



RICHEMONT

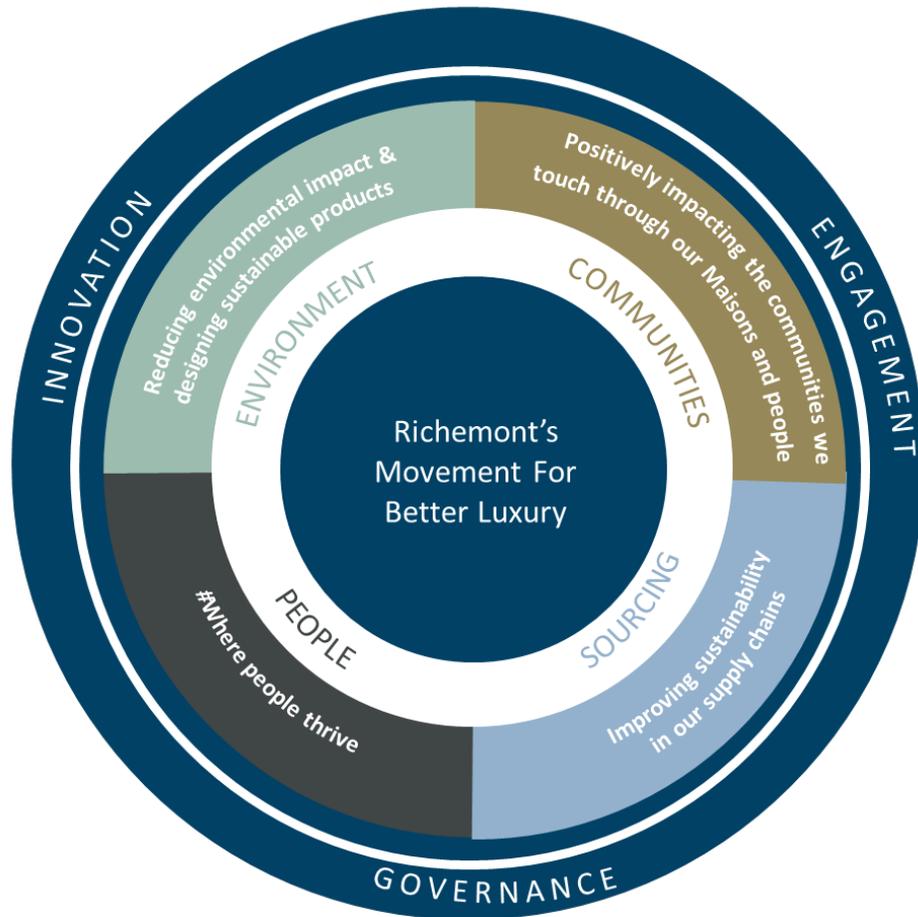
*CSR webinar
for sell-side analysts*

March 2021

All information contained herein related to calendar year 2019

Calendar year 2020 information will be released with the
2021 Sustainability Report due in July 2021

OUR TRANSFORMATIONAL CSR STRATEGY



Our '**Movement for Better Luxury**' is supported by four focus areas:

