

EMBASSY

Corporate Social Responsibility



Embassy-Kirchhofer Group strives to operate in a responsible and conscious manner regarding business, environment and social matters. Our corporate policy looks to embrace the responsibility we have vis-à-vis our Colleagues, our Business behavior and our Environment:

- **Our Colleagues:** Our core business is focused on international luxury travel retail in watches, jewelry, cosmetics and leather goods. In our stores, our employees come from all over the world, speak more than 20 languages and have different cultures and religions. In that context, we strive to ensure that the rights, the needs and unique contributions of every member of our diverse teams are respected and valued. We are providing the best experience for our customers and believe that the satisfaction of our employees will be our best asset to meet our client expectations to the highest level.
- **Our Environment:** We are committed to decrease our impact on our environment by improving constantly our behavior and take active measures and policies to improve our ecological-footprint.
- **Our Business Behavior:** We are committed to act in a responsible, fair and ethical way in regard to our business behavior. We are sensitive regarding the respect of our competition and our suppliers. We also have a special concern regarding conflict of interests and anti-bribery.

Implementation of the ESG (Environmental, Social, Governance) policy:

All our employees are expected to strive for these beliefs, and it is upper management's responsibility to address any gaps in demonstrated and desired behaviour.

To ensure that we keep challenging ourselves in our efforts to contribute to a sustainable and future-proof world, as outlined in this ESG policy, we will conduct an annual review. In this review, we will strive to integrate sustainability in all our business aspects, in line with the views expressed in this ESG policy. If there is a material breach in the adopted ESG policy, reasonably necessary actions will be made to rectify any such breach. The ESG policy shall be reviewed by the board of directors of the Company on a yearly basis and will be discussed in order to evaluate future progress and ambitions on that topic.

OUR COLLEAGUES

Our colleagues are the most important resource to ensure the success of our business. We strive to ensure our colleagues with the most transparent and equal treatments and enable their personal development by providing them with appropriate support and tools.

LEARNING & DEVELOPMENT

A wide range of training and development programs are worked closely with our brand partners to ensure that our colleagues are true experts in our category. Our collaborators can also get language or other relevant courses if necessary to increase their skills in their duty.

RECOGNITION & CELEBRATION

Our attractive motivation and incentive program rewards not only the individual but as well the team performance on a monthly basis.

We also celebrate achievements across the employee population during our annual Christmas party or special store events and celebration during the course of year.

WORKFORCE INVOLVEMENT

During bi-monthly management meetings, store managers are relaying the workforce comments, suggestions and issues, which will be listened, treated and, if necessary, comprehensive action plans will be defined and followed up.

EQUAL OPPORTUNITY POLICY

We promote an Equal Opportunities Policy and we believe we have an opportunity to be inclusive and encourage diversity within our workforce. Our recruitment process allows people with disabilities to have fair and equal access to employment opportunities. We make reasonable adjustments to roles and environments to accommodate disabled applicants and for employees who become disabled while employed.

CODE OF CONDUCT

We have put in place a robust Code of Conduct, ensuring ethical trading practices are adhered to. Compliance with the Embassy-Kirchhofer Group Code of Conduct is mandatory in order to engage in business with us.

There are 7 key policies in our Code of Conduct related to the protection of our colleagues:

1. No discrimination policy
2. Office and Workplace security
3. Drugs, Alcohol Abuse and Smoking
4. Workplace Hostility
5. Abuse
6. Sexual Harassment
7. Bullying and Mobbing

In case of breach of our code of conduct by employees, management or third parties, a whistleblowing system called “The Embassy-Kirchhofer whistleblowing process” is available in order to enable employees or third parties to report freely any wrongdoings practices or abuses.

OUR BUSINESS BEHAVIOR

We strive to adopt a business behavior based on ethical and honest practices with our business partners or clients. Compliance with the Embassy-Kirchhofer Group Code of Conduct is mandatory in order to enter in a business relation with us.

FAIR TREATMENT OF OUR CLIENTS

We commit to treat our clients in a fair way. As the demand for luxury products can be higher than the supply, a guideline with clear criterias / rules has been created to ensure a transparent product allocation to end customers. keeping in mind their purchase history to enable an objective selective registration into our waiting lists as per our “official customer selection guideline”.

All our client data will be treated carefully and confidentially, in accordance with national data protection laws.

LEGAL COMPLIANCE

The Company and all employees will pay particular attention to national and international competition rules including, but not limited to, those rules relating to price fixing and collusion. Collusion is defined as a secretive agreement between parties for a fraudulent purpose with a view to profitable gain.

PERSONAL INTERESTS

The Company and all employees commit to avoid any conflict of interests and must be very diligent in discerning the nature of gifts or any privileges either from clients or suppliers. Full transparency must be ensured and communicated either to the employee’s line manager or reported to our whistle blowing line (as per our Group’s whistle blowing policy).

There are 10 key policies to our Code of Conduct related to the respect of our business behavior:

1. Donation of Gifts & Gratuities
2. Unlawful Competitive Behavior
3. Competition Compliance
4. Unsuitable Sales Practices
5. Data Protection
6. Legal Compliance
7. Responsible Expenditures
8. Fraud and Theft
9. Personal Interests (Conflict of Interest)
10. Bribes

SOURCING OF DIAMONDS

The Embassy-Kirchhofer Group is sourcing from watch vendors who are following the Kimberley Process (KP), a certification scheme established in 2003 to prevent conflict diamonds (also known as blood diamonds) from entering the mainstream rough diamond market. The United Nations defines conflict diamonds as: "Diamonds that originate from areas controlled by forces or factions opposed to legitimate and Internationally recognised governments". The KP scheme requires guarantees of diamond origin through the supply chain (www.worlddiamondcouncil.org).

OUR ENVIRONMENT

The Embassy-Kirchhofer Group confirms its involvement to global environmental protection and understands the importance of incorporating environmental issues within its business decisions and activities.

The Embassy-Kirchhofer Group acknowledges the potential for serious environmental impairment which could arise from its operations if these are not always carried out in an environmentally responsible manner.

Recently, we have introduced several initiatives to increase the focus on sustainability of our business. We will continue to move towards a more structured, systematic, transparent and measurable environmental program.

Our commitments:

- Endangered species: We occasionally sell products made from specialist skins and exotic woods. Vendors are obliged to provide us with products complying with the international laws and industry regulations.
- Our contribution to reducing climate change: We will quantify the electricity, used in our business and develop and implement an action plan to achieve year-on-year reductions.
- Minimising waste: we continue to take steps to reduce packaging in our supply chain and increase the re-use and recycling of materials.
- Sourcing energy from green sources only.
- Further collaborating with accredited environmental management system (ESG) is most appropriate for our business and aligning our program accordingly.
- Specialist skins: A small number of our products use animal skins, which is usually restricted to watch straps. Our watch strap manufacturers only source skins from farmed sources and conform to the relevant international laws that include the Convention on International Trade in Endangered Species (www.cites.org).
- Product packaging: At the warehouse and distribution level, paper, cardboard and space filling are re-used and/or recycled.