

David Lloyd Clubs Supplier Code of Conduct

July 2019

1. Introduction

The David Lloyd Leisure group of companies, referred to as David Lloyd Clubs (“DLC”) is committed to sustainable, ethical business in compliance with applicable laws and regulations. Maintaining integrity in dealings with employees, business partners, shareholders and the general public is an essential part of our culture. We maintain internal policies and procedures to govern our own activities and we seek to promote the protection of human rights and the environment within our supply chain.

2. Scope

This code sets out the standards of ethical conduct, values and principles we expect our suppliers to adhere to when dealing with our employees, agents, suppliers, and customers.

Suppliers are expected to uphold our principles by adopting accessible and clear policies and procedures to respect human rights and labour law; supporting local communities; identifying and monitoring bribery and corruption risks; identifying and monitoring negative environmental impacts; and maintaining quality assurance and health and safety policies and procedures in their businesses where possible.

Suppliers should ensure compliance with the provisions in this code, and where they cannot ensure compliance, actively to promote it. The provisions of this code however are for guidance only and are distinct from any contractual agreement between DLC and the supplier. Responsibilities of suppliers set out in this code are contractually enforceable only insofar as provided for by the legal relationship created between suppliers and DLC.

3. Bribery and corruption

When entering into any agreement or collaboration with David Lloyd Clubs:

a) Business Integrity

Suppliers shall:

- (i) accurately and fully disclose to DLC any requested or relevant information regarding their business activities, structure, financial situation and performance which may affect the performance of their contract with DLC, in accordance with applicable laws, regulations and industry practices; and
- (ii) uphold fair business standards in advertising, sales, and competition when dealing on behalf of DLL.

b) Prohibition of bribery and corruption

Suppliers shall:

- (i) comply with the provisions of the UN Global Compact, the UK Bribery Act 2010, the US Foreign Corrupt Practices Act 1977, applicable national anti-corruption regulations and legislation, and international anti-corruption conventions as in force from time to time in so far as such provisions are applicable to the supplier’s work on behalf of DLL.

Suppliers shall not:

- (ii) offer or accept bribes or other means to obtain an undue or improper advantage on behalf of DLL;
- (iii) try to influence the making and taking of business decisions through the acceptance or offer of favours, benefits, gifts or other hospitality which is either disproportionate or outside the ordinary course of business; and
- (iv) engage in corruption, extortion, or fraud in any form.

4. Working conditions

a) General rights of workers

Suppliers shall:

- (i) treat workers with dignity and respect as understood and defined by the International Labour Organisation or applicable law;
- (ii) ensure workers can easily access relevant information on their employee rights; and
- (iii) ensure that third-party agencies providing workers are compliant with the laws of the sending and receiving countries, whichever is more stringent in its protection of workers.

b) Prohibition of forced and involuntary labour

Suppliers shall not:

- (i) employ anyone against their will;
- (ii) traffic in persons or use any form of slave, forced or bonded labour;
- (iii) require workers to surrender any government-issued identification, passports, or work permits as a condition of employment; or
- (iv) require workers to undergo excessive indebted labour: that is, where workers are required to pay a fee in connection with obtaining employment (a guide being one month of the worker's anticipated net wages).

Suppliers shall:

- (i) ensure their employees are free to enter their employment through their own choice and leave work or terminate their employment with reasonable notice, without penalty;
- (ii) ensure that correct visa and working documentation are in place for all employees;
- (iii) ensure that written contracts for both direct and contract workers exist, which clearly convey the conditions of employment in a language understood by the worker; and
- (iv) promptly inform the appropriate authorities where they reasonably suspect that any individuals associated with their businesses are at risk of human trafficking or similar exploitation.

c) Child labour

Suppliers may employ persons who are younger than 18 years of age, provided:

- (i) they are employed in accordance with country law and regulations or the UN Convention on the Rights of the Child, whichever provides the most protection;
- (ii) the Supplier respects ILO Conventions No. 138 and 182 (see www.ilo.org);

- (iii) children are not employed to undertake inappropriate work normally undertaken by adults and there are age-appropriate working conditions for children working within the business;
- (iv) children do not perform work likely to jeopardize their health, safety or morals; and
- (v) the supplier monitors employees under the age of 18, their working times and any special working conditions relating to the job that they are undertaking.

d) Anti-discrimination

Suppliers shall:

