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ROLEX CANADA LTD.
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Toronto, May 31, 2024

Bill S-211 Statement for Calendar Year 2023

This statement is made pursuant to Section 11 of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* ("the Act") for the financial reporting period from 1 January 2023 to 31 December 2023.

The statement sets out the steps that Rolex Canada Ltd. ("Rolex Canada", "we", or "our") has undertaken and is continuing to undertake to identify and address potential incidents or heightened risks of forced and child labour occurring within its operations and supply chains. Rolex Canada is committed to respecting and upholding the human rights of its people and other stakeholders that it interacts with during its business activities. Rolex Canada understands that its commitment to respecting human rights will support its future success as a responsible business.

Rolex Canada has a zero-tolerance approach to any form of forced and child labour. Rolex Canada is committed to acting in an ethical manner, with integrity and transparency in all business dealings.

Reporting entity details

Entity Name: Rolex Canada Ltd.
BN: 104606801
Registered Office: 50 St. Clair Avenue West, Toronto, Ontario M4V 3B7

Subsection 11(1) – Steps taken during our most recent financial year

Rolex Canada continued to be vigilant during our 2023 financial year by continuing to work with a base of established suppliers, to minimize risks of child and forced labour in our operations and supply chain beyond those already included in our existing policies and practices. As described in our disclosures pursuant to Subsection 11(3), we are firmly committed to upholding human rights and to enhancing our level of diligence across our operations and supply chain.

Subsection 11(3) – Supplementary information

a) Structure, activities, and supply chains

Structure

Rolex Canada is a Canadian Corporation registered on June 15, 1946, and is a member of the Rolex Group, headquartered in Switzerland. Rolex Canada has its head office in Toronto, Canada and does not own or control any other entity.



Operations

Rolex Canada is the exclusive authorized importer and distributor of ROLEX and TUDOR wristwatches through a carefully selected network of third-party Retailers within the Canadian market. Rolex Canada also owns and operates an After-Sales Service Centre located in Toronto that services both the Retailer network and end customers. Rolex Canada has 80 employees working in its head office and the After-Sale Service Centre.

Rolex Canada has embedded a human rights approach in its operations and supply chains through several policies implemented. These policies are reviewed by the relevant senior policy owners at least every two years.

Rolex Canada has a disbursed procurement function with various key management personnel responsible for the procurement of goods and services within their remit. Rolex Canada engages a variety of reputable suppliers for the provision of non-trade goods and services, which include, but is not limited to:

- professional services, including accounting, tax, IT and legal consulting services.
- freight forwarding and custom brokers.
- facilities design, renovation, and construction.
- event management, production and media agencies.
- property management including cleaning; and
- general operating services including utilities, telephone and internet.

Most of these suppliers are based in Canada and have been associated with Rolex Canada for many years.

Supply chains

Rolex Canada sources all wristwatches, sales accessories, spare parts, tools and equipment, promotional collateral, and display material from one main supplier, which manufactures the products itself in Switzerland. Almost 94% (by CAD value) of all transactions of goods entered into by Rolex Canada are with this supplier, which is a related entity based in Switzerland.

This supplier has a high degree of vertical integration, manufacturing and transforming many of its materials in Switzerland, including gold and stainless steel. The supplier employs a significant Swiss-based workforce for processing and production. Accordingly, the supplier is able to minimize many sourcing risks that may be associated with contracted overseas labour due to its direct supervision of labour standards as they apply to their workforce. In relation to materials which are not manufactured internally, this supplier sources many of these materials from European Union suppliers after applying rigorous selection criteria. The supplier contributes to an extensive suite of philanthropic activities¹ which include training aspiring watchmakers and programs to support labourers overseas. These endeavors emphasize the supplier's understanding of human rights and the associated risks for people who are particularly vulnerable.

In 2023, this supplier established an Alert System which is an online reporting mechanism to allow anyone to submit a report regarding potential or actual harmful effects related to the extraction and processing of ores or metals (gold, tungsten, tantalum, and tin) from conflict or high-risk zones which are often characterized by widespread human rights abuses, or child labour. The Alert System allows for anonymous reporting².

¹ More information on these activities can be found at www.rolex.org

² More information on the Alert System can be found at <https://www.rolex.com/about-roles/sustainable-development/file-a-report>.



From March 2024, the scope of this Alert System expands to the issues covered by a Sustainable Development Charter. In practice, users will therefore be able to report any justified concern regarding potential or actual harmful effects related to the respect for human rights and basic liberties, protection of the environment and sound governance.

b) Policies and due diligence processes

Actions taken to assess and address these risks

While Rolex Canada maintains an employee handbook, specific acknowledgment of workplace and supply chain risks regarding child and forced labour has yet to be added. We are now considering adding a section to the policy dedicated to raising awareness about these critical issues.

Rolex Canada has obtained confirmation from its main supplier that they have taken steps to minimize the risk of forced and child labour occurring within their business and supply chains.

Our main supplier engages with its own suppliers on potential risks of forced and child labour and is also focused on these issues within its operations. With the introduction years ago of an extensive traceability program³, it significantly increased its visibility and tracking of materials sourced from multiple locations around the globe. Its commitment to supply chain traceability and the issue of child and forced labour is reinforced by the non-financial reporting obligations in Switzerland, where this main supplier is located. These transparency reporting obligations cover minerals and metals in relation to conflict area and child labour and were applied from 2023.

Dialogue between Rolex Canada and its main supplier (and other suppliers) on forced and child labour will continue with a focus on continuous improvement as per the requirements of the Act.

