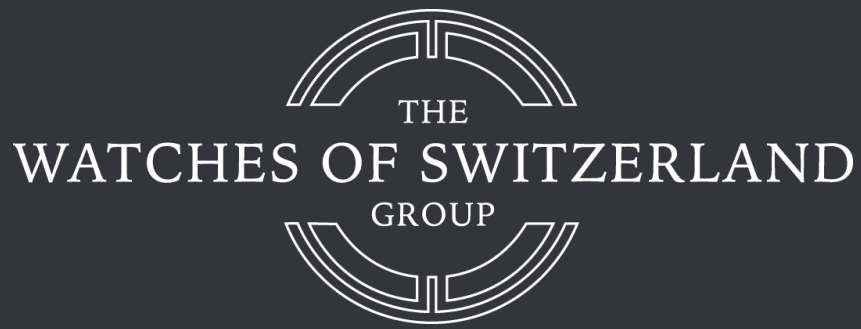




WATCHES OF SWITZERLAND GROUP PLC

VENDOR CODE OF CONDUCT

THE WATCHES OF SWITZERLAND GROUP

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INTRODUCTION

The Watches of Switzerland Group, and its subsidiaries (the 'Group'), is an international retailer of world leading luxury watch brands with a complement of luxury jewellery brands.

We are driven by our Purpose to WOW clients, while caring for our colleagues, our communities and our planet. In line with our Values, the Group also aims to ensure our supply chain operates responsibly and respects and protects the lives of workers, their communities, and the environment.

The Group is committed to making a positive contribution to human rights. This Vendor Code (the 'Code') of Conduct is aligned to the Ethical Trading Initiative (ETI) Base Code and guided by the United Nations (UN) Universal Declaration of Human Rights, as well as the principles set out in the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights of Work. We support the UN Global Compact and follow the Organisation for Economic Co-operation and Development Due Diligence Guidance to avoid contributing to conflict, serious human rights impacts and financial crime through our procurement practices. We do not support nor condone the purchase of conflict minerals and will not knowingly purchase or sell any products that originate from a group or a country which supports or engages in illegal, inhumane, or terrorist activities.

The provisions of this Code constitute minimum standards and should not prevent vendors from exceeding them. Compliance with all applicable law and regulations is expected and, where the law addresses the same subject as these requirements, vendors should apply that provision which affords the greater protection.

We will periodically review this Code and make revisions when needed. Compliance with the law and this Code is mandatory and we will view any failure to adhere to this Code and the law, as a serious breach of our arrangement with our vendor.

Scope

All vendors to the Group must comply with this Vendor Code of Conduct. This includes vendors that are providing services to, or on behalf of the Group and third parties sub-contracted by a vendor. It is applicable to all vendors appointed by any function, business, or individual working on behalf of the Group worldwide. Any vendor that has any commercial dealings with the Group, and any of their subcontractors, must provide written compliance with this Vendor Code of Conduct.

Policy

It is our goal is to work collaboratively with our supply chain partners at all times. Where a vendor or subcontractor is found to not comply with this Code, we will work with the Vendor on a corrective action plan. If the vendor continues to be non-compliant, we will take steps to review the terms of our contract and exit the relationship.

This Vendor Code of Conduct has four sections. Sections 1 and 2 outline our standards for Economic, Environmental and Social, respectively. Sections 3 and 4 outline our requirements for a reasonable governance and management structure to ensure compliance with this Code.

REQUIREMENTS

Economic

Transparent, legal and ethical practices reduce business risk, enhance value and bring economic benefits to workers and their local communities. All business relationships and transactions should be based on the principle of fair and honest dealings, while promoting sustainable practices.

- 2.1 Vendors must embed basic business ethics principles in their own Code of Conduct or a similar policy, including adherence to local laws and regulations.
- 2.2 Vendors must have policies and procedures in place to prevent fraud, money laundering, bribery and all other forms of corruption.
- 2.3 All vendors must comply with national and international sanction policies and legislation.
- 2.4 Vendors must have reasonable and lawful payment policies with their own suppliers and subcontractors.
- 2.5 Vendors must consider the principles of the Circular Economy in the design, manufacture, and recycling and/or disposal of products.

Environmental

All vendors are expected to have sound environmental management principles in place and to implement continuous improvements in environmental performance, to reduce their impact on our planet and public health.

- 2.6 Vendors must have an Environmental Policy, or equivalent, appropriate to the size and nature of its operations, that, where applicable, addresses preventing, mitigating and controlling serious environmental and health impacts resulting from their operations including, but not limited to, raw material usage, energy use and greenhouse gas emissions, water, waste, chemical and hazardous substance use, air quality and biodiversity.
- 2.7 Vendors must abide by all applicable legislation and regulations related to the protection of the environment and the handling of dangerous and hazardous materials and maintain valid permits and/or licenses.

