

## **LYLE & SCOTT MODERN SLAVERY ACT STATEMENT**

Lyle & Scott are committed to respecting and protecting the human rights of all persons working directly or indirectly with us. We are committed to conducting all our business relationships with social and environmental responsibility. We ensure measures are in place so that we behave ethically, sustainably and with integrity and identify and prevent human rights risks, slavery and human trafficking.

This statement has been published in accordance with the Modern Slavery Act 2015. It details actions we have undertaken during financial year 2020 to prevent modern slavery and human trafficking throughout our business and supply chain and outlines our plans moving forward.

### **OUR BUSINESS**

A modern-day British icon, Lyle & Scott was founded in Hawick in 1874. During our 146-year history, the brand has continually evolved. From in-house manufacture of the finest quality knitwear, to collaborating with the chicest fashion houses around the world, there is little we have not seen or done. In more recent times, through the worlds of Fashion, Sport and Music, Lyle & Scott has grown to become a globally recognised, British premium menswear brand. Every garment we make is finished with the Eagle, our seal of quality and integrity which also reflects the strong ties that Lyle & Scott has to the world of golf.

Our vision is for every man in the world to proudly own a piece of Lyle & Scott.

Lyle & Scott employ 131 people across our London head office, Scottish office and distribution centre and UK outlet stores. We primarily trade through wholesale partners, with a developing retail presence, currently made up of 4 UK outlets, 3 full price franchise stores in the Netherlands. 1 full price franchise store in Sweden and 1 full price franchise store in Russia. The reach of our e-commerce platform has recently been extended by the launch of region-specific websites for the Netherlands and Sweden.

### **SUPPLY CHAIN RELATIONSHIPS**

We work in partnership with the members of supply chain. The closeness of our relationships makes it easier for us to ensure that the work we ask them to do is carried out in the right way, and helps us solve issues when they arise. We manufacture our garments in a small number of factories in Italy, Turkey, China, Vietnam, Taiwan, India, Madagascar and Myanmar.

The Lyle & Scott Social and Ethical Compliance Manual defines the standards by which all members of our supply chain must abide. These standards are at the core of our business and reflect the trust and expectation of our customers, that when they buy our product, they are not only buying quality product but also that it has been manufactured in factories that uphold ethical labour practises and human rights standards.

We believe that all workers should be treated with respect and dignity, and not be subjected to any form of harassment or abuse. Lyle & Scott require all suppliers to ensure and demonstrate that proper labour practices and human rights standards are upheld and that all pertinent national and local laws are being followed.

In addition to the legal requirements, our standards include;

### VOLUNTEER LABOUR

All Facilities shall practice their employment activity in a legal & voluntary way and workers must accept their employment voluntarily. No facilities shall employ prisoners or support forced labour. All employees are free to leave the factory grounds.

### NON-CHILD LABOUR

All employees in the facilities must be older than the youngest working age as prescribed by the law in the host country. Facilities shall prevent children or young workers from exposure to hazardous, unsafe, or unhealthy working and living conditions.

### LEGAL WAGE & COMPENSATIONS

All employees including apprentices or those still on probation must receive the legal minimum wage. Employees must receive overtime pay for all work in excess hours unless a lower number of hours in the working week are designated by local law or by legal collective agreement with the employer. All employees must be paid at least the minimum wages excluding any legal overtime pay as dictated by the laws of the host country after a normal working period. Facilities shall always meet employee's basic living requirement in compensation. Employees must also receive all benefits required by local law. If the regulations for wage & compensation are greater than Lyle & Scott standards, those standards of the host country shall apply.

### WORKING HOURS

Lyle & Scott prefers doing business with those factories whose standard workweek (we define workweek starting from Monday and ending with Sunday) is 48 hours and standard daily work hours is no more than 11 hours under normal load conditions, and who do not require their employees to work more than 60 hours in 1 week (Including Overtime) and more than 12 hours a day during occasional peak load conditions. If there is a lower local legislative limit, then this must be complied with. Employees are not forced to work any overtime; employees are not forced to work more than 6 consecutive days without having a full day off (at least consecutive 24 hours). If the local government designates a lower number of maximum working hours, the local standards shall apply.

### NON-DISCRIMINATION

Any acts of discrimination in hiring, promotion, compensation, work assignments or continuing employment based on race, caste, national origin, religion, disability, gender, sexual orientation, marriage status, union membership, social origin, political opinion or any other action having nothing to do with individual skills or ability will not be tolerated.

