



Our Journey to
**SUSTAINABLE
LUXURY**

SUSTAINABILITY REPORT 2023

Chopard

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FOREWORD

Chopard is a family Maison that has been handed down from generation to generation. Our family heritage and independence since 1860 serve as a valuable foundation, and sets us apart in the watch and jewellery industry, as we became the Artisan of Emotions.

While we may be part of an industry that is steeped in history and tradition, this doesn't prevent us from moving forward and embracing sustainability and change. At Chopard, contemporary luxury needs to be ethical and sustainable. We are proud to be part of this changing industry and to be able to demonstrate our commitment to respecting people and nature, particularly in the areas where we work.

It's these themes that run through our first sustainability report, in which we are proud to showcase the work we are doing to address the impacts of our operations and support all the people that have helped make this such a successful Maison. While the report is voluntary, we see it as vital preparation for upcoming regulations, such as the Corporate Sustainability Reporting Directive (CSRD) and part of our commitment to reporting clearly and transparently on the actions we are taking.

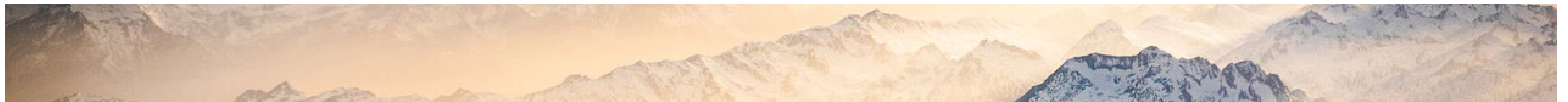
The pursuit of sustainable luxury is a collective endeavour, and we must combine innovation with collaboration if we are to bring about change across the whole industry. At the same time, we must maintain and safeguard the know-how that is such a crucial part of our industry, the savoir faire that is so important to the future of watch and jewellery making.

Guided by these principles, we will source, create and innovate more responsibly thanks to our sustainability strategy: rethinking our products, engaging our employees and acting collectively.

Our Journey to **S U S T A I N A B L E** **L U X U R Y**



Caroline & Karl-Friedrich Scheufele Chopard Co-Presidents



1

Chopard *Our Journey to* **S U S T A I N A B L E** **L U X U R Y**

We began taking actions to help create a more sustainable luxury sector many years ago, conscious of our impact on the environment, and our responsibility to the many thousands of people who work for us around the world. We have taken a proactive stance in the sector, from our early membership of key industry groups such as the **Responsible Jewellery Council** (RJC), to our pioneering commitment to ethical gold and our work on the recycled Lucent Steel™.

Today, we are continuing to take an artisan's approach to environmental and social changes based on **creativity, ambition and humility**. We are committed to creating products and services, and developing new solutions, so that together with partners and peers, **we can build a more sustainable luxury sector**. We continue to take conscious actions and face up to our responsibilities, ramping up both internal and industry-wide initiatives that drive change across our sector.



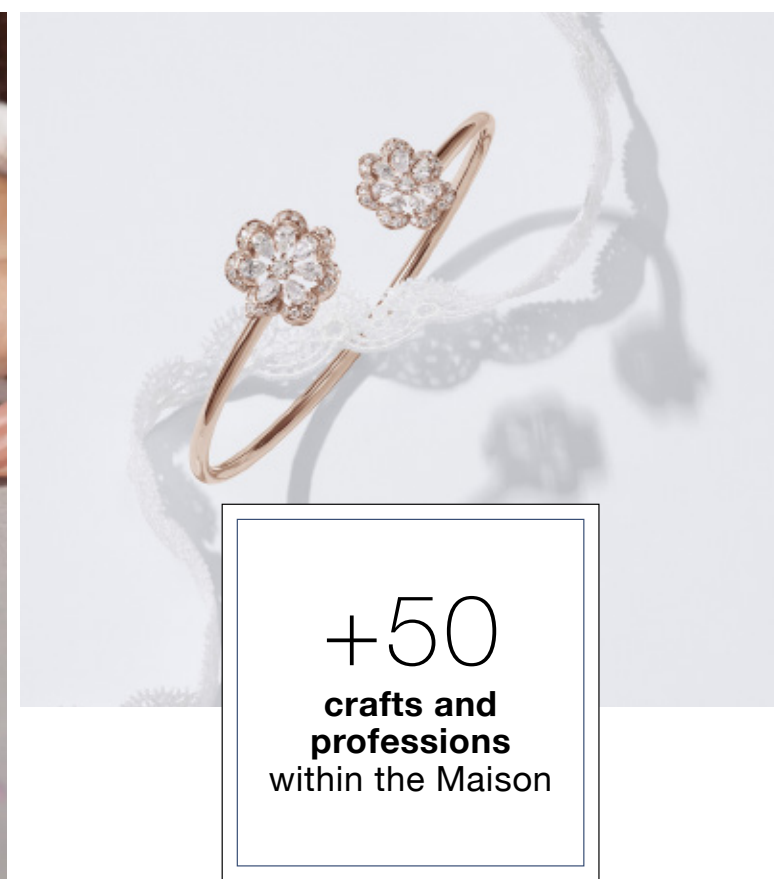
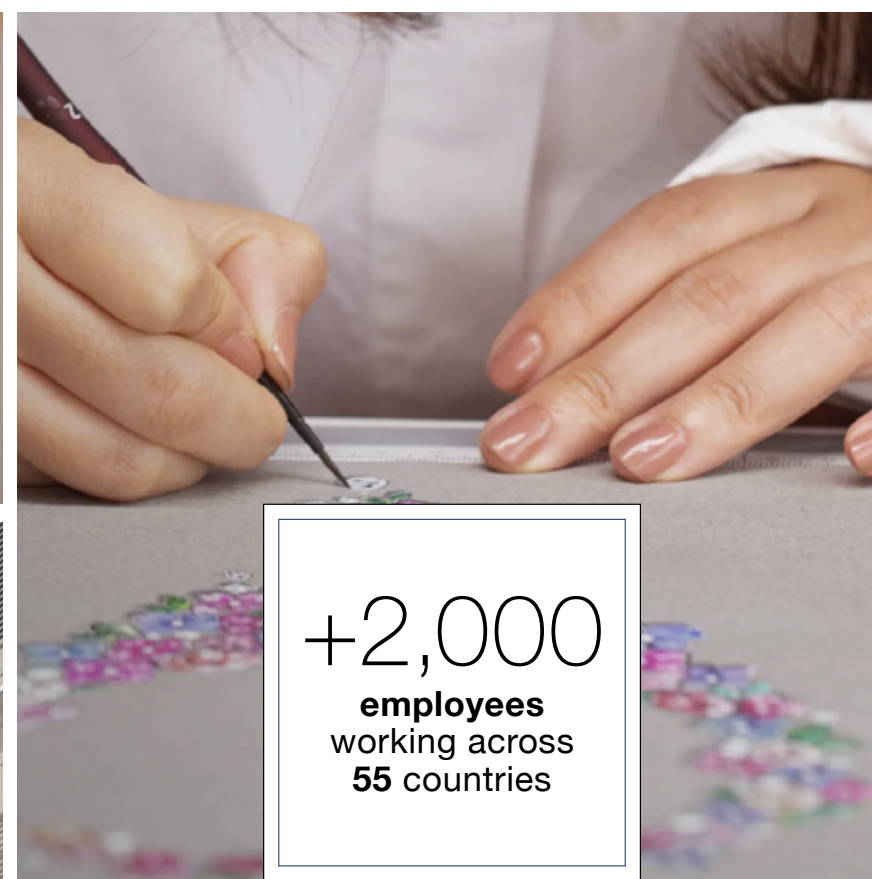
ABOUT CHOPARD

Chopard is a Swiss manufacturer of luxury watches, jewellery and accessories. Founded in 1860, the family-run Maison is headquartered in Geneva, with production sites in Fleurier, and the German town of Pforzheim, as well as 14 global subsidiaries. The Maison also has a network of over 155 boutiques around the world.

