



The Regatta Group has a stringent policy regarding Unauthorised Subcontracting and will not allow it within our supply chain. All subcontractors must have written approval, and we take all factory non-compliance issues very seriously.

All our suppliers and factories endure rigorous audits to ensure that our supply partners' ethics align with The Regatta Group. Unauthorised Subcontracting endangers the safety of those working there and jeopardises the transparency we maintain with suppliers.

**Definitions:**

**Subcontracting:** assigning, or outsourcing, part of the obligations and tasks you must deliver under a contract to another party, known as a subcontractor.

**Unauthorised Subcontracting:** when a supplier may outsource production to facilities not approved by buyers and do not uphold requirements for safe, fair labour practices and working conditions. Unauthorised subcontracting can be where an entire order is subcontracted to external parties or part of the order, and a particular process is subcontracted without formal agreement.

**Roles and responsibilities of suppliers**

Suppliers are expected to provide the high-quality provisions they have agreed to supply under their contract. All production orders must be placed within facilities pre-approved by The Regatta Group, and suppliers must not outsource any production to non-approved facilities. Any production completed outside of an approved production site or approved subcontracted unit will be deemed as unauthorised subcontracting. Additionally, Suppliers must ensure that no homeworking occurs within their facilities.

The Regatta Group have a strict policy that there should never be any Regatta production in state- or privately-run factories or institutions directly or indirectly linked to prisons or using forced or prison labour.

Suppliers must follow the below steps to ensure that they are not linked to any prisons and there is no prison labour on their premises:

- carry out background checks on new employees before their employment is confirmed. If any of the checks come back positive and you are still going to employ the person, request further documentation with regards to the offense committed and punishment with clear dates of when it was completed.
- do not participate in any state or private prison labour transfer schemes
- present to Regatta ownership documentation
- supply to Regatta own supply chain map

### **Due diligence procedures**

The Regatta Group conducts ethical audits to ensure our Ethical Trading Initiative (ETI) Code of Conduct and Modern Slavery commitments are maintained by all our suppliers. Unauthorised subcontracting directly threatens our ETI Code of Conduct and risks the safety of workers. Proactive measures are taken to avoid unauthorised subcontracting, which include consolidating our supply chain, strengthening our terms and conditions of trading, and increasing our presence locally in all our sourcing regions.

All suppliers and subcontracted suppliers must uphold the ETI Code of Conduct and be aware that they can only outsource production to other facilities with authorisation by The Regatta Group.

### **Reporting requirements**

We expect to be immediately notified of all suspicions of unauthorised subcontracting. We encourage our employees and individuals within our supply chains and broader communities to report wrongdoing without fear of retribution.

### **Consequences of violation**

If any Regatta goods are discovered in unauthorised factories or prisons, we, without any hesitation, will cease trading with the supplier, and we will not take the goods in question.

For any use of an unauthorised factory/ subcontracting unit, the supplier will incur a fine of 20,000 usd for breaching the ETI base code and our Unauthorised Subcontracting policy.

### **Correction plan and worker remediation**

When there are reports of breaches of contract, such as Unauthorised Subcontracting, every intention will be to improve understanding and trust to avoid further grievances. A Corrective Action Plan (CAP) must be created, and local colleagues must regularly visit the factories and provide guidance and training to ensure the necessary improvements are made and implemented according to the CAP. Failure to follow the CAP will result in the termination of the business relationship.