

**Richemont UK Limited**  
**Modern Slavery Statement**  
**Financial Year 2020/2021**

This statement is made pursuant to section 54 of the Modern Slavery Act 2015 (**MSA**). It sets out the steps Richemont UK Limited (**Company**) has taken during the 2021/2022 financial year to prevent slavery and human trafficking from taking place in its supply chains or in any part of its business. It also sets out the additional steps we plan to take going forward.

The Company has published a modern slavery statement each year since 2016. Previous statements are available on request.

## 1. INTRODUCTION

The Company is committed to improving our practices to combat slavery and human trafficking and to ensure that our business and supply chains are free from the same.

## 2. ABOUT THE COMPANY

The Company sells jewellery, watches, leather goods, clothing, writing instruments and other luxury goods (the **Products**) for the following Group Maisons: A. Lange & Söhne, Alaia, Baume & Mercier, Buccellati, Chloé, IWC Schaffhausen, Jaeger-LeCoultre, Montblanc, Panerai, Piaget, Roger Dubuis, Vacheron Constantin, and Van Cleef & Arpels. The Company markets, distributes and sells the Products through the Maisons' retail and e-commerce channels within the UK and Ireland and acts as an agent for the distribution of watches to an authorised dealer distribution network in the UK and Ireland.

The Company also provides after-sales care for the Products, offers a repair service for Maison branded watches and jewellery in the UK.

## 3. ORGANISATIONAL STRUCTURE

The Company is part of the Richemont group (the **Group**) and our ultimate parent company is Compagnie Financière Richemont SA. In the UK, our immediate parent company is Cartier Limited. The Group owns a number of luxury brands (**Maisons**) in the Jewellery, Specialist Watchmakers, Online Distributors and Other (primarily fashion and accessories) sectors. Whilst each Maison within the Group operates as an autonomous business, the Group provides certain centralised support services including in relation to supply chain compliance, sourcing and procurement. Consequently, the Group works with the Maisons and the Company to set the required standards and to implement requisite policies and procedures which each Maison and each legal entity within the Group (i.e. the Company) is expected to adhere to.

### Locations and employees

The Company has a corporate office and a separate after-sales service centre, all of which are located in London. We also directly manage twenty seven boutiques within the UK and Ireland, two of which are presently located within department stores.

We currently have 350 employees.

## 4. MANAGEMENT STRUCTURE

The business of each of the Maisons operated by the Company is separately managed by the relevant Maison/Brand Director. The Company itself is managed by an Executive Committee (**ExCo**) comprising key managers within the business. The ExCo serves to coordinate the activities of the individual Maisons, including in respect of their compliance with the Group's policies and procedures. There are three statutory directors, including the Company's Chief Financial Officer.

## 5. SUPPLY CHAINS AND PROCUREMENT

Sourcing of raw materials and indirect procurement within many businesses' supply chains can be susceptible to human rights violations and modern slavery crimes. The Company sources all of its Products intra-group. This means that we benefit from the various Group policies relating to suppliers, procurement and sourcing which are in place. Strict rules are applied to the engagement of suppliers, procurement and the sourcing of raw materials by the Group.

### Raw materials

The Company purchases Products 'ready-made' and because we are not involved in the manufacture of the Products, we have limited need for raw materials. The only exception to this is the use of very small quantities of gold, silver and other precious metals which are required to provide repair services for Maison branded watches and jewellery.

At Group level, the responsible procurement of raw materials such as gold, diamonds, leather, and precious stones is a priority. By way of example, suppliers of gold, diamond-related products and coloured gemstones are systematically encouraged to become certified members of the Responsible Jewellery Council (**RJC**). Suppliers out of RJC scope, such as leather related suppliers are regularly followed up and audited by third parties. The Group's overarching ambition is to improve sustainability in its supply chains and its long-term goal is the traceability of all raw materials used in its products.