The Scheufele family embodies history, tradition and stability, and this has helped us maintain our Maison's strong commitment to craftsmanship and savoir faire and allowed us to celebrate over 50 time-honoured crafts and professions within our workshops. The Maison's business strategy is one of **vertical-integration**, which means we can take direct ownership of the production process. This is central to our sustainability strategy, as it gives us far greater control over what we do, and how we do it. It also means that everything sold by Chopard is **handcrafted in-house**, while our foundry, where we can reprocess metal scraps and create our own alloys, further helps us to maintain our independence as a business.

ABOUT THIS REPORT

This is our first sustainability report which covers our activities around watches, jewellery and accessories. All our key indicators, including our KPIs and table of our impacts, risks and opportunities linked to the relevant ESRS, can be found in the appendix.



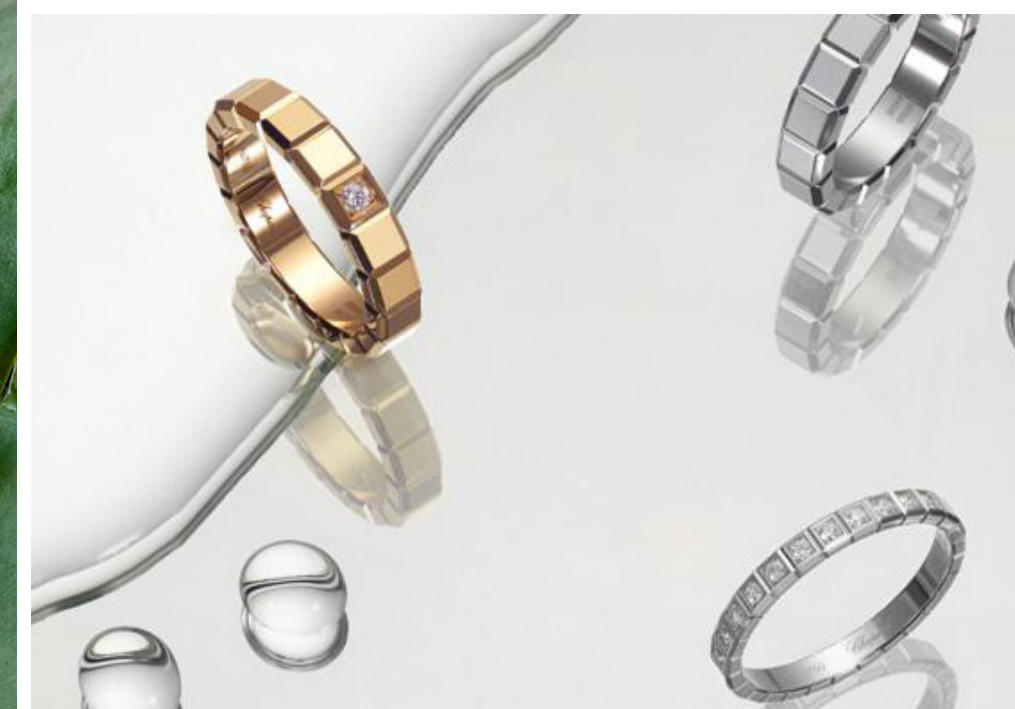
Chopard

100%
of Chopard
creations
handcrafted
in-house



10
iconic creations

- Happy Sport
- Happy Diamonds
- Happy Hearts
- Ice Cube
- Precious Lace
- L'Heure du Diamant
- Imperiale
- Alpine Eagle
- Mille Miglia
- L.U.C



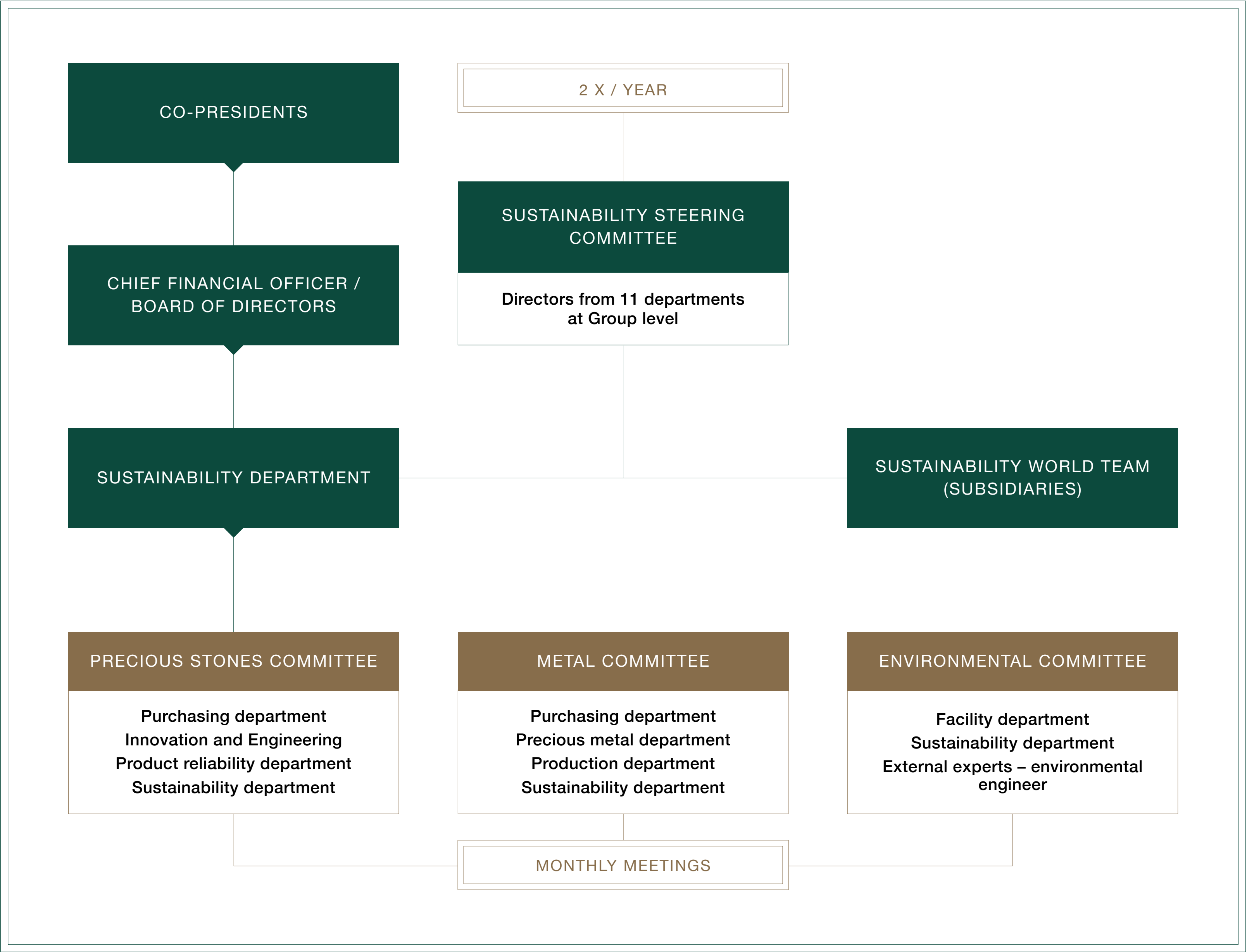
OUR GOVERNANCE

As a family Maison, we have no external investors and no shareholders to report to, which gives us the **flexibility and agility** to govern and control what we do, and how we do it. Our sustainability strategy is validated by our Co-Presidents, and our Head of Sustainability reports to the Chief Financial Officer, who is a member of the board.

To ensure that the Maison and its top management stay on track with its ambitions, we have set up a **Sustainability Steering Committee**, which includes directors from **11 departments at Group level**, which meets twice a year. The Sustainability Steering Committee plays a significant role in guiding and overseeing our initiatives and strategic targets.

The **sustainability department** links with employees responsible for the implementation of the sustainability strategy in each of our subsidiaries, helping to define the Maison’s sustainability strategy and ensuring compliance with the Responsible Jewellery Council (RJC).

There are monthly meetings with relevant experts to discuss issues and challenges around precious stones, metal and our environmental footprint. These **working groups** allow members to monitor actions and related indicators, ensure that we are on course to achieve our agreed objectives and take strategic decisions.



OUR BUSINESS MODEL

Our business model is centered on vertical integration, allowing us to carry out a significant portion of our operations manually. It is a model that gives us greater control over costs and production, in turn delivering a better product, greater customer service and far better insight over our use of natural resources and environmental footprint.

