



WATCHES OF SWITZERLAND GROUP PLC
WATCHES OF SWITZERLAND OPERATIONS LIMITED
WATCHES OF SWITZERLAND COMPANY LIMITED

MODERN SLAVERY STATEMENT 2023

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

Caring for our colleagues and communities includes taking meaningful action to safeguard human rights and ensure that nobody involved in the production, distribution or sale of our products is a victim of servitude, forced labour, human trafficking or any form of modern slavery.

Within this Modern Slavery Transparency Statement, we set out the progress we have made since our first Statement in 2016, and continue to make, as we work collaboratively with partners to support the aims of the UK Modern Slavery Act and focus our efforts on areas where we can have the greatest impact.”

BRIAN DUFFY, CHIEF EXECUTIVE OFFICER

This Statement is made pursuant to Section 54 of the Modern Slavery Act 2015 (the 'Act') and sets out the steps taken during the financial year 2022/23 to prevent slavery and human trafficking occurring in our supply chains or in any part of our business.

Watches of Switzerland Group PLC's definition of slavery and human trafficking is aligned to section 54 (12) of the Act. Watches of Switzerland Group PLC and its subsidiaries and affiliates (the 'Company' or 'Group') fully supports the aims of the Act and is committed to taking meaningful action to safeguard against the risk of slavery, servitude, forced labour and human trafficking in any part of its business operations or supply chain.

This Statement is also made on behalf of the subsidiaries and affiliates of Watches of Switzerland Group PLC (company number 00146087) and the detailed actions and operations are effective across the Group.

The Group recognises there are different laws across the world and market practice varies across the territories in which we operate, therefore, what is normal and accepted in one place may not be acceptable/permitted in another. Whilst businesses must comply with local laws, the UK Modern Slavery Act also applies to actions outside the UK. Therefore, the Group can be liable under UK law for the actions of colleagues and service providers, wherever they are located.

ORGANISATION STRUCTURE

The Group is an international retailer of world-leading luxury watch brands, with a complement of luxury jewellery brands.

Watches of Switzerland Group PLC and Watches of Switzerland Operations Limited are holding companies of Watches of Switzerland Company Limited, with Watches of Switzerland Group PLC being the ultimate parent company. All of the UK companies within the Group achieve their compliance with the requirements of the Modern Slavery Act 2015 through the operations of Watches of Switzerland Company Limited.

We have a number of corporate entities that operate in the United States, namely Mayors Jewelers LLC, Mayors Jewelers of Florida LLC, Watches of Switzerland LLC, Watches of Switzerland (Nevada) LLC and Watches of Switzerland (A/S) LLC. All of these companies are subsidiaries of Watches of Switzerland Group USA Inc, which is a direct subsidiary of Watches of Switzerland Company Limited.

We also have a number of corporate entities that operate in the following territories; (i) Sweden, Watches of Switzerland Group (Sweden) AB; (ii) Denmark, Watches of Switzerland (Denmark)

Aps; (iii) Germany, WOSG (Germany) GmbH; (iv) Ireland, WOSG (Ireland) Limited; and (v) the Netherlands, Watches of Switzerland Group (Netherlands) BV. These companies are all direct subsidiaries of Watches of Switzerland Operations Limited.

Brands and Businesses Covered by this Statement

This statement relates to all brands operated by Watches of Switzerland Company Limited in the United Kingdom, Europe and the United States:

- Watches of Switzerland
- Mappin & Webb
- Goldsmiths
- Mayors Jewelers
- Analogue:Shift
- Betteridge
- Monobrand stores (each dedicated to a particular luxury watch or jewellery brand)

SUPPLY CHAIN AND OPERATION

The Group predominantly operates in countries where higher social standards apply, however, we recognise there is a high risk of human rights violations within our supply chain and therefore exercise due diligence in all our interactions.

Salient human rights risks in our supply chain include:

1. Forced and bonded labour
2. Excessive working hours
3. Child labour
4. Migrant labour
5. Gender and discrimination
6. Health and safety
7. Wages and benefits

We partner with approximately 1,700 Tier 1 stock and non-stock suppliers worldwide, including 138 watch and jewellery suppliers. Manufacturers identified as a higher risk are primarily jewellery providers operating in Asia, where human rights regulation and due diligence is less evolved and enforced.



SUPPLIERS OF WATCHES

- 1 Switzerland
- 2 Germany
- 3 China (inc. Hong Kong)
- 4 Japan
- 5 United Kingdom

SUPPLIERS OF JEWELLERY

- 1 United Kingdom
- 2 Thailand
- 3 China (inc. Hong Kong)
- 4 India
- 5 Italy
- 6 United States
- 7 France

We employ approximately 2,800 colleagues, who fulfil roles in head office, support centres, repairs centres, jewellery and silver workshops, logistics, warehousing and retail outlets across the UK, US and Europe.

