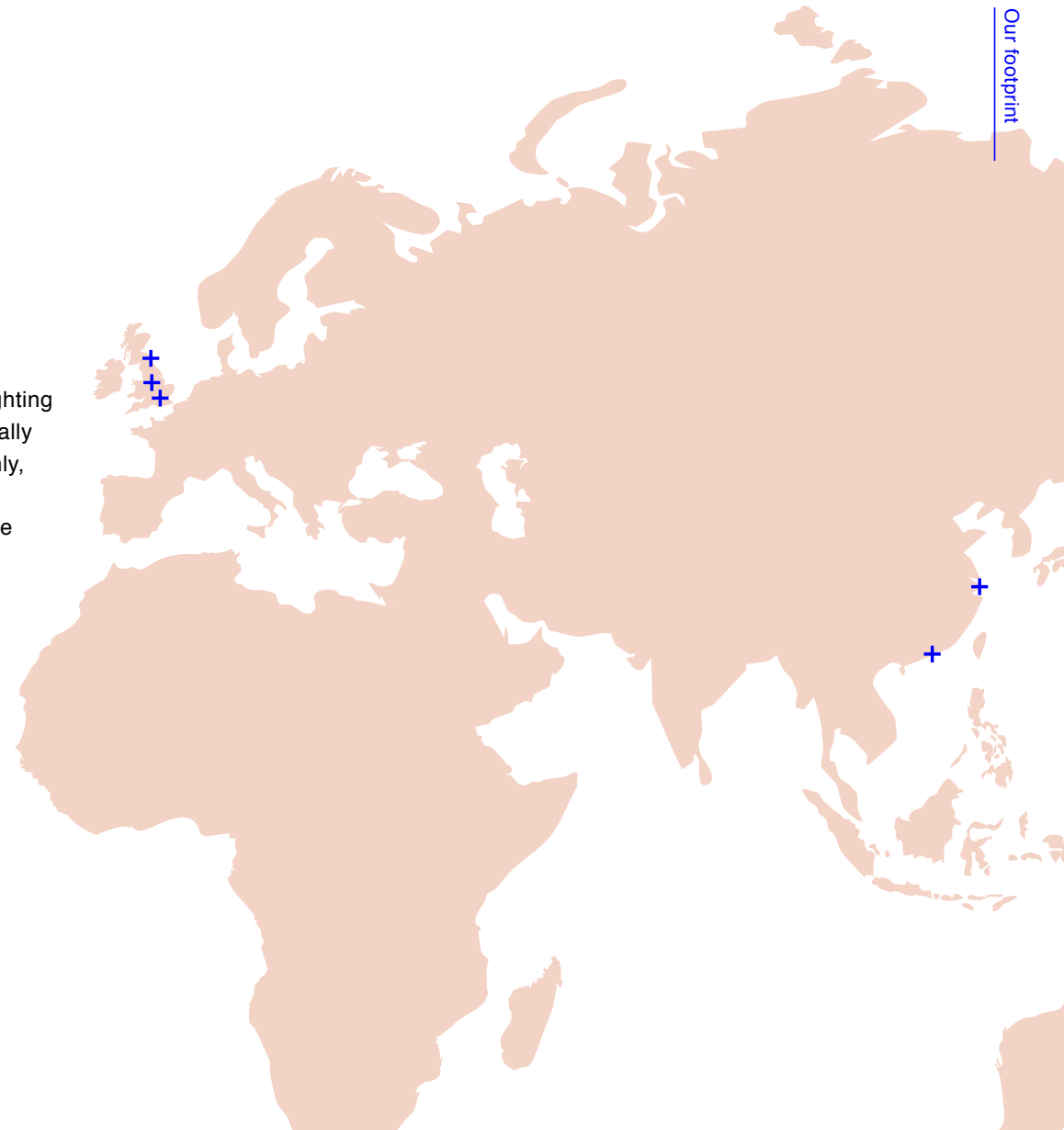
No single-use plastics, food waste bins available, LED lighting to save energy, environmentally friendly cleaning products only, battery recycling available, returned products sold on site

Hong Kong

All purchased paper is 50% recycled, collecting centre for one-sided paper

Shanghai

Collecting centre for one-sided paper



CO² emissions

We track our greenhouse gas emissions to help us reduce our carbon footprint. We're developing a CO² baseline for our global workplaces as well as shipping, operations and business travel, so we can more effectively measure and manage our emissions.

