

# WOSG ESG PARTNER STANDARDS

THE ESSENTIAL GUIDE  
FOR EVERYONE WHO  
WORKS WITH US



WATCHES OF  
SWITZERLAND  
SINCE 1924

Mappin & Webb  
LONDON

**GOLDSMITHS**

EST 1910  
**MAYORS**  
FINE JEWELRY & TIMEPIECES

**BETTERIDGE**  
EST 1897

**Analog:Shift**  
VINTAGE & PRE-OWNED WATCHES

**MONO-BRAND  
BOUTIQUES**



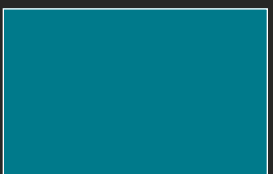
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# WOSG ESG PARTNER STANDARDS

## ABOUT ESG

Increasingly, our clients and local communities want to know more about our environmental and social practices to inform their advocacy and purchasing decisions.

The term ESG refers to the examination of a business's Environmental, Social and Governance practices, their impacts and progress against a set of standards and measures.

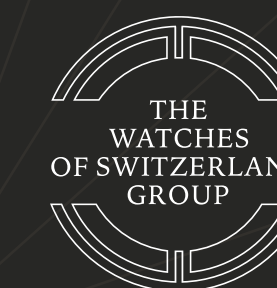
A wide range of stakeholders monitor ESG performance to assess a business's exposure to risk, as well as its possible future financial performance.

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# UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

## ABOUT THE UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS

The UN Sustainability Goals define 17 global challenges.

They provide a framework to help governments, businesses and people all over the world to prioritise and mobilise efforts to achieve common targets by 2030.

Leading organisations and businesses align their business strategies with these Goals, which are designed to help identify common purposes and opportunities for action.

The hope is that together, we can create impactful solutions for the challenges facing our communities and our planet.

The Watches of Switzerland Group supports the achievement of these Global Goals and encourages partners to do the same.

The Group also supports the UN Global Compact, which aims to drive business awareness and action in support of achieving the Sustainable Development Goals.

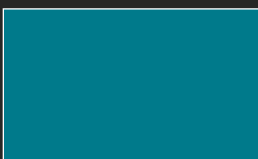


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# HELP US ACHIEVE OUR PURPOSE



OUR PURPOSE IS TO

WOW CLIENTS,  
WHILE CARING  
FOR OUR COLLEAGUES,  
OUR COMMUNITIES  
AND OUR PLANET

## DRIVEN BY OUR PURPOSE

At the Watches of Switzerland Group, we are driven by our Purpose to WOW clients, while caring for our colleagues, our communities and our planet.

We have a duty of care to ensure our supply chain operates responsibly and respects and protects the lives of workers, their communities and the environment.

These ESG Partner Standards outline our approach to social and environmental stewardship and provide guidance around the common practices we expect throughout our global supply chain and in all our dealings - in addition to full compliance with all relevant national and international legislation.

We want to strengthen relationships with partners who adopt our principles and strive to continuously improve performance for the long-term benefit of both our businesses.

We encourage you to help us advocate, influence, and promote responsible business practices within your own operation and value chains.

**Please read this document in conjunction with our:**



[Vendor Code of Conduct](#)



[Terms and Conditions](#)



[Operating Manual \(where applicable\)](#)

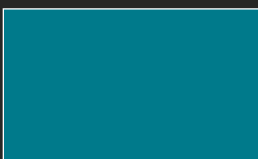
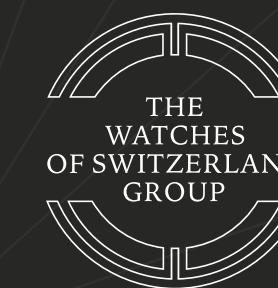
If you have any questions about these ESG Partner Standards or environmental and social matters within the Watches of Switzerland Group, please speak to your business contact, or email [SustainableProcurement@thewosgroup.com](mailto:SustainableProcurement@thewosgroup.com)

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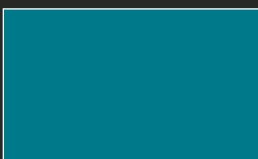
# OUR CORE VALUES

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# ENGAGEMENT WITH THESE STANDARDS

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## COMPLIANCE AND RISK PREVENTION

These Standards are designed to help engage everyone we do business with, with our Purpose to WOW clients, while caring for our colleagues, our communities and our planet. By adhering to these Standards, you will help ensure the products we sell, and services we use, meet the highest environmental and social standards and performance criteria.

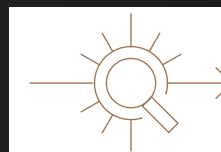
Please communicate the principles of these Standards to workers, subsidiaries and relevant third parties to raise awareness of our goals, and help identify and address potential risks.

We will monitor and review these Standards on an annual basis, and update them in line with changes in our requirements and legislation.



## OUR EXPECTATIONS

- ✓ Acceptance of requirements contained within our Vendor Code of Conduct.
- ✓ Embed basic business ethics principles into a code of conduct or a similar policy, including adherence to local laws and regulations, specifically laws related to business ethics, responsible sourcing, human rights, and environmental responsibilities.
- ✓ Have a grievance procedure in place for employees to confidentially raise concerns.
- ✓ Strive to implement relevant best practice recommendations.



## OUR FOCUS AREAS

- ✓ Engaging partners and relevant third parties with the principles of these Standards.
- ✓ Encouraging relevant stakeholders to support best environmental and social practice.
- ✓ Working with partners who share common values and can help us achieve our Purpose.





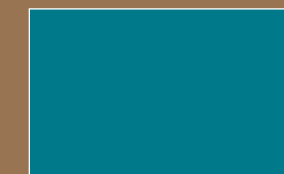
# ENVIRONMENT

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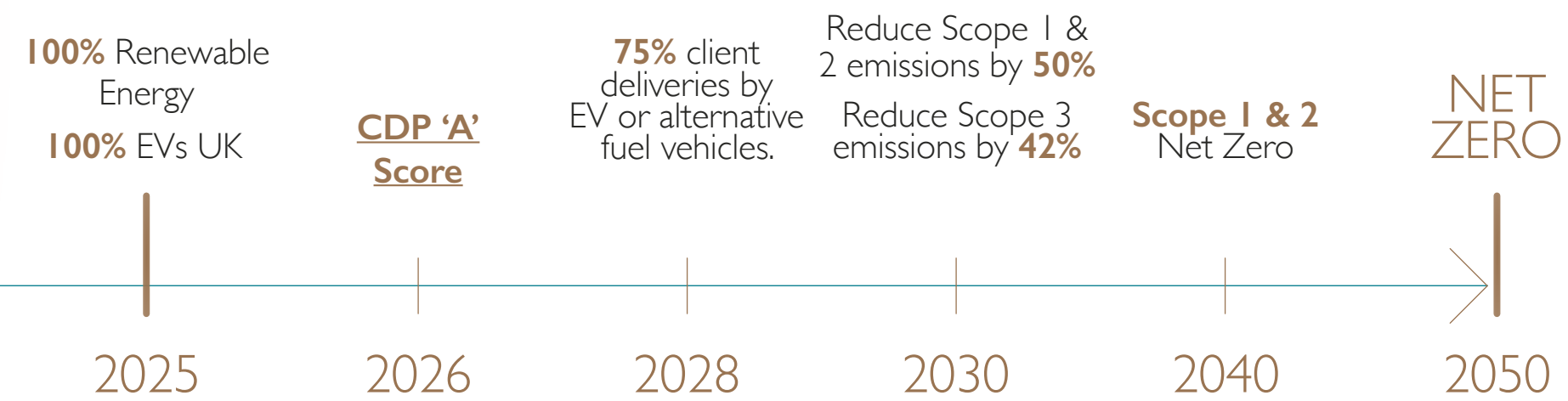
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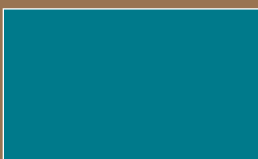


# ENVIRONMENT: OUR APPROACH



We are aiming for the highest levels of environmental stewardship, which includes:

- ✓ **Achieving** our ambitious carbon emissions reduction targets, which have been validated by the Science Based Targets initiative and are in line with limiting global warming to 1.5°C, to avoid the worst effects of climate change.
- ✓ Continuous improvement in **carbon reduction and energy efficiency** achieved through showroom design and modification, procurement decisions, facilities management, transportation, and switching to clean energy.
- ✓ Reducing our **reliance on natural resources** including the more efficient use of energy and water.
- ✓ **Minimising waste** through avoidance, recycling and adopting 'circular economy' principles.
- ✓ Helping clients **reduce their environmental impact** by extending the life of watches and jewellery through repairs and reuse.
- ✓ Helping clients **make more sustainable choices** by growing our range of products with positive environmental and social attributes, as well as promoting innovation and advancements in sustainable design and packaging.
- ✓ **Streamlining business processes** and leveraging technology to improve data quality, transparency and disclosure.





# ENVIRONMENT: OUR BUSINESS IMPACTS AND PRIORITIES

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We all have a responsibility to help to protect our planet for future generations.

Our **Environment Policy** sets out our commitment to continually improving how we manage and operate our business, in order to minimise any adverse effects on the environment and public health.

This Policy applies to all Watches of Switzerland Group operations worldwide, and every colleague and contractor. It covers legislative compliance, transparent dealings, risk management, stakeholder engagement, collaboration, climate change, and preserving natural resources.

We understand our business and supply chain have the potential to negatively impact our planet through the production and retailing of products, energy use, transportation, water, waste and the mining of metals and gemstones.

We are minimising these impacts and improving our overall environmental performance by engaging stakeholders, encouraging positive behavioural changes, and participating in eco-friendly initiatives to build climate change resilience and protect biodiversity.

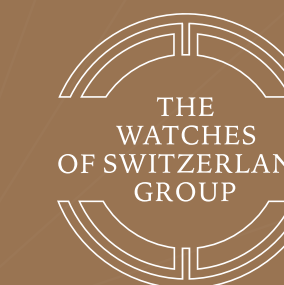
## OUR EXPECTATIONS

- ✓ A formal environmental policy, or equivalent public document, outlining your commitment to responsible environmental practices and continuous improvement, including, but not limited to, raw materials, energy use and carbon emissions, water, waste, chemical and hazardous substances, air quality and biodiversity.
- ✓ Compliance with all applicable local and international environmental regulation.
- ✓ Alignment with relevant, well-recognised environmental standards and accreditations.
- ✓ The sharing of data and insights, where possible, in support of common environmental goals.
- ✓ Be an advocate for responsible environmental practices.

## OUR FOCUS AREAS

- ✓ Preferring partners aligned with relevant, well-recognised sustainability standards and/or certifications
- ✓ Improving data collection, transparency and due diligence.
- ✓ Ensuring compliance with our environmental requirements and measures.
- ✓ Building trusted, long term relationships with our partners.