We also recognise the risk of Modern Slavery within other companies we contract with, these other suppliers support our organisation within areas, such as, cleaning of our showrooms, support centres, construction, waste management services and hospitality events.

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

The Watches of Switzerland Group PLC Board (the 'Board'), chaired by Ian Carter, has overall responsibility for risk and strategy. The Board is supported by a number of Committees, including our ESG Committee.

All independent non-executive directors are members of the ESG Committee, which is chaired by Non-Executive Director, Rosa Monckton MBE. The Chief Executive Officer, Brian Duffy, is also a member of the ESG Committee and has operational responsibility for safeguarding against the risk of Modern Slavery within the Group's business operations or supply chain.

The ESG Committee plays an active role in ensuring relevant ESG strategies, policies and processes are in place. The Audit and Risk Committee ensures salient risks are regularly assessed and monitored.

The following policies in relation to Modern Slavery and Human Rights are in place and reviewed and approved by the Board:

- Anti-Bribery, Corruption and Fraud Policy which include the Gifts and Hospitality Protocols
- Anti-Money Laundering
- Code of Ethics
- Corporate Criminal Offence Policy
- ESG Partner Standards
- Human Rights Policy
- Modern Slavery Statement
- Vendor Code of Conduct
- Whistleblowing Policy

To further mitigate against human rights abuses in our supply chain, we continue to strengthen our governance mechanisms. A regular ESG Steering Group reports directly to the ESG Committee. This Steering Group is chaired by our Chief Financial Officer, Anders Romberg, and comprises senior leaders, who each have formal operational responsibility for the management of sustainability risks and opportunities across the Group.

In this reporting year, we have made a number of enhancements to our policies and procedures concerning Modern Slavery and Human Rights.

Vendor Code of Conduct

Our Vendor Code of Conduct ('Code') sets out our minimum requirements across human rights, labour, environment, anti-corruption, integrity, business ethics, data security and social impact, which must be applied in addition to compliance with all relevant national and international laws and legislation.

Earlier this year, we enhanced our Code to align with our Company Purpose and the Ethical Trading Initiative (ETI) Base Code, which is founded on the conventions of the International Labour Organisation (ILO). We also introduced training to equip relevant colleagues with the knowledge and skills they need to help uphold the principles of our Code.

The Code sets out 12 principles in relation to upholding human rights:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed
10. Responsible environmental practices
11. Zero tolerance of conflict products
12. Zero tolerance of bribery and facilitation payments

All suppliers must confirm in writing their acceptance of the terms of our Vendor Code of Conduct (the 'Code') or, as a minimum, have their own publicly available equivalent that aligns with our Code.

Anyone with genuine suspicions about the contravention of our Code is expected to report their concerns through our confidential global Whistleblowing process, which uses an independent reporting facility and is available in multiple languages.

Human Rights Policy

To reinforce our commitment to protecting the enjoyment of human rights for all, in 2023, the Board approved a new Human Rights Policy. This Policy was developed in accordance with the International Bill of Human Rights (comprising the Universal Declaration of Human Rights, the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights).

In implementing this Human Rights Policy, the Group committed to:

- The ongoing assessment of our impact on human rights in our operations and supply chain
- Taking prioritised action to mitigate human rights risks in our operations and supply chain
- Ensuring grievance mechanisms, including a confidential whistleblowing reporting process, are strengthened to enable everyone we impact to raise concerns
- Remedying any adverse human rights impacts we cause, contribute to, or are linked with
- Communicating our progress with stakeholders in our Modern Slavery Transparency Statement and end of year reporting

ESG Partner Standards

This year also saw us publish new ESG Partner Standards, which provide supplier partners with comprehensive guidance in relation to the high standards and common practices we expect throughout our global supply chain and in all our dealings.

These standards support our Vendor Code of Conduct by providing details of our expectations in relation to labour exploitation and human rights for all suppliers of watches, jewellery and precious metals. These expectations are in relation to:

- Respect human rights according to the Universal Declaration of Human Rights and International Labour Organization Fundamental Rights at Work.

- Adopt and Implement the Organisation for Economic Co-operation and Development (OECD) 5-Step framework, as a management process for risk based due diligence for responsible supply chains of minerals from Conflict-Affected and High-Risk Areas (CAHRA's).
- Ensure all polished diamonds originate from rough diamonds and are fully compliant with the Kimberley Process Certification Scheme (KPCS) and the latest World Diamond Council System of Warranties.
- Ensure all gold is sourced from bars accredited under the London Bullion Market Association Good Delivery Scheme or the UAE Gold Good Delivery Scheme.
- Take a zero-tolerance approach to bribery, corruption, money laundering or the financing of terrorism.