A clearly defined business model, which shows how a company is addressing risks and opportunities around sustainability, as well as taking into account the interest of all stakeholders, is an important reporting element of the new CSRD, against which we are preparing to report in 2026.

In this report, we have linked the relevant European Sustainability Reporting Standards (ESRS) to our commitments and to the actions we are taking to reduce our impact.

OUR RESOURCES

Human resources

2,100 total employees 49% women among all employees and 41% among managers	Working in our departments: Watch / Jewellery / Accessories R&D / Distribution & Retail Customer service Support functions
57 nationalities	

Financial Independence

Stable and independent family shareholding:	100% family owned-business
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Industry and know-how

2 production sites in Switzerland and 1 in Germany	More than 50 trades and professions within the Manufacture
+10% of total employee workforce dedicated to customer service	± 45 apprentices trained each year in our 3 training departments

Natural

Greenhouse Gas Protocol used to measure our carbon footprint	80% of our manufacturing gold scraps are reprocessed in our internal foundry
~50% of significant suppliers certified/audited against recognized standards (SMETA, RJC, LWG, etc.)	100% of precious metals RJC certified or Swiss Better Gold accredited.
100% of our metal scraps are recycled	Lucent Steel™ made with a recycling rate of at least 80%

Vertical Integration

Location of production plants (local craftsmanship)	700 points of sale and 14 subsidiaries worldwide 155 boutiques
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OUR ACTIVITIES OUR VALUE CHAIN

R&D / Ecodesign

We have made ecodesign part of a holistic vision of our products' lifecycle, avoiding short-term wins for solutions that are sustainable over the long-term.

Sourcing

We see responsible sourcing as a powerful tool to tackle global issues such as climate change, biodiversity loss and poverty. By working with our suppliers to assess their sustainability performance, we can also help to drive continuous improvements.

Transformation / Production / Manufacturing

Our production and manufacturing processes have developed over time in order to minimise the impact they have on the environment. This includes our commitment to using ethical gold, and our own Lucent Steel™, made with a recycling rate of at least 80%.



Jewellery



Watches



Accessories

Distribution / Sales

We have a network of over 700 independent points of sale, as well as 155 boutiques, ensuring that our watches and jewellery are available to buy in person, all over the world.

After-sales service

We carry out over 70,000 repairs every year in our network of 45 global service centres. It is part of our vision that our watches and jewellery are passed on from generation to generation.

OUR VALUE CREATION

For employees

45 apprentices	9 mandatory training courses assigned globally to Chopard's population in the framework of the campaign "Together for Sustainable Luxury"
Awarded Geneva canton prize for the best training company in the Technical Centre category	More than 350 e-learning modules delivered to the employees

For customers

Our integrated manufacturing capacities allow us to repair even our vintage watches and jewellery creations	+70,000 products service and care
Average processing time within our service center is shorten as much as possible to 10 to 20 calendar days	5 years product warranty

For suppliers and partners

Quarterly workshops on our responsible sourcing programme with the purchasing team	Responsible Purchasing Charter renewed in 2024
	965 of active suppliers of which 100% have signed our Responsible Purchasing Charter

For the environment

SBTi : carbon reduction targets verified and validated carbon reduction plan aligned with the 1.5° trajectory and validated by SBTi	1 Foundation promoting protection of ecosystems and biodiversity in the Alps
85% of the energy we use is renewable	1st Luxury Maison to join Climate Group's SteelZero for carbon-neutral steel by 2050
-47% CO ₂ eq since 2013 related to energy consumption in our Swiss production sites	

For society/communities

+3,000 direct beneficiaries and +15,000 indirect beneficiaries in the mining communities from the premium paid on artisanal gold	schools in areas impacted by natural disasters
Partner with All Hands and Hearts helping to rebuild safe, resilient	Partner with José Carreras Leukemia Foundation to support research in the treatment of this disease

OUR SUSTAINABILITY APPROACH

Contributing to building a more sustainable watch and jewellery sector

“
Our first sustainability report is designed to communicate transparently how we manage our impacts on communities and the environment.”

Pauline
Head of Corporate
Sustainability



As environmental issues and societal changes intensify, natural resources are becoming increasingly scarce and the threat to specific regions and ecosystems that depend on them is greater than ever. It's against this backdrop that luxury goods stakeholders must transform their practices to ensure they remain within the limits of the planetary boundaries.

This, our first sustainability report, is designed to communicate transparently how we manage our impacts on the communities and the environment where we operate. It is also an important document as we prepare to comply with a raft of new, emerging standards and regulations, most notably CSRD.

But while this may be the first time we have detailed our work on sustainability in black and white, it does reflect the results of several decades of pioneering thinking and actions around sustainability. It also shows that we have always been driven by ambition, not simply the need to comply with legislation.

As well as our own internal efforts to act both ethically and responsibly, the report also details the way in which we are engaging with our stakeholders, from working with our suppliers to create more visibility across our supply chains, to working with industry peers to make sustainability as important to the luxury goods sector as quality and beauty.



Focus

HOW WE ACKNOWLEDGE AND ACCOUNT FOR OUR IMPACTS

A combination of mandatory legislation and voluntary self-regulation is ensuring that companies are now more accountable for the impacts of their purchasing and production activities. We are following initiatives such as SBTi and RJC to guide our businesses and help us to develop robust environmental, social and governance (ESG) policies. The external scrutiny they bring is also an important way of strengthening trust with our customers and other stakeholders.

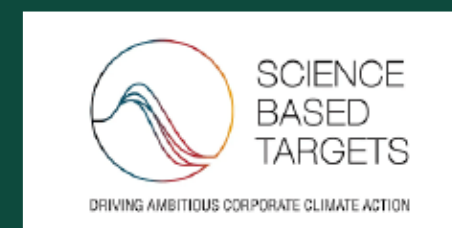


IN THIS REPORT,
WE HAVE LINKED
THE RELEVANT **ESRS**
TO OUR COMMITMENTS
AND TO THE ACTIONS
WE ARE TAKING TO
REDUCE OUR IMPACT.

Corporate Sustainability Reporting Directive (CSRD)

CSRD is a European directive that applies to approximately 50,000 companies worldwide, dependent on their turnover, assets and size of workforce. It requires them to provide more detailed non-financial reporting and implement an ambitious climate strategy.

We have signed up to CSRD and believe it will act as an important external guide for the business, helping us to verify our processes and progress, bringing greater credibility to our commitments and helping us to continuously improve. Central to CSRD are the European Sustainability Reporting Standards (ESRS) which set the structure and disclosure requirements on which companies need to report.



Science Based Targets initiative (SBTi)

SBTi is a corporate climate action organization that enables companies to set targets for reducing greenhouse gas (GHG) emissions, using a scientific calculation methodology, aimed at limiting global warming to +1.5°C in line with the Paris Agreement. We committed to the initiative in 2022 and were proud to announce the validation of our near-term targets in 2024.


