



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

MODERN SLAVERY STATEMENT 2022

“The Group takes great pride in operating with integrity and transparency and would never knowingly engage with a supplier that is in any way involved in any aspect of modern slavery”.

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 2021/22 to prevent slavery and human trafficking occurring in our supply chains or in any part of our business.

The Watches of Switzerland Group PLC’s definition of slavery and human trafficking is aligned to section 54 (12) of the Act. The 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 the Watches of Switzerland Group PLC (company number 00146087) and the detailed actions and operations are effective across the Group.

ORGANISATION STRUCTURE

The Group is an international retailer of world-leading luxury watch brands, with a complement of luxury jewellery brands. We employ 2,480 colleagues across the UK, US, Sweden and Denmark and provide clients with the finest selection of luxury timepieces from all of the major groups and independent brands, as well as from a number of smaller, independent 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 Watches of Switzerland 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, 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.

Additionally, during the year we incorporated companies in Sweden, Watches of Switzerland Group (Sweden) AB and Denmark, Watches of Switzerland (Denmark) Aps. These companies are both subsidiaries of Watches of Switzerland Operations Limited.

BRANDS AND BUSINESSES COVERED BY THIS STATEMENT

This statement relates to all of the 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 or jewellery watch brand)

SUPPLY CHAIN

The Group predominantly operates in countries where high 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 risks in our supply chain include:

1. Forced Labour

2. Excessive Working

3. Child Labour

4. Migrant Labour

5. Gender and Discrimination

6. Health and Safety

7. Wages and Benefits

We partner with 2,274 Tier 1 suppliers worldwide, including 103 watch and jewellery suppliers.



SUPPLIERS OF WATCHES

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

SUPPLIERS OF JEWELLERY

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

POLICIES IN RELATION TO SLAVERY AND HUMAN TRAFFICKING

Our ESG Committee is a Committee of the Watches of Switzerland Group PLC Board (the 'Board') and is chaired by Non-Executive Director, Rosa Monckton MBE. All of the independent non-executive directors are members of the ESG Committee as well the Group's Chief Executive Officer, Brian Duffy.

The Board has overall responsibility for risk and strategy and is supported by Board Committees. The ESG Committee plays an active role in ensuring relevant ESG strategies, policies and processes are in place. The Audit Committee ensures salient risks are regularly monitored

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

Modern Slavery Statement

Anti-Bribery & Corruption Policy

Corporate Criminal Offence Policy

Whistleblowing Policy

Anti-Money Laundering

Code of Ethics

To further mitigate against human rights abuses in our supply chain, we continue to strengthen our governance mechanisms. In January 2022, we established a monthly ESG Steering Group which reports directly to the ESG Committee. This Steering Group is chaired by the Chief Financial Officer, Bill Floyd, and comprises senior leaders, who each have formal operational responsibility for the management of sustainability risks and opportunities across the Group. Jim Crichton, Group Buying and Merchandising Director, has senior level responsibility for Modern Slavery and associated risks.

SUPPLIER CODE OF CONDUCT AND SUPPLIER MANUAL

Our Supplier Code of Conduct sets out the minimum standards we require from everyone we do business with and is in addition to compliance with all relevant national and international legislation.

The 12 Principles of our Supplier Code of Conduct are:

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 Supplier Code of Conduct or publish their own equivalent.

Our Supplier Manual works in conjunction with the Code of Conduct and provides guidance detailing the high standards and common values we expect from suppliers of watches, jewellery and precious metals. It specifically requires them 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 Supplier Code of Conduct and Supplier Manual are subject to an annual review.

DUE DILIGENCE PROCESSES

Responsible Jewellery Council

The Responsible Jewellery Council (RJC) is a registered not-for-profit company and the world's largest standards authority for responsible jewellery.

On 31 March 2022, the Watches of Switzerland Group withdrew its membership of the RJC in protest over its links to Russia, amid allegations of human rights abuses by Russian forces following the invasion of Ukraine. These events prompted an immediate review of our supply chain due diligence and resulted in the decision to take a more holistic approach to monitoring and managing supply chain risk as well as the introduction of supply chain management technology.

We are now satisfied with the steps the RJC has taken to restore its reputation, which includes the resignation of a large Russian mining company from their Board, a change in leadership and the establishment of a new governance taskforce.

We strongly encourage all our suppliers to align with relevant, well-recognised sustainability standards and certifications, which includes the RJC for our watch and jewellery suppliers.

The majority 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 standards of business practice, which include a particular emphasis on human rights.

As a retailer, the Group has not re-joined the RJC, however, we continue to uphold the principles set out in their Code of Practices through our Supplier Code of Conduct.

Factory Audits

We expect the highest standards of responsible business practices and seek assurance to this effect. We commission on-site assessments of supplier facilities to ensure our supply chain conforms with our Supplier Code of Conduct and to identify risks in relation to regulatory requirements and brand reputation. The audits are carried out by specialist independent auditors, UL Solutions, using local agents with expert knowledge of local laws and practices.