We report our greenhouse gas emissions at Group level in line with the requirements of the Carbon Reduction Commitment Energy Efficiency scheme. You can read more in the Pentland Group Corporate Responsibility review.



See it in action: bringing change to the table

We partner with Vacherin which provides catering services at our London headquarters. An Edie Sustainability Award winning business with a focus on local sourcing, they are guided by provenance, people and the planet in how they work and where they source ingredients.

We've also supported Vacherin's suppliers, many of which are also charitable causes. All our tea and coffee is now provided by Change Please; a social enterprise empowering London's homeless to undertake barista training and attain a job paying the London Living Wage, as well as providing support with housing, bank accounts and mental wellbeing. We also support the Luminary Bakery; an East London-based social enterprise that supports women from disadvantaged financial or social backgrounds to gain employment through learning culinary skills.

"Vacherin has worked closely with Pentland since opening to introduce sustainability initiatives. In the coming months, we'll be focusing on increasing the sustainability of our provenance, people and planet. Specifically we'll be reducing our carbon footprint through cutting food waste, reducing plastic and increasing the vegetarian and vegan options for our customers.

"Our teams have created a collection of recipes to minimise food waste and shared the knowledge across the chef team through workshops so all kitchens are cooking root to fruit. We follow the waste hierarchy to actively reduce food waste, then look to reuse, recycle and redistribute to assist vulnerable communities."

Dan Kelly, Deputy Managing Director
Food & Operations, Vacherin Limited



ING COFFEE

Our production

Since 2012, we've carried out an annual review of our value engineering processes, looking at how we can deliver a cost saving in our manufacturing, while maintaining or improving the quality and sustainability of our products. Originally a cost-saving initiative, we now use this opportunity to consider how we can reduce our impact on the environment. This takes into account our production processes and our packaging.

In 2019, we focused on increasing the sustainability of our manufacturing processes, looking particularly at Speedo goggles. Each pair of goggles undergoes a process to apply anti-fog, which is carried out using a water treatment.

We replaced this stage of the process with a steam treatment, allowing us to reduce our water consumption by 66%. Since trialing the process with one of our goggle vendors, we'll launch this technology to our other goggle vendors in 2020.

We're also the first business to launch fully automated manufacturing for goggles – ensuring more consistent product quality, and thereby reducing waste.

Our packaging

We're taking the first steps towards using sustainable packaging, with the ultimate aim of making our packaging recycled, recyclable or compostable across our entire portfolio of brands.

We package all products purchased via our brands' websites in boxes made from 80% post-consumer waste, rather than plastic shipping bags. This means that we'll reduce the amount of plastic we ship by 27 tonnes every year – equivalent to nearly a million plastic bottles.

The packaging, which is 100% recyclable and retains a premium quality, is now used by our brands including Canterbury of New Zealand, ellese, Berghaus, Kickers and Boxfresh. We'll roll it out to our Speedo and Mitre brands in 2020.

Taking the first steps

To reach our goal of making all our wholesale packaging sustainable, we're continuing trials and research into other options, including recycled and biodegradable materials. In 2020 we'll transform our standard LDPE4 plastic polybags used for soft goods into 100% recycled LDPE4 bags. This will allow us to reuse materials that would otherwise exist as waste, rather than creating virgin plastic from fossil fuels.

We have removed all polybags from our goggles, replacing them with a peel-off film. This has made an overall annual saving of 17.4 tons of plastic. As a next step, we plan to increase the recycled content on

a selection of our goggle packs from 50% recycled PET to 70% recycled PET. This will reduce our virgin PET usage by a further 23.2 tons from where we were last year, all helping to create the circular plastics economy.

We're looking to supplement this by standardising the size and thickness of packaging across all our sportswear and outdoor brands, to limit material waste and help us work more efficiently. We'll then roll this approach out across our brand portfolio.

Our shipping

We're in the process of establishing a baseline carbon footprint for our logistics. We estimate that in 2019 the carbon emissions produced from transporting our products from factories to our distribution centres in the UK came to 7,044 tonnes. 76% of this was attributable to air freight.