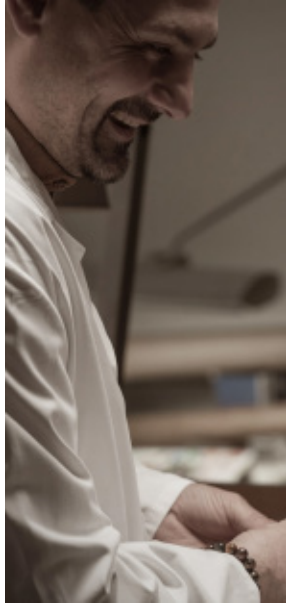













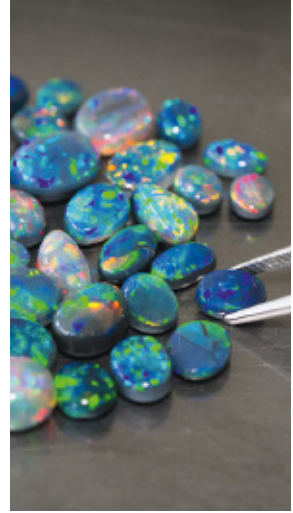


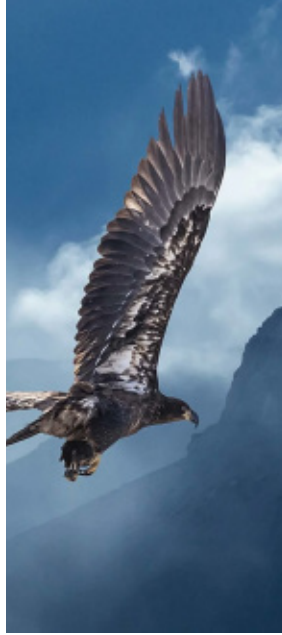

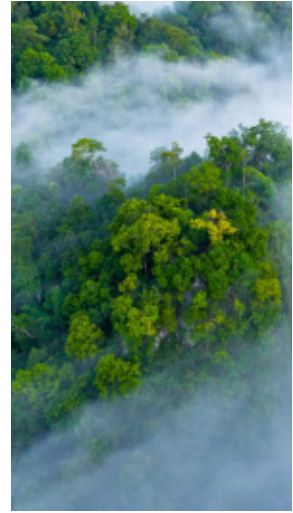
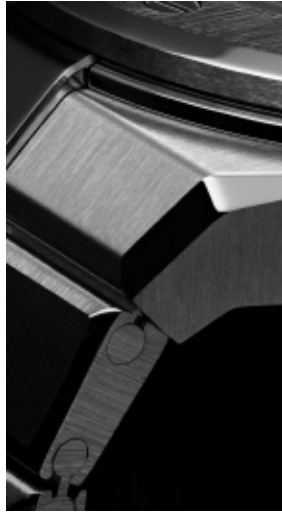



Responsible Jewellery Council (RJC)

The RJC's mission is to promote and certify best practices in the precious metal, diamond and coloured gemstone supply chains, from mining to retail. We became member in 2010 and were certified in 2012, meaning that our entities (manufactures, subsidiaries and boutiques) must comply with 27 provisions covering business ethics, environmental management, social aspects, supply chain due diligence and product disclosure.

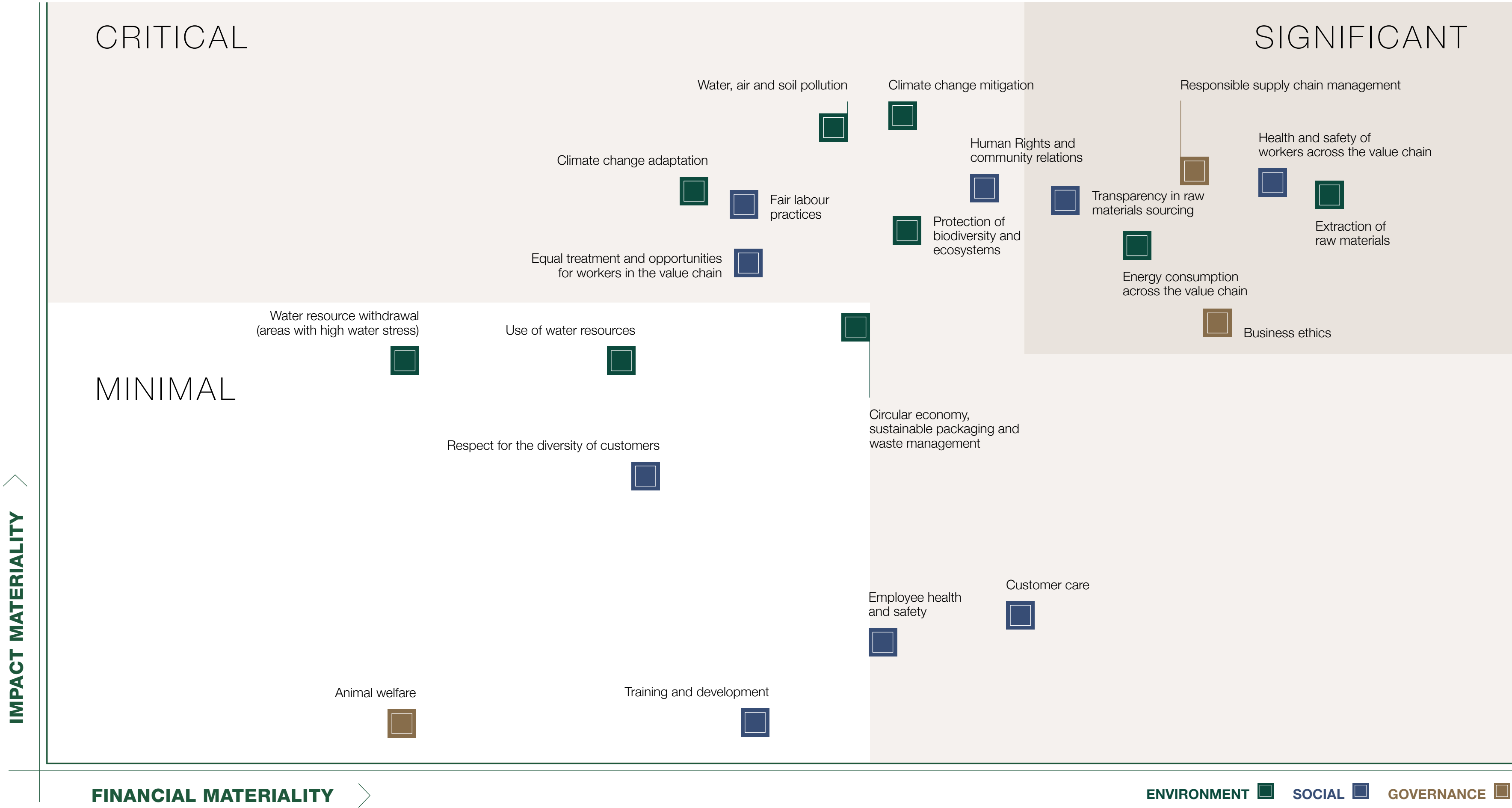
KEY
SUSTAINABLE
MILESTONES

For nearly 50 years we have been making a difference, from early ideas of circularity and reusing gold scraps in our inhouse foundry, to creating watch and jewellery with precious metals and stones that we strive to source from more ethical and transparent supply chains. We are proud that these actions have underpinned our sustainability strategy for so long, and we are continuing to push the boundaries of what is possible when it comes to sustainability and the luxury sector.

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1978	1980	2010	2012	2013	2014	2017	2018	2019	2020	2021	2022	2023	2024
Opened our own in-house foundry allowing us to reprocess and reuse reuso gold scraps, to make our own gold alloys.	Opened the first of three Chopard training departments dedicated to teaching watch and jewellery making skills.	Signed a three-year partnership with the WWF to support the ‘Tigers Alive Initiative’ , a conservation project to protect tigers from extinction. Joined the Responsible Jewellery Council (RJC) , a non-profit organisation promoting responsible business conduct from ‘mine to retail’.	Awarded our first RJC certification and launched our Sustainable Development roadmap.	Unveiled our multi-year commitment Journey to Sustainable Luxury. Joined the Alliance for Responsible Mining (ARM) . Launched our Green Carpet Collection, made from Fairmined-certified gold, and diamonds sourced from RJC-certified suppliers.	The Cannes Film Festival Palme d’Or award is made from Fairmined-certified gold .	Joined the Swiss Better Gold Association .	Chopard commits to 100% Ethical gold. 100% of the gold we use is certified Fairmined or RJC Chain of Custody (CoC) , or accredited by Swiss Better Gold.	Joined the Coloured Gemstones Working Group (CGWG) .	Partnered with the Swiss Better Gold to source gold from Colombian artisanal gold panners the Barequeros , one of the most environmentally-conscious gold mining operations in the world.	Launch of the Alpine Eagle Foundation .	Commit to the Science Based Targets initiative (SBTi) , as a step towards becoming carbon neutral by 2050.	Launched Lucent Steel™ watches , with a recycling rate of at least 80% and local circular loop manufacturing. Became the first luxury Maison to join the Climate Group - SteelZero and commit to use only carbon-neutral steel by 2050.	Launch of the Precious Territories environmental commitment programme.

DOUBLE MATERIALITY

Materiality looks at how ESG risks and opportunities impact on an organisation’s financial performance, but without looking at how the organisation affects society and the environment. A Double Materiality Assessment (DMA) goes a step further, by assessing the potential impact of these factors on society and the environment. In 2023 we undertook our first DMA as a key part of our preparations for reporting to the Corporate Sustainability Reporting Directive (CSRD), a framework that is driving sustainable change across the EU.