“ WE ARE  
COMMITTED  
TO MITIGATING  
ENVIRONMENTAL  
IMPACTS ”





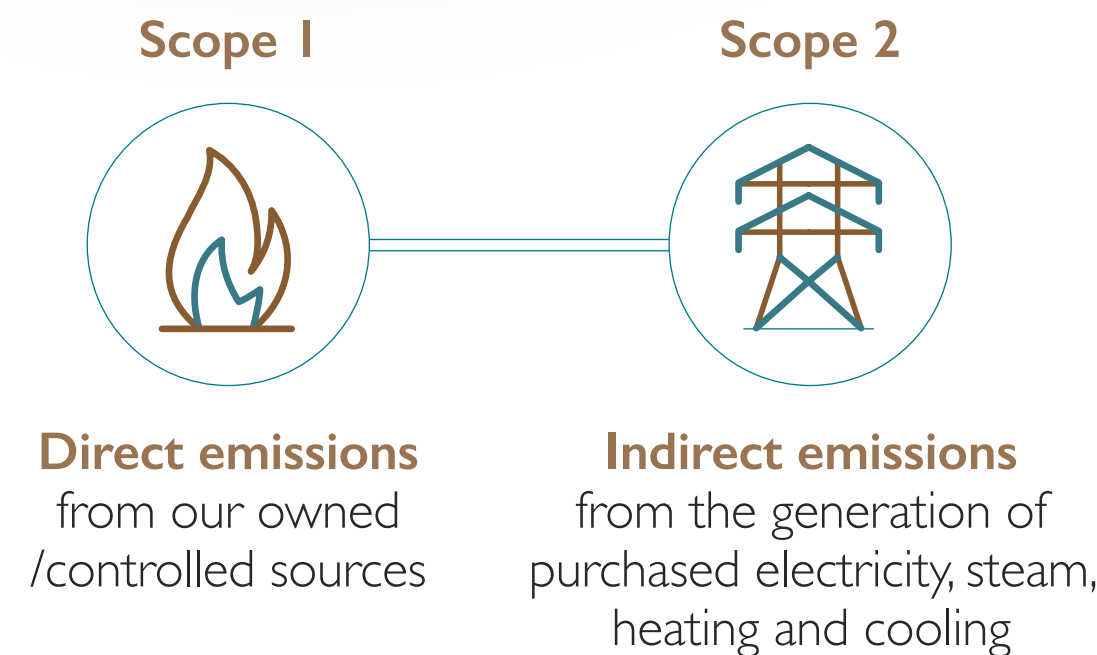
# ENERGY CONSUMPTION AND GREENHOUSE GASES – SCOPE 1 & 2 EMISSIONS



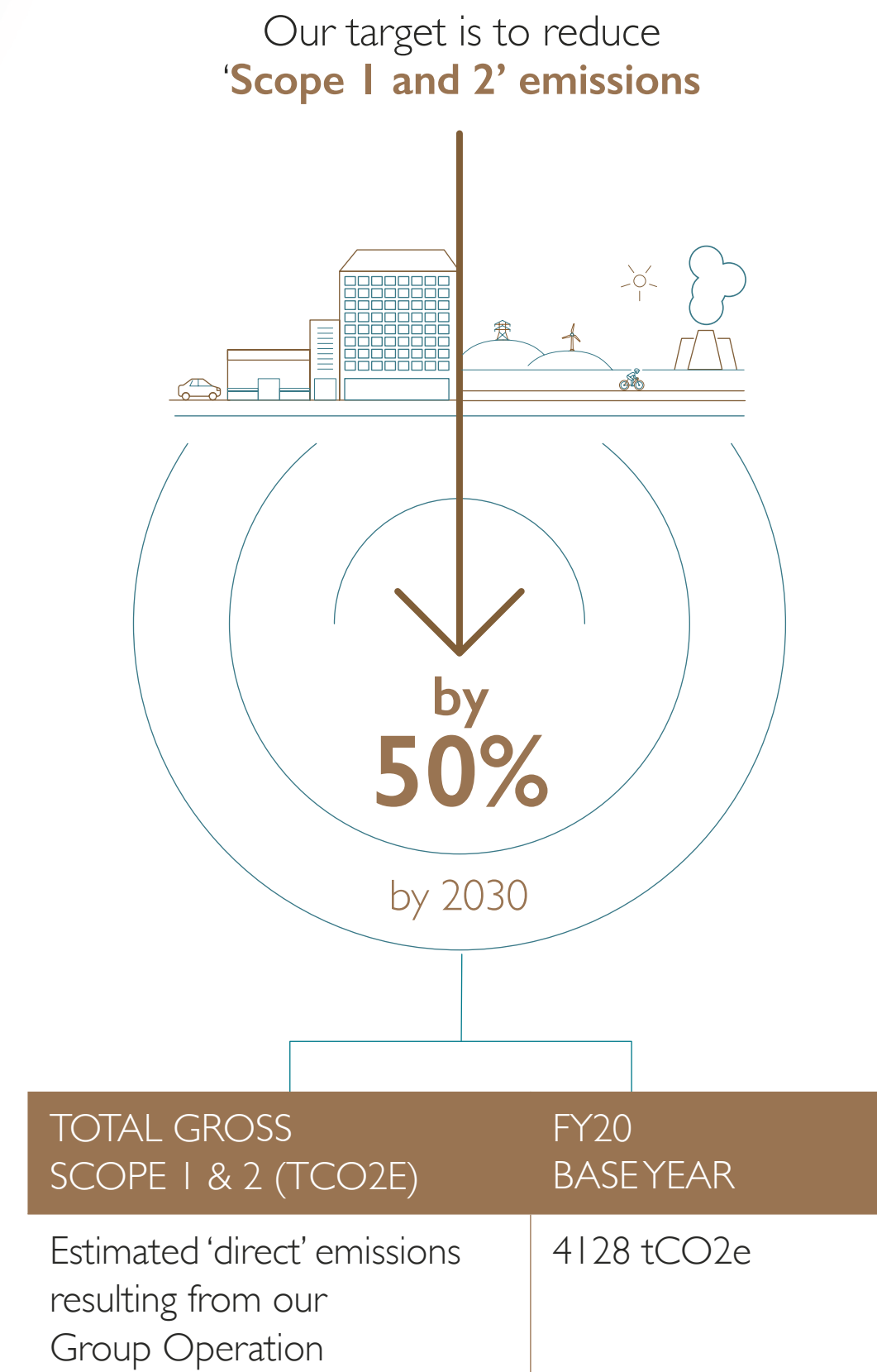
Climate breakdown will cause irreversible, catastrophic consequences unless we all drastically reduce carbon emissions and help limit global warming to 1.5°C.

We have a moral and legal responsibility, to prepare to mitigate against the impact of climate change.

The Greenhouse Gas Protocol – which provides the most widely recognised accounting standards for greenhouse gas emissions – categorises GHG emissions into three ‘scopes’.



Our energy management system includes analysing energy data and implementing more energy efficient technologies, such as LED lighting and building automation systems. We source electricity from renewable sources wherever possible and are transitioning to an electric or alternative fuel vehicle fleet.

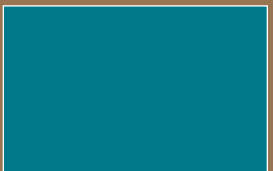


## OUR EXPECTATIONS

- Reduce energy consumption and transition to renewable energy sources.
- Consider registering with [EcoVadis](#) and participate in their Sustainability and Carbon Performance Assessment to help record and monitor your carbon footprint.
- Consider responding to the [CDP](#) questionnaire on Climate Change.

## OUR FOCUS AREAS

- Collaborating with partners to reduce energy consumption.
- Continuously reducing carbon emissions and improving energy efficiency through procurement decisions, showroom modification and design, facilities management, transportation, and renewable energy sources.



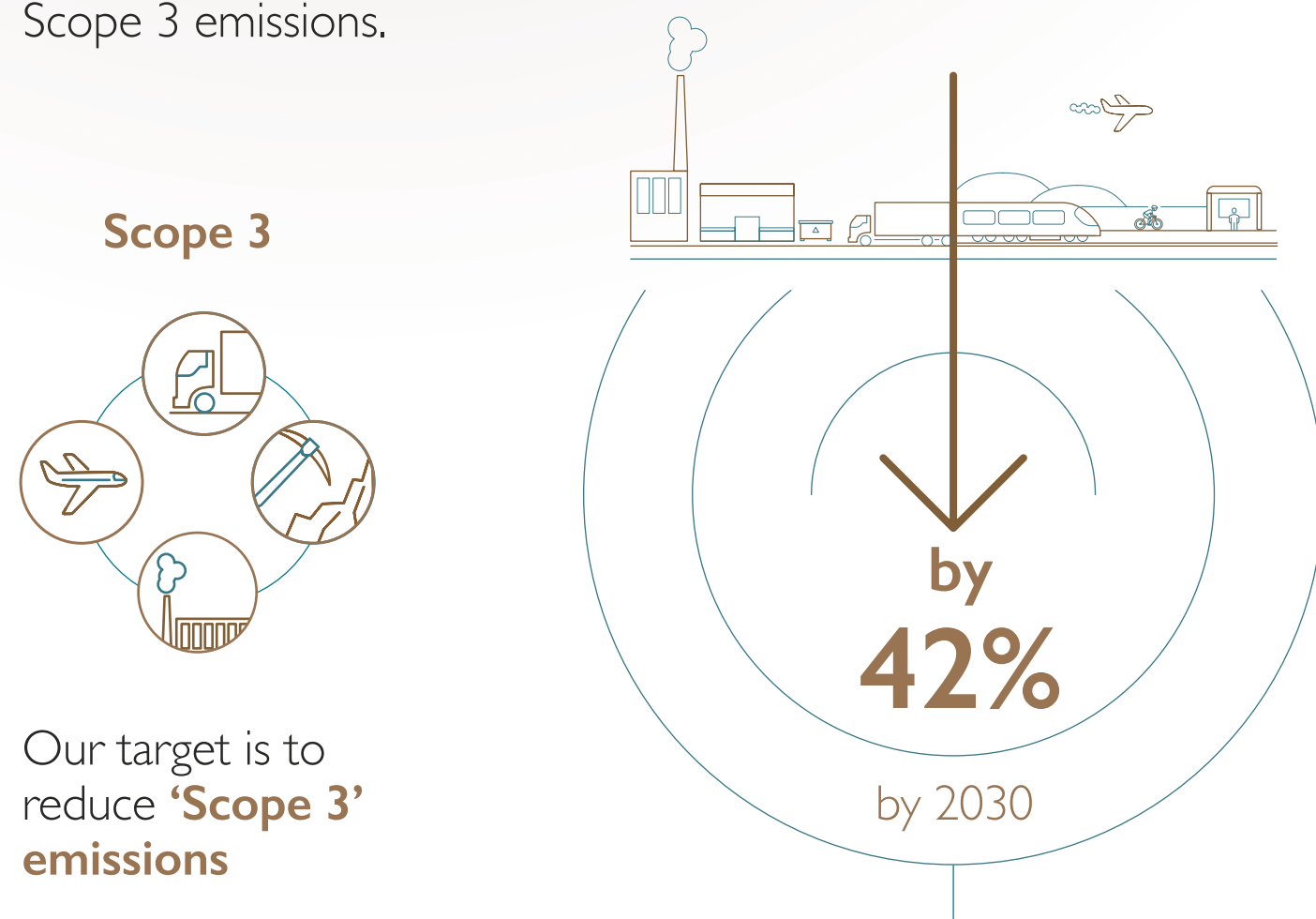


# ENERGY CONSUMPTION AND GREENHOUSE GASES – SCOPE 3 EMISSIONS



Scope 3 emissions are ‘indirect’ carbon emissions, primarily resulting from sourcing, transporting and manufacturing products. Scope 3 also includes business travel, commuting, waste disposal and logistics.

