

Richemont

Model Supplier Code of Conduct

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Richemont and its Maisons relationships with all business partners - suppliers, sub-contractors and business allies - are based on fair, honest and mutually rewarding dealings contributing to high quality standards of products and services.

Richemont therefore requires that all its business partners adhere to basic ethical values and ensure the compliance of their own operations with the principles and practices outlined below. Wherever feasible, suppliers should seek to ensure that these principles are communicated to sub-contractors and suppliers of suppliers.

Labour relationships and employment practices

General principle

Suppliers should adopt and apply fair and ethical labour practices respecting internationally recognised fundamental human rights standards, including the Universal Declaration of Human Rights, all international covenants and International Labour Organisation conventions.

Healthy and safe working conditions

Suppliers will provide a safe and healthy working environment for their employees in accordance with applicable local laws and any specific regulations within industries in which they operate. Appropriate procedures should be in place to prevent accidents and injury to health arising from, linked to, or occurring during work activities or as a result of the operations of manufacturing facilities. Suppliers shall be encouraged to have a nominated health and safety representative who monitors their facilities' compliance with these requirements.

Wages and Working Hours

Suppliers should comply with local laws relative to minimum wages, standard working hours and employee benefits. Overtime hours will be voluntary and fully compensated at regular or premium rates, according to local legal requirements.

In special circumstances employees may be expected to work longer than standard hours for limited periods of time. Where this occurs, additional working hours and consecutive working days will be in compliance with the local regulations and planned in a way to ensure safe and humane working conditions.

Freedom of Association

Suppliers should not prevent employees from associating freely with any lawful and peaceful workers' or collective bargaining association. In the case where the local labour laws restrict these freedoms, the supplier is encouraged to facilitate parallel means of independent and free association and bargaining for the personnel.

No Discrimination

Suppliers should not subject any person to discrimination in employment; including hiring, wages, benefits, advancement, discipline, termination or retirement, on the basis of: race, colour, caste, origin, nationality, religion, disability, gender, sexual orientation, union membership, political affiliation or age.

No Child Labour

Suppliers will not employ persons younger than 15 years of age or younger than the age for completing compulsory education where this is more than 15 in the relevant country.

Suppliers must comply with all their local legal requirements for young workers, particularly those pertaining to hours of work, wages, health, safety and general working conditions. A young worker is defined as any worker over the age of 15 and under the age of 18.

No Forced Employment

Suppliers will not use any forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise. Forced labour should be considered to include any work or service, which is imposed under the threat of penalty for non-performance or for which overall terms of employment are not voluntary.

No Disciplinary treatment

Suppliers should not subject any person to harassment, corporal punishment, and/or threat of violence and will prohibit the use of monetary fines or any forms of mental or physical abuse, coercion, or intimidation.

Responsible environmental management

Suppliers will fully comply with local legislation and industrial regulations and should endeavour to comply with the principles outlined in the *Richemont Environmental Code of Conduct*.

Industry specific issues

Endangered or protected species

Suppliers should fully comply with special international and local regulations, for example the *Convention on International Trade of Endangered Species (CITES)*, related to the procurement, import, usage and export of raw materials sourced from endangered or protected species.

Leather finished products manufacturing

Suppliers involved in the leather tanning and finishing sector should apply within their operations the *European Leather Association (COTANCE)* policies that relate to labour rights, worker health and safety, environmental impacts and customer health and safety.

Perfumes and Cosmetic products

Suppliers involved in the perfumes and cosmetics industry will comply with the *European Council Directive 76/768/EEC*, which seeks to ensure that no harmful substances are used in such products.

Animal testing

Suppliers should adhere to the principles of *Corporate Standards of Compassion for Animals* ensuring that no animal testing is conducted or commissioned during any stage of product development or manufacture.

Product information and labelling

Suppliers will communicate honestly regarding the nature of the products they supply including raw materials, handling and disposal. All product related matters, especially regarding chemicals, GMOs or hazardous materials, will be accurately disclosed as required by local and international laws and/or commonly used standards in the industry in which they operate.

Country of origin of product components

Suppliers may be asked to provide Richemont with information as to the country of origin and the name of the sources of components and raw materials included in the products being delivered.