We've been working to further reduce our environmental impact by looking at our shipping materials and processes. In 2019 we reduced the material usage in our shipping cartons from 5-ply to 3-ply. This decrease in shipping weight allows us to limit our carbon footprint through transportation. We'll work on standardising this size to maximise loading efficiency and further reduce our environmental impact in 2020.

Our future

In order to make improvements for future generations, we need more than ever to collaborate with other businesses, charities, NGOs, academic institutions and partners. We believe that success is a team game, and in order to support people and planet, we must work together.

We value the expertise of our people and our partners in leading us towards a better future and we'll continue to shape our initiatives using their guidance.



Collaborating for better

We're continuing to find new ways to ensure the way we operate is sustainable, with a minimal impact on the planet. That's why we've made a conscious effort to increase collaboration and engagement with sustainability across our business.

In 2019, we established our first ever Sustainability Steering Committee. Sponsored by our executive team, this committee is made up of representatives from across our business who meet quarterly to provide advice and guidance on projects relating to sustainability. It's led by our Head of Corporate Responsibility.

The team consults across product development, supply chain, workplace and brand, and has been instrumental in shaping our Positive Business strategy. Their collective aim is to ensure that our business is aligned

in its approach to sustainability so we can focus our efforts where we're able to create the most impact.

We also bring together a regular sustainability working group – a network of internal people working on sustainability-related projects within our business – who drive our sustainability agenda by ensuring that we work collaboratively across our brands and functions.

In the future, we'll look to evolve the accountabilities of both the sustainability steering committee and working group. We'll establish the governance structure that underpins our ambitions and map out project streams so we can further focus our efforts.

Learning from the best

We support a number of academic institutions that are making notable contributions to the arts, culture and the environment.

The Pentland Centre for Sustainability in Business

The Pentland Centre for Sustainability in Business at Lancaster University was founded in 2015 by our parent company, Pentland Group. The Centre supports innovative sustainability research to find practical solutions to social and environmental challenges.

This year, Berghaus was proud to provide kit to UN youth delegates at the World Economic Forum in Davos. Endura also provided neck gaiters for attendees of Arctic Basecamp; a unique outreach platform, hosted by former Director of the Pentland Centre, Gail Whiteman, educating participants on global risk, arctic change and global climate action.

“The idea of incrementalism just isn’t going to fly anymore. It would if we had 200 years, but the science says we don’t, so it really is this idea of how we are going to transition and what is the role of the fashion industry in this transition. Fashion is important because it’s something we all use and relate to – while it’s hugely problematic it has the ability to reach people and reach suppliers globally to ensure that everyone is working to a united goal. It has to be a real-world discussion of how fashion can take the leadership there.”

Professor Gail Whiteman



Nottingham Trent University

We provide a variety of opportunities for young people to enter creative careers. We work closely with students at Nottingham Trent University, which is situated locally to our Nottingham office. In 2019 we offered students the chance to share their take on a live creative brief for Speedo and Mitre. As a result, one student was offered a paid summer work placement and another was offered a permanent role in one of our brand teams.

A force for good

As a business we give at least 1% of our net profit after tax to charitable causes every year. This includes financial donations, pro bono support and donated products.

At the heart of our business is the belief that we have a responsibility to play our part in being a force for good. Our brands are designed to build health, wellbeing and confidence, through which we aim to make a positive impact.

Our Charitable Giving policy helps us co-ordinate our approach to giving back and provides our people with guidelines for how to get the most out of their personal fundraising activities.

Empowering our people to give back

We're committed to supporting our people to make a difference. In August we launched our new Charity Representative network. The network is made up of one or more volunteers from each of our global locations. These individuals arrange charity events, identify ways to donate our local charity funds and support worthwhile causes in their regions. They have a direct connection to our corporate responsibility team and they're passionate about doing positive work in our communities.

So far, the network has co-ordinated:

- + Donations to four charities in Hong Kong as voted for by employees: Hong Kong Dog Rescue, Joyful Mental Health Foundation, KELY Support Group for upskilling young people and The Conversation Association to preserve Hong Kong's natural environments.