We calculate 98% of our entire carbon footprint results from Scope 3 emissions.



TOTAL GROSS SCOPE 3 (TCO2E)	FY20 BASEYEAR
Estimated ‘indirect’ emissions resulting primarily from ‘Purchased Goods and Services’.	111,581 tCO2e

We cannot meet these targets alone and welcome partner collaboration and innovation across our value chain.

## OUR EXPECTATIONS

- Take steps to reduce your company’s carbon footprint.
- Strive to measure, monitor and report carbon emissions through the [EcoVadis Platform](#), the [CDP questionnaire on Climate Change](#) or an equivalent public disclosure platform.
- Wherever possible, commit to setting carbon reduction targets with the [Science Based Targets initiative](#) and plan to eliminate carbon emissions from your operation by at least 2050.
- Endeavour to share data to help us understand the carbon footprint of each product or service you supply to us.

## OUR FOCUS AREAS

- Being clear about our expectations in relation to carbon disclosure and advocacy.
- Identifying and assessing emission hotspots across our value chain to prioritise reduction strategies.
- Collaborating with partners to understand the carbon footprint of individual products we sell.



The ambition of Watches of Switzerland Group’s targets is aligned with the need for the global economy to rapidly cut emissions. This company is setting an example for the rest of its industry, and I urge others in its sector to set their own targets too.”

**- Luiz Amaral, Chief Executive Officer of the Science Based Targets initiative**

Our approach to calculating and reporting our GHG emissions follows the [WRI.WBCSD GHG Protocol Corporate Accounting and Reporting Standards \(Revised\)](#).





# TRANSPORT AND LOGISTICS

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Transport is a significant contributor to global warming. We are working to reduce carbon emissions from downstream transportation, business travel and colleague commuting.

Initiatives to reduce transport-related emissions include transitioning to a fully electric or alternative fuel fleet, limiting air travel, and encouraging the use of public transport wherever practical.

Video conferencing capabilities support flexible working and digital meetings, and our online concierge allows clients to interact with expert sales assistants and purchase products without travelling to stores.

The impact of transporting products is subject to ongoing evaluation and we seek to work with partners who can help us to achieve our goals.



## OUR EXPECTATIONS

- ✓ Continually improve the efficiency of your transportation and logistics to reduce pollution and emissions.
- ✓ Reduce the impact of air freight, by purchasing high-weight, low-value materials locally, or transport them via the most environmentally friendly options available.
- ✓ Participate in joint industry transportation initiatives such as [EVI100](#), a global initiative bringing together forward looking companies committed to accelerating the transition to electric vehicles (EVs).
- ✓ Improve data sharing and reporting.



## OUR FOCUS AREAS

- ✓ Increasing the efficiency of transportation and logistics across our Group to minimise related carbon emissions.
- ✓ Delivering products to clients in the most environmentally friendly ways.
- ✓ Transitioning to a fully electric or alternative fuel fleet across our Group by 2030.
- ✓ Limiting travel to journeys necessary to advance business objectives.





# SUPPORTING A CIRCULAR ECONOMY

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A circular economy is a sustainable system in which resources are used, reused, and recycled to minimise waste and pollution.

Circularity helps mitigate the impacts of climate change by reducing greenhouse gas emissions and helping to conserve natural resources. The reuse of materials can also set companies apart from competitors and potentially reduce costs.

We are committed to promoting innovation and advancement in circular design, while extending the life of watches and jewellery through repairs and servicing. We also offer our clients pre-owned options.



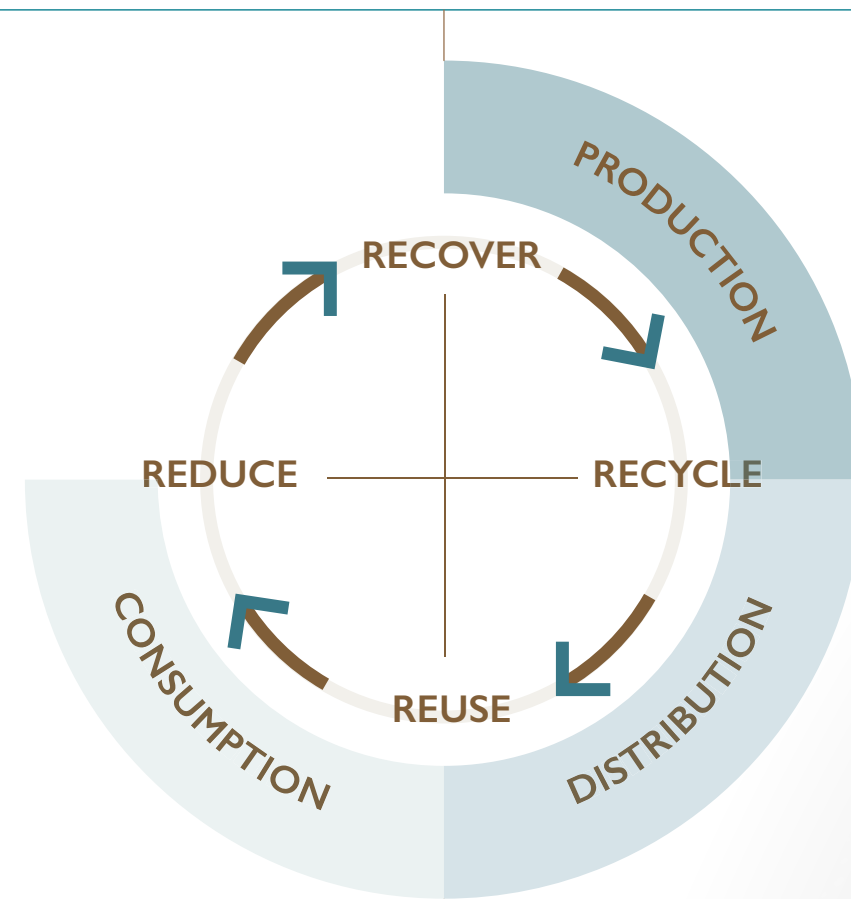
## OUR EXPECTATIONS

- ✓ Maximise the value of natural resources and minimise waste.
- ✓ Design products to be more durable, reusable, repairable, and recyclable.
- ✓ Design products where waste is recovered back into production processes.
- ✓ Source necessary raw materials from mines that strive to establish a self-sustaining ecosystem, with techniques for restoring the impacted local environment.



## OUR FOCUS AREAS

- ✓ Helping clients reduce their environmental impact by promoting innovations in circular design.
- ✓ Considering circularity in the design and modification of stores, offices, equipment, and processes.
- ✓ Supporting circular economy principles in packaging to reduce waste, conserve resources, and minimise pollution.
- ✓ Increasing our after-sales and servicing capacity, and growing the sale of pre-owned watches and jewellery.





# WASTE MANAGEMENT

Effective waste management systems can prevent landfill, conserve natural resources and help reduce costs. Waste materials can also be used to make new products and support a circular economy.

We are committed to preventing and reducing waste by directing it away from landfills towards recycling, composting, or other forms of recovery.

Poor waste management can threaten human health and marine life through water and air contamination, and soil erosion. Where hazardous substances must be used, we follow strict guidelines for recording, labelling, storing, handling and transportation. We also train colleagues in the safe handling and management of potentially harmful substances.

In line with [Waste Electrical and Electronic Equipment \(WEEE\)](#) legislation, we offer a take-back scheme, where anyone can safely recycle their used watch batteries, whether they bought them from us or not.

11 SUSTAINABLE CITIES AND COMMUNITIES



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## OUR EXPECTATIONS

- ✓ Comply with all applicable national and international laws and regulations and maintain necessary permits, licences and certifications.
- ✓ Identify significant waste and emissions to air, water and land generated by business processes, and responsibly manage them.
- ✓ Ensure the responsible handling, use and disposal of hazardous substances and clearly and actively communicate potential risks to everyone coming into contact with them.
- ✓ Strive to continuously improve your environmental performance and apply the principles of reduce, reuse, recycle and recover to minimise your environmental impact.

## OUR FOCUS AREAS

- ✓ Using licensed waste contractors who operate to international hazardous waste [accreditation standards](#).
- ✓ Partnering with landlords and accredited waste management providers to support the reuse and recycling of waste streams.
- ✓ Increasing our number of sites with a certified Environmental Management System.
- ✓ Sorting waste for recycling and reuse.
- ✓ Improving data to gain an accurate understanding of waste generation, reduction and disposal.



THE  
WATCHES  
OF SWITZERLAND  
GROUP



# BIODIVERSITY AND OUR IMPACT ON NATURE



## Biodiversity is essential for all life on our planet.

We consider our impact on biodiversity and natural resources when procuring products and services, and in the design or modification of our stores, offices and processes.

We will not tolerate any harsh or inhumane treatment of animals and all suppliers must conform to relevant international laws, and have processes to protect endangered species and habitats.

Our product range includes a growing number of environmentally preferable options, including watch straps and packaging made from a variety of waste materials, including recycled stainless steel, plastic, rubber and cloth and we are seeing biodegradable options made from organic matter, such as mushrooms, seaweed, green waste and wine residue.

We source hard woods or hard wood veneers in items such as jewellery boxes and watch cases from reputable, sustainably managed sources and seek to use certified timber in new showroom, workshop and office designs.

We monitor water use and have efficiency initiatives to reduce consumption and limit waste.

## OUR EXPECTATIONS

- ✓ Minimise your impact on biodiversity and natural resources and protect endangered species and habitats.
- ✓ Source animal skins from farmed and sustainably managed sources and conform to relevant international laws including the [Convention on International Trade in Endangered Species \(CITES\)](#).
- ✓ Comply with local environmental legislation and regulations during building work and store fit-outs, and be sensitive to natural surroundings and the impact on nature.
- ✓ Source timber certified by the [Forest Stewardship Council \(FSC\)](#) or an equivalent Standard, and make every effort to reduce wood waste.
- ✓ Conduct industrial wastewater quality testing and/or monitoring as required by local law for manufacturers and minimise water waste.
- ✓ Extract metals and minerals in accordance with the [International Council on Mining and Metals \(ICMM\)](#) mining principles, to assess and address biodiversity and eco-system risks and impacts.

