

**Richemont UK Limited**

**Modern Slavery Statement**

**Financial Year 2022/2023**

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 2022/2023 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, Alaïa, 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, Chemin de la Chênaie 50, 1293, Bellevue, Switzerland. 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 thirty seven boutiques within the UK and Ireland, fifteen of which are presently located within department stores.

We currently have 349 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 could be susceptible of human rights impacts such as modern slavery. 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.

## **Raw Materials Sourcing Policy**

The Group operates a Raw Materials Sourcing Policy ([www.richemont.com/media/ilci5h3t/richemont-raw-materials-sourcing-policy-en.pdf](http://www.richemont.com/media/ilci5h3t/richemont-raw-materials-sourcing-policy-en.pdf)) (**Sourcing Policy**) which describes the human rights impacts 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 complying with all relevant UN sanctions, resolutions and laws as it states that the Group will neither tolerate nor profit from any abusive act. This will be reinforced by the Group's ongoing implementation of human rights due diligence management systems based on the Organisation for Economic Co-operation and Development (**OECD**) Due Diligence Guidance for Minerals – 5-Step Framework (**5-Step Framework**): establish management systems, identify and assess risks, risk management, third-party audit and annual reporting.

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 Department**

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 which works across all component supply chains. Whilst Maisons have autonomy in their procurement process, they are required to apply the Group's Supplier Code of Conduct policy and Group Procurement Policy (see below). The expert team's 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.

## **Supplier Code of Conduct**

All suppliers to the Group must comply with the Group's Supplier Code of Conduct ([www.richemont.com/media/ec3hryfn/richemont\\_scc\\_eng.pdf](http://www.richemont.com/media/ec3hryfn/richemont_scc_eng.pdf)) (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 with the main International Labour Organisation Conventions, the Universal Declaration of Human Rights, Sustainable Development Goals set by the United Nations, and

other internationally recognised labour and practice standards.

Suppliers with whom we contract 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.

The Supplier Code reflects emerging best practice in the areas of business and human rights, whistleblowing and grievance mechanisms amongst others. During the year, the Supplier Code was updated to reflect the developed changes on the Speak-Up tool. The Supplier Code is available in 13 languages on the Group's website.

### **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.

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. The Group promotes the RJC's code of practices certification to all of its suppliers of gold, diamond and gemstones.

### **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. For example, the Group became part of SEDEX Members Ethical Trade Audits (SMETA audits) standard (an international referential) in 2021, and uses its methodology to check for alignment with the Supplier Code.

## **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 compliance and sustainability teams. Sustainability is firmly embedded at the highest governance level of the Group through the Governance and Sustainability Committee, which reports its actions to the overall Board. Established in March 2021, this committee reviews all management proposals regarding our sustainability roadmap, including those related to human rights.

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. Raw Material Sourcing Policy.

In addition, the Group also operates a Standards of Business Conduct policy ([www.richemont.com/media/ngadkqes/standards\\_of\\_business\\_conduct\\_eng.pdf](http://www.richemont.com/media/ngadkqes/standards_of_business_conduct_eng.pdf)) (**Standards of Business Conduct**).

The Standards of Business Conduct sets out the Group's commitment to diversity stipulating that all aspects of the employment relationship should be free from any form of discrimination. The Standard of Business Conduct also 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 Group's whistleblowing and grievance reporting line, the Speak Up platform, that should be used to raise any concerns about unethical or illegal behaviour. The Speak Up platform is a comprehensive reporting tool that ensures the Group's values are maintained and all reported concerns are taken seriously without any fear of retaliation. A concern can be reported to the Speak Up platform through the online process or via telephone and the status of an existing question or concern can be checked on the platform. The Speak Up platform is accessible on the intranet for employees and will be made available on the Group's external facing website and can be used by external stakeholders such as suppliers, clients, business partners and the wider public. The aim is to empower our people to report suspicious activities and foster an open culture where concerns can be raised. To ensure impartiality the reporting system is overseen by the Head of Internal Audit, who is independent from management and reports to the Chair of the Audit Committee. The extension of the Speak Up Platform to external shareholders took place in May 2023 and we are aware that this action is beyond the reporting timeframe, but we consider relevant to mention it here.