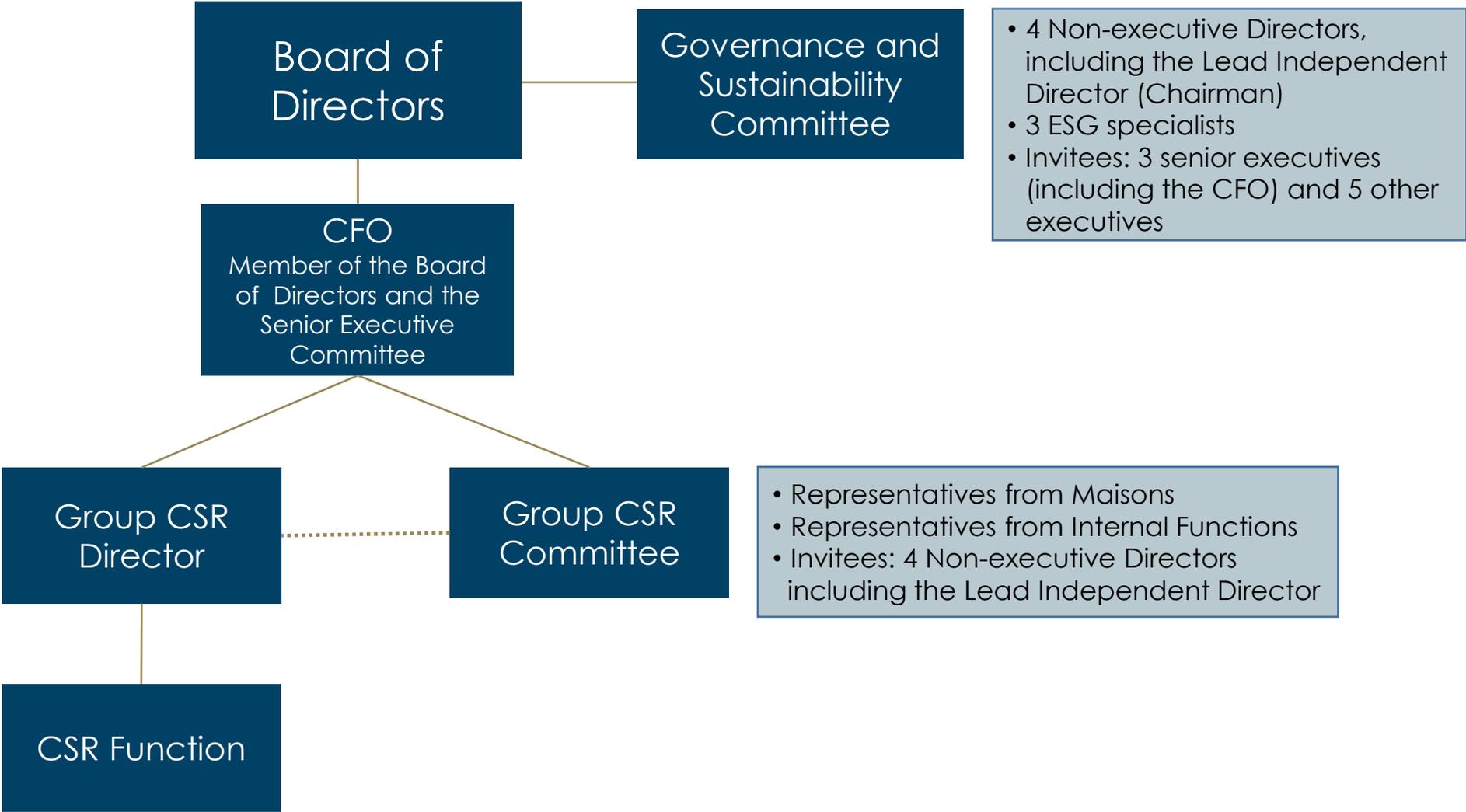
- **People**
- **Sourcing**
- **Environment**
- **Communities**

These four areas are driven by:

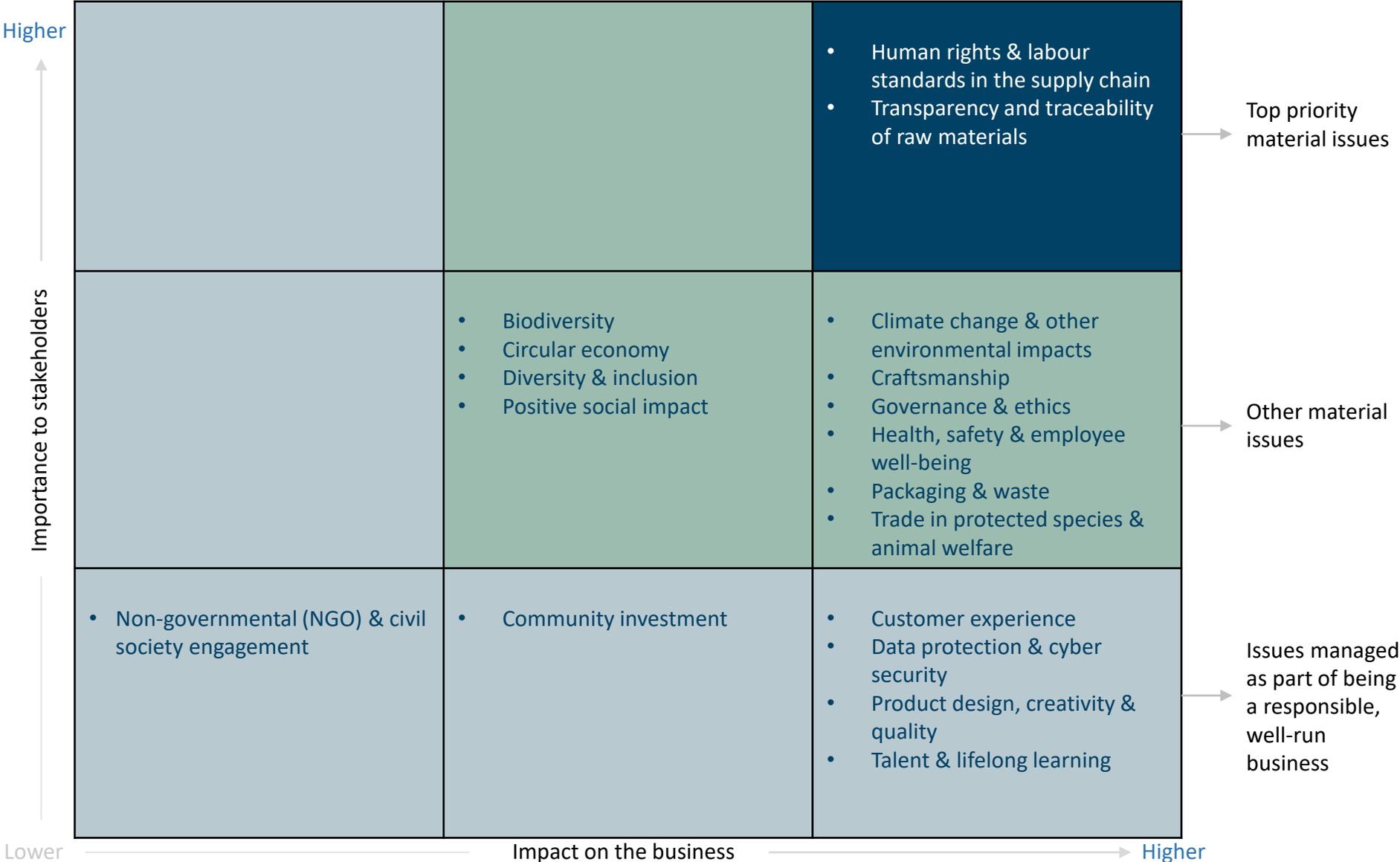
- Strong **governance**
- Active **engagement**
- Continuous **innovation** in materials and processes

GOVERNANCE

Management of CSR at Richemont:



MATERIALITY MATRIX



GEN Z MATERIALITY MATRIX



FOCUS AREA: PEOPLE

› Commitment: to offer a caring, safe and inclusive work environment where our people keep on learning, and feel empowered to act and innovate by:

- Contributing to the overall wellbeing of our employees
- Providing lifelong learning to preserve craftsmanship and enhance the employability of our people
- Promoting diversity, equity and inclusion within our workforce

66 724

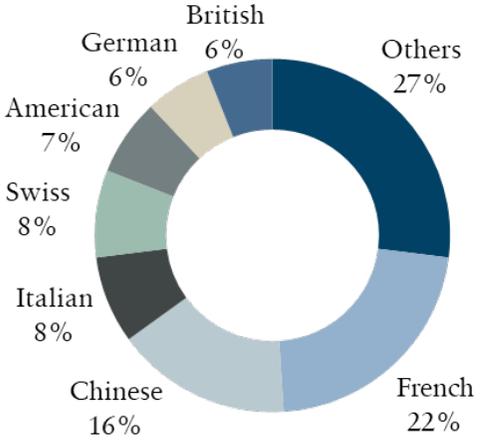
completed training sessions,
covering 46% of workforce