IMPACTS

EXTRACTION OF RAW MATERIALS

For precious metals and stones, with the risk of shortages.

ENERGY CONSUMPTION THROUGHOUT THE VALUE CHAIN

Energy sources and consumption linked to the extraction of raw materials, the operation of production sites, packaging, product transport and distribution outlets.

HEALTH AND SAFETY FOR WORKERS IN THE VALUE CHAIN

Ensuring that employees in the value chain enjoy a healthy and safe working environment, free from injury and illness.

TRANSPARENCY IN RAW MATERIALS SOURCING

Providing end customers with total transparency on the origin of the raw materials used in the various products and on production methods.

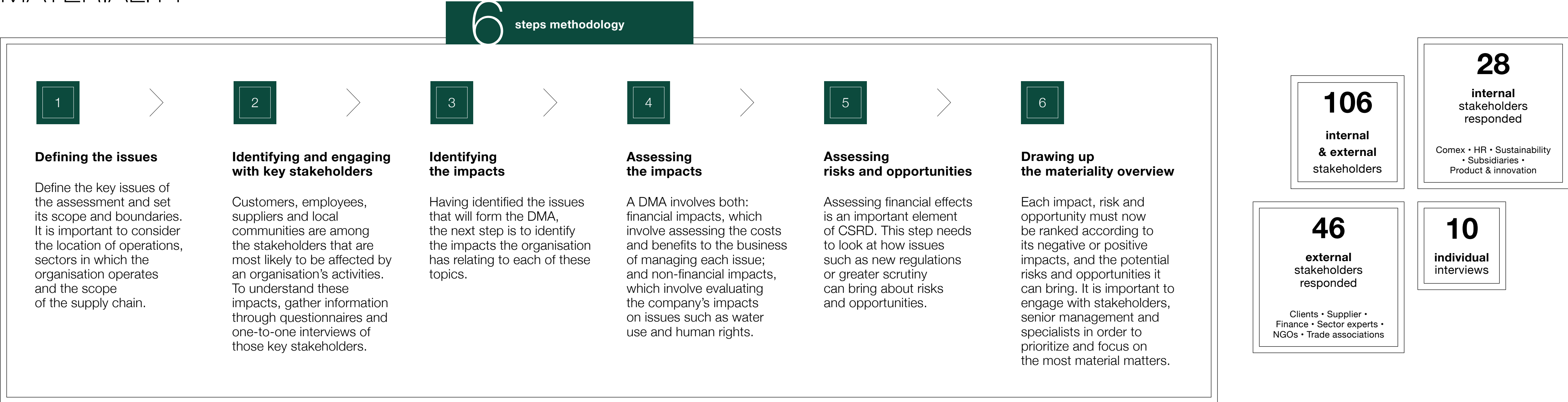
RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Managing social and environmental risks within its supply chain, preventing and mitigating potential negative impacts on the environment, human rights, labor practices and ethical business behavior, by screening, selecting, monitoring and engaging with suppliers.

BUSINESS ETHICS

Ensuring ethical business conduct, including compliance with all applicable laws and regulations, management of risks related to fraud, corruption, bribery, money laundering and facilitation payments, fiduciary responsibilities, etc. and approach to ensuring transparency, accuracy and intelligibility of business statements, advertising and labeling.

DOUBLE MATERIALITY



OUR SUSTAINABILITY STRATEGY

Based on collaborative workshops, we have redesigned our sustainability strategy to define new ambitions and ensure that we remain a Maison at the forefront of creating a more sustainable luxury sector. The workshops proved a driving force across the company, engaging all our internal departments and bringing together artisans, managers, technical experts and partners.

We take an artisan’s approach to tackling the environmental, social and societal challenges of the jewellery and watchmaking industries. We embrace a message that is at once committed, humble and ambitious, reflecting the work that has been done over the last 10 years to change our practices. Step-by-step, along with our partners, we are creating new products and services and imagining new solutions, **based around a roadmap of three commitment pillars:**



OUR TARGETS

ECO DESIGNING OUR PRODUCTS

ESRS E1 / E5
ESRS S4

ENSURING MORE RESPONSIBLE SOURCING

ESRS E2 / E3 / E4 / E5
ESRS S3
ESRS G1

REDUCING OUR CARBON FOOTPRINT

ESRS E1

WORKING WITH THE INDUSTRY

ESRS E1
ESRS S2 / S3
ESRS G1

PRECIOUS TERRITORIES

ESRS E2 / E3 / E4

2024 – 2030

Ecodesign methodology and **pilot projects** for Watches, Jewellery and Accessories.

Life Cycle Assessment (LCA) on all Watch & Jewellery Life cycle assessment (W&J), accessories best-sellers and on **boutique New Concept**.

2024 – 2030

100% of our significant suppliers will be certified, or in process of being certified.

Lucent Steel to contain **90%** recycled steel.

100% of our diamond traders source directly from certified cutting centers with digital traceability to the rough stone.

Concerning watch leather straps and accessories:

100% of declared bovine origins (farms) will be European.

100% of tanneries will be certified against **Leather Working Group (LWG)** or an equivalent standard.

2024 – 2030

Scope 1 & 2: reduce absolute GHG emissions to **55%**.

Scope 2: increase active annual sourcing of renewable electricity from **85%** in 2023 to **100%**.

Scope 3: reduce absolute GHG emissions from employee commuting by **25%**.

Scope 3: 80% of our suppliers by emissions, covering purchased goods and services, will have science-based targets.

2024 – 2030

Maintain a minimum threshold of **70%** of our global gold supply from accredited artisanal mines through the **Swiss Better Gold** partnership.

In alignment with the **Climate Group's SteelZero**, procure at least **50%** of our steel from steelmakers that have set a long-term and a near-term science-based reduction target.

2024 – 2030

Regenerate and restore ecosystems and biodiversity linked to our upstream supply chain risks.

Contribute to the protection of **Alpine ecosystems**, through our Foundation Alpine Eagle.

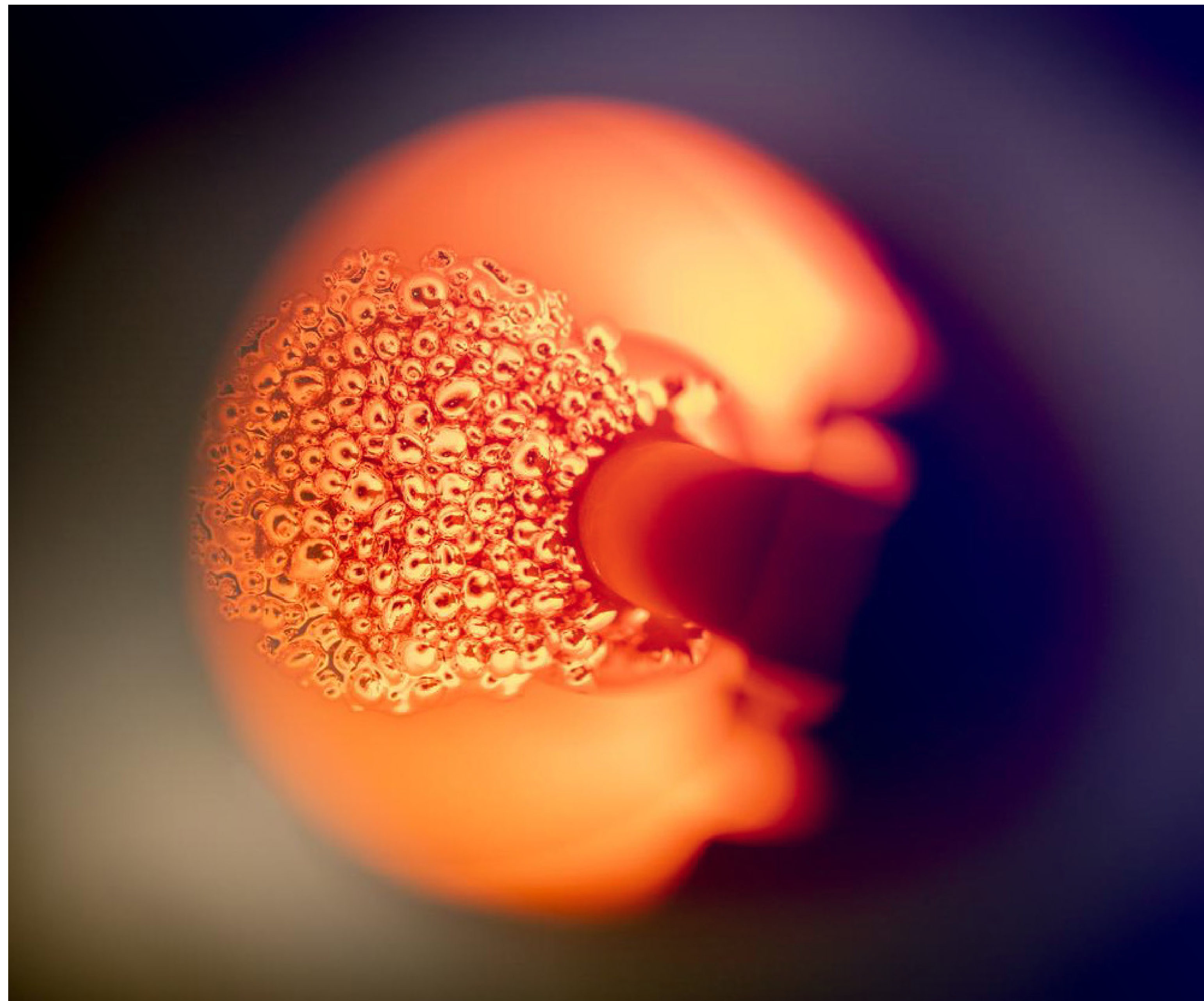
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RETHINKING OUR PRODUCTS & TRANSFORMING *our Value chain*

