



DISCLOSURE MATERIALS

Certified B Corporations must complete a Disclosure Questionnaire to identify potentially sensitive issues related to the company (e.g. historical fines, sanctions, material litigation, or sensitive industry practices).

This component does not affect the company's score on the B Impact Assessment. If the company answers affirmatively to any items in the Disclosure Questionnaire and B Lab deems them to be material, the company must:

- 1) Be transparent about the disclosure issues identified on the company's public B Impact Report
- 2) Describe how the company has addressed this issue.
- 3) Demonstrate that management systems are in place to avoid similar issues from arising in the future.

In all cases, the Standards Advisory council reserves the right to refuse certification if the company is ultimately deemed not to uphold the spirit of the community.

In addition to the voluntary indication of sensitive issues in the Disclosure Questionnaire, companies pursuing Certification also are subject to background checks by B Lab staff. Background checks include a review of public records, news sources, and search engines for company names, brands, executives/founders, and other relevant topics.

Sensitive issues identified through background checks may or may not be within the scope of questions in the Disclosure Questionnaire, but undergo the same review process and are subject to the same possible review by the Standards Advisory Council, including ineligibility for B Corp Certification, required remediation, or disclosure.

This document contains a copy of the company's completed Disclosure Questionnaire and related disclosure documentation provided by the company.



DISCLOSURE QUESTIONNAIRE

Company Name: Sykes Cottage Ltd
Date Submitted: 05/03/2023

Industries & Products	Yes	No
Please indicate if the company is involved in production of or trade in any the following. Select Yes for all options that apply.		
Animal Products or Services		✓
Biodiversity Impacts		✓
Chemicals		✓
Company Explanation Of Disclosure Item Flags		✓
Disclosure Alcohol		✓
Disclosure Firearms Weapons		✓
Disclosure Mining		✓
Disclosure Pornography		✓
Disclosure Tobacco		✓
Energy and Emissions Intensive Industries		✓
Fossil fuels		✓
Gambling		✓
Genetically Modified Organisms		✓
Illegal Products or Subject to Phase Out		✓
Industries at Risk of Human Rights Violations		✓
Monoculture Agriculture		✓
Nuclear Power or Hazardous Materials		✓
Payday, Short Term, or High Interest Lending		✓
Water Intensive Industries		✓
Tax Advisory Services		✓

Supply Chain Disclosures	Yes	No
Please indicate if any of the following statements are true regarding your company's significant suppliers.		
Business in Conflict Zones		✓
Child or Forced Labor		✓
Negative Environmental Impact		✓
Negative Social Impact		✓
Other		✓

Outcomes & Penalties	True	False
Please indicate if the company has had any formal complaint to a regulatory agency or been assessed any fine or sanction in the past five years for any of the following practices or policies. Check all that apply.		
Anti-Competitive Behavior		✓
Breaches of Confidential Information		✓
Bribery, Fraud, or Corruption		✓
Company Explanation Of Disclosure Item Flags		✓
Company has filed for bankruptcy		✓
Consumer Protection		✓
Financial Reporting, Taxes, Investments, or Loans		✓
Hazardous Discharges Into Air/Land/Water (Past 5 Yrs)		✓
Labor Issues		✓
Large Scale Land Conversion, Acquisition, or Relocation		✓
Litigation or Arbitration		✓
On-Site Fatality		✓
Penalties Assessed For Environmental Issues		✓
Political Contributions or International Affairs		✓
Recalls		✓
Significant Layoffs		✓
Violation of Indigenous Peoples Rights		✓
Other	✓	