## OUR FOCUS AREAS

- ✓ Assessing and minimising the impact of our operation on biodiversity and nature.
- ✓ Offering clients more socially and environmentally preferable product options.
- ✓ Collecting data and reporting progress in rehabilitating impacted ecosystems.
- ✓ Ensuring 'guarantees of origin' records are kept and available for audit.





# SUSTAINABLE PROCUREMENT – WATCHES AND JEWELLERY



We are dedicated to building strong business relationships, reducing risk, and expanding product offerings from ethical and responsible sources.

Colleagues with a responsibility for sourcing are trained in relevant environmental and social regulations and encouraged to work with partners to implement responsible practices.

Our goal is to achieve full traceability of products, in order to evaluate their environmental and social impact. We also seek to ensure all precious metals and gemstones are ethically sourced from non-conflict countries.

Partners must provide written guarantees that they comply with international regulations and do not do business with terrorist organisations, international narcotics traffickers, or entities that threaten national security, foreign policy, or the economy of the countries they operate in.



## OUR EXPECTATIONS

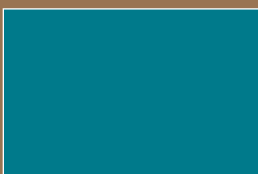
OF WATCH AND JEWELLERY PARTNERS:

- ✓ A clear commitment to integrating specifications, requirements and criteria into your business operation and supply chain to help protect the environment and society, alongside standard procurement considerations, such as price, quality and reliability.
- ✓ A **Supply Chain Policy** or equivalent, clearly stating your position on responsible sourcing from Conflict-Affected and High-Risk Areas (CAHRAs).
- ✓ Suppliers of gold, silver, PGM (Platinum Group Metals), diamonds and coloured gemstones, must follow the [OECD Due Diligence Guidance for Responsible Supply Chains of Minerals](#) from CAHRAs or have an equivalent framework appropriate to your size and circumstances.
- ✓ A **Conflict Minerals Policy** or equivalent commitment to promoting sustainable conflict minerals (tin, tungsten, tantalum and gold) and management in your supply chain.
- ✓ Precious metals must be sourced from refineries registered on the [London Bullion Market Association Good Delivery List](#) or the [UAE Gold Good Delivery Scheme](#) – and in compliance with [financial market supervisory](#) authority legal provisions.
- ✓ Document and apply a **Know Your Counterparty (KYC) Policy** along with associated procedures for suppliers and customers of gold, silver, PGM, diamonds, coloured gemstones or jewellery containing these materials.
- ✓ Provide a signed **Guarantee of Conflict Free Compliance**.
- ✓ Regularly audit and reconcile records of warranty invoices, as well as invoices issued when buying or selling diamonds.
- ✓ Include provisions in supplier contracts to source from refiners third-party audited in line with [OECD Guidance](#).
- ✓ Seek to provide full traceability of products and their component parts.



## OUR FOCUS AREAS

- ✓ Ongoing engagement with partners to build trust and strengthen relationships.
- ✓ Striving for full traceability of products and component parts to help mitigate against risk and comply with emerging regulation.
- ✓ Encouraging the use of recycled gold beyond average industry ratios.
- ✓ Regularly audit and reconcile records of warranty invoices.





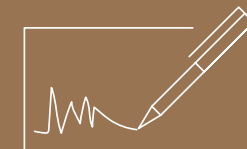
# GUARANTEE OF CONFLICT FREE COMPLIANCE – WATCHES AND JEWELLERY

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## GUARANTEE OF CONFLICT FREE COMPLIANCE

To comply with requirements of The Office of Foreign Assets Control (OFAC) of the US Department of the Treasury, all suppliers of watches and jewellery are required to sign a **Guarantee of Conflict Free Compliance** and include the following statement to this effect on all acceptances of our orders, as well as delivery documentation and invoices:

**The Seller guarantees that all goods and their constituent parts supplied in accordance with this document meet all the following criteria:**

- 1 All diamonds detailed in this and/or the attached document have been sourced in compliance with United Nations Resolutions and corresponding national laws from legitimate sources that are not involved in funding conflict, all the diamonds are conflict free and the Seller confirms adherence to the World Diamond Council System of Warranties Guidelines; and
- 2 All diamonds detailed in this and/or the attached document are natural, untreated and are confirmed by the Seller as having been screened and/or verified by instruments tested by the UL Laboratories under the Project Assure system to have 0% (zero per cent) diamond false positive rate; and
- 3 All goods detailed in this and/or the attached document have been sourced from legitimate sources that are neither involved directly or indirectly in funding conflict nor are located in any countries sanctioned by The United Nations or any of its subsidiary bodies, the US Government or any of its subsidiary bodies (such as the Office of Foreign Assets Control ("OFAC"))

or the Customs and Border Protection (CBP)) the UK Government or any of its subsidiary bodies or the EU or any of its Member States or any of their subsidiary bodies; and

- 4 All goods detailed in this and/or the attached document have been sourced from legitimate sources that are neither owned or controlled by, nor acting for or on behalf of, any countries, individuals or companies sanctioned by The United Nations or any of its subsidiary bodies, The US Government or any of its subsidiary bodies (such as The Office of Foreign Assets Control ("OFAC")) or the Customers and Border Protection (CBP)) or the UK Government or any of its subsidiary bodies or by the EU or any of its Member States or any of their subsidiary bodies; and
- 5 All goods detailed in this and/or the attached document are supplied in compliance with the following laws: the US Bank Secrecy Act; USA Patriots Act; US Foreign Corrupt Practices Act; US Clean Diamonds Act; US Dodd-Frank Act; UK Bribery Act 2010 and the UK Modern Slavery Act 2015.

This guarantee is based on personal knowledge and/or written guarantees provided by each previous supplier of the goods and/or their constituent parts to the Seller.





# SUSTAINABLE PROCUREMENT – DIAMONDS



Knowing where our diamonds come from allows us to reassure clients that they are authentic and ethically sourced.

Everyone involved in the buying and selling of diamonds is obliged to follow trade association resolutions and receive training on government restrictions prohibiting the trade in conflict diamonds.

All diamonds supplied to us must be conflict free and accompanied by written guarantees. Once a diamond is imported and ready for trade, we require a [World Diamond Council System of Warranties Assurance Statement \(WDC SoW\)](#) on every invoice through to the final client invoice.

Lab-created diamonds are artificially produced in a laboratory, while natural diamonds are formed naturally within the Earth's mantle over millions of years. They appear identical, so it is crucial we understand the value, authenticity and uniqueness of the natural diamonds we offer.

## World Diamond Council System of Warranties Assurance Statement

“The diamonds herein invoiced have been {sourced} purchased from legitimate sources not involved in the funding of conflict, in compliance with United Nations Resolutions and corresponding national laws {where the invoice is generated}. The seller hereby guarantees that these diamonds are conflict free and confirms adherence to the WDC SoW Guidelines.”

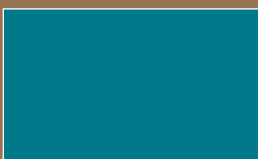
## OUR EXPECTATIONS

SUPPLIERS OF ROUGH DIAMONDS, POLISHED DIAMONDS, OR JEWELLERY INCORPORATING DIAMONDS:

- ✓ Compliance with the [Kimberley Process Certification Scheme](#) and related laws; diamonds must be conflict free and accompanied by written guarantees in line with [World Diamond Council System of Warranties Assurance](#).
- ✓ No artificially grown, or treated diamonds, with the exception of a limited number of expressly agreed products.
- ✓ A **policy** and **procedures** to ensure laboratory-grown diamonds, treated diamonds, and diamond stimulants are fully disclosed at all times.
- ✓ Operational procedures for the handling, storage and transportation of diamonds across all points in your facilities.
- ✓ A robust protocol for testing polished diamonds for undisclosed synthetic diamonds, which is documented and accessible to us, our clients and other stakeholders.

## OUR FOCUS AREAS

- ✓ Complying with international laws and industry regulations.
- ✓ Regular auditing and reconciliation of warranty records and invoices, as well as invoices issued when buying or selling diamonds.
- ✓ Ensuring claims are truthful and substantiated – we take a zero tolerance approach to misleading product representation.





# SUSTAINABLE INNOVATION AND TECHNOLOGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



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We support the development and implementation of new technologies and practices that promote environmental, social and economic sustainability.

This includes renewable energy, electric and hybrid vehicles, green building technology, water conservation and treatment, smart grid and energy storage, circular economy business models, and sustainable procurement practices to address global challenges such as climate change, resource scarcity and social inequality.

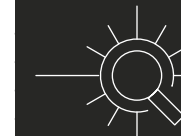
We welcome developments in products, services or processes that can generate shared value and long-term environmental and social benefits.

We recognise that digital transformation presents challenges to society and the environment, which must be managed, but it can also create new business opportunities, reduce costs and improve the competitiveness of organisations.



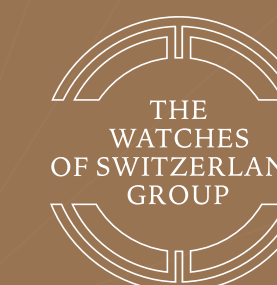
## OUR EXPECTATIONS

- ✓ Share knowledge and resources with peers, research institutions and government organisations, working together to develop and implement sustainable innovations.
- ✓ Help us promote sustainable innovation by providing information and colleague training in relation to products with environmental or social benefits.
- ✓ Set ambitious sustainability targets, where feasible, and consider publicly reporting on progress to help drive developments.



## OUR FOCUS AREAS

- ✓ Incorporating sustainability criteria into our procurement process.
- ✓ Seeking products/services with a lower environmental impact, or produced by partners with strong sustainability practices.
- ✓ Promoting advancements in eco-design in our product range and packaging.
- ✓ Equipping colleagues with the information and training they need to educate clients on product developments.
- ✓ Adopting technological innovations to support the transition to a lower carbon, more energy efficient operation.
- ✓ Helping partners improve their sustainability performance and practices.





# PRODUCT INFORMATION



Product disclosure is an important aspect of consumer protection and fair business practice, as it demonstrates transparency and helps build trust.

Detailed, accurate information about a product's features, origins, materials and potential risks, allows clients to make more informed purchasing decisions and can protect them from negative consequences or disappointment.

With increasing demand for eco-friendly products and services, genuine efforts to create a positive social and environmental impact is commercially and reputationally beneficial.

We want to help clients make more informed purchasing decisions, by highlighting the sustainable attributes of products in sales and marketing materials, improving colleague knowledge, and having detailed product information readily available at point of sale.

We encourage environmental 'labelling' as a way of providing clients with information such as packaging recyclability, or the presence of potentially hazardous materials. Labelling can also help clients and sales colleagues identify the country of manufacture, origin of raw materials, and the carbon footprint of individual products.

