



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

MODERN SLAVERY ACT 2015 – STATEMENT FOR THE FINANCIAL YEAR 2020-2021

The Directors of the Watches of Switzerland Group PLC fully support the aims of the Modern Slavery Act 2015 and are committed to combating the risk of slavery and human trafficking in our business.

“Every item we sell is special and we are determined that nothing should take away its shine. Our customers expect everything they buy from us to be responsibly sourced, from a supply chain free from forced labour. As a world class retailer,

we take our duty to all stakeholders, including our customers - and society - extremely seriously and have strict policies and procedures in place to protect human rights throughout our value chain and make sure everyone we do business with shares our commitment to a zero-tolerance approach to all aspects of modern slavery.”

Brian Duffy, CEO, Watches of Switzerland Group PLC

CORPORATE STRUCTURE AND TRADING ENTITIES

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 as 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.

The Watches of Switzerland Company Limited operates in the United Kingdom through a number of brands such as Watches of Switzerland, Mappin & Webb and Goldsmiths.

Additionally 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.

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 and the United States:

- Watches of Switzerland
- Mappin & Webb
- Goldsmiths
- Mayors
- Monobrand stores (each dedicated to a particular luxury watch brand)

INTRODUCTION

At the Watches of Switzerland Group, we recognise that responsible supply chain management can effect positive change within the communities we influence. As a retailer of luxury watches and jewellery, we predominantly operate where high social standards apply, however, with over 40 million people worldwide reported to be victims of modern slavery, we realise there is a very real risk of human rights violations within our supply chain, which is why due diligence is critical in all our interactions.

We take great pride in operating with integrity and transparency and would never knowingly engage with a supplier that is in any way involved in human trafficking, servitude, forced labour or any other aspect of modern slavery.

GEOGRAPHICAL REACH OF OUR SUPPLY CHAIN

Our products are sourced from Tier 1 Suppliers operating in a number of countries around the world, principally:



WATCHES

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

JEWELLERY

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

To further increase transparency within our Supply Chain, in May 2021, we engaged third party consultants to help us develop a system to determine and monitor our Tier 2 and 3 Suppliers.

GOVERNANCE

To ensure relevant strategies, policies and processes are reviewed and approved at the top governing level of our business, in June 2021, we established an ESG Committee as a sub-committee of the Watches of Switzerland Group PLC Board. Committee members are independent Non-Executive Directors and the Committee is supported by senior management sponsors, who lead working groups comprising subject matter experts from varying levels across the business, as well as specialist external consultants.

RESPONSIBLE JEWELLERY COUNCIL

We are proud to be an accredited member of the Responsible Jewellery Council (RJC), which is a registered not-for-profit company and the leading standards authority for responsible jewellery.

To obtain and retain our accreditation status, we are subject to rigorous independent audits to ensure compliance with the RJC's exacting standards of business practice, which include a strong focus on human rights. In 2020, we successfully completed our fourth RJC audit, along with our operations in the United States who achieved RJC certification for the first time.

We continue to strongly encourage all our Suppliers to become members of the Responsible Jewellery Council or work towards accreditation. Twenty-five of our current suppliers of jewellery and precious metals are now RJC members, which is an increase from 15 in FY2019/20.

Nine of our top ten jewellery suppliers (measured by value of spend) are all RJC certified (with the tenth supplier pending a final audit) and an increasing number of our watch brands also hold RJC accreditation status. In October 2021, the Responsible Jewellery Council launched the 'watch and jewellery initiative 2030' to encourage all suppliers to adopt its standards by the year 2030.

SUPPLIER CODE OF CONDUCT AND MANUAL

To make sure all our Suppliers operate responsibly and transparently, we have collaborated with specialist organisations to develop a Group Supplier Code of Conduct and Manual, which every supplier of watches, jewellery and precious metals must read, sign and adhere to, or have their own published code of conduct in place, which is aligned with our requirements.