So far in 2022, 5% of our watch and jewellery supplier manufacturing facilities, identified through importance to our business, have been subject to on-site assessments with UL and no major violations were reported.

Our factory audit programme will be extended to a greater number of suppliers in the coming months as we integrate our responsible sourcing programme with the EcoVadis methodology and issue suppliers with a revised Supplier Code of Conduct and Manual, which reflects our commitment to continuous improvement in upholding human rights and combatting modern slavery.

RISK ASSESSMENT AND MANAGEMENT

In May 2022, we partnered with a leading global Supply Chain Management System to support greater transparency and due diligence across our entire supply chain, including GNFR suppliers. The EcoVadis IQ technology is helping to map, monitor and manage sustainability risks using smart automation and analytics.

To gain a more detailed analysis of our supply chain impacts, we are in the process of inviting suppliers to register their businesses with EcoVadis and complete an online assessment. This assessment covers 21 sustainability criteria, aligned to the United Nations Sustainability Goals as well as SASB and GRI reporting standards. The information provided by our suppliers is subject to validation, verification, 360 analysis and scoring.

This system allows us to carry out robust due diligence screening and identify suppliers most at risk of contravening our Supplier Code of Conduct, while supporting them with access to training materials in local languages and, where necessary, corrective action plans.

To date, 16% of our Tier 1 suppliers are mapped on the system and we continue with the mapping exercise on an ongoing basis.

Partnership with Slave-Free Alliance (SFA)

We recognise that the issue of modern slavery is broad and requires long term engagement across our Group. We also understand that we cannot tackle this huge issue alone. To further demonstrate our commitment of reducing the risk of encountering human rights issues within our operation and supply chain, in August 2022, we entered into a three-year partnership with Slave-Free Alliance (SFA).

SFA is an international social enterprise, wholly owned by global anti-slavery charity 'Hope for Justice'. It supports organisations in working towards slave-free operations and supply chains and helps build their resilience to modern slavery and labour exploitation.

SFA will support our business by reviewing policies, processes, and due diligence, as well as enhancing our training on human rights and labour standards. We will directly benefit from the expert advice and support given by SFA to strengthen and evolve our modern slavery strategy.

Supporting Crisis

In May 2021, Crisis, an organisation The Watches of Switzerland Group Foundation supports, collaborated with other organisations to publish a ground-breaking study on the links between modern slavery and homelessness.

The research found that people experiencing homelessness are more exposed to exploitation and that modern slavery is often linked with housing issues as it exploits people's need for accommodation, this can then turn into a means of control. Crisis is working as part of a modern slavery taskforce, led by the Home Office, to urge progress on these issues and break the link between homelessness and modern slavery.

While we did not directly fund this important piece of research, access to it through our partnership has helped to increase colleague awareness of the forms of modern slavery and its extent.

TRAINING ON MODERN SLAVERY AND TRAFFICKING

In September 2022, key decision makers and colleagues in roles with an increased risk of exposure to instances of modern slavery, attended a bespoke workshop hosted by the SFA. The session was 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 October 2022, we will mark Anti-Slavery Day by improving wider colleague awareness about this important issue and reminding them what to do if they suspect instances of wrongdoing in line with our Whistleblowing Policy.

COMMITMENT TO IMPROVE

The Group remains committed to ensuring nobody involved in the production, distribution or sale of our products is a victim of modern slavery or human trafficking.

We look forward to working in partnership with the SFA to develop anti-modern slavery initiatives and protect our business against the risk of modern slavery within our operations and supply chain.

KEY PERFORMANCE INDICATORS TO MEASURE EFFECTIVENESS OF STEPS BEING TAKEN

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	Measure	
Gap Analysis to assess our modern slavery initiatives, identify good practice and main risk areas, and develop a set of recommendations for a continuous improvement strategy.	Third party gap analysis undertaken, recommendations received and continuous improvement strategy in development.	January 2023
Develop and implement a Supplier Code of Conduct in relation to Human Rights that is available in relevant languages and embedded into contractual terms with suppliers.	Supplier Code of Conduct and Manual further developed to include relevant definitions, expected standards and case studies and shared with suppliers.	October 2023
Relevant colleagues trained on modern slavery and human rights risks annually.	Training records are maintained demonstrating completion rates.	June 2023
A high-level map of our areas of operations and supply chains, illustrating potential human rights risks.	<ul style="list-style-type: none">• Ongoing increase of suppliers mapped onto the EcoVadis system by June 2023.• 50% of Tier 1 suppliers to report through EcoVadis or an equivalent standard by the end of 2025.• Map classified by geography, industry and spend by October 2023.	June 2023 and ongoing

We are building strong, long-term relationships with our suppliers 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.



Chief Executive Officer

The Watches of Switzerland Group PLC
5 October 2022