There will be no change to the source of components or raw materials or the location of component production without Richemont's prior written agreement.

Conflict-free diamonds procurement

Richemont adheres to responsible diamond procurement practices as a member of the diamond industry and requires all its Suppliers to fully adhere to the principles of the *World Diamond Council Resolution on Industry Self-Regulation* supporting the Kimberley Process.

The *World Federation of Diamond Bourses (WFDB)* and the *International Diamond Manufacturers Association (IDMA)*, together with their constituent and affiliated members, have created a voluntary system of diamond industry self - regulation in order to comply and support government undertakings of the *Kimberley Process Certification Scheme (KPCS)* for rough diamonds.

The principles of the diamond industry self-regulation initiatives are based on the voluntary creation of a chain of written warranties from invoice to invoice of all transactions involving the purchase and sale of diamonds and their cutting and polishing. Richemont requires all suppliers to comply with this process.

No “dirty gold” procurement

Richemont adheres to the principles of responsible gold procurement. To the extent feasible under prevailing industry practices, Richemont will request that its suppliers provide assurance as far as possible that gold being supplied has been mined in a manner which respects human and labour rights and does not inflict environmental damage, either directly or through the subsequent pollution through seepage of chemicals.

Ethical business principles

General principles

Suppliers should act according to a “spirit of trust” regarding ethical business principles. They thus acknowledge that basic business principles related to trade secrets, respect for intellectual property, sincerity, truthfulness, transparency and maintaining promises contribute to credible, stable and sustainable business relationships with Richemont and its Maisons.

Gifts and Gratuities

Suppliers should not offer to their contacts within the Group any inducements, kickbacks, bribes or other payments that may compromise the making of objective and fair business decisions.

Special regulations

Suppliers will ensure that any production, delivery or other action subject to obtaining specific governmental, legal or regulatory permissions may only be undertaken when those permissions have been granted.

Application and Compliance

General principle

Richemont expects its suppliers to communicate the principles of the Model Supplier Code of Conduct to their employees, sub-contractors and any other third parties with whom they do business so as to ensure the principles are integrated into their operations.

Operating principles

Suppliers should report all existing or potential discrepancies between their current operations and the requirements set out in this Code and provide recovery and remedial action plans for evaluation by Richemont.

Richemont purchasing staff will be trained to assess whether best practices are being implemented in terms of the procurement of raw materials and semi-finished and finished goods in accordance with this Code and may involve colleagues and third parties to assist in determining whether this code is being complied with.

Evaluation

Richemont shall be entitled to request information from its Suppliers as to their compliance with the terms of this Model Supplier Code of Conduct.

Where necessary, Richemont may require a Supplier to provide evidence of its compliance by way of independent certification.

Richemont shall have the right to have products and materials independently tested to establish whether the Suppliers are in compliance with the terms of this Model Supplier Code of Conduct.

Richemont shall be entitled to visit suppliers' production facilities and the facilities of their sub-contractors and suppliers to establish whether the terms of this Model Supplier Code of Conduct are being complied with.

Non compliance and penalties

Richemont reserves the right to terminate business relationships with any supplier who violates this Code of Conduct or whose suppliers or subcontractors violate this Code of Conduct. The terms of this Model Supplier Code of Conduct shall be included in the standard supply agreements in order to enter into the business relationships with Richemont and its Maisons.

ACKNOWLEDGMENT OF TERMS

Richemont Model Supplier Code of Conduct	
Company name	
Address	
Contact name	
Position	
Phone number, Fax number, E-mail	
Name of your contact at Richemont	
Does your company have an individual responsible for implementation of the Richemont Supplier Code of Conduct ?	If Yes, Please provide contact information
Does your company have procedures in place to meet the requirements set out in the Supplier Code of Conduct?	If Yes, Please provide a copy
Did your company identify any discrepancies between your current operations and requirements set out in the Supplier Code of Conduct?	If Yes, Please provide a copy
Does your company have a code of conduct or similar standards to which your suppliers adhere?	If Yes, Please provide a copy
The terms of the Richemont Supplier Code of Conduct are hereby accepted and agreed to on behalf of: By:	_____ ,
Signature :	
Date :	