

Account of Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act

Fiscal Year 2024 (April 1, 2023-March 31, 2024)

About the Entity

The Entity's Structure and Activities

Compagnie Financière Richemont SA ("Group" or "Richemont") is a corporation incorporated in Switzerland, with principal executive offices in Bellevue. Richemont was established in 1988 and is the owner of a unique portfolio of 28 Maisons and businesses. The Maisons are recognized for their excellence and operate across three main business areas: Jewelry Maisons, Specialist Watchmakers, as well as Fashion & Accessories Maisons. Richemont publishes an annual non-financial report that focuses on the non-financial activities of the Group and its subsidiaries.

Richemont Canada, Inc. (the "Entity") is part of the Group and is subject to the reporting obligation under the *Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act*. The Entity is located in Mississauga, Ontario, Canada. The Entity has operated as a distributor since 1994. The Entity purchases luxury goods (including watches, jewelry, fashion and accessories) from other Richemont entities for the purpose of selling such product to customers in Canada.

The Entity, as part of the Group, is subject to and upholds the policies and procedures of the Group (including the Supplier Code of Conduct (or "SCoC"), Standards of Business Conduct, Raw Materials Sourcing Policy, Human Rights Statement, Environmental Code of Conduct, Corporate Responsibility Policy) even in instances where Group requirements may be more stringent than local legislation or laws. The Group establishes Child and Forced Labour processes and risk assessment procedures for all of its subsidiaries.

Policies, Procedures & Processes (General)

Policies and Codes of Conduct

At Richemont, upholding and advancing respect for the fundamental human rights of all people is core to the Group's business strategy, mission and values.

Richemont's policies and procedures are aligned with the United Nations' Guiding Principles on Business and Human Rights and the Principles of the United Nations Global Compact (UNGC), to which Richemont has been a participant since 2013.

Richemont is committed to upholding human rights in its value chain and holds its suppliers and other business partners to this same standard.

In addition to ongoing human rights due diligence and assurance practices embedded in the operations of Richemont's Maisons, regions and functions, the Group periodically engages third-party experts to ensure and advance understanding of human rights risks

and impacts. These assessments inform Richemont policies and support risk mitigation, governance practices and priorities.

In FY24, the Richemont Human Rights Statement was published, which highlights the focus areas, the impact of the Group's value chains, and the policies that include a focus on human rights. (For further details, see the section below entitled "Human Rights Governance"). In addition, Richemont has published its Slavery & Human Trafficking Statement, through which Richemont highlights its effort to eradicate modern slavery and human trafficking in its supply chains by enforcing its Supplier Code of Conduct and Standards of Business Conduct, conducting supplier audits, and ensuring compliance with international standards, including membership and compliance with the Responsible Jewelry Council (RJC)-Code of Practices.

A dedicated human rights training module was also recently launched this year to raise awareness on the focus areas in the Statement, as further detailed in the section below entitled "Tools and Training that Support Adherence to our Policies".

Human Rights Governance

Richemont's Board of Directors is responsible for defining Richemont's human rights strategy. The Group's Chief Sustainability Officer, who is also a member of the Senior Executive Committee (SEC), is responsible for overseeing the implementation of the strategy defined by the Board and making recommendations to the SEC for adopting the necessary regulations and policies and for setting up the appropriate bodies.

The Group's commitment to upholding human rights is reinforced by a skilled and dedicated Human Rights Taskforce. This Taskforce is comprised of leaders from various departments such as Human Resources, Responsible Sourcing, Logistics, Security, Procurement, Legal, Finance, Corporate Affairs, and representatives of the regions, along with selected Maisons.

The Human Rights Taskforce, animated by the Group ESG Legal Counsel, is chaired by the Chief Sustainability Officer, who ensures the implementation of an effective human rights management system across the Group. This includes regularly reviewing and updating policies and procedures, as well as identifying and addressing any areas for improvement.

Supply Chain

Richemont aims to ensure that responsible sourcing standards are respected across its supply chains in many ways.

A Responsible Sourcing Handbook, available internally, was developed to establish a common framework around risk management and due diligence methodologies.

The Supplier Code of Conduct, the Raw Materials Sourcing Policy, and the Group Procurement Policy lay the foundations for the Group's responsible sourcing approach. These policies are supplemented by membership in industry organizations that set and monitor standards for specific supply chains.

Risk Management and Due Diligence

Richemont performs due diligence following a risk-based approach, considering the

relationship with its suppliers corresponding to their risk profile.

Due diligence conducted on the direct procurement of raw materials follows the methodology recommended by the OECD and incorporates the requirements of the appropriate standard setting organizations (RJC, SMETA, ISO), including a specific focus on child labour. In this context, promoting supply chain transparency is considered as a risk mitigation tool to trace raw materials back to their origin. Richemont defines "Transparency" as a capacity to identify the name and location of all actors in the upstream supply chains up to the origin of the raw material. Transparency is one of the traceability criteria.

