

EMPLOYMENT POLICY

Modern Slavery

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1. Introduction

- 1.1. This policy outlines the Lothian Group's commitment to conduct itself, at all times, in an honest and ethical manner. It is our policy not to enter into a business relationship with another person or business whose practices could involve slavery, forced or child labour.
- 1.2. Lothian takes a zero tolerance approach to modern slavery and any associated actions, and are committed to acting professionally, fairly and with integrity in all its business dealings and relationships.
- 1.3. The aim of this policy is to provide employees with details of the rules regarding modern slavery, servitude, forced or compulsory labour, child labour, people trafficking, and exploitation to ensure a consistent approach aligned to current employment legislation.
- 1.4. This policy applies to all employees of the Lothian Group.

2. What is Slavery?

2.1. Modern slavery is a complex criminal offence that takes many different forms. It encompasses slavery, servitude, forced and compulsory labour, and human trafficking. Traffickers and slave drivers coerce, deceive and force individuals against their will into a life of abuse, servitude and inhumane treatment.

2.2. Article 4 of the Human Rights Convention stipulates that “no one shall be held in slavery or servitude” and that “no one shall be required to perform forced or compulsory labour”. For the purposes of the article, “forced or compulsory labour” does not include:

- any service of a military character or, in the case of conscientious objectors in countries where they are recognised, service exacted instead of compulsory military service;
- any service exacted in the case of an emergency or calamity threatening the life or well-being of the community;

- any work or service which forms part of normal civic obligations.

2.3. The Modern Slavery Act 2015 states that with regard to slavery, servitude and forced or compulsory labour, a person commits an offence if:

- the person holds another person in slavery or servitude and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude; or
- the person requires another person to perform forced or compulsory labour and the circumstances are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour.

3. Child Labour

3.1. In addition to slavery and forced labour, Lothian is committed to the elimination of all forms of child labour.

3.2. All employees should be alert to any evidence of child labour abuses in operations linked to Lothians' businesses.

- 3.3. Student educational work experience that has been approved by Lothian in accordance with international standards is not considered child labour.

4. Lothian's Responsibilities

- 4.1. Lothian are committed to acting in an ethical manner and will take all reasonable steps to ensure any business partner or supplier (potential or existing) does not engage in modern slavery. Any breach of this will cause Lothian to review the relationship with this business partner or supplier.

5. Employees' Responsibilities

- 5.1. Employees must ensure that they read, understand, and comply with this policy. Management at all levels are responsible for ensuring that those reporting to them understand and comply with this policy.
- 5.2. The prevention, detection, and reporting of child labour, slavery and other associated acts are the responsibility of all Lothian employees. Employees are required to avoid

any activity that may lead to, or suggest, a breach of this policy.

- 5.3. It is the responsibility of Lothian to factor full labour costs into sourcing and production in order to avoid the need for slave or bonded labour.

6. How to raise a concern

- 6.1. Employees are encouraged to raise concerns about any issue of modern slavery or child labour at the earliest stage possible. Lothian expects employees to be able to raise any concerns with their manager or a member of the HR Team.
- 6.2. Lothian will arrange a meeting with the employee as soon as possible to discuss their concern. Employees may bring a colleague or union representative to any meeting under this policy. The employee's companion must respect the confidentiality of their disclosure and any subsequent investigation.
- 6.3. Lothian will take down a written summary of the employee's concern and provide them with a copy after

the meeting and give the employee an indication of how the company propose to deal with the matter.

7. Confidentiality

- 7.1. Lothian aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. However, if an employee chooses to raise their concern confidentially, Lothian will make every effort to keep the employee's identity anonymous. If it is necessary for anyone investigating a concern to know the employee's identity, Lothian will discuss this with the employee.
- 7.2. Notwithstanding the above, Lothian does not encourage employees to make disclosures anonymously. Proper investigation may be more difficult or impossible if Lothian cannot obtain further information from an employee. It is also more difficult to establish whether any allegations are credible and have been made in good faith. Any employee who is found to be making a malicious or vexatious claim may be subject to disciplinary action under Lothian's Disciplinary Policy.

7.3. Employees who are concerned about possible reprisals if their identity is revealed should contact a member of the HR Team and appropriate measures can then be taken to preserve confidentiality.

8. External Disclosures

8.1. The aim of this policy is to provide an internal mechanism for reporting, investigating and remedying any wrongdoing. In most cases, employees should not find it necessary to alert anyone externally.

8.2. The law recognises that in some circumstances it may be appropriate for an employee to report their concerns to an external body such as a regulator. It will very rarely (if ever) be appropriate to alert the media. If an employee reports their concern to the media, they may lose their whistleblowing law rights and protections.

8.3. Employee concerns can relate to the conduct of Lothian itself, but they may sometimes relate to the actions of a third party. The law allows employees to raise a concern in good faith with a third party, where they reasonably believe it relates mainly to their actions or something that

is legally their responsibility. However, Lothian encourages employees to report such concerns internally first. Employees should contact their HR Manager for guidance.

9. Our Suppliers and Contractors

9.1. Any supplier of Lothians goods or services will be expected to provide us with the following legally binding obligations when new material contracts are entered into or renewed:

- To comply with all applicable regulations, laws and guidance on slavery and human trafficking;
- To maintain their own policies and procedures;
- To ensure their own supply chain have the same obligations.

9.2. Suppliers with a turnover above the £36m threshold requires them to adhere to the obligations of the Modern Slavery Act 2015 to produce their own statement.

10. Training

10.1. If any employee is unsure about what constitutes modern slavery, child or forced labour or the procedures involved in detecting and reporting it, Lothian can provide training sessions to ensure a greater understanding of the policy.

11. Review of Processes

11.1. Lothian will conduct an annual review of its processes in order to ensure the ongoing commitment to the detection of any slavery, forced or child labour.

11.2. Lothian will publish an annual statement on the Company website detailing our activities in order to combat Modern Slavery.

12. Penalties

12.1. The penalties for an individual found guilty of modern slavery are severe. They include:

- on conviction on indictment, to imprisonment for life;

- on summary conviction, to imprisonment for a term not exceeding 12 months or a fine, or both.

13. Breach of Policy

13.1. Employees have an independent obligation to prevent slavery, child or forced labour in Lothian and to ensure that any interaction with third parties complies with this policy document and relevant laws.

13.2. If this policy is breached by any employee, disciplinary action may be taken through Lothian's disciplinary procedure, which could result in dismissal for misconduct or gross misconduct.

13.3. By complying with this policy, Lothian aims to ensure that employees will not at any time knowingly breach any relevant slavery, child or forced labour legislation. By adhering to this policy there will be a body of evidence built up to show that if there were any allegation of slavery, child or forced labour, Lothian, in its defence, can demonstrate that it has adequate procedures in place to prevent such activity.

14. Linked Policies

- Recruitment and Selection Policy
- Disciplinary Policy
- Whistleblowing Policy

15. Version Control

Version No.	Date of Change	Change made by:	Key Amendments
V1.0	15/01/2019	S Murphy	Published
V2.0	05/08/2024	J Benson	Published

This policy does not form part of employees' terms and conditions of employment and may be varied from time to time in accordance with business and legislative requirements.