### **Raw Materials Sourcing Policy**

The Group operates a Raw Materials Sourcing Policy (**Sourcing Policy**) which recognises the serious abuses that can be associated with the extraction, transportation and trade of precious metals, diamonds and gems. The Sourcing Policy clearly highlights the Group's commitment to respecting human rights and it states that the Group will neither tolerate nor profit from any abusive act. This is reinforced by the Group's implementation of the Organisation for Economic Co-operation and Development (**OECD**) Due Diligence Guidance for Minerals – 5-Step Framework for Upstream and Downstream Supply Chains (**5-Step Framework**).

The OECD provides voluntary principles and standards for responsible business conduct across a range of areas, including human rights. The 5-Step Framework provides detailed recommendations which aim to help companies respect human rights and avoid contributing to conflict through their mineral purchasing decisions and practices. The Group uses the 5-Step Framework as a management process for risk based due diligence.

Neither the Company nor the Group tolerate any violations of human rights. This stance is confirmed in the Sourcing Policy, which states that the Group will responsibly disengage with any upstream supplier if there was a reasonable risk that they were committing human rights abuses or were sourcing from, or were otherwise linked to, any party committing human rights abuses.

### **Responsible Sourcing Organisation**

In order to tackle the challenges in terms of human rights, social and environmental sustainability, the Group relies upon a team of internal experts in responsible sourcing. This team assists the Maisons in the prevention and mitigation of potential human rights abuses thanks to its expertise in the field. Its mission is to dive deeply in the knowledge and understanding of the strategic supply chains in order to:

- identify the risks;
- assess impact; and
- work closely with internal and external teams to develop prevention, mitigation, remediation and improvement tools.

### **Responsible procurement**

Responsible and sustainable procurement is a key pillar of the Group procurement strategy and its values. It is embedded in the Group Procurement Policy which sets out the rules and principles

applicable to procurement activities, and influences on a global level, how and what the Group buys and from whom.

### **Supplier Code of Conduct**

All suppliers to the Group must comply with the Group's Supplier Code of Conduct (the **Supplier Code**). The Supplier Code sets out the Group's expectations of suppliers with respect to ethical business practices, labour conditions, employment practices, human rights and environment. It is aligned with the MSA and also includes an endorsement of International Labour Organisation Conventions, the Universal Declaration of Human Rights and other internationally recognised labour and practice standards.

All suppliers with whom we contract with directly will also be required to adhere to the Supplier Code. In exceptional circumstances, suppliers may be permitted to adhere to their own internal equivalent to the Supplier Code, but only where we are satisfied that the supplier's own internal processes are at least as robust as our own Supplier Code.

During the year, the Supplier Code has been updated to better reflect emerging best practice in the areas of business and human rights, whistleblowing and grievance mechanisms amongst others.

### **Responsible Jewellery Council**

The RJC is the world's leading standard setting organisation for the jewellery and watch industry. The Group works closely with the RJC to improve its supply chain and Supplier Code of Conduct.

The RJC Code of Practices is the global standard for responsible jewellery throughout the entire supply chain – from mine to retail, covering all the primary minerals and metals used in the manufacture of jewellery: gold, silver, platinum group metals, diamonds and coloured gemstones – and it focusses on business ethics. RJC became a participant of the UN Global Compact in 2009 and since then, the RJC Code of Practices have incorporated its human rights and labour principles. The RJC Code of Practices robust certification process is independently audited and ISEAL accredited.

### **Certifications and Audits**

The Group has implemented several tools, including risk analysis for some common supply chains, pre-selected auditors, an audit referential and the organisation of audits for common suppliers. The Group became part of Sedex Members Ethical Trade Audits (SMETA audits) standard (an international referential) in 2021, and starting using its methodology to check for alignment with the Supplier Code of Conduct.

## **6. OUR PEOPLE POLICIES AND POLICIES ON SLAVERY AND HUMAN TRAFFICKING**

The Group is continuing to accelerate its efforts related to diversity, equality and inclusion (DEI) by aligning its approach with the DEI Sustainable Development Goals 2030 set by the United Nations in 2015. Across the Group we continue to build on our vision of 'Diversity is Everyone' and live our mission is to ensure that DEI goals are in line with business needs, validate the strategic DEI roadmap and foster dialogue between leaders and employees. The Group's efforts are supported by DEI Champions across our Maisons, regions and markets – and continue to build resources and offerings for more open conversations and knowledge around DEI.