Following the review of indirect procurement practices to improve its global framework, the Group aims to seize opportunities and manage risks whilst remaining competitive, accountable, and compliant with applicable regulations. Building upon the global initiative to transform the Group's indirect procurement organization, supply chain-related practices, vendor management, procure-to-pay processes, and the overall control environment have been improved. The strategic program for sourcing resulted in a global procurement transformation plan which focuses on organization, processes, digitalization and ESG requirements. To manage ESG risks associated with indirect procurement categories, Richemont evaluates suppliers leveraging documentary audits. The Group's risk management strategy leverages both country and industry-specific risks identified by international standards and risk indices.

Richemont uses ESG screening tools to benefit from recognized international aggregated data. Procurement experts review key spend categories to evaluate the inherent risks associated with each indirect procurement activity. Overall, the risk management approach in indirect procurement is driven by a rigorous methodology that leverages a blend of recognized international standards, ESG screening tools, and expert evaluation.

In the space of the indirect procurement categories, Richemont prioritized those with the most potential inherent environmental and socially significant risks, specifically related to construction and maintenance, Point of Sales Materials (POSM) and sale packaging and facilities management.

Mapping the supply chain is part of the due diligence process and includes the identification of suppliers through the Know Your Counterparty (KYC) procedure. The latter has been established to combat money laundering and finance of terrorism, requiring businesses to identify every organization that they deal with, to understand the legitimacy of their business relationships and, within reason, to identify and react to unusual or suspicious transaction patterns.

Speaking up

The Richemont Speak Up Platform (the "Platform") was launched in June 2022 and forms an essential part of the Group's ethical framework.

The Platform allows employees and any affected third party to report any concerns by telephone or an online form, with an option for anonymity. These reports are then escalated to the Richemont Speak Up Taskforce, a team of coordinators from relevant functions within the Group responsible for assessing concerns and forwarding them to an appropriate impartial issue owner for further investigation. All procedures are documented

using the Navex EthicsPoint Platform, which ensures an audit trail that meets regulatory requirements.

Richemont launched a general employee awareness campaign and provided Group-wide training to promote the Speak Up Platform. To date, 32,505 Group employees have completed training on Speak Up relating to reporting concerns and the manner with which these concerns are dealt.

The Platform is available to all global operating entities, including all Maisons. Concerns are addressed confidentially and individuals who report issues are supported. Richemont has a zero-tolerance policy for retaliation towards anyone who makes a report in good faith or who participates in an investigation.

The Group is constantly learning from the reporting of concerns and adapting its business practices accordingly. To ensure impartiality, the Speak Up Platform reporting system is overseen by the Head of Internal Audit, who is independent from management and reports to the Chair of the Audit Committee, who is updated immediately on all matters of significance that are raised.

Richemont continues to raise internal awareness of the Speak Up Platform, and it has been extended to external stakeholders and third parties, allowing a broader range of individuals, regardless of location, to voice their concerns and contribute to the Group's ongoing commitment to transparency and ethical conduct. At the Entity specifically, 97% of employees have completed trainings regarding the Platform (and other compliance-related topics).

Training

Richemont is deeply committed to upholding and advancing respect for the fundamental human rights of all people, as articulated in the Richemont Human Rights Statement.

In alignment with this commitment, a training program has been recently launched on "Business and Human Rights". This training is mandatory for members of the Entity's Logistics team, but is also being released to a wider audience at the Entity. This training program is designed to increase employee awareness on human rights and guide individuals in managing potential impacts. The training aims to ensure that participants understand human rights concepts, learn about Richemont's approach to human rights, and recognize the importance of human rights in their roles.

The Group has implemented a comprehensive training program to promulgate its Standards for all employees at the Entity (including topics of forced labour and child labour), raise awareness of their contents, and develop employee knowledge to effectively adhere to them. The trainings are designed around the principles of the Standards of Business Conduct and emphasize the importance of ethical behavior and compliance.

During FY23, Richemont launched a series of new compliance learning modules aimed at educating employees on important ethical topics, in alignment with the four pillars of the Standard of Business Conduct. In parallel to the launch of the Richemont Speak Up Platform, which is the Group's whistleblowing and grievance reporting line, the Group rolled out global and regional awareness campaigns on the importance of speaking up. The Platform is available to internal and external stakeholders in line with the Group's

commitment to integrity, transparency, and ethical business practice. The Richemont Speak Up Platform is also referenced in Richemont's Standards of Business Conduct and the Supplier Code of Conduct.

As discussed above, the annual learning program also includes training for all employees of the Entity on the Speak Up Platform. This training has empowered the global community to report compliance concerns. It also underlines the Group's commitment to non-retaliation and to ethical business conduct.

Additionally, eLearning modules on "Modern Slavery & Human Trafficking" were introduced by Group in August 2022. These modules reinforce Richemont's commitment to preparing for a sustainable future by promoting responsible supply chain practices.

Forced and Child Labour Risk Identification (Specific)

Richemont is committed to upholding the principles outlined in its Standards of Business Conduct and in the Human Rights Statement. The Group prohibits the use of child labour across its operations and wants its value chain to be free from such practices, in accordance with the ILO Fundamental Conventions.

Richemont has established a management system designed to identify potential risks related to forced and child labour. This system takes into consideration the scope of the Group's operations and the extent of its value chain. In this context, it is specifically the gemstone sector that is most exposed to child labour risk due to the localization of gemstone deposits in certain regions of the world and the prevalence of artisanal and small-scale mining.