- (i) ensure that employees are not discriminated against in hiring practices such as applications for jobs, promotion, reward, access to training and senior positions, job assignments, conditions of employment including wages, benefits, discipline or termination on the basis of their gender, race, age, disability, ethnicity, religion/beliefs, or sexual orientation;
- (ii) extend employment opportunities to indigenous populations where possible; and
- (iii) not require workers to undergo pregnancy tests except where required by applicable laws or regulations or prudent for workplace safety.

e) Working times and remuneration

Suppliers shall:

- (i) ensure that working hours comply with applicable national law or industry standards, whichever affords employees the most protection;
- (ii) be able to demonstrate that they pay employees a wage equal to or above the legal minimum;
- (iii) provide as a minimum all legally mandated benefits, vacation time, leave periods, and holidays;
- (iv) pay workers in a timely manner and clearly convey the basis on which workers are paid; and
- (v) not use deductions from wages as a disciplinary measure.

5. Health and Safety

Suppliers agree to work with DLC implementing applicable laws, regulations and codes of practice including those relating to hygiene, fire, safety, security of persons, planning and licensing.

a) Health and Safety controls

Alongside any contractual obligations of the supplier, suppliers shall;

- (i) anticipate, identify, evaluate, and control risk including emergency situations and events;
- (ii) implement emergency plans and response procedures, including emergency reporting, worker notification and evacuation procedures, worker training and drills, appropriate first-aid supplies, appropriate fire detection and suppression equipment, adequate exit facilities, and recovery plans;
- (iii) provide adequate heat and ventilation;

- (iv) provide appropriate controls where chemical, biological, and physical hazards cannot be eliminated; and
- (v) ensure that any services provided to DLC are safe and fit for purpose.

b) Working conditions

Suppliers shall commit to creating safe working conditions and a healthy work environment for all of their workers and shall:

- (i) ensure that sufficiently high standards of hygiene and sanitation are maintained on their premises;
- (ii) implement work safety guidelines and procedures and educate their employees, agents and contractors accordingly to reduce and prevent accidents and occupational illness;
- (iii) provide workers with clean and safe toilet facilities, access to drinking water, and if applicable, sanitary food preparation and storage facilities;
- (iv) ensure any provided worker living accommodation shall be clean and safe; and
- (v) not discipline workers for raising safety concerns.

c) Safety systems and training

Suppliers shall anticipate, identify, evaluate, and control worker exposure to physically demanding tasks, and shall:

- (i) provide workers with appropriate workplace health and safety information and training in the primary language of the workers;
- (ii) post, in the primary language of its workers, material safety data sheets for any hazardous or toxic substances used in the workplace;
- (iii) train workers who will come into contact with dangerous conditions in the workplace;
- (iv) establish procedures and systems to manage, track, and report occupational injury and illness;
- (v) investigate cases and implement corrective actions to eliminate their causes;
- (vi) provide, facilitate or if they cannot provide or facilitate, authorise, allow and not obstruct worker access to necessary medical treatment without delay; and
- (vii) facilitate workers' return to work.

6. Environment and the Community

a) Environmental impact

Suppliers shall:

- (i) commit to reducing their overall environmental impact, while engaging the community to help foster social and economic development;
- (ii) contribute to the sustainability of the communities in which they operate, with progress assessments on community issues in line with industry standards;
- (iii) commit to engage actively in aiming to reduce energy and water consumption; and
- (iv) implement purchasing policies and procedures which favour sustainable and locally produced goods and services in preference to imported products wherever possible and reasonable.

b) Permits, policies and procedures

Suppliers shall:

- (i) maintain a register of applicable international, national and local requirements in relation to the environment containing current copies of all licences and permits; and
- (ii) monitor their activities to ensure that their products, services and procedures comply with revisions and new legislation or codes which may from time to time apply to business they conduct on behalf of DLC.

c) Commitment to reduction of environmental hazards

Suppliers shall monitor, control, and treat and shall endeavour to reduce or eliminate solid waste, wastewater, environmentally damaging chemicals, and air emissions as required by applicable laws and regulations, including energy-related indirect air emissions, by implementing appropriate conservation measures in their production, maintenance, and facilities procedures and recycling, reusing, or substituting materials.

7. Information security

Suppliers shall:

- (i) implement appropriate confidentiality measures to protect the privacy of customers, clients and employees; and
- (ii) safeguard customer, client and employee information and the transfer of technology, services and know-how in a manner that protects any applicable international, national and local intellectual property and data protection rights.

8. Implementation

Suppliers shall have a procedure for timely correction of any deficiencies identified by their own internal or external audit, investigation or review. It is all suppliers' responsibility to ensure that they operate within and meet all international, national and local legislative and regulatory requirements, applicable international conventions and standards that may from time to time apply to them.