50%

of managers are women

c.125

nationalities working together



KEY INITIATIVES/AREAS OF PROGRESS

- › Supporting continued learning and professional development through 7 schools (incl. Creative Academy, Retail academy and watchmaking/jewellery making schools) and online L&D programmes
- › Group DEI Director appointed January 2019
 - Global DEI community: 3 regional heads, 40 DEI Champions, Group DEI Council and local DEI boards
 - Permanent seat at our Corporate and Sustainability Committee
- › Participation in the NY Fashion Tech Lab 2021 Program
- › RAISEfashion in partnership with another nonprofit, #ANTIRACISMFUND, have created a pipeline internship programme from Historically Black Colleges and Universities (HBCUs)



Retail Academy

WeCaRe

Wellbeing & Care for Richemont Employees



FOCUS AREA: SOURCING

- › Commitment: to sourcing responsibly – respecting responsible business practices, human and labour rights, animal welfare and the environment
- › We will continue to work collaboratively with industry organisations and our business partners to promote best practices across our full supply chain
 - Securing responsible practices in our supply chains and sourcing activities, with rigorous due diligence
 - Implementing transparency and traceability in raw material sourcing
 - Promoting care for the environment
 - Delivering positive social impact
- › Our long term goal is the traceability of all raw materials used in our products

Over **95%** of the gold we purchase is RJC 'Chain of Custody' (CoC) certified and comes from recycled origins, usually industrial scraps or old jewellery

We ensure **100%** of our diamonds are natural, untreated and Kimberley Process certified

C. **100%** of our Tier 1 diamond suppliers are 'Code of Practices' (CoP) certified by the Responsible Jewellery Council (RJC)

Over **90%** of the leather we use for leather goods products comes from bovine sources, and with 100% of our bovine leather being a by-product of the food industry

KEY INITIATIVES/AREAS OF PROGRESS

- › **Gold:** Varinor, the Group's wholly-owned refining entity, acts as a "centre of excellence" for all topics related to gold sourcing, giving Richemont control over its supply chain. We use OECD principles to exercise rigorous due diligence on our gold supply chains, including regular third-party audits.
- › **Diamonds:** We are working to map our Tier 2 suppliers to onboard them RJC CoP; OECD-based due diligence process, as well as a complaints mechanism to handle breaches or offenses.
- › **Coloured stones:** We have started work to ensure all of our Tier 1 suppliers for rubies, sapphires and emeralds are RJC CoP 2019 certified; OECD-based due diligence process, as well as a complaints mechanism to handle breaches or offenses.
- › **Leather:** We have partnered with third parties (BSR, Leather Working Group, ISO 14001, ICEC, ITECH and others) to define best animal welfare and environmental practices, promote traceability and monitor the network. At each stage of the supply chain (husbandry, slaughter, tannery, manufacturer), we have clear areas of focus. We are aiming to source close to 100% European cattle, up from 80% currently, to help reduce GHG emissions; audits in line with ETI standards for manufacturers at Tier 1, 2 and tanneries.
- › **Exotic skins:** We have undertaken extensive work to map, mitigate and audit the risks in our supply chain. The Group has partnered with a number of third parties (CITES, IUCN, ICFA, SARCA) to define best animal welfare and environmental practices, promote traceability in the supply chain and monitor the network. At each stage (natural habitat, farms, tanneries and manufacturers), there are clear focus areas, including projects to protect wetlands, biodiversity conservation and carbon sequestration; audits in line with ETI standards.
- › **Textiles (F&A Maisons):** "journey" has started with the launch of a Group task force to map our textile supply chain and formulate a comprehensive strategy and targets across our F&A Maisons



FOCUS AREA: ENVIRONMENT

- › Commitment: to reduce our environmental impact and design sustainable products by:
 - Embedding circularity in our products and business models
 - Ensuring a high level of environmental stewardship across all activities
 - Minimising our greenhouse gas, water and waste footprint

Carbon neutral with offsets
since 2009

Since 2010, **100%** of our new manufacturing facilities have been designed with special care for the environment

64% of the electricity used in our buildings is generated from **renewable** sources such as hydro, solar or wind

Targeting **100%** by 2025



Peace Parks Foundation, Maputo Special Reserve

KEY INITIATIVES/AREAS OF PROGRESS

› **Circularity**

- Watchfinder in market of pre-owned watches
- Focus on recycled gold rather than newly mined gold
- Timelessness of our products (passed on to generations or sold at auction houses and other platforms)