- 2.8 Vendors must have an effective internal environmental management programme / system with adequately trained people responsible for managing the organisation's environmental performance, and where appropriate to the purpose, nature, scale and impact of the business, communicate data on key environmental indicators, including Scope 1 & 2 (operational) GHG emissions, internally and externally.
- 2.9 If vendors have manufacturing facilities, they must ensure each facility complies with environmental laws, including all laws related to waste disposal, air emissions, discharges, toxic substances and hazardous waste disposal.
- 2.10 Where dangerous and/or hazardous materials are used, vendors must minimise use, store safely and keep all necessary records.
- 2.11 Timber and paper products must meet relevant laws including the EU Deforestation Regulation (EUDR) and European Union Timber Regulations, and vendors should use recycled, FSC or PEFC wood stocks, where possible.
- 2.12 Materials and components in all products supplied, must be obtained from permissible sources consistent with international treaties and protocols in addition to local laws and regulations.

Animal Welfare

- 2.13 Any harsh or inhumane treatment of animals will not be tolerated. All suppliers of products using or comprising any animal products must conform to relevant international laws, including the Convention on International Trade in Endangered Species (CITES) and have processes in place that protect endangered species and habitats. Vendors must ensure up to date certifications are in place and kept with the product where necessary.

Social

The UN Guiding Principles on Business and Human Rights state that businesses must prevent, mitigate and, where appropriate, remedy human rights abuses related to their operations, products or services, even if these impacts have been carried out by vendors or business partners.

The Group and its subsidiaries and affiliates fully supports the aims of the UK Modern Slavery Act 2015 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. Our Modern Slavery Transparency Statement can be found at www.thewosgroupplc.com.

The Group recognises that 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.

Employment and Working Conditions

Employment is freely chosen

Reference to ILO Convention C29 (Forced Labour Convention and its 2014 Protocol and C105 Abolition of Forced Labour Convention)

- 2.14 There is no forced, bonded or involuntary labour.
- 2.15 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.
- 2.16 There is no use of modern slavery including child and forced labour and human trafficking in line with all local legislations
- 2.17 Vendors must comply with local modern slavery legislation, (including but not limited to, the UK Modern Slavery Act 2015).

Freedom of association and the right to collective bargaining are respected

Reference to ILO Convention C87 (Freedom of Association and Protection of the Right to Organise Convention) and C98 (Right to Organise and Collective Bargaining Convention)

- 2.18 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively if the majority so wish.
- 2.19 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.20 Workers’ representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.21 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

Child labour shall not be used

Reference to ILO Conventions C138 (Minimum Age Convention) and C182 (Worst Forms of Child Labour Convention)

- 2.22 There shall be no new recruitment of child labour.
- 2.23 Vendors shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. In line with the ILO conventions, this applies to all persons under the age 18.
- 2.24 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 2.25 These policies and procedures shall conform at a minimum to the provisions of the relevant ILO standards.

Living wages are paid

- 2.26 Wages and benefits paid for a standard working week meet, at a minimum, local legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 2.27 All workers shall be provided with written and understandable information about their employment conditions in respect to wages and benefits before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 2.28 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by local law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.
- 2.29 The Employer Pays Principle, as developed by the Institute for Human Rights, be adopted. No worker shall pay for a job – the costs of the recruitment should be borne not by the worker, but by the employer.

Working hours are not excessive

- 2.30 Working hours must comply with national laws, collective agreements, and the provisions of 2.31 to 2.35 below, whichever affords the greater protection for workers. 2.31 to 2.35 are based on international labour standards.
- 2.31 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week (International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced).
- 2.32 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.

- 2.33 The total hours worked in any seven-day period shall not exceed 60 hours, except when covered by clause 2.34 below.
- 2.34 Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all of the following are met:
- this is allowed by national law;
 - this is allowed by a collective agreement freely negotiated with a workers' organisation representing significant portion of the workforce;
 - appropriate safeguards are taken to protect the workers' health and safety; and
 - the employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- 2.35 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, 2 days off in every 14-day period.

No discrimination is practiced

Reference is made to ILO Conventions C100 (Equal Remuneration Convention) and C111 (Discrimination (Employment and occupation) Convention)

- 2.36 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, ethnic origin, colour, national and social origin, migration status, language, religion, belief, age, disability, gender, marital status, gender identity, gender re-assignment, pregnancy, family status, sexual orientation, union membership, economic or social situation, political affiliation or receipt of public assistance.

Regular employment is provided

- 2.37 To every extent possible work performed must be on the basis of a recognised employment relationship established through local law and practice.

2.38 Obligations to employees or workers under local 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.

No harsh or inhumane treatment is allowed

2.39 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment, verbal abuse, mental abuse, coercion, or other forms of intimidation during employment or recruitment shall be prohibited.

Health & Safety

Working conditions are safe and hygienic

- 2.40 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 2.41 Workers should not be locked into their places of work and adequate means of fire escape must be provided.
- 2.42 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 2.43 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided free of charge.
- 2.44 Accommodation, where provided, shall be maintained in accordance with local legal requirements, be clean, safe, and meet the basic needs of the workers.

2.45 The vendor observing the Code shall assign responsibility for health and safety to a senior management representative.

