

ETHICAL TRADING POLICY

1. Foreword

This Ethical Trading Policy (“the Policy”) reflects the values to which all businesses of the St Ives Group are expected to adhere, having regard to the relevant domestic legislation and ethical values of the territories in which we operate. As a socially responsible business, in order to remain sustainable, St Ives believes that the business must operate legally, ethically and to approved operational and financial policies at all times in order to deliver the best service and consistent quality to our customers.

St Ives places a high value on the Group’s reputation for integrity, openness and honesty. The Policy establishes principles for ethical and compliance values throughout the Group regardless of location.

2. Purpose of the Policy

St Ives is committed to ensuring that any perceived departure from ethical and compliance values as described below is prevented or, should it arise, is dealt with effectively. All employees of the Group, contractors, agents, suppliers, consultants and other third parties with whom the Group trades are expected to comply with the Policy. The purpose of this Policy, therefore, is to:

- promote ethical trading, by encouraging trade and use of goods which are produced and marketed under conditions which are socially, environmentally and financially responsible;
- consider the social and economic wellbeing of current and future generations, by exploring ways that the Group can minimise any impact on the environment;
- promote transparency, confidentiality and fairness within the Group;
- ensure that the Group’s employees are aware of the process by which they should raise their concerns about any perceived departure from ethical and compliance values, internally, at the earliest possible stage;
- provide contractors, agents, suppliers, consultants or other third parties with whom the Group trades, with details of the Policy;
- ensure that those external to the Group know to whom they should report any perceived breach of the Policy;
- set out the correct process for raising such concerns and the general principles of how the such concerns will be dealt with; and
- reassure employees that, provided the steps laid out in this procedure are followed, they will be able to raise genuine concerns about ethical and compliance values internally without fear of harassment or victimisation.

This Policy does not, however, confer any contractual rights.

3. Application of the Policy

This Policy applies to employees, including temporary and casual employees, agency workers, contractors and suppliers, who have reasonable grounds to believe that there has been a failure to comply with the contents of the Policy, and a departure from the Group’s ethical and compliance values has occurred, is occurring or is likely to occur within the

Group. Individuals are responsible for taking appropriate, reasonable and timely action wherever and whenever they become aware of any situation that could expose the Group to loss, liability or damage to its reputation. Individuals are accountable for their actions and expected to exercise judgement in a manner consistent with St Ives' stated values.

Those who supervise others must promote ethical and compliance values, through their behaviour by acting with integrity at all times. By treating people with respect, offering rates of pay that are fair, and providing decent working conditions, employees and the Group will benefit from high levels of commitment and productivity, which will enhance the Group's service to our customers.

4. Ethical and compliance values

For the purposes of this Policy, the following constitute failure to comply with the Policy:-

- a breach of the Group's Anti-corruption and Bribery Policy;
- the commission of a criminal offence;
- failure to comply with a legal obligation;
- failure to conscientiously comply with any confidentiality obligations imposed relating to the Group or its employees, suppliers or customers;
- using confidential information received in the course of duty for personal gain;
- failure to disclose any material personal interest which may affect, or be seen to affect, the impartiality or judgement of any employee in respect of his/her duties e.g. owning a significant shareholding in a supplier or close family member being employed by a key supplier;
- entering into arrangements which may in the future prevent the effective operation of fair competition;
- knowingly acting outside approval levels, or without the requisite authority;
- the occurrence of a miscarriage of justice;
- use of a contractor, agent, supplier, consultant, or other third party to perform any act which conflicts with this Policy;
- intentional dishonesty which misrepresents the values of the Group;
- ignoring any legal or ethical issue that ought to be addressed for the protection of employees and the Group;
- the endangerment of an individual's or individuals' health and safety;
- the endangerment of the environment;
- failure to protect company information;
- failure to adhere to company computer security measures;
- committing any act whatsoever, that may cause damage to the reputation of the Group; and
- concealment of any information pertaining to any of the above.

5. Procedure for reporting breach of ethical and compliance values

Disclosure by an employee of the Group:

Individuals are encouraged, wherever possible, to report any perceived failure internally in accordance with the Group's Whistle-blowing Policy.

Disclosure by persons external to the Group:

Individuals are encouraged, wherever possible, to report any perceived breaches of the Group's Ethical Trading Policy to their account manager, or equivalent, at St Ives who will attempt to resolve the matter as soon as is reasonably practicable.

In the event that the individual reasonably considers that the concern has still not been dealt with sufficiently or at all, the individual may then address their concern to the Group Company Secretary who is located at the Group's registered office: Company Secretariat, St Ives plc, One Tudor Street, London EC4Y 0AH (philip.harris@st-ives.co.uk).

Any concerns will, so far as is reasonably practicable, be dealt with in the strictest confidence at all times and wherever possible the individual's identity will not be disclosed. However, it must be recognised that in certain circumstances it will be difficult for the Group to pursue a complaint or to tackle an alleged wrongdoer without the complainant's identity becoming known.

If the concern raised is found to be valid and is not already subject to internal or legal proceedings, a decision will be taken by the relevant business unit within the Group as how to proceed, which may include referral to one or more of the following:-

- the Board of Directors or relevant Divisional Board with a view to carrying out an investigation;
- any appropriate external regulatory body and/or organisation for investigation; or
- the police.

The individual will be informed of any decision taken as appropriate if they have supplied their details, and is required to keep this decision strictly confidential. St Ives may cease from continuing to work with any party or organisation found to be in breach of this Policy, or suspected to be in breach of this Policy, with immediate effect.

Provided the individual raises the concern about ethical and compliance values in good faith and not out of any malice or with a view to personal gain and has reasonable grounds for belief in the concern:-

- so far as is reasonably practicable, the individual's identity will not be disclosed at any time, unless necessary for the purposes of investigation or to comply with a legal obligation;
- the individual will not be subjected to any harassment, victimisation or in the case of an employee, disciplinary action as a result of raising the concern, provided he/she has complied in full with this procedure; and
- so far as is reasonably practicable any supporting evidence relating to the concern will be kept secure at all times.

If, at any time, it is discovered that a complainant has raised a concern maliciously, vexatiously, or with a view to personal gain or that he/she has breached the terms of this procedure other than in good faith, the individual will lose the protection granted under this procedure. The making of false allegations under this Policy may constitute a breach of the law and to criminal proceedings being taken against the individual, individuals or organisations concerned.

St Ives may with immediate effect cease from continuing to trade with a third party complainant who has raised a concern maliciously, vexatiously, or with a view to personal

gain, or has otherwise acted in bad faith, or is suspected to be in breach of this Policy.

This Policy is not intended to prevent or dissuade an individual from contacting the police and exercising their legal rights where a criminal offence may have been committed.

Review of Policy

The Group will review this Policy from time to time and may at any time publish replacement or revised versions of this Policy to reflect developments in the business, or changes to legislation, ethical values or procedures.

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