Our Vendor Code of Conduct, Human Rights Policy and ESG Partner Standards are subject to an annual review and approval by the ESG Committee.

Procurement Policy

At the time of this Statement, a new Procurement Policy (the 'Policy') is in development to support the achievement of the Group's Purpose and goals, and to strengthen due diligence procedures within our supply chain.

This Policy will require colleagues, with a responsibility for sourcing, to prioritise and build relationships with brands and suppliers who are proven to respect and uphold human rights within their business operations and relationships.

This Policy will be supported by clear processes that all colleagues, with a responsibility for procuring goods and services, must follow to prevent the risk of labour exploitation within our supply chain.

In 2024, we will aim to embed this Policy and associated procedures across our Group.

DUE DILIGENCE PROCESSES

Alignment with Industry Standards and Certifications

We expect the highest standards of responsible business practices and seek assurance to this effect. All supplier partners are strongly encouraged to align with relevant, well-recognised sustainability standards and certifications, which includes the Responsible Jewellery Council (RJC) for watch and jewellery providers.

The RJC is a registered not-for-profit company and the world's largest standards authority for responsible jewellery. At the time of this Statement, 33% of our watch and jewellery suppliers are accredited members of the RJC and, as such, are subject to rigorous independent audits to ensure compliance with the RJC's exacting standards of business practice.

Where suppliers are not aligned with relevant industry standards or certifications, we recommend that they participate in a sustainability assessment with EcoVadis, a leading global supply chain management platform that assesses and scores businesses against key sustainability performance criteria.

The EcoVadis assessment covers 21 criteria aligned to the United Nations Sustainable Development Goals (1 Zero Poverty, 5 Gender Equality, 8 Decent Work and Economic Growth, 10 reduced Equalities and 11 Sustainable Cities and Communities), as well as SASB and GRI reporting standards. The information provided by our supplier partners is then subject to validation, verification, 360 analysis and scoring.

In 2024, we aim to develop mechanisms to track the percentage of supplier partners that are aligned with relevant industry standards and certifications, to enable us to monitor and report performance.

RISK ASSESSMENT AND MANAGEMENT

The Group is committed to going beyond basic risk management and compliance within our operation and supply chain, to protect human rights and mitigate against the risk of modern slavery. This includes both stock and non-stock suppliers.

Colleague Recruitment Process

When recruiting direct employees, we carry out face-to-face or real time video interviews, along with right to work checks. If the applicant is successful, an offer of employment, must be completed by the applicant and returned. Pre-employment screening checks are then carried out.

Onboarding Supplier Partners

As part of our onboarding process, we carry out desk-based due diligence checks using LexisNexis and the EcoVadis IQ system.

Monitoring Supplier Partners

The EcoVadis IQ technology uses smart automation and analytics to help us map, monitor and manage sustainability risks within our supply chain.

Risks are calculated using factors such as the type of goods or service supplied, geographic location, and criticality to our business and reputation. Depending on the level of risk identified, the Supplier Partner may be required to complete a comprehensive EcoVadis sustainability assessment, which includes key requirements in relation to human rights and modern slavery.

On completion on this assessment, the Supplier Partner will receive a bespoke scorecard containing details of how their business is performing, along with guidance on areas for improvement.

Supplier Partners deemed 'High Risk' in our screening may be subject to an on-site independent audit and Corrective Action Plan.

To date, 45% of our Tier 1 suppliers are mapped on the EcoVadis system and we continue with the mapping exercise on an ongoing basis.

Factory Audits

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

Any supplier partner may be asked to undergo an audit, and this is written into the terms of our Vendor Code of Conduct.

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 to Critical Risk classification.

On receiving the independent audit reports, we contact supplier partners directly and allow 30 days for any identified risks to be resolved.

Corrective actions are only resolved when the facility can evidence that the action has been satisfactorily remedied, which can be through the sharing of documentation, real-time video evidence, an onsite assessment by a trained colleague or a follow-up independent audit.

Since our last report, we have audited ten of our watch and jewellery suppliers with the highest turnover and implemented six Corrective Action Plans.

Partnership with Slave-Free Alliance (SFA)

Since entering into a three-year partnership with the Slave-Free Alliance (SFA) in August 2022, we continue to benefit from their expert advice and support, with the aim of strengthening and evolving our modern slavery strategy and ultimately reducing the risk of human rights issues within our operation and supply chain.