- + Planting trees and donating to a project to rebuild the Rimbang Baling forest in Indonesia, co-ordinated by the World Wildlife Fund.
- + Support for the Love Lio campaign run by SOS Children's Villages in Vietnam, which provides assistance to children living without parental care.



Giving back

We offer all our employees the opportunity to volunteer for one day per year, either individually or as part of their team. Here's a snapshot of how our people have given back to their communities.



Volunteering with the Wildlife Rescue & Ambulance Service (WRAS) to rescue and rehabilitate injured animals



Supporting the Paralympics in launching their Tokyo 2020 Spirit of Gold campaign in New Zealand



Donating books to pupils in rural primary schools in Vietnam



Handcrafting tie-dyed t-shirts for children in hospitals in Thailand. The team also customised bags to be used by hospitals to dispense medicines, replacing the typical plastic bags to protect the environment



Supporting local marine charity SeaTrees to regenerate one foot of kelp ocean forest for every pair of shoes sold from SeaVeas' SeaChange collection



Supporting children to get active in London and Sunderland with our charity partner SportInspired



Providing sporting opportunities for disabled children with Panathlon

Supporting our charity partners

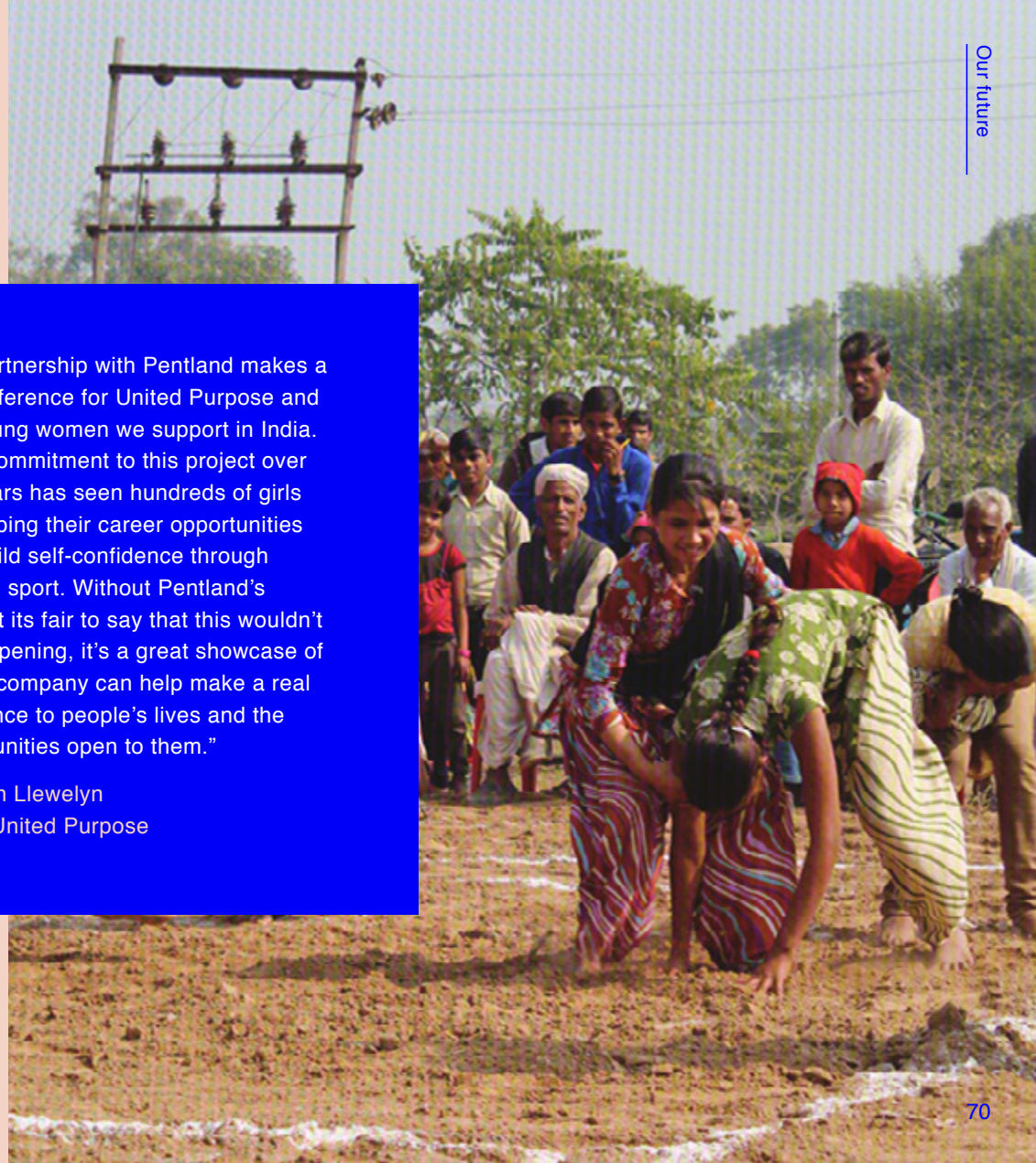
We support four global charity partners, which stand for causes that resonate with our business.