› **Carbon footprint:** committed to developing Science-Based Targets

› **Waste and water data:** committed to collect data and file CDP Water questionnaire in 2021

› **Plastic Shift Initiative:** studying types and volumes used by all Maisons with aim to reduce



Richemont joined the
RE100 initiative
in February 2021



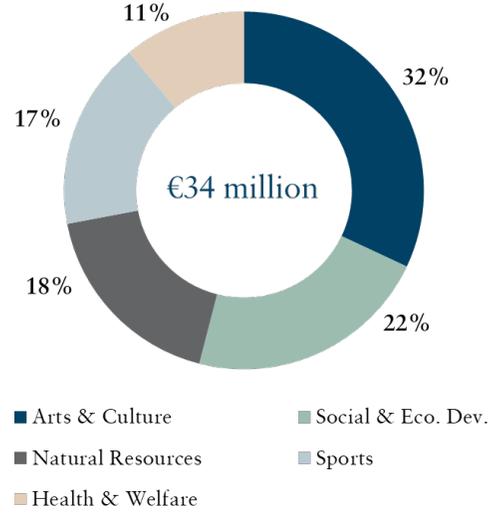
FOCUS AREA: COMMUNITIES

- › Our mission is to ensure that Richemont's global activities benefit those communities within the Group's orbit; We focus our efforts on
 - Providing support to our communities in ways that align with the values of our Maisons and businesses, and support Richemont's key investment themes
 - Collaborating with partners and measuring the impact of our programmes
 - Encouraging our people to volunteer in local communities

5 203

Hours of volunteering time by employees around the world in 2019

FY20 community spend



KEY INITIATIVES/AREAS OF PROGRESS

› Some of our foundations

- **The Michelangelo Foundation** celebrates and preserves master craftsmanship while strengthening the connection between craftsmanship and the world of design
- **Laureus** to harness the power of sport to promote social change and celebrate sporting excellence
- **Fondation Cartier pour l'art contemporain** to promote both new and world-renowned artists
- **Peace Parks Foundation** supporting sustainable economic development, the conservation of biodiversity and regional peace and stability

› Other community initiatives

- Cartier joins **Lion's Share Fund, led by UNDP**, to tackle the crisis in nature, biodiversity and climate
- Montblanc initiatives with **UNICEF** to promote children's education and literacy
- Van Cleef & Arpels developed a partnership with **Bibliothèques Sans Frontières** (Libraries Without Borders)



Laureus Sports for Good Foundation



CSR RATING AGENCIES AND INDICES

› Richemont has been rated by the following agencies

Agency	Score as of March 2021	Rank	Out of		Best in class	Comments
CDP	A-				A	Improved from B in prior year
Sustainalytics	11.3	6	174	Top 3%	NA	Improved from #3 to #2 for peers of similar market cap
MSCI	AA	2	11	Top 18%	AAA	Only one company rated AAA = Adidas in our universe
S&P Global (RobecoSAM)	26			64th percentile	87	Industry average of 31
ISS ESG	C-	19	90	Top 30%	B-	Best rated peer is at C+
Vigeo Eiris	54	4	20			Score has increased each over the last 2 years, rated "Robust"

Above information as provided by respective rating agencies

› Richemont is part of a number of ESG indices

- SXI Swiss Sustainability 25
- STOXX® Global ESG Leaders indices
- SPI ESG Select Total Return Index
- MSCI Switzerland ESG Leaders Index

TRAJECTORY

› **Commitments**

- Foundational: to be completed by 2020
- Aspirational: begin reporting progress in 2021, to be achieved by 2023
- Transformational: begin reporting progress in 2021, to be achieved by 2025

› **Sustainability continues to evolve through active stakeholder engagement**

- Disclosures steered to the Sustainable Development Goals (SDGs), including mapping of issues
- Acceleration of our project to set Science Based Targets for decarbonising our business operations
- Reporting methodology will evolve to report on gaps between GRI Standards (our current methodology) and SASB