## OUR EXPECTATIONS

- ✓ Compliance with internationally accepted standards and existing obligations under consumer protection law and safety legislation.
- ✓ Provenance claims that are truthful, accurate, clear, unambiguous and substantiated, with any comparisons fair and meaningful.
- ✓ Provision of comprehensive details about the origin of products, where possible, including raw materials, certification claims and other socially responsible processes and practices.
- ✓ Environmental claims should consider the full life cycle of component parts or products.

## OUR FOCUS AREAS

- ✓ Equipping colleagues with training and information to help clients make more informed purchasing decisions.
- ✓ Ensuring provenance claims are truthful, substantiated by evidence, and clearly and comprehensively communicated.
- ✓ Promoting the sustainable attributes of the products we sell and services we offer.

“WE WANT TO HELP CLIENTS  
MAKE MORE INFORMED  
PURCHASING DECISIONS,  
BY HIGHLIGHTING THE  
SUSTAINABLE ATTRIBUTES  
OF PRODUCTS”





# PACKAGING AND PRODUCT LABELLING



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Packaging has a direct impact on the environmental footprint of products. Implementing circular economy principles can help to reduce waste, conserve resources, and minimise pollution. More sustainable packaging options can also increase client satisfaction.

While high quality, durable packaging is necessary to protect the products we sell, we are working to limit excess packaging and introduce more sustainable materials wherever possible.

In our operation, we use packaging for wholesale distribution, retail shopping bags and as presentation boxes for watches and jewellery. We seek to use materials that are sustainably sourced, recyclable and easily separated. Where appropriate, clients are asked if they would like to keep and reuse presentation boxes to minimise any 'end-of-life' environmental impact.

Packaging is used and recycled wherever possible.

## OUR EXPECTATIONS

- ✓ Optimise packaging and consider using materials reclaimed from recycling as well as recyclable packaging.
- ✓ Use certified materials via recognised schemes, for example, the Forestry Stewardship Council (FSC).
- ✓ Consider product 'labelling' for full transparency of the environmental benefits of a product or service, for example, the recyclability of packaging, country of manufacture, origin of materials and full life cycle carbon emissions.

## OUR FOCUS AREAS

- ✓ Complying with relevant national and international laws.
- ✓ Measuring, recording and monitoring packaging volumes.
- ✓ Reducing excessive packaging, eliminating single use plastics, and introducing more sustainable materials.
- ✓ Helping clients make more sustainable purchasing decisions through improved product knowledge.

### Product Labelling

“Product 'labelling' can take many forms and is a mechanism to provide information to help clients make more informed purchasing decisions. Clear information can also help us make decisions about the environmental impact of products, and supply chain efficiencies.”





# EVENTS AND PRINTED MATERIALS



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Events are an important way to create 'WOW' moments, build client and colleague relationships, and showcase products. They can also help make a positive social and economic impact within local communities.

Sustainability is becoming an increasingly important part of events with their environmental impact from transportation, energy use, and waste generation.

We consider caring for our planet at every stage of our event planning process and incorporate eco-friendly practices to reduce the use of resources and minimise our carbon footprint.

The sustainability and accessibility of venues is assessed, along with collateral and resources used.

## WE EXPECT

THE FOLLOWING COMMITMENTS FROM OUR PARTNERS:

- ✓ Reduce energy and waste by minimising consumption and using resources efficiently and productively.
- ✓ Promote sustainable transport to reduce the environmental impact of travel where possible.
- ✓ Consider holding a carbon-neutral event by participating in carbon-credit schemes to offset the carbon produced.
- ✓ If printed materials are necessary, use paper sourced through the FSC Chain of Custody Certification or the Programme for the Endorsement of Forest Certification (PEFC) for printed materials.
- ✓ Consider zero waste catering, seasonal produce and local suppliers.

## OUR FOCUS AREAS

- ✓ Understanding and reducing the environmental impact of events.
- ✓ Avoiding printed materials in favour of more sustainable alternatives.
- ✓ Working with local suppliers to reduce the impact of transport and support them where possible.





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# SOCIAL: OUR APPROACH

As a world class retailer, our clients expect everything they buy from us to be sourced responsibly, from a supply chain free from exploitation and forced labour.

We take our duty to all our stakeholders, and society, extremely seriously and have policies and procedures in place to make sure everyone we do business with, shares our commitment to upholding human rights.

'Social' criteria is built into our tender processes and contractual terms, and we encourage engagement with stakeholders to ensure workers are equipped with all necessary training for the safe, smooth running of business operations.

Caring for our communities is a key component of our company Purpose, and we support activities that contribute to lasting social and economic wellbeing.





# LABOUR AND HUMAN RIGHTS

Treating people with respect is a fundamental value of the Watches of Switzerland Group.

We operate with integrity and transparency and strive to respect and promote human rights in all our interactions and relationships in accordance with the [UN Guiding Principles on Business and Human Rights](#).

Our [Vendor Code of Conduct](#) aims to help improve the enjoyment of human rights for workers and their communities and is founded on the conventions of the International Labour Organisation and guided by international human rights principles encompassed by the Universal Declaration of Human Rights.

We are committed to ensuring nobody involved in the production, distribution or sale of our products is a victim of any form of modern slavery and have measures in place to identify, assess and mitigate potential labour and human rights abuses across our value chain.

Our [Modern Slavery Transparency Statement](#) is supported by our [Whistleblowing Policy](#) which sets out actions to take if a case of modern slavery is discovered or suspected.

## OUR EXPECTATIONS

- ✓ Signed acceptance of the Watches of Switzerland Group's **Vendor Code of Conduct**
- ✓ A **Human Rights Policy** or equivalent commitment to respecting human rights within your business operations and relationships, supported by procedures for implementing the policy and due diligence processes to identify, prevent, mitigate and account for adverse human rights impacts connected to your business.
- ✓ All suppliers of watches and jewellery are required to adopt and implement the **OECD 5 Step framework**, which includes embedding strong management systems, risk assessments and third party audits.
- ✓ Ensure your employees know how to raise a human rights concern through your organisation's reporting channels, policies or procedures. Concerns can also be raised directly to the Watches of Switzerland Group via Safecall's secure web reporting facility which is [available in multiple languages here](#).

## OUR FOCUS AREAS

- ✓ Ensuring everyone we do business with, provides written acceptance of our [Vendor Code of Conduct](#), or has an equivalent published commitment.
- ✓ Increasing awareness of the potential of modern slavery and human exploitation in our operation and supply chain.
- ✓ Maintaining robust, relevant policies/procedures, supported by stakeholder engagement and audits.
- ✓ Remedying any adverse human rights impacts we cause, contribute to, or are linked with.



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# HUMAN RIGHTS PRINCIPLES



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EMPLOYMENT IS FREELY CHOSEN	<ul style="list-style-type: none"> <li>○ No forced, bonded or involuntary labour. Workers should not be required to lodge 'deposits' or identity papers and be free to leave employment after reasonable notice.</li> </ul>
FREEDOM OF ASSOCIATION AND THE RIGHT TO COLLECTIVE BARGAINING ARE RESPECTED	<ul style="list-style-type: none"> <li>○ Workers should have a right to join or form trade unions and bargain collectively.</li> <li>○ Employers have an open attitude towards the organisational activities of trade unions.</li> <li>○ Workers' representatives are able to carry out their representative functions without discrimination.</li> <li>○ If restricted under law, employers should not hinder the development of an equivalent means for independent and free association.</li> </ul>
WORKING CONDITIONS ARE SAFE AND HYGIENIC	<ul style="list-style-type: none"> <li>○ Provide a safe and hygienic working environment, with steps taken to minimise hazards and prevent accidents and injury.</li> <li>○ Provide regular, recorded health and safety training for all employees.</li> <li>○ Provide access to clean toilet facilities and potable water, along with facilities for food storage where appropriate.</li> <li>○ Where provided, clean, safe accommodation that meets workers basic needs.</li> <li>○ Assign senior management responsibility for health and safety and compliance with all applicable health and safety laws.</li> </ul>
CHILD LABOUR SHALL NOT BE USED	<ul style="list-style-type: none"> <li>○ Employing forced or child labour is strictly against our terms of operation (a child being a person of an age required by relevant law to attend compulsory schooling).</li> <li>○ Should any child found to be performing child labour, partners shall provide for the child to attend and remain in quality education until no longer a child.</li> <li>○ Young persons under 18 shall not be employed at night or in hazardous conditions.</li> <li>○ Employers should confirm with relevant International Labour Organisation's standards.</li> </ul>
LIVING WAGES ARE PAID	<ul style="list-style-type: none"> <li>○ Wages and benefits must meet national legal standards or industry benchmark standards and be enough to meet basic needs, as well as some discretionary income.</li> <li>○ All workers should receive clear, written information in respect to wages and pay periods before employment and each time they are paid.</li> <li>○ Deductions should not be made from wages as a disciplinary measure, nor deductions outside of national law should be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded in writing.</li> </ul>
WORKING HOURS ARE NOT EXCESSIVE	<ul style="list-style-type: none"> <li>○ Working hours should comply with national laws and industry standards, whichever gives greater protection. Workers should not work in excess of 48 hours per week unless in exceptional circumstances. They should have at least one day off for every 7 day period on average. Overtime should not exceed 12 hours per week (in excess of normal, full-time hours) and be voluntary on an exceptional basis. Work in excess of standard full-time hours should always be compensated at a premium rate.</li> </ul>
NO DISCRIMINATION IS PRACTICED	<ul style="list-style-type: none"> <li>○ No discrimination in hiring, terms and conditions of engagement or employment, working conditions, compensation, access to training, promotion, termination or retirement based on race, colour, caste, national origin, nationality, religion or belief, age, disability, gender (including gender reassignment), marital status (including civil partnership status or local equivalent), sexual orientation, pregnancy or maternity, union membership or political affiliation.</li> </ul>
REGULAR EMPLOYMENT IS PROVIDED	<ul style="list-style-type: none"> <li>○ Work should be based on a recognised employment relationship established through national law and practice and by reference to any relevant industry standards.</li> <li>○ Obligations to employees or workers under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.</li> </ul>
NO HARSH OR INHUMANE TREATMENT IS ALLOWED	<ul style="list-style-type: none"> <li>○ A strictly zero tolerance approach to physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation.</li> </ul>





# HEALTH, SAFETY AND WELLBEING



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Our Health and Safety Policy encompasses all our facilities and operations. It details our commitment to cultivating a safe, happy, healthy and more productive workforce, while reducing time off through sickness and achieving optimum levels of energy and resilience.

We take a preventative, whole person, whole organisation approach and consult with colleagues on matters affecting their health, safety and wellbeing. We carry out regular risk assessments to identify and evaluate potential impacts of operational tasks or conditions and implement measures to prevent accidents and cases of work-related ill health.

All colleagues receive training on safe working practices and have access to a range of benefits to support better mental and physical health and wellbeing, including childcare vouchers, eye care vouchers and dental plans.