United Purpose

We work with United Purpose to support a project which uses sport to teach employability skills to young people living in slums in Mumbai, India. We've collaborated on the 'Fit For The Future' project, improving the wellbeing and employability skills of young people in Bhiwandi, Mumbai. This supports around 40 young people to develop their skills to access jobs.

"Our partnership with Pentland makes a real difference for United Purpose and the young women we support in India. Their commitment to this project over the years has seen hundreds of girls developing their career opportunities and build self-confidence through playing sport. Without Pentland's support its fair to say that this wouldn't be happening, it's a great showcase of how a company can help make a real difference to people's lives and the opportunities open to them."

Kathryn Llewelyn
CEO, United Purpose



Supporting our charity partners

The British Council

We support the development of online learning resources that enable more young people, especially women, in Thailand to access the craft sector. Our 'Crafting Futures' programme has supported over 100 artisans in Thailand to develop business knowledge and expertise in the design and textiles industry.

"British Council Thailand is extremely thankful for the support from Pentland to co-fund the Digital Craft Toolkit Training in 2019, which aimed to reach 120 artisans and entrepreneurs from across Thailand, ranging from traditional weavers and indigo makers from the North to women basket weavers in the Deep South. The 10-day training combined study visits with workshop sessions and hands-on exercises, equipping trainees with tools to improve their businesses from the planning to marketing stage, while empowering them to pass on the tools to their peers. After attending the training, two makers from a brand called 141 Social Enterprise applied for additional funding from the British Council in order to set up a series of workshops to train an additional 60 brands and individual artisans/entrepreneurs, making the total of 180 trainees, which exceeded the targeted amount in the first year by half. We hope this multiplying effect will continue so that the toolkit will be disseminated and used countrywide in order to reach artisans in remote communities who are in need of training opportunities."

Andrew Glass, Country Director,
British Council Thailand



Supporting our charity partners

Panathlon

We're helping Panathlon expand its swim programme to support over 5,000 disabled swimmers. Together, we've hosted 39 swimming competitions across the UK, with 1,757 children and 379 young leaders participating – a 16% increase on our original target.

“Panathlon has been able to successfully develop new opportunities for disabled swimmers across the country during 2019. This wouldn't have been possible without the support of Pentland Brands and we are delighted that in year one we are 16% ahead of our 3-year target of involving 5,000 children in swimming activities, many for the first time over the next three years. It's been great to involve staff from Pentland, and the Speedo brand, in our swim competitions so they can experience it first-hand. I feel it's really important that companies get directly involved with the charities or organisations they're supporting, so they truly understand the impact they are making in their communities. Panathlon will continue to expand its swim programme to new cities over the next few years and involve Pentland and Speedo in the expanding relationship. This will enable thousands of children who wouldn't normally get the opportunity to enjoy the wider benefits of sporting participation, such as healthier lifestyle and increased confidence, resilience and social interaction, to be involved.”