APPENDIX

KEY AREAS OF PROGRESS IN 2019/20 - PEOPLE

Foundational	Measure	Target by December 2020	Progress to 31 st March 2020
Comply with relevant employment regulations worldwide	Local inputs External databases Compliance Officer	100%	100%
Connect all people to our Learning Management System (LMS) and the digital workplace	Local inputs LMS / GIS Reporting Google Analytics	100%	100%
“Explorer” programme for fast-track development	LMS Group HR	100%	100%
Implementation of Remote working / flexible working offer in different countries and Maisons	Local HR input Engagement Barometer	100%	100%
Roll-out the global volunteering framework and intensify volunteering activities worldwide	SAP HR Local HR input Local CSR input	100%	80%
Identify a tool to list the hazardous chemicals used within the Group and to manage hazardous chemicals safety data sheets	Tool in place	100%	100%
Identify a tool to improve incident reporting and data quality in order to obtain reliable information, including RIR (Reportable Incident rates) and LWD (Lost Work Days)	Tool in place	100%	30% - Temporary solution implemented

KEY AREAS OF PROGRESS IN 2019/20 - SOURCING

Topic	KPI	Target	Progress at March 31 2020
Supplier Code of Conduct			
Supplier Code of conduct signed - Watch/jewellery	% of purchases covered by suppliers having signed or are RJC certified	95%	96%
Supplier Code of conduct signed - Leather	% of purchases covered by suppliers having signed	95%	94%
Supplier Code of conduct signed - Marketing material	% of purchases covered by suppliers having signed	90%	86%
RJC Certifications and CSR audits			
RJC COP certification jewellery	% of purchases covered by RJC COP certified	95%	98%
RJC COP certification watches	% of purchases covered by RJC COP certified	95%	94%
Leather: all manufacturers and networks are audited	% of turnover covered by CSR audits	94%	98%
Leather: all tanneries and networks mapped	% of turnover covered by CSR audits	90%	94%
Governance			
Gold	In place Y/N	Implemented	Yes. Gold sourcing committee
Leather	In place Y/N	Implemented	Yes. Leather CSR committee
Diamonds	In place Y/N	Implemented	No. In progress
Colored stones	In place Y/N	Implemented	No. Starting

KEY AREAS OF PROGRESS IN 2019/20 - COMMUNITIES

Foundational	Target by December 2020	KPIs	Progress at March 31 st 2020
Communities Toolkit	Update and share the <i>Communities Toolkit</i> with all relevant stakeholders.	done/ not done	100% done
Communities Policy	Share and communicate the <i>Communities Policy</i> with all relevant stakeholders.	done/ not done	100% done
Communities Themes	Review existing community investment-related Maison initiatives and advise on the strategic alignment of themes with objectives.	done/ not done	Work in progress 25%
	Work to develop Communities themes.	done/ not done	100% done
Group Volunteering	Validation of the <i>Volunteering Framework</i> .	done/ not done	80%
	Support in raising awareness of the <i>Volunteering Framework</i> .	done/ not done	Once validated
	Research and propose a way forward for the improvement of volunteering reporting.	done/ not done	70%
Communities Forum	Reconvene the Communities Forum, a platform for the sharing of information, ideas and CSR updates.	done/ not done	100% done

KEY AREAS OF PROGRESS IN 2019/20 - ENVIRONMENT

Foundational	Target	Measure	Progress to 31st March 2020
Establish a waste taxonomy, including plastic	All industrial sites	done/not done	100% completed
Inventory of systems in place for waste recycling	All industrial sites	done/not done	0% completed
Implement Energy Management checklist	Group HS&E audits (20 p.a.)	done/not done	25% completed
Reduce plastic in branded packaging	Monitoring of branded packaging & Action plan	Yearly consumption by category & documented plan	80% completed

RICHEMONT

At Richemont, we craft the future

Buccellati • Cartier • Van Cleef & Arpels •

A. Lange & Söhne • Baume & Mercier • IWC • Jaeger-LeCoultre • Panerai • Piaget • Roger Dubuis • Vacheron Constantin •

Watchfinder & Co. • NET-A-PORTER • MR PORTER • THE OUTNET • YOOX • ONLINE FLAGSHIP STORES •

Alaïa • AZ Factory • Chloé • dunhill • Montblanc • Peter Millar • Purdey • Serapian