Ethics

Zero tolerance of conflict products

- 2.46 Vendors involved in the purchase or sale of diamonds must comply with the Kimberley Process Certification Scheme and the World Diamond Council System of Warranties, as applicable. Suppliers of diamonds and coloured gemstones are expected to proactively gather information regarding the sources of stones.
- 2.47 All gold and silver must be sourced from accredited refiners on the LBMA Good Delivery List. All PGM shall be sourced from accredited refiners on the LPM (London Platinum & Palladium Market) Good Delivery List.
- 2.48 Vendors are expected to exercise due diligence over their supply chains in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict Affected and High-Risk Areas (the 'OECD Guidance'). Vendors shall encourage their supply chain to apply similar due diligence efforts.

Bribery and facilitation payments

- 2.49 Vendors shall not engage in bribery or falsification of records and undue influencing of workers.
- 2.50 A policy governing bribery and facilitation payments shall be in place. Whistleblower protections shall be implemented, as required by local law. Workers shall feel free to refuse to participate in bribery or facilitation payments supported by the vendor and shall be aware that they will not suffer demotion, penalty or other adverse consequences for voicing a concern, or for refusing to pay a bribe or facilitation payment even if this action may result in the vendor losing business.

The Group's Anti-Bribery and Corruption Policy can be found at www.thewosgroupplc.com.

Anti-money laundering and/or financing of terrorism

- 2.51 An anti-money laundering policy shall be in place.
- 2.52 Know Your Counterparty (KYC) procedures shall be in place and shall include, at minimum:
- this is allowed by national law;
 - verification of counterparties (customer and/or suppliers, including but not limited to information such as name, address, business license number, contact person, personal identification, name of parent company and subsidiaries, etc.);
 - identification of high-risk counterparties including “Specially Designated Nationals And Blocked Persons” (e.g. via consultation of US Department of the Treasury Office of Foreign Assets Control or other relevant lists);
 - procedure to monitor transactions;
 - procedure to monitor and report suspicious activity;
 - procedure to discontinue business relationship with listed counterparties as required by law.

Anti-trust and competition compliance

- 2.53 The Group is committed to fair competition and compliance with all applicable laws and regulations, with a confidential facility, Safecall, provided to report any suspicions of anti-competitive behaviour. Vendors must refrain from engaging in any illegal anti-competitive conduct or deceptive trade practice for any reason, whether on behalf of the Group, Vendor, or other parties.

MANAGEMENT SYSTEM

Vendors with whom the Group has regular and recurring dealings, should have good management and governance processes in place to ensure compliance with this Code. Vendors must also make reasonable efforts to monitor their supply chain, ensuring their suppliers are aware of, and compliant with, the aims of this Code.

- 3.1 Vendors must ensure that their systems and procedures are sufficient to mitigate any potential negative impact on the Group's brand and reputation.
- 3.2 To manage compliance with the requirements set by this Code, vendors shall, at minimum, establish policies governing labour, grievances, health and safety, environmental responsibility and ethics and business integrity. These policies shall be endorsed by executive management, kept up to date as requirements and legislation change, communicated to all workers, and reviewed on an annual basis.
- 3.3 Vendors shall appoint responsibility to personnel for implementing the policies.
- 3.4 Vendors are encouraged to demonstrate awareness of risk within their supply chains (suppliers, subcontractors, and contractors to the facility, and customers and partners of the facility) through a supply chain risk assessment and supply chain monitoring. Any vendor standards, including legal standards and customer requirements, shall be communicated to its suppliers, subcontractors, contractors, customers and partners.
- 3.5 Vendors shall implement a grievance or 'whistleblowing' procedure by which employees can confidentially raise issues of concern to management without fear of reprisal or negative repercussions. The grievance procedure shall record and track grievances and workers shall be made aware of the progress or resolution of any raised grievances.
- 3.6 Vendors should carry out regular audits of third party manufacturing sites to ensure compliance with the terms of this Vendor Code of Conduct.
- 3.7 The Group reserves the right to review the vendor's policies, procedures or any other document related to adherence to this Code. In some cases, the Group may require an online or onsite audit of a vendor's adherence to this Code.
- 3.8 Vendors are requested to provide the Watches of Switzerland Group with full access to their production facilities and to any documents pertinent to legal employment or environmental practices.

COMPLIANCE

The Watches of Switzerland Group requires vendors to sign this code, thereby acknowledging the requirements contained within. The Group requires vendors to agree to adhere to these requirements and to be able to demonstrate how these requirements are being met.

The Group values transparency and open communication. Should this Code conflict with applicable local laws and regulations where compliance with the Code would result in legal violations on the part of the vendor, the vendor is expected to promptly communicate such conflicts to the Group. Where a vendor suspects a potential breach to this code has occurred, the vendor is required to notify the Group.

I confirm that I have read the Code and acknowledge the requirements contained within.

Company:
Print name:
Date:

Please return this signed agreement to SupplierMaintenance@thewosgroup.com.

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 their Watches of Switzerland key contact, or through Safecall - an independent third-party facility, which is available in multiple languages.

<https://www.safecall.co.uk/report>.