[Ashley Iceton](#)
CEO, Panathlon



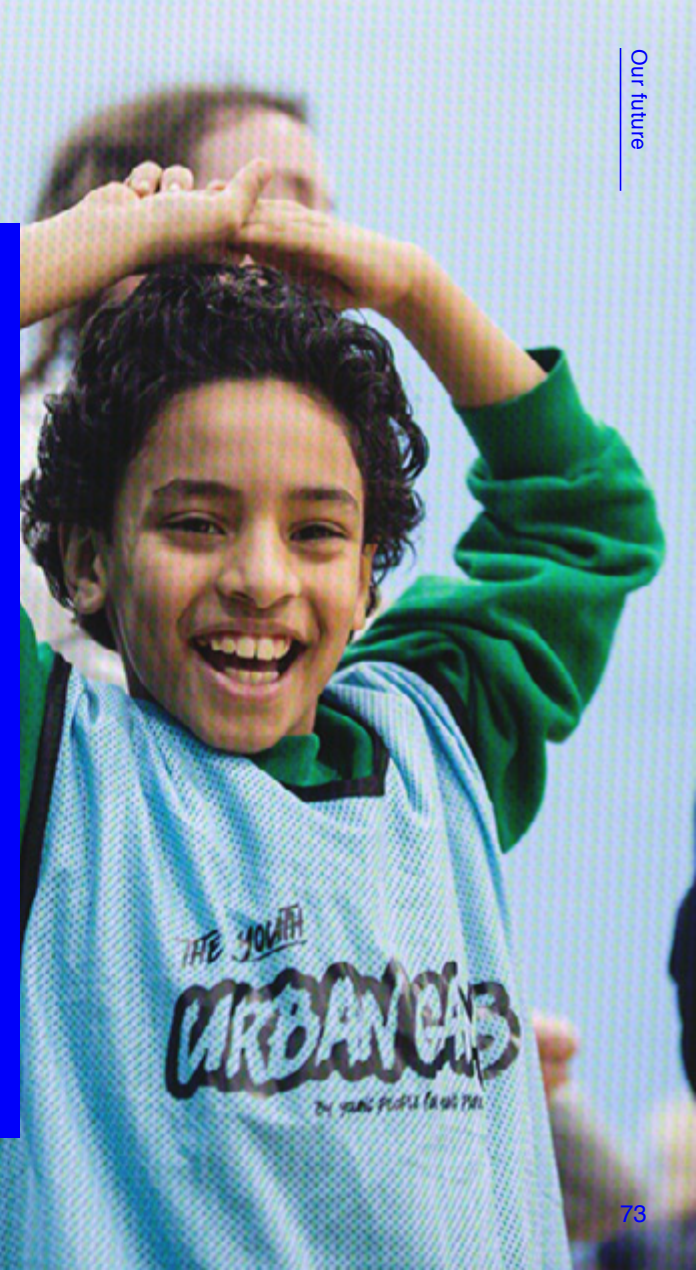
Supporting our charity partners

SportInspired

We're working with SportInspired to tackle childhood obesity in disadvantaged communities through fun and inclusive sports programmes for schools. Over 90 Pentland Brands volunteers helped host inclusive sports programmes for local schools in London and Sunderland, giving over 400 primary school children the opportunity to discover a sport they love.

“Four million children grow up in poverty in the UK. Wellbeing, a fundamental human right, is often out of reach for these children, which is why Pentland and SportInspired joined forces in 2019. This unique partnership overcomes the very real barriers to activity that children face in deprived communities. Together we work to increase physical activity levels and improve mental health by giving children the opportunity to find a sport, participate long-term and reap the lifelong benefits of becoming active. Together so far, Pentland and SportInspired have hosted two “Pentland Community Games” in London and Sunderland. Working with eight schools, we have inspired 442 primary school children to find a sport they love and helped 80 secondary school children to develop leadership and communication skills through being Young Leaders. In 2020 Pentland and SportInspired will host two more Community Games, in Blackburn and Nottingham supporting hundreds more children and young people. We will continue to work in partnership to bring together sports clubs and schools across the regions to build a lasting impact for school children in disadvantaged communities through grassroots sports.”

Richard Raynes
CEO, SportInspired



Supporting our charity partners

Supporting young people: Saturday Club Trust

The National Saturday Club offers young people aged 13-16 an opportunity to engage with a subject they love at their local school, college or university, free of charge. We collaborate with the National Saturday Club Trust to run creative masterclasses, facilitating the development of aspirational, creative individuals and offering opportunities to young people from diverse and disadvantaged communities. Our latest creative masterclass was delivered at the University of Central Lancashire, where students were briefed to design prints for Speedo, inspired by the 2021 Tokyo Olympics.