### DISCIPLINE

Discipline for any reason is to be done only with the full compliance to local laws, Labour Contract and legal factory regulations, and in no instance, shall involve corporal methods. Any form of physical, sexual, physiological, or verbal harassment or abuse will not be tolerated.

### FREEDOM OF ASSOCIATION

Facilities shall respect all rights of workers to organise or join a union of their choice and to bargain collectively. Facilities shall ensure that representatives of such unions or organisations are free of discrimination such as in hiring, promotion, compensation, work assignments or continued employment.

## LEGAL REQUIREMENT

Facilities shall certify that they are in full compliance with all national and local laws, rules and regulations relevant to their business operations, including those related to labour practices, human rights, health, safety and the environment.

## LABOUR AGREEMENT

Lyle & Scott respects that a legal labour contract or agreement is a good way to certify the employment relationship between employee and employer. Facilities shall sign a formal legal agreement with its employees which clearly defines the employment relationship, legal rights, and legal obligations for both employer and employees. This agreement shall include but is not limited to the terms valid period of employment, compensation, working hours, rest and vacation, safety, health, welfare, discipline, rights and responsibilities for violation.

## NON-RETALIATION

All employees must be able to report freely to the factory any noncompliance with the above guidelines and standards without fear of punishment or retribution.

## **DUE DILIGENCE & RISK MANAGEMENT**

We believe that respect for human rights is integral to being a responsible company. To track and ensure our supply chain adhere to our Social and Ethical Code of Conduct our factories are audited on an annual basis by third party, internationally recognised partners, e.g. Sedex, Smeta, AQM. We take all reasonable and practical steps to ensure our standards are met, and to assist our suppliers in their continuous improvement. We insist on complete transparency in our supply chain, from fabric mills, print houses and embroidery houses through to garment and trim manufacturers and do not allow sub-contracting of any kind without prior approval and completion of the necessary audit procedure. When onboarding new factories, we ensure that representative from Lyle & Scott visits the factory personally to report on social and ethical behaviours once the third-party audit is received.

There are also bi-annual visits to our factories by members of the Product & Sourcing team at Lyle & Scott to manage risk and build trusted relationships. All large orders are quality checked through a third-party inspection company, meaning there are people from Lyle & Scott or third-party companies present in our supply chain each month of the year to manage the risk of slavery and human trafficking.

## **SUSTAINABILITY**

Lyle & Scott have recently been awarded with a Planet Mark certification for lowering carbon emissions during FY 2019. The Planet Mark help us to monitor carbon emissions generated directly by Lyle & Scott, and the actions we take in producing and shipping our products. The Planet Mark certification demonstrates our commitment to continuous improvement in sustainability.

5% of our certification fee will be donated to the Eden Project and 1 acre of endangered rainforest will be protected through the award-winning charity Cool Earth. We will continue to work with Planet Mark to measure our emissions for the next period (FY 2020)

Our approach to sustainability also considers people and the threats we face in daily life. As such, during the year we have partnered with CALM (Campaign Against Living Miserably), a charity leading a movement against male suicide, the single biggest killer of men under 45 in the UK. We have some

exciting new initiatives coming up over the next 12 months which will positively support CALM and the great work they do.

During FY 2021, we will continue the significant progress we have made with regard to sustainable sourcing of our products. Work is underway to switch our highest volume products to a sustainably sourced, organic cotton fabric base. This change alone will mean that by the close of FY 2021, a minimum of 35% of our total garments sold will feature this new fabric base and have a significantly reduced environmental impact as a result.

## **TRAINING**

In the coming year, Lyle & Scott will seek to roll out a comprehensive training programme for members of the organisation who interact with our supply chain, so that they are equipped to recognise and deal with issues relating to modern slavery, human trafficking and labour standards.

## **SUPPLIER MAPPING**

In order to achieve greater visibility throughout our supply chain, in the coming year Lyle & Scott will seek to map all Tier 1, Tier 1+ and Tier 2 suppliers, defined as below:

- Tier 1 – Main factory where Lyle & Scott goods are produced
- Tier 1+ - Site providing additional support to Tier 1 supplier (ie. Second manufacturing facility)
- Tier 2 – Suppliers of materials, components and trims to Tier 1 and Tier 1+ suppliers

This Modern Slavery Act statement for 2020 has been approved by the Board of Directors and will be updated annually.



Chris Somerton

Director of Product & Sourcing

Lyle & Scott Ltd