To support its commitments to responsible business practices, Richemont has developed a set of policies and standards, as well as implemented a Responsible Sourcing program that focuses on identifying and managing risks and impacts, with a particular emphasis on raw materials supply chains. By taking these steps, the Group is diligently working to ensure that its value chain is free from child labour.

Policies & Standards

As highlighted in the introduction, prohibition of child labour is rooted in the Richemont Human Rights Statement and in its Standards of Business of Conduct. Furthermore, the Raw Material Sourcing Policy also mirrors the Group's commitment to prohibiting child labour.

Richemont is committed to ensuring responsible practices throughout its value chain, including its own workforce, internal activities, and partners and suppliers. This commitment is reflected in the Supplier Code of Conduct, which applies to all suppliers, regardless of their fields of operation, in both the direct and indirect procurement categories of Richemont. The SCoC provides that suppliers adhere to Richemont's requirements and any of its subsequent amendments or updates, and ensure its implementation upstream to their own suppliers at all stages or levels of the supply chain. In accordance with the ILO Fundamental Conventions, the SCoC mandates that no individual should be employed below the age of 15, or lower than the local minimum age for employment and completion of mandatory education, whichever is the highest.

Risk Assessment & Due Diligence

Richemont's Responsible Sourcing and Due Diligence programs have been developed in alignment with the Organization for Economic Co-operation and Development (OECD) Due Diligence Guidance for Responsible Business Conduct. Richemont applies a risk-based approach to due diligence based on the UNICEF child labour country risk, as defined in the Children's Rights in the Workplace Index. The risk assessment process is aided by ESG screening tools that are connected to international sources and standards in the fields of human and labour rights. These tools assist Richemont in identifying potential risk areas and prioritizing actions.

The level of scrutiny is commensurate with the risks, especially considering the potential exposure to the risk of child labour in the gemstone sector.

As Richemont operates on a global scale, its Responsible Sourcing program takes into account regional specificities as appropriate.

In relation to Richemont's indirect procurement categories, the Group consistently applies the risk-based approach described above.

The Group requires regular third-party audits and certifications that cover child labour and forced labour for its direct suppliers (Tier 1) as a pre-requisite.

With regards to audit and certifications, Richemont mainly leverages on the below, as described in our non-financial reporting (Influencing our Supply Chain chapter):

- **Responsible Jewelry Council:** In the space of precious materials, Richemont leverages on the RJC Code of Practices (or "CoP"), a certification system that applies to all members' businesses involved in the supply chain of precious metals, diamonds, and colored gemstones. The RJC CoP stipulates that members shall not engage in or support child labour as defined in ILO Conventions. Furthermore, the RJC's Due Diligence requirements, which are fully consistent with OECD Guidance, are an integral part of the RJC Code of Practices Standards and are mandatory for all RJC certified members.
- **SMETA audits:** Richemont is an active member of SEDEX (Supplier Ethical Data Exchange) and deploys SMETA (SEDEX Members Ethical Trade Audit) audits globally in its core supply chains. SMETA is an internationally recognized audit standard and evaluates all ESG dimensions of a company's operations, including labour rights and child labour, health and safety, environmental impact, and business ethics.
- **ISO Certifications:** ISO 14001, ISO 45001 and SA8000 are required depending on supplier risk profile.

All of the above is supported by a supply chain traceability system. The Group defines traceability and transparency as follows:

- **Traceability:** A process by which Richemont tracks materials and products through the supply chain. Traceability criteria and scope depend on the supply chain and/or the product to be traced.
- **Transparency:** Capacity to identify the name and location of all actors in the upstream supply chains up to the origin of the raw material. Transparency is one of the traceability criteria.

Grievance and Reporting Mechanisms

Richemont holds several mechanisms to identify a potential alert along its value chain. Richemont's Speak Up Platform, as described in this report, is a fundamental tool that allows employees and third parties to report concerns.

The Group complements its responsible sourcing program with a red flag management process that forms part of its early-warning risk-awareness system. Richemont identifies red flags as preliminary alerts, warnings, or indicators of potential risks. These are typically based on factors such as the geographic origin and transit route of the material, as well as the location and sourcing practices of suppliers.

Remediation Measures

There have been no identified instances of forced labour or child labour in the Entity's activities, nor any identified/reported instances of loss of income to vulnerable families that resulted from measures taken to eliminate the use of forced labour or child labour. Therefore, the Entity has not taken any measures to remediate during the reporting year.

Assessment of Effectiveness

Richemont engages in regular reviews of the policies and procedures described above to improve their effectiveness in addressing risks of forced labour and child labour.

Approval and Attestation

This report was approved pursuant to subparagraph 11(4)(a) of the Act by the Board of Directors of Richemont Canada, Inc.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the Entity. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects regarding the Entity for the purposes of the Act, for the reporting year listed above.

DocuSigned by:

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Full name: Philippe Caron

Title: AVP Operations, Richemont Canada, Inc.

Date: May 31, 2024

I have the authority to bind Richemont Canada, Inc.