The Company's Board of Directors together with the individual Maison/Brand Directors are

responsible for compliance with the MSA and they are supported by the Group, and the Group CSR, compliance and sustainability teams.

As mentioned above, the Group operate various policies which work together to set out the Group's commitment to human rights. These include:

- i. Procurement Policy;
- ii. Supplier Code of Conduct; and
- iii. Sourcing Policy.

In addition, the Group also operates a Standards of Business Conduct policy (**Standards of Business Conduct**).

The Standards of Business Conduct delineates specific standards of ethical behaviour expected from employees. The business and human rights section of the Standards of Business Conduct further highlights the Group's commitment to respecting and promoting human rights as described in the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. It also sets out the reporting mechanism which should be used to raise any issues that appear to conflict with the Standards of Business Conduct as well as any other suspected unethical issues. This section of the Standards of Business Conduct sets out a variety of confidential points of communication, including a dedicated whistleblowing email address, which at the date of publication of this report has been developed into a Speak-Up Platform available already for the Group's internal stakeholders. The aim of having various confidential points of communication is to empower our people to report suspicious activities.

The Group also operates a Corporate Responsibility Policy which serves as a common framework for all business activities across the Group. The Group's corporate responsibility (**CR**) strategy has four key areas: sourcing, people, environment and communities. The CR Committee and the Governance & Sustainability Committee have joint responsibility for the supervision and management of the CR Policy and Strategy. More specifically, the CR committee guide the CR strategy in areas such as human rights, employment practices and supply chain including the Code. The Governance & Sustainability Committee reviews and recommends to management and the Board of Directors objectives, policies and procedures designed to maintain a business environment committed to high standards of ethics, legal compliance and business integrity.

The Standards of Business Conduct sets out the rules and policies that apply to the Group, and explains that its culture is based on the beliefs of honesty, integrity and respect.

Within its Sustainability Report, the Group publishes a Slavery and Human Trafficking Statement which contains further information and can be viewed here: [https://www.richemont.com/media/o5cdiwzp/slavery\\_human\\_trafficking\\_statement.pdf](https://www.richemont.com/media/o5cdiwzp/slavery_human_trafficking_statement.pdf).

The Group recognises that criminal organisations, who are often behind illicit trade, are also complicit in child labour and modern slavery crimes. The Group is a member of the Transnational

Alliance to Combat Illicit Trade (**TRACIT**), an independent, private sector initiative to drive change to mitigate the economic and social damages of illicit trade.

## **7. DUE DILIGENCE PROCESSES**

As mentioned, because the Company only sources its Products from within the Group, we benefit from the Group policies which are in place. However, the Standards of Business Conduct highlights that it is the joint responsibility of everyone within the Group to know, understand and follow Group requirements. To this end, all employees of the Company are required to review and acknowledge their understanding and acceptance of the Standards of Business Conduct.

In terms of human rights due diligence, the Group looks into its whole value chain in order to identify any potential human rights risk, from the sourcing of raw material, to the relation with our clients.

Following the human rights gap analysis performed by the Group in 2021, the Group is developing its own strategic plan in order to advance in the management systems needed to prevent, mitigate and remediate any human right risk. The objective of this gap analysis was to compare our Business & Human Rights initiatives with existing and emerging business and human rights principles, standards and legal requirements.

### **Risk management process**

The Group operates a risk management process that gives consideration to both strategic and operational risks, including human rights risks. All identified risks are modelled according to their probability of occurrence and potential impact and subsequently prioritised by management. A consolidated risk report, which includes action plans prepared by the Group executive directly responsible for addressing the risk, is reviewed annually by the audit committee and the Group's Board of Directors. This report is confidential.

The Group performs due diligence on business partners to identify, assess and anticipate risks and opportunities for improvement and to ensure in-depth knowledge of its partners. This enables the Group to verify that the approach and performance of its partners are aligned with the Group's ethics, principles, policies, social and environmental practices and respect for human rights. Risk mapping is also undertaken at Group level.