Rolex Canada also adheres to all obligations regarding the payment of at least the minimum legislated wage to employees, who are also provided with safe working environments.

Rolex Canada regularly reviews its policies and procedures to ensure the highest standards are being maintained throughout its operations. Feedback from employees is regularly sought and relevant issues are acted on by the Board.

Rolex Canada continues to work with its suppliers to build meaningful relationships to promote transparency in discussions surrounding forced and child labour.

While Rolex Canada acknowledges that it may not be possible to fully investigate all activities of its suppliers, and in turn their suppliers, it continues to look for ways to support the promotion of human rights within its operations and supply chain. In the future, Rolex Canada plans to expand this process.

c) Risks of forced and child labour practices in the operations and supply chains

As outlined by the Act⁴, forced labour describes situations where offenders engage in activities that cause a person to believe their safety would be threatened if they fail to provide labour or service. In contrast, child labour refers to work performed by individuals under the age of 18 that is contrary to the laws applicable in Canada. Practices that constitute forced and child labour can include human trafficking, slavery, servitude, debt bondage, imprisonment, and non-payment of wages.

³ <https://www.rolex.com/about-rolex/sustainable-development/traceability>

⁴ <https://www.parl.ca/DocumentViewer/en/44-1/bill/S-211/third-reading>



While there are risks of forced and child labour practices in all businesses and supply chains, Rolex Canada acknowledges that the risks may be more prevalent in certain geographical regions and industries. Currently, Rolex Canada is not aware of any direct dealings with suppliers in countries that are considered high risk or with a high prevalence of modern slavery by the Global Slavery Index (GSI)⁵. As highlighted above, Rolex Canada sources most of its products from Switzerland, a country bearing the lowest vulnerability score as determined by the GSI.

As already mentioned above, our main supplier in Switzerland is highly committed to enhancing its level of diligence with its suppliers to include more comprehensive tracking of child and forced labour risks within the context of its extensive traceability program. Rolex Canada will continue to engage with this main supplier to ensure that policies and procedures are in place to minimize and address risks.

Rolex Canada also engages with other suppliers for general operating expenditure, per list included above. Whilst there may be a risk of causing or contributing to forced and child labour in these activities, we believe this risk is low and mitigated by the fact that all Rolex Canada employees and most of these other suppliers are based in Canada. This low risk assessment is consistent with the results for Canada in the GSI, where it has a low vulnerability score. To note, Rolex Canada's IT equipment and many office supplies are manufactured overseas. Since we purchase these items from Canadian suppliers, we are unable to accurately assess the associated risks or develop a clear action plan, but we will engage our suppliers to further understand their practices.

d) Remediation measures

To date, Rolex Canada has not identified or been informed of any instances of forced or child labour within our operations or supply chains. Given the relatively low risk of having forced labour and child labour in our activities and supply chains, we do not foresee at this time the need to have a specific policy for remediation in place. However, we are committed to engaging with any supplier that may be impacted in the future by an instance of forced or child labour, in which case we would discuss potential remediation measures in alignment with relevant OECD guidelines and UN Guiding Principles on Business and Human Rights.

e) Remediation of loss of income

As mentioned above, Rolex Canada has not identified or been informed of any instances of child or forced labour in its operations or supply chains, so no measures have been required to remediate the loss of income to vulnerable families. We do, however, recognize the importance of being prepared to take immediate and effective action should any issues arise in the future. If any instance of child or forced labour were to be identified in our supply chain, we would seek to engage with the impacted supplier to discuss and determine the appropriate remediation measures, including loss of income remedies.

f) Training

While Rolex Canada does not currently have any specific training in place related to child labour and forced labour, we are committed to raising awareness. We are considering the introduction of specific training content on the topic for our staff in operations and procurement departments. We will consult with our main supplier on this content to ensure alignment of policies and procedures, given their extensive efforts in supply chain traceability. Our long-term aim is to develop a team of supply chain professionals that are collectively vigilant and proactive against forced and child labour at Rolex Canada, a goal that is shared by all entities that form part of the Rolex Group across the globe.

g) Assessment of the effectiveness of these actions

Rolex Canada reviews its policies and procedures on a regular basis, at least every two years. With the introduction of Bill S-211, we are committed to enhancing our level of governance to include monitoring of child and forced labour risks in our operations and supply chain. We plan to increase the frequency of our review to yearly to align with annual reporting requirements under the Act. We will also continue to strengthen our

⁵ [Global Slavery Index | Walk Free](#)



interactions with all our suppliers, especially our main supplier, to align practices and policies and ensure that the risks of child and forced labour are considered and addressed throughout our supply chain.

Given the importance of the child and forced labour issue, the assessment of effectiveness of our policies, procedures, and actions will be the responsibility of our senior leaders.

Future actions

Rolex Canada is committed to progressing its response to forced and child labour risks and will adopt the following actions from 2024:

- Enhancement of vigilance regarding forced and child labour aspects and risk mitigation for new and existing suppliers, with a higher focus on suppliers operating in industries identified as having a higher prevalence of forced and child labour.
- Introduction of training content for our staff in operations and procurement teams.
- Strengthening of key management personnel's awareness of the risks of forced and child labour in the operations.

Approval and Attestation

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 listed above, and that it has been approved by the Board of Directors of 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 for the purposes of the Act, for the reporting year listed above.

STEFANO ERARD
Full name

S. Erard
Signature

CEO
Title

May 30, 2024
Date

I have the authority to bind Rolex Canada Ltd.