## OUR EXPECTATIONS

- ✓ Compliance with all applicable national and international laws and regulations.
- ✓ A health and safety policy or formal commitment to providing a safe and hygienic working environment across all your facilities and operations.
- ✓ Mechanisms to ensure the effective implementation of your health and safety policy.

## OUR FOCUS AREAS

- ✓ Complying with all applicable national and international laws and regulations.
- ✓ Ensuring everyone we do business with formally accepts the principles of our Vendor Code of Conduct in writing or has an equivalent published commitment.

“ ALL COLLEAGUES —  
RECEIVE TRAINING ON —  
SAFE WORKING PRACTICES ”





# SAFETY AND SECURITY

The popularity and media profile of high end luxury timepieces may pose an increased threat to the safety and security of clients, customers and other stakeholders.

At all levels of the jewellery supply chain, where high-value precious stones and metals are known to be a target for criminals, the risks to personal safety and property require responsible security measures.

We regularly assess all risks to safety and security and have established measures to protect colleagues, contractors, visitors, and personnel employed by relevant business partners against product theft, damage or substitution of products within our retail premises and during events, exhibitions and shipments.

Our **Security Processes and Procedures** detail our commitment to 'protecting people over product' and outlines the measures we take to prioritise safety. This is supported by training for relevant colleagues, internal control procedures, and security arrangements to protect colleagues during shipment and in transportation.



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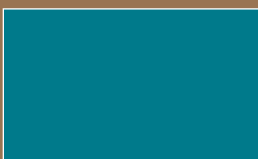
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## OUR EXPECTATIONS

- ✓ Take appropriate steps to prioritise employee safety.
- ✓ For high risk sites, risk assessments must be conducted in line with the Voluntary Principles on Security and Human Rights [www.voluntaryprinciples.org](http://www.voluntaryprinciples.org).
- ✓ Private security services partners must have relevant certifications e.g. membership of the [International Code of Conduct Association \(ICoCA\)](#).

## OUR FOCUS AREAS

- ✓ Protecting colleagues and clients against threats to security and theft.
- ✓ Protecting electronic and physical information from unauthorised access, processing, modification or destruction in line with all relevant international law and legislation.





# DIVERSITY EQUALITY AND INCLUSION

## Discrimination at work creates and reinforces inequalities and is a breach of human rights.

Diverse organisations perform better; have higher employee satisfaction, better financial returns, and are more innovative. We actively promote diversity of thought and opinions, we recruit, develop and promote colleagues from different backgrounds, and we create an inclusive environment where everyone is welcome.

We do not practise or condone any form of discrimination in the workplace in terms of hiring, continued employment, remuneration, overtime, access to training, professional development, promotion, termination or retirement, and expect the same from everyone we do business with.

This includes discrimination based on race, colour, ethnicity, national origin, religion, disability or genetic information, gender, sexual orientation, union membership, political affiliation, marital status, parental or pregnancy status, physical appearance, HIV status, age, or any other personal characteristic unrelated to the inherent requirements of the work.

We provide good work to our direct and indirect workforce, offering job security, employment rights and a fair income, plus the opportunity for personal development and progression within a supportive and inclusive environment.



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## OUR EXPECTATIONS

- ✔ 'Fit for work' individuals are given equal opportunities and are not discriminated against on the basis of factors unrelated to their ability to perform their job.
- ✔ Written agreement with our [Human Rights Principles](#).

## OUR FOCUS AREAS

- ✔ Ensuring there is no discrimination in hiring, compensation, access to training, promotion, termination or retirement.
- ✔ Understanding, respecting, and protecting cultural heritage in line with human rights principles.





# TRAINING AND CAREER DEVELOPMENT

A well-trained, knowledgeable and highly skilled workforce is key to running a successful and well managed business.

We are committed to ensuring everyone who works for us is equipped with the information, tools and learning resources they need to perform their job well, safely and to the highest standards.

We operate open, transparent and merit-based recruitment processes that ensure equal opportunities, and invest in a combination of classroom and online learning to continually improve colleague knowledge about the brands we partner with, the products we sell, and services we offer.

Long and short-term career goals are supported with development plans, regular performance reviews and leadership programmes to nurture our most promising talent.



## OUR EXPECTATIONS

- ✓ All employees receive all legal and mandatory training.
- ✓ Help equip Watches of Switzerland Group employees with comprehensive information about the environmental performance of products and the wider social attributes of your brand or company.

## OUR FOCUS AREAS

- ✓ Ensuring all colleagues receive legal and mandatory training.
- ✓ Working with partners to improve colleague product knowledge, for example, sustainability and provenance claims.

“ WE OPERATE —  
— OPEN, TRANSPARENT —  
— AND MERIT-BASED —  
— RECRUITMENT —  
— PROCESSES ”

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# TRAINING EXPECTATIONS

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THEME	DESCRIPTION
<b>Anti-Competitive Practices</b>	Awareness training to prevent anti-competitive practices.
<b>Business Ethics</b>	Training on business ethics related issues.
<b>Corruption and Bribery</b>	Awareness training to prevent corruption and bribery.
<b>Data Protection and GDPR</b>	Training to protect electronic and physical information from unauthorised access, processing, modification or destruction.
<b>Diamonds (See also Kimberley Process)</b>	Handling, moving or storing diamonds at facilities. Procedures to ensure laboratory-grown diamonds, treated diamonds, and diamond simulants are fully, proactively and conspicuously disclosed at all times.
<b>Diversity, Discrimination and/or Harassment</b>	Awareness training on diversity, discrimination and/or harassment issues
<b>Environmental Matters</b>	Awareness and understanding on environmental matters, including hazardous waste, air emissions, wastewater, energy conservation and climate actions. Technical assistance and advice, e.g. how to use more eco-friendly processes and techniques and awareness on waste reduction and sorting.
<b>Harassment, Discipline, Grievance Procedures and Non-retaliation</b>	Clear, confidential and unbiased grievance procedures and investigation processes and actively communicate these to all employees.
<b>Health and Safety</b>	Training to raise awareness and understanding of Health and Safety procedures and equipment use, including safely handling and managing hazardous substances. Also includes First Aid Training for relevant employees.
<b>Information Security</b>	Training to prevent information security breaches.
<b>Kimberley Process</b>	Training on government restrictions prohibiting the trade in conflict diamonds and relevant processes.
<b>Know Your Counterparty</b>	Training on Know Your Counterparty (KYC) policy and procedures for partners and buyers of gold, silver, PGM, diamonds, coloured gemstones or jewellery products containing these materials.
<b>Labour and Human Rights</b>	Training on how to identify victims of workplace violence who may not feel safe reporting incidents through the grievance procedures.
<b>Modern Slavery</b>	Training on how to identify victims of modern slavery and report suspected incidents
<b>Skills-related training</b>	Training relevant to carrying out a specific role or tasks.
<b>Sustainable Purchasing</b>	Awareness and understanding of social and environmental issues when procuring products.
<b>Whistleblowing</b>	Training on how to report legitimate concerns about suspected wrongdoing, misconduct or malpractice connected to the company they work for.





# COMMUNITY INVESTMENT AND SOCIAL VALUE

11 SUSTAINABLE CITIES AND COMMUNITIES



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**Making a positive social impact can be good for business by improving workforce recruitment and retention, enhancing brand reputation and earning colleague loyalty.**

Caring for our communities is a key component of our company Purpose and we engage with stakeholders where we operate to identify community development priorities and support activities that contribute to lasting social and economic wellbeing.

We are committed to promoting local social and economic development, including optimising the impact of our operations, promoting the employment and training of local people, and reducing the social and environmental impacts related to site closures, openings, and restructuring.

Through our Watches of Switzerland Group Foundation, we proudly support charitable causes aligned to the United Nations Sustainable Development Goals, with a focus on:

- ⦿ Health, Safety and Wellbeing
- ⦿ Economic Development
- ⦿ Skills and Employment
- ⦿ Social Inclusion

## OUR EXPECTATIONS

- ✔ Seek to support the social, economic and institutional development of the communities in which you operate, including community initiatives.
- ✔ Consider partnering with us to address specific issues within the local communities you operate.

## OUR FOCUS AREAS

- ✔ Collaborating to make a positive social impact.
- ✔ Caring for our communities.





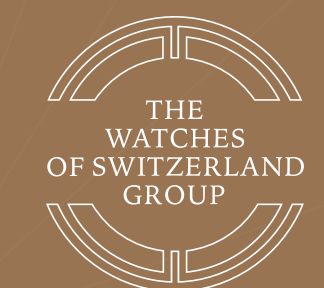
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# GOVERNANCE: OUR APPROACH

Good governance enables clear, strategic direction and helps maintain a transparent, legal and ethical environment that reduces business risk, enhances value, and promotes the interests of stakeholders.

The Watches of Switzerland Group Board is committed to the highest standards of environmental and social governance and there are a number of mechanisms to advance ESG priorities and address identified risks.

Our ESG Board Committee meets quarterly, and is supported by an ESG Steering Group comprised of executive level leaders with formal operational responsibility for environmental, social and governance issues.

Compliance with our ESG Standards is supported by a number of documents and procedures.



## SUPPORTING DOCS

[Anti-Bribery, Corruption and Fraud Policy and Gifts and Hospitality Protocols](#)

[Anti-Money Laundering Policy](#)

Business Continuity Plan

Conflict Minerals Policy (See [Vendor Code of Conduct](#))

Board Diversity and Inclusion Policy

Data Protection and GDPR Policy

[Environment Policy](#)

Employee Handbook

[Health and Safety Policy](#)

Marketing and Communications Policy

[Modern Slavery Transparency Statement](#)

Operational Risk Manual

ESG Partner Standards

[Vendor Code of Conduct](#)

[Whistleblowing Policy](#)

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# BUSINESS ETHICS



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We run our business operations to the highest ethical and professional standards and have policies and processes in place to identify and mitigate against risk.

BUSINESS RISK	WHAT WE EXPECT FROM OUR PARTNERS	WATCHES OF SWITZERLAND GROUP COMMITMENT
<b>Corruption</b>	☑ A commitment to prevent offering, promising, giving, accepting or soliciting an advantage as an inducement for an action which is illegal, unethical or a breach of trust.	<a href="#">Anti-Bribery, Corruption and Fraud Policy and Gifts &amp; Hospitality Protocols</a>
<b>Conflict of interest</b>	☑ A commitment to prevent a situation where an individual or the entity for which they work is confronted with choosing between the duties and demands of their position and their own private interests.	<a href="#">The Watches of Switzerland Code of Ethics</a>
<b>Fraud</b>	☑ A commitment to prevent offences that intentionally deceive someone to gain an unfair or illegal advantage.	<a href="#">Anti-Bribery, Corruption and Fraud Policy and Gifts &amp; Hospitality Protocols</a>
<b>Money laundering</b>	☑ A commitment to prevent concealing the origin, ownership or destination of illegally or dishonestly obtained money by hiding it within legitimate economic activities to make them appear legal.	<a href="#">The Watches of Switzerland Anti-Laundering Policy</a>
<b>Anti-competitive practices</b>	☑ A commitment to ensure the company does not restrict competition, maintain or increase their relative market position in an abusive and dominant way.	Anti-Trust and Competition Law Policy
<b>Information security</b>	☑ A commitment to ensure the secure collection, processing or storage of third-party information for business purposes.	Information Security Policy



## WE EXPECT

THE FOLLOWING COMMITMENTS FROM OUR PARTNERS:

- ☑ Embed basic business ethics principles in a Code of Conduct or similar policy, including adherence to local laws and regulations.
- ☑ Have systems in place to maintain awareness of, and ensure compliance with, applicable law and maintain the highest ethical standards.
- ☑ Comply with national and international sanctions policy and legislation.
- ☑ Have reasonable and lawful payment policies with your own suppliers and subcontractors.