2023 was the hottest year on record, with global temperatures close to the 1.5°C limit set out in the Paris Agreement, and the global economy is now operating outside the safe zone for six of the nine planetary boundaries.

It raises questions about a new relationship with luxury that includes transparency, traceability of materials, working conditions, breeding and extraction, but also the integration of recycled materials, greater repairability and the alignment between sustainability and luxury.

We owe it to ourselves to act, out of a sense of responsibility and to meet the expectations of all our stakeholders. Our philosophy has always been to create exceptional products that are both aesthetically pleasing and sustainable. Today, with our pioneering spirit, we are going even further to reduce our impact and rethink the way we create.



ECO DESIGNING OUR PRODUCTS

ESRS E1 / ESRS E5 / ESRS S4

We are committed to innovating and designing products that limit their impact on people and the environment throughout their lifecycle; this is the essence of ecodesign.

BRINGING ECODESIGN INTO OUR WORKSHOPS

Resources are being extracted by businesses 1.75 times quicker than the natural replenishment rate¹. The best way in which to avoid these future impacts is by intervening at the earliest possible stage in the design process of a product or service. This is why we have integrated ecodesign principles into our creative processes, and applying the **Life Cycle Assessment (LCA) method** on the materials we use in our boutiques and some of our creations. By 2027, we are planning on conducting LCA on our boutique New Concept, all watches, jewellery creations, and accessories best sellers.

Our approach aims to bring **cyclical, multi-criteria thinking into product development**, considering the impact of materials we use, and how they are sourced.

It also looks to optimise production in terms of energy efficiency and material circularity, as well as considering distribution, the use, and the end-of-life of the product.

This upstream approach to design helps find the best balance between all the competing aspects of design, namely the environmental, technical and economic requirements.

While our long-term goal is to integrate eco-design into all product developments, it is by targeting our best-selling products that we can have the greatest initial impact. By completing the LCA for our Ice Cube jewellery collection, for instance, we were then able to use the information to identify hot spots and plan for actions to reduce the impact along the value chain.

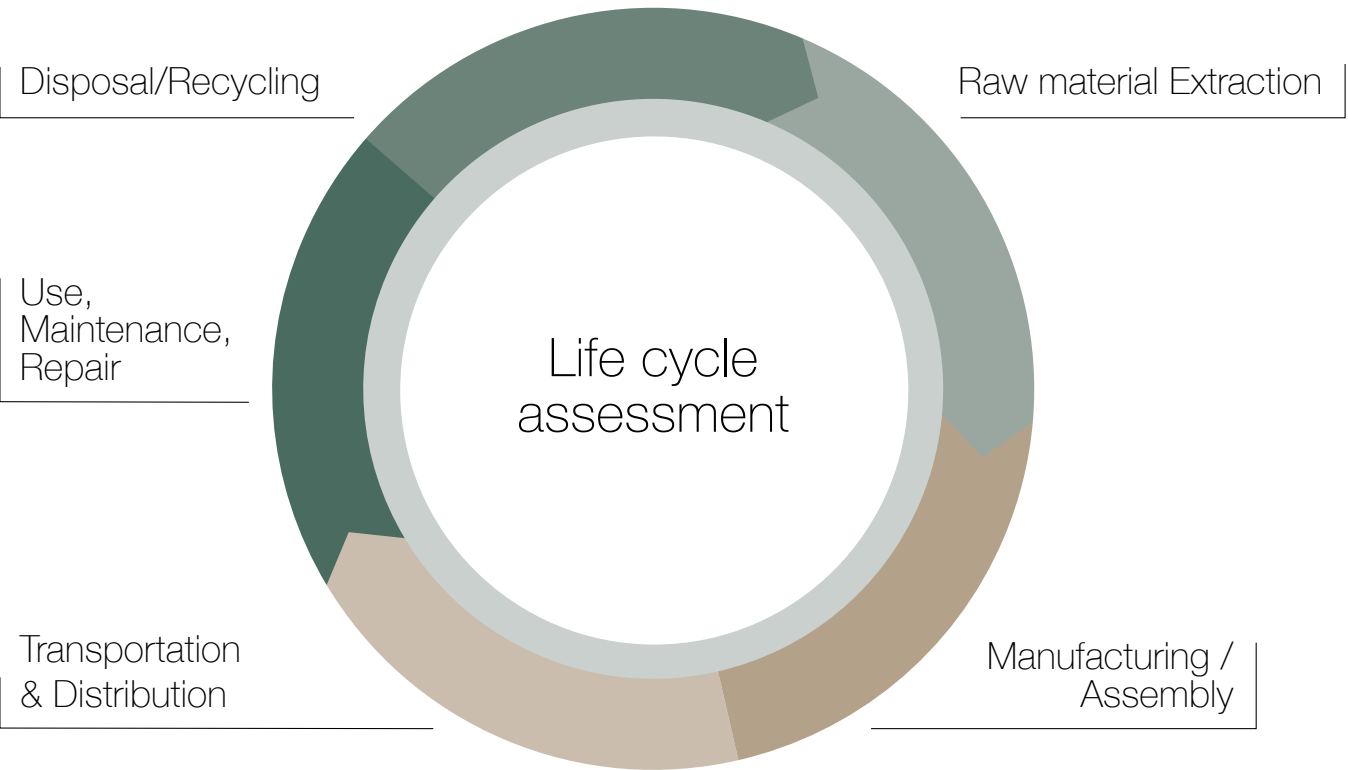
We are working on several **pilot projects** too, including the ecodesign of our corporate packaging and the construction and renovation of our boutiques.

Training our teams on the principles of ecodesign and the circular economy is key. We engaged with ecodesign experts, with specialisms in areas such as resource efficiency and embedding circularity, to conduct a workshop for departments across the business, from marketing to R&D. We also provide the R&D and product development teams with e-learning training module on ecodesign and circular economy.



OBJECTIVES	
2023 Ecodesign Pilot Projects for Packaging and Retail. LCA on one Jewellery Collection, the best-sellers Ice Cube.	2024 – 2030 Ecodesign methodology and pilot projects for Watches, Jewellery and Accessories. Life Cycle Assessment (LCA) on all Watch & Jewellery assessment (W&J), accessories best-sellers and on boutique New Concept.

1. Source: Global Footprint Network



QUESTIONS TO Xavier

Customer Service Group Director at Chopard



What’s the Chopard thinking on repairs?