Practices	True	False
Please indicate if the following statements are true regarding whether or not the company engages in the following practices. Check all that apply. If the statement is true, select "Yes." If false, select "No."		
Animal Testing		✓
Company/Suppliers Employ Under Age 15 (Or Other ILO Minimum Age)		✓
Company Explanation Of Disclosure Item Flags		✓
Company prohibits freedom of association/collective bargaining		✓
Company workers are prisoners		✓
Conduct Business in Conflict Zones		✓
Confirmation of Right to Work		✓
Does not transparently report corporate financials to government		✓
Employs Individuals on Zero-Hour Contracts		✓
Facilities located in sensitive ecosystems		✓
ID Cards Withheld or Penalties for Resignation		✓
No formal Registration Under Domestic Regulations		✓
No signed employment contracts for all workers		✓
Overtime For Hourly Workers Is Compulsory		✓
Payslips not provided to show wage calculation and deductions		✓
Sale of Data		✓
Tax Reduction Through Corporate Shells	✓	
Workers cannot leave site during non-working hours		✓
Workers not Provided Clean Drinking Water or Toilets		✓
Workers paid below minimum wage		✓
Workers Under Bond		✓
Other		✓



B Corp Certification - Disclosure Questionnaire Documentation

PROVIDED BY:

Sykes Cottage Ltd

UPDATED AS OF:

05/03/2023

DISCLOSURE QUESTIONNAIRE CATEGORY	Disclosure Penalties - Complaints
ISSUE DATE	2020
TOPIC	Complaints lodged against the company during COVID-19
SUMMARY OF ISSUE	<p>Sykes provides a website, app, telephone line and secure payment process for holidaymakers to book holiday homeowners' (who Sykes acts as an agent for) properties through.</p> <p>When the 1st Covid-19 related national lockdown was put in place in the UK and Ireland, Sykes reached out to its holiday homeowners to find solutions for those who could no longer go on holiday.</p> <p>Many holidaymakers changed their dates of travel, but not all were able to or wanted to.</p> <p>Sykes worked with holiday homeowners offering refunds.</p> <p>In May 2020 the CMA opened an investigation into Sykes' approach to refunds during the 1st Covid-19 national lockdown. Sykes worked with the CMA to resolve the matter, agreeing a set of undertakings that Sykes had already started to perform against. No further action was taken by the CMA.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>Sykes takes over 2 million people on holiday every year. During the Covid-19 national and local lockdown periods, and when party mix restrictions were in place, Sykes worked with owners to offer refunds of over £150m over a period of around 18 months; over £90m was paid out to those who wanted a refund.</p> <p>Sykes has received the following total number of complaints, including Covid related, per calendar year:</p> <p>2017: 8,281 2018: 16,324 2019: 22,288 2020: 18,164 2021: 16,651 2022: 15,019</p> <p>The average number of complaints, based on figures 2017-2022, is 16,122 per annum.</p>
IMPACT ON STAKEHOLDERS	The CMA had received a number of complaints from holidaymakers who'd booked through Sykes for dates of travel during the first national lockdown in the UK and Ireland. In brief, holidaymakers were struggling to get in touch with Sykes and property owners because of the sudden influx of calls and wanted refunds.
RESOLUTION	Sykes explained to the CMA how it was working with owners to facilitate refunds to holidaymakers where owners wanted to do so, and how it had otherwise worked with owners to offer change of dates, credit notes and vouchers to holidaymakers whilst all businesses were working out how best to respond to the pandemic and what they wanted to do. Sykes gave a set of undertakings to the CMA in relation to the refunds it would offer and make to holidaymakers. This included Sykes agreeing to refund its commission and booking fee on each booking in support of owners and as a

