

MARGARET HOWELL

MARGARET HOWELL LTD SUPPLIER CODE OF CONDUCT

SECTION I: PURPOSE AND SCOPE OF THIS SUPPLIER CODE OF CONDUCT

PURPOSE

The purpose of the Code is to promote fair working practices, protection of human rights and labour rights, ethical business standards and responsible management of environmental issues across the whole of our supply chain.

The Code sets out the minimum requirements we would expect our suppliers to meet. Should the occasion arise, we would welcome opportunities to work with suppliers to find ways to improve worker welfare and business ethics and further reduce, beyond the steps we have already taken, the impact our business has on the environment.

SCOPE

The Code applies to our own operations, our direct suppliers and other suppliers, business partners and third party contractors.

All suppliers are expected to establish and maintain a system to deliver compliance with the Code. The Code applies to all workers throughout our suppliers' supply chains and operations, including any workers employed by third party contractors and recruitment agencies (including those on permanent, temporary, casual, part-time, zero-hours or on fixed-term contracts).

"Supplier" refers to any individual, entity, business, company partnership or any other body or group associated with us including, without limitation, any such individual, entity, business, company, partnership or other body or group supplying products, goods, raw materials, components, or services, directly or indirectly, to us or otherwise working directly or indirectly with or on behalf of any member of our company. This also includes any person providing products, goods, raw materials, components services or anything else to a direct supplier of ours.

SECTION II: IMPLEMENTING THE CODE

COMMUNICATION AND IMPLEMENTATION

Margaret Howell Ltd:

- Will uphold at least the standard provisions (section III) within our own business operations.
- Will provide reasonable guidance and/or assistance to the supplier in the implementation of The Code
- May conduct due diligence to confirm adherence to The Code and monitor implementation using a variety of methods including audits and site visits to assess performance against The Code.
- Will maintain a two-way dialogue with suppliers to help identify ways to improve adherence to The Code, including providing suppliers opportunity to feedback on how Margaret Howell Ltd's own purchasing practices and other business practices might be improved to enable better implementation of the requirements of The Code.
- Engage with workers and their elected representatives and other stakeholders in support of due diligence process to understand supplier adherence to requirements set out in The Code and to develop appropriate remedial actions.
- Margaret Howell Ltd and its Suppliers will use reasonable endeavours to offer workers and other stakeholders a confidential means to report any actual or potential breach of The Code.

Suppliers are expected to:

- Confirm in writing their commitment to adhere to the requirements set out in The Code.
- Put in place systems to ensure compliance with The Code within their own operations, and any associated business activities and sub-contractors.
- Bear the cost of any implementation of The Code. Margaret Howell Ltd. invites suppliers to feedback where cost is perceived to be a significant barrier to implementation of the Code and are willing to engage in constructive discussions to find a mutually agreeable way forward.
- Identify and correct any activities that conflict with the standards set in The Code. Any serious breaches should be identified to Margaret Howell and a schedule for corrective action agreed jointly.
- Be willing to give authorised representatives, agents or professional advisors of Margaret Howell immediate access to the Suppliers' or sub-contractors relevant site, without notice to the Supplier or sub-contractor.
- Communicate the requirements set out in The Code to their own suppliers and business partners and put in place procedures to assess and ensure compliance with The Code in their suppliers and business partners' operations.

COMPLIANCE

Where any serious breaches of The Code are identified by the company observing the code, by Margaret Howell Ltd, or by a third party acting on their behalf, the company and Margaret Howell Ltd will together agree a schedule for corrective action.

Margaret Howell Ltd's priority is for the corrective action to be successfully implemented. Where serious breaches of The Code persist, Margaret Howell Ltd, will consider termination of the business relationship with the Suppliers concerned.

SECTION III: SUPPLIER CODE OF CONDUCT - STANDARD PROVISIONS

The standards outlined below apply to all Margaret Howell suppliers and compliance with these standards is expected of every Supplier:

HUMAN RIGHTS AND WORKING CONDITIONS

1. Employment is Freely Chosen

- 1.1 There is no forced, bonded, or involuntary prison labour.
- 1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.
- 1.3 Suppliers must not directly or indirectly engage in or support human trafficking, by recruiting, transferring, harbouring, or receiving a worker using threat, force, coercion, or deception.
- 1.4 Suppliers must have a system in place to check that employees have a legal right to work in the applicable jurisdiction/jurisdictions.