Suppliers must confirm in writing their acceptance of the terms of the Supplier Code of Conduct and commit to complying with the following 11 principles:

Employment is freely chosen

Freedom of association and the right to collective bargaining are respected

Working conditions are safe and hygienic

Child labour shall not be used

Living wages are paid

Working hours are not excessive

No discrimination is practised

Regular employment is provided

No harsh or inhumane treatment is allowed

Responsible environmental practices

Zero tolerance of conflict products

Our Supplier Manual is subject to an ongoing review and continuous improvement, with the most recent refresh in April 2021, ahead of a pilot Audit programme to support full compliance with our 11 Principles.

In September 2021 we introduced additional due diligence checks for our GNFR suppliers, who are now also required to sign up to our Code of Conduct before we will contract with them. As an additional safeguard, we conduct further background checks to make sure they are not subject to international sanctions, have been found guilty of criminal behaviour, are run by or ultimately owned by Politically Exposed Persons (PEPs) or have current adverse media about them; such that we can be reasonably confident that they operate responsibly.

FACTORY AUDITS

Prior to the Covid-19 pandemic, members of our Senior Management Team conducted a series of factory inspections to assess compliance with our Supplier Manual and Supplier Code of Conduct.

The pandemic prompted us to reassess this approach and led to the appointment of a third-party auditor in October 2020. UL Verification Services provide specialist experience and bring local agents equipped with expert knowledge of local laws and practices.

Together, we have developed a bespoke responsible sourcing programme in line with industry best practice and our Supplier Code of Conduct. This programme was piloted at a number of our supplier manufacturing facilities during the summer of 2021 and we are in the process of evaluating this trial and refining our approach ahead of a full roll out in 2022.

RJC accredited suppliers will also be subject to factory audits, which will provide us with an added level of assurance against instances of modern slavery within our Supply Chain.

CONFLICT DIAMONDS AND THE KIMBERLEY PROCESS (KPCS)

All our suppliers of diamonds, or jewellery incorporating diamonds, must comply with the Kimberley Process Certification Scheme (KPCS) as well as all national laws in relation to this scheme and the World Diamond Council System of Warranties. We will not accept an invoice that does not have a World Diamond Council warranty statement.

Further details about the Kimberley Process can be found at www.kimberleyprocess.com and the World Diamond Council at www.worlddiamondcouncil.org

SUPPLIERS OF GOLD AND OTHER PRECIOUS METALS

Our Supplier Manual lays out standards for the responsible sourcing of all other precious metals (such as silver and platinum), as well as gold.

In January 2019 we wrote to every jewellery supplier who provides our UK business with precious metals enquiring where they source their raw material and their responses were cross checked against the Good Delivery List, operated by the London Bullion Market Association (LBMA). We were satisfied that all precious metals supplied to us are sourced from refineries on the LBMA Good Delivery List.

In the United States, all our jewellery suppliers comply with all relevant laws to ensure we do not trade in conflict metals.

COLLEAGUE AWARENESS

Colleagues with responsibility for procurement and managing Supply Chain issues receive relevant training to equip them with the skills and knowledge they need to employ responsible supply chain practices in line with our Supplier Code of Conduct.

A policy is in place which requires colleagues to understand the human rights issue of Modern Slavery and what to do if they suspect instances of wrongdoing. In January 2022, we plan to roll out an e-learning training module to our colleagues, to further improve awareness and engagement with this issue.

Colleague engagement is supported by our Whistleblowing Policy, which encourages colleagues to report unacceptable practices, whether within our own business or in dealings with suppliers.

COMMITMENT TO IMPROVE

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

We will further strengthen our business operations against this threat by working in partnership with key organisations to ensure our policies and procedures are robust and in line with best practice and that they are supported by value chain mapping, detailed impact and risk assessments of medium and high-risk suppliers through third-party audits, spot check visits and ongoing stakeholder engagement.

We recognise the importance of being able to measure and confirm our compliance with the Modern Slavery Act and will therefore introduce Key Performance Indicators, to measure our progress over time and ensure we remain fully compliant with the Act.

Any aspect of modern slavery is wholly unacceptable. Should any supplier fall short of our standards and Code of Conduct, we will not work with them until we are absolutely sure they have put this right.

I confirm that this statement has been approved by the Board of directors of the Watches of Switzerland Group PLC.



Brian Duffy

Chief Executive Officer
19 October 2021