# MANAGING AND MONITORING PERFORMANCE

To manage and monitor compliance and performance, colleagues with a responsibility for sourcing are fully trained to assess environmental and social risks and identify collaborative opportunities.

We use leading global Supply Chain Management System [EcoVadis](#) to support greater transparency and due diligence. The EcoVadis [IQ technology](#) helps us map, monitor and manage sustainability risks within our supply chain using smart automation and analytics.

Risks are calculated using factors such as the type of goods or service supplied, geographic location, and criticality to our business and reputation.

Partners deemed 'High Risk' may be subject to an [on-site independent audit and corrective action plan](#).

## OUR EXPECTATIONS

- ✓ Formal, written agreement with our [Vendor Code of Conduct](#) or have an equivalent publicly available commitment.
- ✓ Alignment with relevant [internationally recognised certifications and standards](#).
- ✓ A due diligence management system aligned with requirements in relation to human rights and relevant requirements e.g. **Know Your Counterparty**, the **Kimberley Process Certification Scheme** and the **World Diamond Council System of Warrantees**.

## OUR FOCUS AREAS

- ✓ Implementing and upholding effective controls to ensure all partners adhere to the highest environment and social standards.

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# DUE DILIGENCE AND SITE AUDITS

On-site audits help us to safeguard the integrity and reputation of our business operation and partnerships.

Any partner not exempted from an onsite assessment in the vendor qualification process, may be asked to undergo an audit to support compliance with our [Vendor Code of Conduct](#) and the identification of risks relating to regulatory requirements and brand reputation.

Audits are carried out by specialist independent auditors with expert knowledge of local laws and practices. They assess facilities against over 200 indicators consistent with our terms and conditions and produce a report with a **Low, Intermediate, High** or **Critical Risk** classification.

We are committed to building strong, long-term relationships with our partners and will always collaborate to resolve issues, wherever possible, through the implementation of Corrective Action Plans. However, if we find evidence of a serious breach of our terms, we will not hesitate to terminate our contract, make a public disclosure and notify the relevant authorities.

## WE EXPECT

THE FOLLOWING COMMITMENTS FROM OUR PARTNERS:

- ✔ Undertake supply chain due diligence and risk management consistent with your supply chain policy.
- ✔ Cooperate with our auditors, allowing them access to all areas of production, relevant documentation and randomly selected workers for interviews - refusal to fully cooperate will result in a failed assessment.
- ✔ Provide verification of the implementation of the corrective actions per the jointly agreed upon 'Summary of Findings' worksheet to remain a partner with us.

## OUR FOCUS AREAS

- ✔ Building long-term relationships with our partners and collaborating to resolve issues.
- ✔ Increasing the number of audits we carry out each year.
- ✔ Training colleagues to carry our partner facilities visits to check compliance with our Vendor Code of Conduct in addition to third party audits.

“ AUDITS ARE CARRIED OUT BY SPECIALIST INDEPENDENT AUDITORS WITH EXPERT KNOWLEDGE OF LOCAL LAWS AND PRACTICES ”

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# ECOVADIS - SUSTAINABILITY AND CARBON PERFORMANCE ASSESSMENT



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EcoVadis is a leading global supply chain management platform that assesses and scores businesses against key sustainability performance criteria.

This platform is helping us to standardise our approach to responsible sourcing and:

- Increase our understanding of risks, opportunities and impacts within our supply chain.
- Monitor compliance with internationally recognised environmental and social standards.
- Capture 'Scope 3' carbon emissions data to support the achievement of our target for net zero by 2050.
- Gain an added level of assurance every item we sell is responsibly and ethically sourced.
- Help our partners to understand our requirements and gain a recognised certification.



## ECOVADIS REGISTRATION

PARTNERS ARE STRONGLY ENCOURAGED TO JOIN US IN REGISTERING WITH ECOVADIS AND PARTICIPATING IN A SUSTAINABILITY AND CARBON PERFORMANCE ASSESSMENT.

After undergoing an assessment with EcoVadis, you will receive a bespoke scorecard containing details of how your business performs against key sustainability criteria, as well as guidance on areas for improvement.

You will only ever need to register with EcoVadis once. Scorecards are held on their system to be accessed by other requesting companies, providing an opportunity to further enhance your business proposition.

Our Procurement Team will be automatically notified when you register and your assessment is complete. If necessary, we can assist with a corrective action plan to help improve your capabilities and scores.

More information about the EcoVadis assessment process can be found within the EcoVadis [Help Centre](#) or speak with your Watches of Switzerland Group contact.

There will be a small [fee](#) to undergo this assessment dependent on the size and location of your operation.

To access our EcoVadis registration page click [HERE](#).

## ECOVADIS THEMES

### Environment

- Energy Consumption & GHGs
- Water
- Biodiversity
- Air Pollution
- Materials, Chemicals and Waste
- Product Use
- Product End of Life
- Customer Health and Safety
- Environmental Services and Advocacy

### Labour & Human Rights

- Employee Health and Safety
- Working Conditions
- Social Dialogue
- Career Management and Training
- Child Labour, Forced Labour and Human Trafficking
- Diversity, Equity and Inclusion
- External Stakeholder Human Rights

### Ethics

- Corruption
- Anti-competitive practices
- Responsible Information Management

### Sustainable Procurement

- Supplier Environmental Practices





# REPORTING A CONCERN TO THE WATCHES OF SWITZERLAND GROUP

We are proud of our reputation for conducting business in an ethical and socially responsible way and believe that when faced with difficult choices, we should always do our best to do the right thing in accordance with our Purpose and Values.

Anyone with genuine suspicions about any wrongdoing, or malpractice within the Watches of Switzerland Group, or that impacts the Group, is encouraged to report their concerns as soon as possible.

We want anyone with a concern to feel confident to do this, so we guarantee all information received is treated seriously and confidentially. We promise to work quickly to address the matter.

### WE EXPECT

- Anyone with genuine suspicions about any wrongdoing, or malpractice, within the Watches of Switzerland Group, or that impacts the Group, is encouraged to report their concerns to the contacts below, or through independent third party facility Safecall (available in multiple languages) <https://www.safecall.co.uk/report>.

### OUR FOCUS AREAS

- Implementing and upholding effective controls to ensure all partners adhere to the highest environment and social standards.
- Ensuring colleagues and relevant third parties understand how concerns about compliance with our [Vendor Code of Conduct](#) can be reported.

USEFUL CONTACT DETAILS			
WATCHES OF SWITZERLAND GROUP		EXTERNAL	
<b>Philippa Jackson</b> Executive Director, Human Resources	+44 (0) 7818 102165 p.jackson@thewosgroup.com	<b>Safecall</b>	0800 915 1571 <a href="https://www.safecall.co.uk/report/">https://www.safecall.co.uk/report/</a>
<b>Mark Haworth (UK)</b> , Senior Legal Counsel	+44 (0) 116 281 7261 m.haworth@thewosgroup.com	<b>Protect – Whistleblowing charity</b>	+44 (0) 203 117 2520
<b>Shirley Good Ingold (US)</b> , Vice President, HR and L&D	+1 954 590-9496 singold@thewosgroup.com		
<b>Robert Moorhead</b> , Chair of the Audit Committee	Watches of Switzerland Group PLC, Aurum House, 2 Bland Road, Leicester LE3 ITT		
<b>Martin Swain</b> , Head of Internal Audit	+44 (0) 7423 073933 m.swain@thewosgroup.com		
<b>Laura Battley</b> , Company Secretary and General Counsel	+44 (0) 7435 763006 l.battley@thewosgroup.com		





# ALIGNMENT WITH WELL-RECOGNISED ENVIRONMENTAL SUSTAINABILITY STANDARDS AND CERTIFICATIONS

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All partners must maintain awareness of - and compliance with - all applicable national and international environmental laws and regulations. In addition, they are strongly encouraged to align with relevant, well-recognised sustainability standards and certifications - as well as adhering to external initiatives or sets of principles:

THEME	DESCRIPTION
<b><u>Science Based Targets (SBTs)</u></b>	Science Based Targets are a framework to help set carbon emission reduction targets consistent with limiting global temperature rise to 1.5°C in line with climate science to avoid the worst impacts of climate change. This includes the guidance, criteria, and recommendations to help companies set targets to reach net-zero.
<b><u>United Nations Sustainable Development Goals (SDGs)</u></b>	The UN SDGs define 17 global challenges and provide a framework to help governments, businesses and communities all over the world to prioritise and mobilise efforts to achieve related targets by 2030. Leading organisations and businesses are strategically aligned with supporting these Goals, which include tackling climate change, promoting responsible production and consumption, alleviating poverty and ending inequality.
<b><u>EcoVadis Global Supply Chain Management Platform and Sustainability Ratings System</u></b>	The EcoVadis system allows businesses to evaluate their own and their supply chain's ESG performance across four main themes - Environment, Labour and Human Rights, Ethics, and Sustainable Procurement. To achieve an EcoVadis Sustainability Rating, an organisation must provide evidence against 21 indicators, based on international sustainability standards, which are then audited and scored. <a href="#">Find out how</a> the Watches of Switzerland Group is partnering with EcoVadis to promote best practice and identify and support Partners most at risk of contravening our Vendor Code of Conduct.
<b><u>CDP (Carbon Disclosure Programme)</u></b>	CDP is the world's largest voluntary reporting framework for disclosing environmental information to stakeholders. The CDP questionnaire on Climate Change is aligned to the <a href="#">Task Force for Climate Related Financial Disclosures (TCFD)</a> and requires organisations to explain how they are mitigating and managing climate related risks. It involves responding to an annual questionnaire via a portal which opens each April, with submissions due in July.
<b><u>BREEAM, LEED or equivalent building certification scheme.</u></b>	BREEAM (Building Research Establishment Environmental Assessment Method) aims to reduce the negative effects of construction and development on the environment and involves an independent building assessment to evaluate energy and water use, health and wellbeing, pollution, transport, materials, waste, ecology and management processes. It provides a framework to help owners, occupiers and designers adopt sustainable solutions while providing market recognition with buildings rated and certified on a scale of 'Pass', 'Good', 'Very Good', 'Excellent' and 'Outstanding'. LEED (Leadership in Energy and Environmental Design) is a US equivalent of BREEAM, run by the non-profit US Green Building Council (USGBC).
<b><u>United Nations Global Compact</u></b>	The world's largest sustainability initiative aims to mobilise companies and stakeholders to align with 10 principals on human rights, labour, environment and anti-corruption. Signatories commit to taking strategic actions to advance broader societal goals, such as the <a href="#">UN Sustainable Development Goals</a> , with an emphasis on collaboration and innovation.
<b><u>International Organisation for Standardisation (ISO) Standards.</u></b>	ISO certification shows adherence to global standards and can help optimise business practices and establish credibility and trust. Common ISO Standards include ISO 14000s for Environmental Management, ISO 26000 for Social Responsibility, ISO 3100 for Risk Management, ISO 5001 for Energy Management and ISO 20121 for Sustainable Events. BS OHSAS 18001 has been replaced by ISO 45001 the new international standard for occupational health and safety management. ISO 14020:20001 on general principles for environmental labels and declarations.
<b><u>Forest Stewardship Council (FSC) Standards</u></b>	The Forest Stewardship Council (FSC) sets the standard for responsible forest stewardship. These include safeguards to ensure stakeholders throughout the forest supply chain live up to the principles that protect healthy and resilient forests for all, forever. Wood and paper products supplied to the Watches of Switzerland Group should comply with the FSC Standard or equivalent.