“I’m passionate about the National Saturday Club. You meet young people and see the moment in their eyes when they realise that they can actually have a career in the subject they love. I was lucky. My Dad was a graphic designer so grew up surrounded by creativity and design. That’s what’s special about the National Saturday Club – it enables young people to see how creativity can be a career and it enables opportunities and builds aspirations for the future.”

[Katie Greenyer,](#)
Creative Talent & Network Director

Collaborating for better

In addition to our charity partners, we work with a number of not-for-profit organisations that share our goal of being a socially and environmentally responsible business. We are active members and supporters of the following:

Ethical Trading Initiative (ETI)

Forging an alliance to improve the lives of workers around the world.

Action, Collaboration, Transformation (ACT)

Bringing together brands, retailers, manufacturers and trade unions to address the issue of living wages in the textile and garment supply chain.

Sustainable Apparel Coalition (SAC)

Developing tools to improve and standardise the reporting of environmental impact across supply chains.

AFIRM

A collaborative effort to reduce the use and impact of harmful substances in the apparel and footwear supply chain.

The Microfibre Consortium

Developing practical solutions for the textile industry to minimise microfibre release to the environment from textile manufacturing and product life cycle.



Embracing circularity

As part of our Positive Business strategy, it's our ambition to embrace circularity across our brands and products. By finding small ways to reduce our waste and use the resources we already have, we can create a much larger benefit to the environment.

We recognise that we can make a bigger impact by embedding circular processes into the heart of our operations. Teams across our business have worked to review our surplus materials and products, and in particular, how they could be put to good use to prevent waste. Here are some examples of our efforts in action:

SeaVees in-store recycling

SeaVees trialed a recycling programme which allowed customers to return their old trainers to its Santa Barbara store. In return, customers received a discount on a new pair of SeaVees. The brand has since announced its plans to make the programme a permanent feature.

Disrupting the industry

Our ideas incubator programme, known as 'Disruption Lab', brings together a cross-section of employees who work in teams to create new brands or ways of working in response to popular consumer frustrations. A frequent issue in the minds of consumers is a

lack of sustainable products, we're using innovation to find solutions to this real-life challenge.

One such project is a sustainability scheme that creates products such as tote bags and t-shirts out of our surplus materials. This has started life in partnership with Berghaus and is a welcome opportunity to re-evaluate how we can use the excess materials from our manufacturing processes.

The team have piloted prototypes and will look to expand the project in 2020.

Embracing circularity

The good, the bad and the Uglies

'Uglies' is a range of clothing made by Canterbury using surplus materials from other areas of production. Recently relaunched, the brand has used 12,000 metres of excess fabric to create 11,500 t-shirts. As well as developing robust processes to prevent wastage, 'Uglies' gives Canterbury a solution to dealing with obsolete materials created during the production process.

In Kind Direct

For many years, we've partnered with In Kind Direct to help channel our surplus stock to good causes.

In 2019 we donated products, with an estimated retail value of over £100,000, to 522 charities.

Surplus stock is also given a new lease of life through our people. We sell lightly worn returns in two of our UK locations and carry out regular sample sales to give our surplus stock, development and salesman samples a second home.



5.0

What's next?

We're proud of our work in 2019, but we know there's still more to be done. We'll continue to be guided by our Positive Business strategy, so we can focus our efforts on the areas where we can have most impact. Through this, we'll continue to review our approach to sustainability so we can act where it matters most.



What's next?

Our focus is:

- + Taking action for people and our planet.
- + To operate sustainably, taking positive action to reduce our impact on the world we live in (planet).

Our targets for people:

- + Build purpose led brands that support health, wellbeing and confidence
- + Create diverse, inclusive and green workplaces
- + Deliver initiatives that narrow our gender pay gap and support internal career progression

Our targets for our planet:

- + Make our products sustainably and enhance, not diminish, the communities in which we operate
- + Own our footprint with a transparent supply chain in which workers are empowered
- + Deliver on our environmental targets
- + Focus on circularity and collaboration, partnering with industry bodies, academic institutions and charities












Pentland Brands

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To find out more about CR at Pentland Brands,
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or visit our website

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