Our philosophy is that a **Chopard product never dies**, we are always able to repair it, to fix it, or to transform it. Luxury products such as a Chopard watch or piece of jewellery are the type of items that are passed on through the family, which is why we carry out over **70,000 repairs a year**, from **re-sizing**, to **general maintenance**, such as **cleaning** and **polishing**.

Where are the repairs carried out?

We have **45 global service centres** as part of our strategy to carry out repairs locally, rather than sending everything back to Geneva. This speeds up the service but more importantly, it avoids unnecessary emissions caused by shipping.

Is this commitment to repairs a big challenge?

The service centres are regularly repairing watches that were last manufactured over 40 years ago. But thanks to a policy of over-producing some of the intricate movements and mechanisms, we can ensure there is usually a sufficient stock. Of course, if we do run out of a particular component, we have skilled craftspeople who can **make the necessary piece from scratch**.



Ice Cube bangles

Focus

REDUCING THE IMPACT OF RETAIL

For several years, we have been introducing new sustainable initiatives to many of our Boutiques. Led by internal architecture teams in our main subsidiaries, we are now formalising this journey by introducing ecodesign principles to all our new Boutiques and showcases in all geographies, from the US to Europe and Asia.

Local sourcing

Natural stone facades and oak parquet flooring are both key features of our Boutiques. For sustainability reasons, instead of shipping the materials all over the world, we aim to source on a more local basis and cut the high CO₂ emissions involved in their transportation.

We are also assessing the way in which any remaining materials are transported, with a switch to shipping from aviation producing 80% fewer emissions and at a far lower financial cost.

Reduce aviation to the minimum and optimise the mix of shipping by sea, by road or by rail.

Alternative materials sourcing

We have run through all the materials used in our Boutiques with environmental experts (DSS+), to identify the best sustainable options. For instance, we have used brass fixtures and fittings, in our Boutiques. Brass is an alloy of copper and zinc and has a large carbon footprint, both from its extraction and its production. To avoid these emissions related to brass fixtures and fittings of our Boutiques, we are using alternatives such as recycled brass, as well as adding a bronze finish to materials such as steel and wood.

Additionally, for wall cladding, we are also investigating ways to replace synthetic leather, another material that causes high CO₂ emissions during production.

Energy efficient

We have been using LED lighting across all our stores for many years. As well as being 80% more efficient, it has a much longer lifespan and produces much less heat, which means less energy is needed for in-store cooling. We have also introduced a more ecological refrigerant (R-32) in our cooling system, with a greenhouse warming potential (GWP) that is three times lower than the coolant we previously used (R 410-A). It is also easier to recycle and can lead to a 10% reduction in energy consumption.

80%
of our boutiques
run on renewable
energy



Chopard boutique Vendôme,
Paris

Chopard boutique,
KaDeWe, Berlin

ENSURING MORE RESPONSIBLE SOURCING

ESRS E2 / ESRS E3 / ESRS E4 / ESRS E5 / ESRS S3 / ESRS G1

Responsible sourcing is a complex issue in the luxury sector as we source various materials from international supply chains, such as precious metals, diamonds and coloured gemstones. At Chopard, we define responsible sourcing as procurement that has the greatest possible environmental, social and economic impacts over the entire life cycle and that aims to minimise negative impacts (human rights and environmental risks).

We consider responsible sourcing as a powerful process to tackle current global issues in our supply chains, such as climate change, biodiversity loss, deforestation, human rights and poverty, as well as daily operational business challenges, while also creating opportunities for business growth, through long-lasting partnerships and business continuity.

OBJECTIVES

2023

52% of our significant suppliers are certified, or in the process of being certified.

80% of recycled content in our Lucent Steel in 2023. From facilities within 1,000 km of our Swiss manufacture.

100% of our loose diamond suppliers have been audited by a third-party firm on traceability.

Concerning watch leather straps and accessories:
82% of declared bovine origins (farms) are european.
75% of tanneries are certified against LWG.
100% of alligator farms are certified against animal welfare standards and from US origin.

2024 – 2030

100% of our significant suppliers will be certified, or in process of being certified.

Lucent Steel to contain 90% recycled steel.

100% of our diamond traders source directly from certified cutting centers with digital traceability to the rough stone.

Concerning watch leather straps and accessories:
100% of declared bovine origins (farms) will be European.
100% of tanneries will be certified against Leather Working Group (LWG) or an equivalent standard.

SHINING A LIGHT ON MORE RESPONSIBLE SOURCING

As part of our sustainability strategy, we have implemented a **Responsible Sourcing Program (RSP)** with a central commitment to improving traceability, transparency and impact across our supply chain.

We have structured our RSP around 3 pillars:

1/ Know the Supply Chain
In an industry with complex supply chains such as jewellery and watchmaking, risk areas need to be screened from the bottom up to identify, prevent and mitigate negative human rights and environmental impacts.

In 2023, we introduced a tailored- made, online **Supplier Management Platform** (more p. 32) to efficiently manage due diligence across our supply chain. The platform allows us to record all information on our supply chain due diligence, measure our supply chain's performance, compliance and risks against specific indicators tracked on a dashboard, and is helping us to continuously improve our systems and sourcing strategy.

To conduct this risk exercise, we have aligned our **Supply Chain Due Diligence System** with the OECD's five-step Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

Our system covers the **three main categories** of risks in our in our value chain which we have identified as having the potential to lead to negative impacts on communities, indigenous people, employees, or the environment:

- Governance
- Human Rights
- Environment

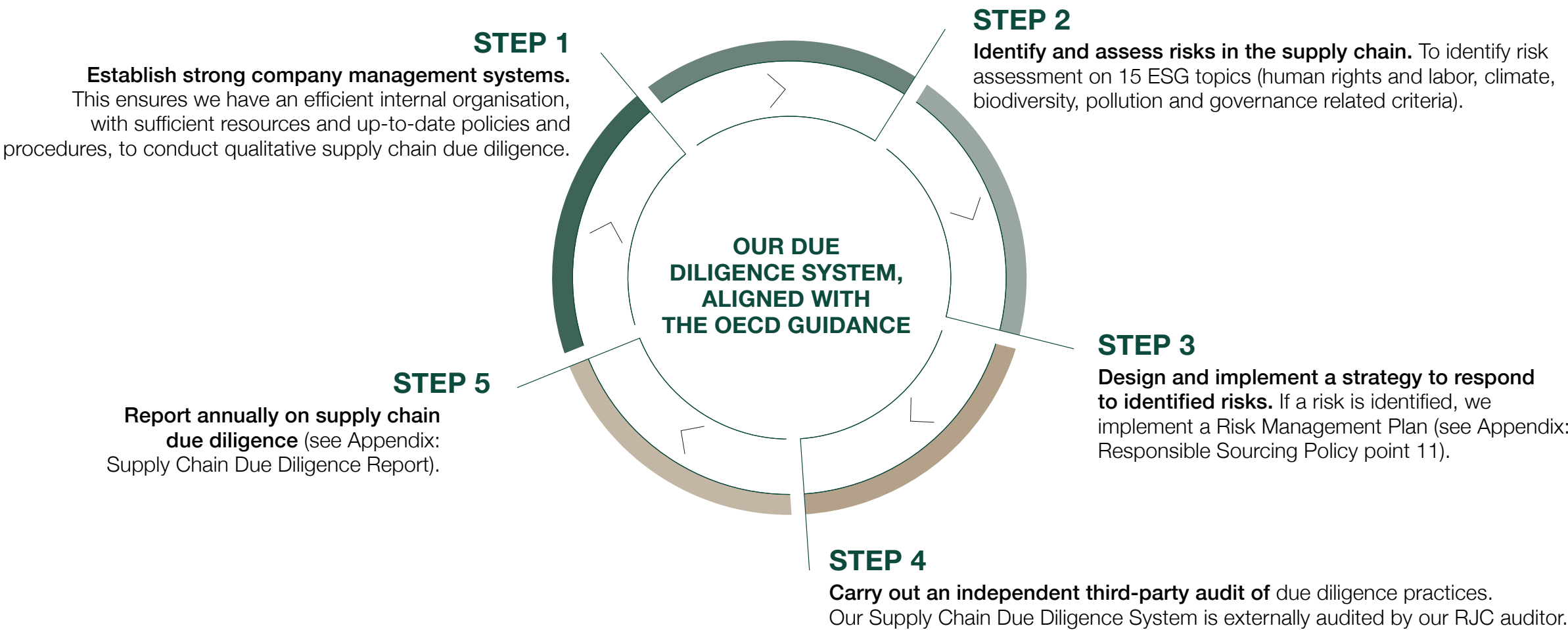
The **five-step system** evaluates our suppliers using a risk-based approach, and allows us to focus on priority topics, and more effectively tackle potential negative impacts.