SFA is an international social enterprise, owned by global anti-slavery charity 'Hope for Justice'. Hope for Justice runs prevention programmes, rescue services for victims, advocacy and aftercare to restore victims' lives, and works with government and organisations to reform society. SFA and Hope for Justice regularly exchange knowledge and resources and all profits from SFA are invested into the charity to change lives and end slavery.

In December 2022, SFA interviewed a number of senior stakeholders as part of a gap analysis of our operations. The SFA Gap Analysis is an independent review of an organisation's understanding and response to its modern slavery and labour exploitation risks. The review is designed to:

- Provide a holistic understanding of risks and methods to address them in a pragmatic and informed way
- Increase resilience to the risk of modern slavery and labour exploitation
- Create the foundation for a best-practice anti-slavery programme
- Achieve and/or maintain compliance with relevant and future relevant legislation.

The resulting report highlighted 19 areas for improvement, which have informed the development of our Modern Slavery Strategy. Priorities and Key Performance Indicators are listed on page 9 to 10 of this Statement.

MODERN SLAVERY AWARENESS AND TRAINING

We recognise that colleagues involved in the delivery of our Modern Slavery Strategy need the necessary skills, knowledge and resourcing to productively carry out their roles and responsibilities.

This training is designed to break down common preconceptions and misconceptions while equipping colleagues with the knowledge they need to recognise signs and indicators that might suggest exploitation is taking place and how to deal with concerns.

In November 2023, SFA will host two workshops, building on the previous introductory training, to equip relevant colleagues with specific techniques, such as the use of due diligence frameworks and processes, as well as how to apply best practice when handling a suspected case of modern slavery.

We continue to improve wider colleague awareness about this important issue through our colleague engagement platforms and provide information on what to do if they suspect instances of wrongdoing in line with our Whistleblowing Policy.

Training materials in local languages are also available for suppliers through the EcoVadis platform.

PROGRESS AGAINST KEY PERFORMANCE INDICATORS

We recognise the importance of being able to measure and confirm our compliance with the Modern Slavery Act and have introduced the following qualitative and quantitative Key Performance Indicators, to measure our progress over time and ensure we remain fully compliant with the Act.

KPI Progress from 2022/23

Measure from 2022 Modern Slavery Statement	Progress
Third party gap analysis undertaken, recommendations received and continuous improvement strategy in development.	Complete
Supplier Code of Conduct and Manual further developed to include relevant definitions, expected standards and case studies and shared with suppliers.	Complete
Training records are maintained demonstrating completion rates.	Complete
<ul style="list-style-type: none"> Ongoing increase of suppliers mapped onto the EcoVadis system by June 2023. 	Complete
<ul style="list-style-type: none"> 50% of Tier I suppliers to report through EcoVadis or hold an equivalent standard by the end of 2025. 	Ongoing
<ul style="list-style-type: none"> Map classified by geography, industry and spend by October 2023. 	Complete

Our key priorities for the year ahead

- Increasing the number of suppliers who report through EcoVadis or if reporting not achievable then suppliers to hold a relevant, equivalent standard.
- Distribute and embed the Procurement Policy and associated procedures across our Group and provide training to relevant colleagues.
- Ensure that our current Whistleblowing Policy and process is evolved to include a specific internal and external response to modern slavery and human rights.
- Continue our efforts to deliver annual training to relevant colleagues to increase awareness of modern slavery and human rights across our organisation.

KPI	2024 Measure	Date
50% of Tier I suppliers to report through EcoVadis or hold a relevant, equivalent standard by the end of 2025.	25% Tier I Suppliers reporting through EcoVadis or hold a relevant, equivalent standard.	30 April 2024
Procurement Policy and Procedures developed.	Embed this Policy and associated procedures across our Group.	30 April 2024
Relevant colleagues trained on modern slavery and human rights risks annually.	Training records are maintained demonstrating completion rates.	30 April 2024
All suppliers mapped onto the EcoVadis system.	Map classified by geography, industry and spend.	30 April 2024
Develop mechanisms to track the percentage of supplier partners that are aligned with relevant industry standards and certifications.	Data capture process in place.	30 April 2024

COMMITMENT TO IMPROVE

The Group remains committed to continuous improvement in upholding human rights and combatting modern slavery.

We continue to work closely with our partners at Slave-Free Alliance to build our resilience to modern slavery and labour exploitation, with the ultimate aim of ensuring that nobody involved in the production, distribution or sale of our products is a victim of modern slavery or human trafficking.

We are building strong, long-term relationships with our supplier partners and will continue to collaborate to resolve issues, wherever possible. 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.

I confirm this statement has been approved by the Board.



Brian Duffy
Chief Executive Officer
Watches of Switzerland Group PLC
11 October 2023