A senior team of internal auditors review all Group functions and Group companies in order to make recommendations for strengthened principles and working practices where required.

### **Coloured Gemstones Working Group (CGWG)**

The CGWG is a joint initiative by various companies including the Group. Its goal is to catalyse positive change in the gemstones and jewellery industry. The CGWG was formed to better understand the risks and opportunities for positive impact in the sourcing and production of coloured gemstones. The Company's immediate parent is Cartier Limited and the Cartier Maison actively contributed, in collaboration with other CGWG members, to the first coloured gemstones supply chain responsible practices tool set which was made available in April 2021 for the first time. The Group actively encourages its suppliers to make use of the tool set where possible.

### Kimberley Process Certification Scheme

The Sourcing Policy makes it clear that the Group only sells or purchases diamonds that are fully compliant with the Kimberley Process Certification Scheme. The Kimberley Process is a commitment to remove conflict diamonds (that is rough diamonds used to finance wars against legitimate governments) from the global supply chain. The Group’s commitment to the Kimberley Process demonstrates that it will not tolerate direct or indirect support to non-state armed groups with consequent human rights abuses/modern slavery implications.

### 8. MONITORING COMPLIANCE

The Group has been tracking the progress of Supplier Codes signed by its suppliers since 2015. Progress is tracked on a category-by-category basis and overall implementation is at 71% of suppliers in March 2022.

TOPIC	METRIC	2025 TARGET	PROGRESS AT 31 MARCH 2022
<b>SUPPLIER CODE OF CONDUCT</b>			
<b>Supplier Code of Conduct signed*</b>	% of purchased value from suppliers that signed the Code or provided an equivalent commitment	80%	71%
<b>Supplier Code of Conduct signed – watches and jewellery**</b>	% of suppliers that have signed the Code**	80%	87%
<b>Supplier Code of Conduct signed – leather*</b>	% of purchased value from suppliers that signed the Code	100%	84%
<b>Supplier Code of Conduct signed – marketing material*</b>	% of purchased value from suppliers that signed the Code or provided an equivalent commitment	90%	84%

\*Based on roughly 70% of our global spend for the calendar year 2021.

\*\*Based on calendar year 2021. Out of the remaining 13% suppliers, 56% are not required to sign the Supplier Code of Conduct as annual spending is small.

In 2021, 217 supplier audits were conducted by the Group. 56% of these used the SMETA audit referential. The remaining 44% used other referentials, mainly Group referential, or standard referential provided by auditors. The Group targets to progressively increase the usage of SMETA as its primary audit referential for suppliers of indirect goods and materials.

The United Nation’s Guiding Principles on Business and Human Rights (**UNGPs**) form an overarching governing standard for nations, companies and civil society. In line with the Group’s commitment to Business and Human Rights (**B&HR**), such principles have been adopted by

Switzerland (where Richemont Group is headquartered) and which will evolve the mandatory human rights reporting, as discussed in section 6, which has established a National Action Plan for B&HR which has been applied to policies and standards such as those of the OECD and the RJC's Code of Practices.

To determine the Group's preparedness for the UNGP, and in order to support the Group in strategically advancing human rights, an independent expert gap analysis study was commissioned during the 2020/2021 financial year. The analysis reviewed the Group's current B&HR initiatives, policies, processes and commitments against actual and emerging B&HR expectations, standards and regulatory schemes.

The findings of the analysis highlighted strengths and weaknesses as well as ways to improve which the Group plans to address going forwards.