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	<p>gesture of goodwill to holidaymakers respectively, and Sykes agreeing to refund the rental charges paid to the owner which Sykes would then go on to collect from owners who hadn't yet returned them to Sykes.</p> <p>Sykes received confirmation from the CMA in October 2020 that the investigation had been closed. This letter stated that "The third and final report concludes the commitments for Sykes Cottages Ltd to correspond and report to the CMA in relation to the progress of undertakings to provide refunds to affected consumers". As is usual, the CMA reserved its right to revisit the investigation if it received further complaints about Sykes Cottages Ltd. The investigation hasn't been revisited.</p>
<p>IMPLEMENTED MGT PRACTICES</p>	<p>During the first national lockdown and beyond, Sykes made a number of changes – for example:</p> <ul style="list-style-type: none"> • It asked owners to agree to be paid in arrears during Covid-19 times (meaning Sykes would have the rental charges readily available to it to enable Sykes to facilitate refunds to holidaymakers, and quicker); • It updated the owner terms for new owners to say Sykes would place owners on arrears if an event such as Covid happens again; • Sykes developed its technology to enable it to take party mix details (households and ages) and to communicate to those categories of holidaymakers affected by any new Covid-19 law and offer them a refund quickly, including via their online account; • Sykes created a team dedicated to listening to government announcements and reading Covid-19 laws to ensure that the right to receive a refund was communicated to holidaymakers asap (by the end of Covid-19 times this was often before the relevant government minister finished speaking). This team also ensured Sykes' website remained up to date for England, Wales, Scotland, Ireland and Northern Ireland travel restrictions; • Sykes developed a book with confidence from owners to holidaymakers, with Sykes agreeing to refund its commission to holidaymakers whilst the book with confidence was in place; • Sykes paid to upgrade all holidaymakers who had acquired the travel insurance Sykes offers to a version with positive Covid test cancellation cover, and re-offered this enhanced insurance product to holidaymakers who hadn't taken out Sykes' insurance previously. Sykes has provided certain financial support to the insurer for the purposes of allowing this enhanced cover to continue for another year. <p>When complaints are received, they are categorised by type and priority. Health and Safety and issues from customers who are in the property are prioritised, and all other cases are dealt with in order of the date they were received.</p> <p>Overall service is measured and reported on using customer feedback; they proactively ask customers to share their feedback with them including contacting every customer on the final day of their holiday about their experience. They currently have a market leading NPS score of 71 and a 4.5 Trustpilot score. Quality reviews are completed monthly for all agents and feedback is provided, where necessary, to identify any additional support needed to improve service levels.</p>



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DISCLOSURE QUESTIONNAIRE CATEGORY	Tax Reductions through Corporate Shells
TOPIC	Parent company is based in Jersey.
SUMMARY OF ISSUE	<p>The Sykes Cottages Group is a wholly owned subsidiary of Priestholm Topco Ltd which is located in Jersey. Jersey is recognised as a low tax jurisdiction and ranks as a score of 100 on the Corporate Tax Haven Index.</p> <p>Payroll taxes, Corporation taxes, and value added taxes are paid in the countries of operations. Priestholm Topco and its subsidiaries are registered for tax in the United Kingdom and New Zealand. No tax has been avoided as a result of the structuring through Jersey.</p>
SIZE/SCOPE OF ISSUE (e.g. \$ financial implication, # of individuals affected)	<p>90% of the company revenues comes from the UK and 10% comes from the New Zealand markets.</p> <p>The company employs 93% of employees in the UK market and 7% of employees in the New Zealand market.</p> <p>98% of taxes are paid in the UK market and 2% of taxes are paid in the New Zealand market.</p> <p>For financial 2021 the UK corporation tax rate was 19%</p>
IMPACT ON STAKEHOLDERS	B Lab recognises financial service institutions that are located in low tax jurisdiction as a potential controversial industry and has created additional risk standards for companies that are located in jurisdictions that score 100 on the Corporate Tax Haven Index. As a subsidiary company, Sykes Cottages is not required to comply with any additional risk standards as they have confirmed that the parent company structure does not influence their tax burden.
IMPLEMENTED MANAGEMENT PRACTICES	<p>The company has a publicly available tax strategy that applies to the parent company and all entities in the Sykes Cottages Groups that was last updated at the end of 2022 and is reviewed annually. In it, the group confirms its commitment to full compliance with all tax laws and practices in the territories in which it operates. They define compliance as paying the correct amount of tax at the right time and they also outline their relationship with tax authorities in the markets where they operate. Responsibility for the group tax lies with the Finance team. The company also outlines their tax risks and their approach to tax risk management.</p> <p>The company did not charge license IP/intangible assets to the parent company in the FY21.</p>
REPORTS	https://www.sykescottages.co.uk/assets/files/documents/sep_22/sc_16643795792397_2022_Tax_Strategy.pdf
OTHER MANAGEMENT COMMENTS	This structure is common place for private equity investments, as the underlying investors are generally not tax paying individuals or corporations. They can consist of charitable foundations, pension funds and university endowments from global origins, so a tax neutral jurisdiction such as Jersey is preferential for pooling capital funds.