# ALIGNMENT WITH RECOGNISED SUSTAINABILITY STANDARDS & CERTIFICATIONS: WATCHES AND JEWELLERY

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THEME	DESCRIPTION
<b><u>Responsible Jewellery Council (RJC) Code of Practices Certification</u></b>	The RJC Code of Practices is designed to improve ethical, social, human rights and environmental conditions. It provides a common Industry standard for responsible business practices from mine to retail. It builds on and supports international standards and development goals and applies to gold, silver, PGM, diamond and coloured gemstone supply chains. Accreditation requires third-party auditing and is mandatory for all RJC members.
<b><u>Responsible Jewellery Council Chain of Custody</u></b>	The RJC Chain of Custody Standard defines an approach for how to handle and trade gold and platinum group metals in a way that is fully traceable and responsibly sourced. Chain-of-custody (CoC) certification is voluntary and complements certification against the RJC's Code of Practices, which is mandatory for all RJC members.
<b><u>London Bullion Market Association (LBMA) Good Delivery List and UAE Good Gold Delivery Scheme</u></b>	Only refiners whose bars have been accredited by LBMA as meeting the exacting standards for trading on the global market appear in the Good Delivery List. All precious metals supplied to the Watches of Switzerland Group must demonstrate legal compliance according to all the provisions of the financial market supervisory authority and be sourced from refineries on the LBMA Good Delivery List or the UAE Good Gold Delivery Scheme, which is in line with international best practices and covers quality and technical specifications of refineries and gold production facilities in the UAE.
<b><u>World Gold Council Conflict-Free Gold Standard</u></b>	Developed by the World Gold Council and based upon internationally-recognised benchmarks, the World Gold Council Conflict-Free Gold Standard® helps companies to provide assurance that their gold is not contributing to conflict. The Standard helps to "operationalise" the <a href="#">OECD's Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas</a> .
<b><u>Organisation For Economic Co-operation And Development (OECD) Due Diligence Guidance</u></b>	The OECD Due Diligence Guidance is a risk-based approach to help organisations avoid contributing to conflict, serious human rights impacts and financial crime through their operations or mineral sourcing practices. We require all Partners of watches and jewellery to adopt and implement the OECD 5-Step framework which is a set of guidelines developed by the Organisation for Economic Co-operation and Development (OECD) to help companies identify, prevent and address adverse impacts on human rights linked to their business operations and relationships.
<b><u>Kimberley Process Certification Scheme (KPCS) and the World Diamond Council System of Warranties Assurance (WDC SoW)</u></b>	All Partners of diamonds, or jewellery incorporating diamonds to the Watches of Switzerland Group, must comply with KPCS, as well as all laws in relation to this scheme and the WDC SoW. Diamonds must be conflict free and accompanied by written guarantees in line with WDC SoW Assurance. We will not accept invoices without this statement. When a diamond is imported and ready for trade, we also require a WDC SoW Assurance statement on every invoice for rough and polished diamonds and diamond jewellery, through to the final invoice to clients. Records of warranty invoices and invoices issued when buying or selling diamonds, are audited and reconciled on an annual basis. The World Diamond Council - <a href="http://www.worlddiamondcouncil.org">www.worlddiamondcouncil.org</a> provides useful information on The Kimberly Process Certification Scheme.
<b><u>The Convention on International Trade in Endangered Speciesx (CITES)</u></b>	CITES is an international agreement between governments which aims to ensure international trade in specimens of wild animals and plants does not threaten the survival of the species. Partners to the Watches of Switzerland Group must provide written confirmation that any animal skins used to make products are sourced from farmed and sustainably managed sources and conform to relevant international laws, including CITES. Products affected by CITES regulations require pre-authorisation prior to importing into the UK. All such products will require an export certificate from the sending country. It is the responsibility of Partners of products affected by CITES regulations to ensure the requisite licences are obtained and maintained.
<b><u>Watch and Jewellery Initiative 2030</u></b>	Guided by the principles of the UN Global Compact and 17 Sustainable Development Goals, this industry movement aims to accelerate positive impact in building climate resilience, preserve resources and foster inclusiveness, with the overall aim of uniting brands to collaborate on projects that deliver impact along the value chain. Member commitments include taking action to reduce GHG emissions in line with the Science Based Targets initiative.
<b><u>Global Reporting Initiative (GRI) Mining and Metals Sector Standards</u></b>	GRI Standards are the most widely used sustainability reporting standards. Mining is the next sector for which a GRI Standard will be developed, with a focus on the exploration and extraction of all types of minerals, metallic and non-metallic, including quarrying. It will also focus on the primary processing of minerals and related mining activities, such as transport and storage, as well as the provision of good and services in relation to engineering, procurement, and construction (EPC).





# OTHER INDUSTRY STANDARDS AND CERTIFICATIONS

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THEME	DESCRIPTION
<b><u>Fairmined certified gold</u></b>	Fairmined is traceable gold, extracted with the best mining practices aimed at preserving the environment which supports the development of artisanal and small-scale mining communities. Fairmined certified gold comes from artisanal and small-scale mining organisations. Certification guarantees the gold has been extracted in harmony with nature, human dignity and sustainable development, contributing to the transformation of lives in these mining communities.
<b><u>Fairtrade Standard for Gold and Associated Precious Metals for Artisanal and Small-Scale Mining</u></b>	Fairtrade Certified Gold is the world's first independent ethical certification system for gold. The standard aims to create opportunities for artisanal and small-scale miners and their communities, by promoting the formalisation of the artisanal and small-scale mining sector through establishing membership-based artisanal and small-scale mining organisations.
<b><u>Swiss Better Gold Association (SBGA)</u></b>	The SBGA aims to improve working and living conditions in artisanal and small-scale gold mining communities and facilitates the creation of responsible supply chains. SBGA Members agree to buy Swiss Better Gold production and reinvest USD 1 per bought gram into the Better Gold Fund to finance environmental and social projects in and around mines.
<b><u>World Gold Council Responsible Gold Mining Principles</u></b>	These Principles recognise and consolidate existing standards that address specific aspects of responsible gold mining, e.g. the United Nations Guiding Principles on Business and Human Rights, the OECD Due Diligence Guidance for Responsible Business Conduct and the Extractive Industries Transparency Initiative. They also incorporate Guidelines for Multinational Enterprises and the International Council on Mining and Metals' (ICMM) Performance Expectations.
<b><u>The Ethical Trade Initiative (ETI) Base Code</u></b>	The Ethical Trading Initiative (ETI) is an alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. Their vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity. The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of labour practice.
<b><u>International Council on Mining and Metals (ICMM) governance framework</u></b>	The ICMM Mining Principles strengthen social and environmental requirements on issues such as labour rights, resettlement, gender, access to grievance mechanisms, mine closure, pollution and waste. Implementation is supported by robust site-level validation, assurance and transparent disclosure. Aligned with the objectives of other responsible sourcing initiatives, their assurance and validation procedure reinforces commitments to transparency and supports the credibility of reported progress.
<b><u>World Gold Council (Conflict-Free Gold Standard)</u></b>	The World Gold Council Conflict-Free Gold Standard® helps companies to provide assurance that their gold is not contributing to conflict. The Standard helps to "operationalise" the <a href="#">OECD's Due Diligence Guidance for Responsible Supply Chains for Minerals from Conflict-Affected and High-Risk Areas</a> .





# OTHER STANDARDS

## CONTINUED

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THEME	DESCRIPTION
<b><u>International Code of Conduct Association (ICoCA)</u></b>	ICoCA is a multi-stakeholder initiative formed in 2013 to ensure providers of private security services respect human rights and humanitarian law. It serves as the governance and oversight mechanism of the International Code of Conduct for Private Security Service Providers (the "Code").
<b><u>Project Assure</u></b>	Project Azure uses blockchain technology to create a digital record of diamonds that is tamper-proof and transparent, allowing for the tracking of diamonds from the mine to the end consumer. This helps to ensure that diamonds are not used to fund conflict or other human rights abuses, and it also helps to protect the environment by ensuring that diamond mining is conducted in a sustainable manner. Project Azure is a private initiative, not an official governmental or international organization and is an example of how the diamond industry is trying to address the challenges and concerns around diamond traceability and provenance.
<b><u>Waste Electrical and Electronic Equipment Directive (WEEE Directive)</u></b>	The WEEE Directive aims to reduce the amount of electrical and electronic equipment being produced and to encourage everyone to reuse, recycle and recover it. Businesses that import or manufacture new electrical or electronic equipment may need to comply with the UK and EU WEEE Regulations. Partners who need to comply must register on a producer compliance scheme. Quartz watches, and any other products requiring a battery, are subject to WEEE regulations and Partners must conform where required by the regulations.
<b><u>SA 8000 social accountability standard</u></b>	SA8000 standard is based on the conventions of the International Labour Organization (ILO) and the United Nations Universal Declaration of Human Rights. Many organisations are using it as a benchmark to improve their social performance, and as a tool to demonstrate their commitment to responsible business practices.
<b><u>United Nations Universal Declaration of Human Rights</u></b>	The Group supports the principles set out in the UN Universal Declaration of Human Rights and has measures in place to identify, assess and mitigate potential labour and human rights abuses across our value chain.
<b><u>Voluntary Principles on Security and Human Rights</u></b>	This is a set of guidelines for companies operating in high-risk areas to help ensure their security practices do not violate human rights. The principles were developed in 2000 by a group of governments, companies, and non-governmental organisations, and cover issues such as the use of force, access to security personnel, and the protection of human rights in the context of security operations. Companies that adhere to the principles are encouraged to conduct regular reviews of their security practices and to engage in dialogue with local communities and other stakeholders.