2. Freedom of association and the right to collective bargaining are respected

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

3. Working conditions are safe and hygienic

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Suppliers must protect the safety of their employees, contractors, and visitors while on their premises, including dormitory or living areas where provided, and must ensure all necessary precautions are taken to minimise the risk of fire. Every practical provision must also be made to reduce the impact of any fire, including multiple clearly marked evacuation routes, and emergency procedures must be communicated and understood by all who come on site.
- 3.3 Workers shall receive regular and recorded health and safety training, including fire safety procedures, and such training shall be repeated for new or reassigned workers.
- 3.4 Access to clean toilet facilities and to potable water; and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.5 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.6 All policies and procedures shall have regard to workers suffering from any form of disability and those who are pregnant, to ensure their specific needs are addressed.
- 3.7 The Supplier shall do all it can to support, promote and ensure the wellbeing of their employees to, so far as is possible, guard against employees suffering from any form of mental illness as a result of the working environment; and further to ensure those who suffer from any form of mental illness are supported fully within the workplace.
- 3.8 Responsibility for health and safety shall be assigned to a senior management representative.

4. Child labour shall not be used

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Suppliers must have a system in place to check age of employees.
- 4.3 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.
- 4.4 Children and young persons under 18 shall not be employed at night or in hazardous conditions. See Appendix 1 for definitions

5. Living wages are paid

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards, or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

6. Working hours are not excessive

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers. 6.2 to 6.6 are based on international labour standards.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week over a 17-week reference period.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. If overtime exceeds a full-time working week, it shall be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any 7-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any 7-day period only in exceptional circumstances where all of the following are met:
 - this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and
 - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents, or emergencies.
- 6.6 Workers shall be provided with not less than 24 consecutive hours of non-working time in each seven-day period of working or, where allowed by national law, or one period of 48 hours in each 14-day period.

7. No discrimination is practiced

- 7.1 There is no discrimination (including any form of harassment and/or bullying) in hiring, compensation, access to training, promotion, termination, or retirement based on race, caste, national origin, religion, age, disability, gender, marital or civil partnership status, sexual orientation, gender reassignment, pregnancy or maternity, union membership or political affiliation.

8. Regular employment is provided

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

9. No harsh or inhumane treatment is allowed

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other bullying, harassment and verbal abuse or other forms of intimidation shall be prohibited.

Environmental protection

- 2.1 The company observing The Code shall carry out their activities in accordance with national laws, regulations, administrative practices, and policies relating to the preservation of the environment of the countries in which they operate as well as in accordance with relevant international agreements, principles, objectives, responsibilities and standards with regard to the environment.
- 2.2 The company observing The Code shall assign responsibility for compliance with environmental regulations to a senior management representative.
- 2.3 Whether required by law or not, the company shall put in place policies and management procedures, with the intention of preventing harm to the natural environment, taking a precautionary approach in the event of uncertainty, and aiming to improve their environmental performance.
- 2.4 Margaret Howell Ltd is taking steps across its own operations, shops and facilities to use 100% renewable energy, reduce waste, and use sustainable materials for collections and packaging materials. We welcome efforts from Supplier to support these activities, and to take other steps to address their own most significant environmental impacts.
- 2.5 The Supplier should be aware of and take steps to comply with relevant Margaret Howell Ltd environmental requirements and standards for materials and manufacturing processes at the time of supply.

Hazardous materials

- 3.1 The company observing The Code shall carry out their activities in accordance with national laws, regulations, administrative practices, and policies relating to the elimination and controlled use hazardous materials and substances of the countries in which they operate and where products will be traded and sold, as well as in accordance with relevant international agreements, principles, objectives, responsibilities and standards.
- 3.2 The company observing The Code shall assign responsibility for compliance with hazardous materials and substances regulations to a senior management representative.
- 3.3 Whether required by law or not, the company shall put in place policies and management procedures, to eliminate, reduce, and maintain safe handling and use practices in relation to hazardous materials and substances.
- 3.4 The Supplier should be aware of and take steps to comply with Margaret Howell Ltd hazardous materials and substances requirements at the time of supply. As a minimum, Suppliers should adhere to the latest version of the The Zero Discharge Hazardous Chemicals Manufacturing Restricted Substances List'.
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Business ethics, bribery and corruption

- 4.1 It is Margaret Howell Ltd policy to conduct all our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships.
- 4.2 Companies observing this code must put in place policies and management procedures to enact a zero-tolerance approach to bribery and corruption and commit to acting professionally, fairly and with integrity in all their business dealings and relationships.
See Appendix 2
- 4.3 Whistle-blowing: companies observing this Code must put in place procedures required by law to enable employees to confidentially report (known as 'whistle-blowing') any breaches of the worker rights protections and standards set out in this code. The Supplier must also consent to the provision of confidential reporting mechanism through which employees, sub-contractors, and business partners can report breaches of this code to Margaret Howell Ltd, or its authorised representatives, agents, or professional advisors. An appropriate reporting mechanism shall be agreed with the supplier which will be simple and trusted by employees.