## **9. TRAINING**

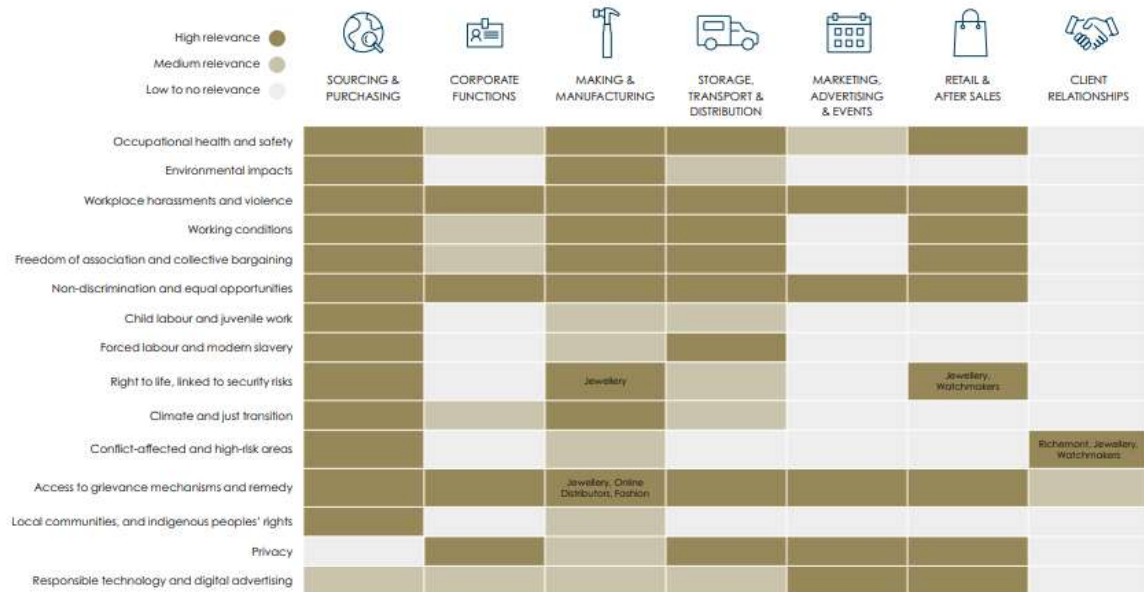
All new Company employees are asked to read and acknowledge the Group's Standards of Business Conduct mentioned in this statement. The Group deploys a range of effective training resources. Alongside generic training for all staff, risk mapping helps to direct the content of tailored training programmes and the identification of specific teams or groups of staff who will receive training on specific risks.

## **10. LOOKING AHEAD**

The Group will continue its work collaboratively with industry organisations and business partners to promote best practices across its full supply chain and continue to ensure an ethical supply chain for the Products.

In its annual Sustainability Report, the Group states its intention to continue to prioritise transparency in its supply chains as well as due diligence and risk mitigation measures. The Group has also developed an independent human rights scan performed at Group level in 2021 reflects that the Group's human rights hotspots are located at the raw materials, sourcing and purchasing level, followed by outsourced manufacturing and services, including transport, and third-party business relationships.





▲ Human rights risk across the value chain


Taking this into consideration, looking ahead the Group will strengthen its management systems and human rights due diligence processes in order to prioritize our most salient issues in the field and accordingly develop strategies that will allow us to prevent, mitigate and in case it is necessary remediate any potential human rights risk.

The deployment of the Speak-Up platform and of other product social impact assessments will be valuable tools that will assist the Group in this journey, as it will be the collaboration and engagement with the Group's main stakeholders.

The publication of the updated Supplier Code of Conduct will also spark the need for training to be conducted throughout the Group. Consequently, the Group is working on developing different ways of training both its employees and other relevant stakeholders in order to raise awareness on human rights. Also a being members of SEDEX (Supplier Ethical Data Exchange) since 2021 and starting its implementation through 2022, has meant having additional risk mitigation tools that will assist us in this journey. The SEDEX membership will help to reinforce ethical supply chain practices through the application of the SMETA audit standard.

More information about future plans at a Group level can be found in the Sustainability Report, and in the Group Slavery and Human Trafficking Statement.

This Statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Company's slavery and human trafficking statement for the financial year ending 2022. It was approved by the board on 19 January 2023 and the information contained in this Statement is accurate as of that date.

A handwritten signature in black ink, appearing to read 'Olivier Percetti', is written over a solid horizontal line. Below this line is a dotted horizontal line, which is a common format for a signature line in legal documents.

Olivier Percetti  
Director, Richemont UK Limited

19 January 2023