The Group also operates a Corporate Responsibility Policy ([www.richemont.com/media/hfzpaqu0/richemont\\_cr\\_policy\\_16052019.pdf](http://www.richemont.com/media/hfzpaqu0/richemont_cr_policy_16052019.pdf)) which serves as a common framework for all business activities across the Group.

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: [www.richemont.com/media/hbzgln4/slavery\\_human\\_trafficking\\_statement.pdf](http://www.richemont.com/media/hbzgln4/slavery_human_trafficking_statement.pdf)

The Group is a founding member of the Transnational Alliance to Combat Illicit Trade (TRACIT). It lobbies for legislation globally to tackle the sale of counterfeits and builds relationships with governments, agencies and commercial entities to fight illicit trade. The Group are also a member of Unifab, the French anticounterfeiting association that conducts legislative lobbying, provides training for law enforcement and fosters relationship building. Furthermore, the Group participate in the Swiss Watch Federation and often collaborate in their joint actions on behalf of multiple members.

## **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.

In 2022 the Group conducted a human rights scan to complete our understanding of actual and potential human rights impact along its value chain. Outcomes presented that activities with higher exposure to human rights risks include: raw material sourcing, making and manufacturing, storage, as well as transport and distribution. As a result, we are adapting our due diligence measures in these areas. For instance, we have launched a specific assessment for our logistic activities to develop risk mitigation plans.

The Group's commitment to respecting human rights is reinforced by its actions in becoming a member of the International Labour Organisation Child Labour Platform, which aims to identify obstacles and seek solutions in supply chains, and its participation in the Human Rights Accelerator Programme, a United Nations Global Compact programme with the aim of applying instruments to support its management on human rights.

#### **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 76% of suppliers in March 2023. This is an increase from 71% of suppliers in March 2022.

### Suppliers CoC performance table

| Topic  | Metric  | 2025 Target | Progress at 31 March 2023 |
|--|---|-------------|---------------------------|
| Supplier Code of Conduct   |   |             |                           |
| <b>Supplier Code of Conduct signed*</b>                          | % of purchased value from suppliers that signed the Code or provided an equivalent commitment | 80%         | 76%                       |
| <b>Supplier Code of Conduct signed – watches and jewellery**</b> | % of suppliers that have signed the Code**  | 80%         | 80%                       |
| <b>Supplier Code of Conduct signed – leather*</b>                | % of purchased value from suppliers that signed the Code                                      | 100%        | 94%                       |
| <b>Supplier Code of Conduct signed – marketing material*</b>     | % of purchased value from suppliers that signed the Code or provided an equivalent commitment | 90%         | 85%                       |

\* Based on approximately 85% of our global spend for FY2023.

\*\*The 80% refers to number of suppliers which represents 99% of the purchase value.

The Group targets to progressively increase the usage of SMETA as its primary audit referential for suppliers of indirect goods and materials. An example of it are the leather suppliers which undergo social audits under this methodology. In 2023 there was an increase in the percentage of suppliers from Tier 1 and 2 being audited as it can be observed in the below table:

### Supplier audits on leather

|  | 31st March 2022 | 31st March 2023 |
|--|-----------------|-----------------|
| % of purchased value from Tier 1 suppliers covered by audits | 88%             | 89%             |
| % of Tier 2 suppliers covered by audits                      | 70%             | 86%             |

## 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 and in financial year 2022/2023 Group launched a training on Modern Slavery and Human Trafficking. The training is available to all employees worldwide and it is mandatory for

employees located in the United Kingdom, amongst other countries. 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.

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 highlighted by the appointment of the Group's first Chief Sustainability Officer in 2022 who joined the Senior Executive Committee in 2023. The Group is conducting regular materiality assessments to proactively engage with internal and external stakeholders and continue to monitor sustainability reporting framework.

Taking this into consideration, looking ahead the Group will strengthen its management systems and human rights due diligence processes in order to prioritize our focus areas 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.

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 member of SEDEX (Supplier Ethical Data Exchange) since 2021 and its ongoing implementation 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 2023. It was approved by the board on 20 December 2023 and the information contained in this Statement is accurate as of that date.



Olivier Percetti  
Director, Richemont UK Limited

20 December 2023