Sub-contracting & Home working

Margaret Howell Ltd. acknowledges that sub-contracting and Home working can be critical to its supply chain through providing flexibility to meet changing volume demands and provide specialist skills to create intricate, high-quality items. From the perspective of homeworkers, the option to work from home can offer a degree of flexibility not met by traditional site-based work. We also acknowledge the risk that labour conditions enjoyed by homeworkers can fall short of international labour standards, and our own exceptions. We are therefore committed to taking action, together with our suppliers, to improving these conditions.

- 5.1 Suppliers are only authorised to sub-contract part of their business related to the production of goods or services they provide either directly or indirectly to Margaret Howell Ltd with the prior written consent and approval of Margaret Howell Ltd. The Supplier should have in place relevant policies and practices on sub-contracting to ensure all worker rights protections are extended to sub-contractors.
- 5.2 Similarly, sub-contractors are only authorised to sub-contract any part of their business related to the production of goods or services they provide either directly or indirectly to Margaret Howell Ltd with the prior written consent and approval of Margaret Howell Ltd. The sub-contractor should have in place relevant policies and practices on sub-contracting to ensure all worker rights protections are extended to their own sub-contractors.
- 5.3 Home working related to manufacturing is only authorised with the prior written consent and approval of Margaret Howell Ltd. The Supplier should have in place relevant policies and practices on home working to ensure all worker rights protections are extended to homeworkers.

APPENDICES

1. Child labour

- a. A 'child' is defined as anyone below 15 years of age, unless the legal minimum age for employment or leaving age for compulsory education is higher. In line with the International Labour Organisation's (ILO) Minimum Age Convention, in countries with insufficiently developed education systems where the minimum age is set at 14, we may consider allowing employees of that age for non-hazardous work. These would be reviewed on a case by case basis.
- b. A 'young worker' is defined as anyone above the age at which they are considered a child (based on the above definition) but below the age of 18.
- c. 'Hazardous' work is any task that may negatively impact on the health and safety of a young person or that may harm their physical, mental or social development.
- d. 'Night work' is defined as any time after 22:00 hours.

2. Bribery

- a. Bribe means a financial or other inducement or reward for action which is illegal, unethical, a breach of trust or improper in any way. Bribes can take the form of money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or any other advantage, or benefit.
- b. Bribery includes offering, promising, giving, accepting or seeking a bribe.
- c. All forms of bribery are strictly prohibited.
- d. Specifically, companies observing The Code must not:
 - give or offer any payment, gift, hospitality or other benefit in the expectation that a business advantage will be received in return, or to reward any business received;
 - accept any offer from a third party that you know or suspect is made with the expectation that you will provide a business advantage for them or anyone else;
 - give or offer any payment (sometimes called a facilitation payment) to a government official in any country to facilitate or speed up a routine or necessary procedure;
- e. Gifts and hospitality
 - This policy does not prohibit the giving or accepting of reasonable and appropriate hospitality for legitimate purposes such as building relationships, maintaining image or reputation, or marketing products and services.
 - A gift or hospitality will not be appropriate if it is unduly lavish or extravagant, or could be seen as an inducement or reward for any preferential treatment (for example, during contractual negotiations or a tender process).
 - Gifts must be of an appropriate type and value depending on the circumstances and taking account of the reason for the gift. Gifts must not include cash or cash equivalent (such as vouchers) or be given in secret. Gifts must be given in the company's name, not in individuals names.
 - Promotional gifts of low value such as branded stationery may be given to or accepted from existing customers, suppliers and business partners.

1. Record-Keeping

- Companies observing this code must put in place provision for staff to declare and keep a written record of all hospitality or gifts given or received. This should include submitting all expenses claims relating to hospitality, gifts or payments to third parties in accordance with your expenses policy and record the reason for expenditure.
- All accounts, invoices, and other records relating to dealings with third parties including suppliers and customers should be prepared with strict accuracy and completeness. Accounts must not be kept 'off-book' to facilitate or conceal improper payments.