2/ Shape the Supply Chain
We work with our suppliers to help them continuously improve their sustainability performance and shape the materials and services they provide. This helps to minimise the social and environmental footprint of our activities.

We ask all our suppliers to comply with several principles, such as our **Code of Conduct for Suppliers**, and for significant suppliers to go through regular third-party audit (SMETA or certification schemes such RJC or LWG).

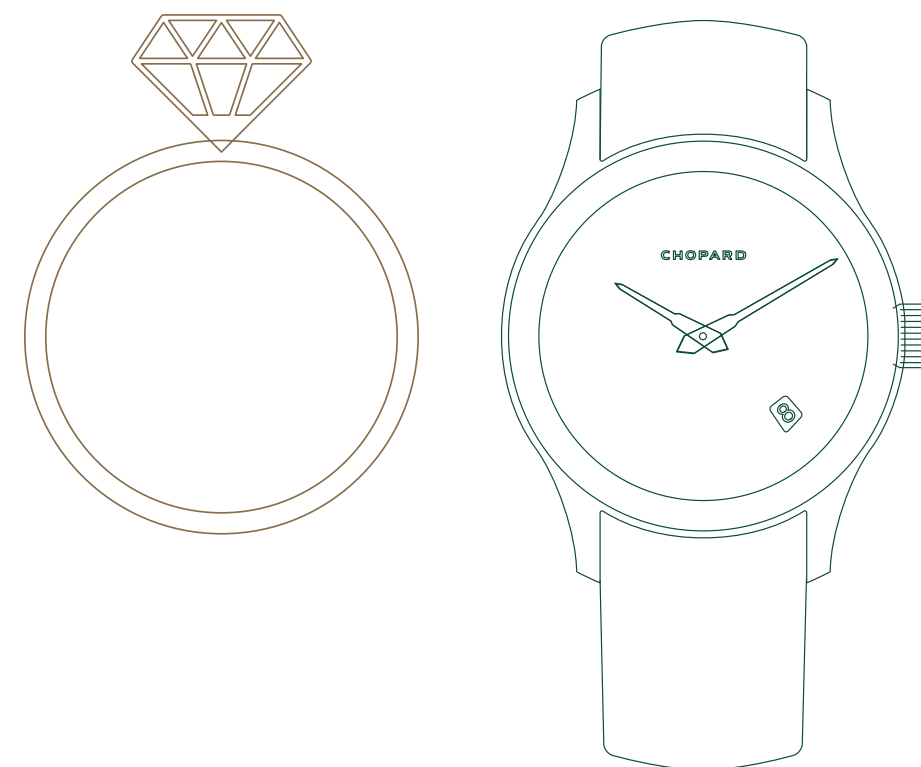
We help suppliers to improve their own practices by offering advice and access to specialist tools and consultants. We are also constantly looking to challenge our pool of suppliers and explore opportunities to work with companies that share our commitments to quality, innovation and sustainability.

3/ Drive Impact in the Supply Chain
By driving impact in the supply chain, we want to improve the **social impact in mining communities** (our work to address environmental impacts is covered under our Precious Territories programme). Partnerships with specialist organisations and trade associations are essential to developing scalable solutions and solving industry problems (see partnership section).



WHERE WE SOURCE OUR MATERIALS

We are committed to creating transparent, certified, local supply chains wherever possible, and look to source materials with a high recycled content, and engage with the artisanal mining communities that supply our precious materials.

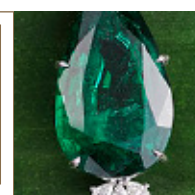


We are currently working on mapping our titanium, brass, and copper supply chain and increasing recycled rate where feasible.

Chopard

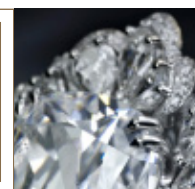
Coloured Gemstones'
are from RJC certified suppliers

46%



Diamonds
are from RJC certified suppliers

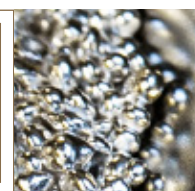
87%



Fine Palladium & Silver
are from RJC CoC certified materials.

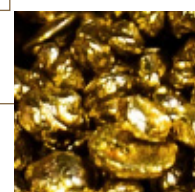
Type of sources: pre-consumer and post-consumer palladium and silver refined in Switzerland and Germany

100%



Fine gold
from artisanal and small-scale SBG accredited gold mines in Colombia and Peru

64%



100%

Gold

Fine gold
RJC CoC certified materials

Type of sources: pre-consumer gold (40%) and post-consumer gold (60%) refined in Switzerland and Germany

36%

Alligator Leather

from farms certified for their high animal welfare standards based in the USA

100%

97,5%

handled in Leather Working Group (LWG) certified tanneries

Rubber from synthetic origin

Made in Switzerland and in the European Union

Bovine Leather

supplied by LWG certified tanneries

75%

82%

of declared bovine origins (farms) are European

Lucent Steel™

recycled content sourced less than 1000 km from manufacture

Scraps and Steelmaking origin: Switerland, France, Italy, Germany, Austria

80%

Fine platinum

is sourced from accredited platinum artisanal miners "barequeros", or from RJC CoC certified sources.

Sapphire Crystal

Swiss made

100%

SUSTAINABLY MINED AND ETHICALLY-SOURCED

Gemstones and precious metals are mined in over 50 countries. Today, approximately **20% of gold, and 80% of coloured gemstones comes from artisanal and small-scale miners (ASM)**. The ASM generates employment and income for over 44 million workers worldwide, supporting around 100 million people, including families and service providers. The cutting and polishing industry employs small and family-run businesses, and our industry plays an important economic role in many developing countries, supporting thousands of people worldwide.

This is the reason why it is so important for us to face up to our responsibilities by continuing to support these ASMs, something we have been doing for those working with gold for over ten years. The impact can be substantial, from introducing new methods of technical assistance, creating social impact projects that bring benefits to local communities, and action on environmental issues, from preventing environmental accidents, to reforestation and supporting the transition to renewable forms of energy.

Impact is an essential component of our sustainability strategy, but sourcing from ASMs also brings other benefits, such as the full traceability of our raw materials. By being able to ensure the authenticity of precious materials, and confirm they do not come from dubious or illegal sources, our consumers know the exact origin of the materials, enhancing trust and transparency throughout the supply chain.

70%
of our fine gold
sourced from
accredited artisanal
mines through the
Swiss Better Gold
partnership in 2023.



Barequera, Chocó,
Colombia



Chopard Ethical Fine gold 999.9,
Gold Foundry, Meyrin

ZOOM ON ETHICAL GOLD

Since July 2018, all our workshops have used **100% ethical gold**, which meets the highest international environmental and social standards. In 2023, our ethical gold came from two sources:

Artisanal gold: 64% comes from artisanal and small-scale mines (ASM) accredited by Swiss Better Gold, an initiative that has been supporting less impact extraction processes and improved living and working conditions for over 5,000 miners and gold panners in Peru and Colombia since 2017.

SBG SWISSBETTERGOLD

ASM gold uses relatively simple methods of extraction and processing. Accredited ASM gold is essential to our sourcing strategy as it allows us to have full traceability, while also contributing to a positive socio-economic and environmental impact. We do not source from large scale industrial mines.

Certified RJC CoC Gold: 36% is sourced from Swiss and German refiners, and certified against the RJC chain-of-custody (CoC) so that we can ensure the authenticity of sources.

RJ RESPONSIBLE
JEWELLERY
COUNCIL

“

Artisanal gold is a very complex sector but we're proud to be able to say that despite the challenges, the majority of our gold is now mined this way. It's has also been great to see the impact that we have had on small mining communities in Colombia and Peru, and the real difference that a business like Chopard can have by taking a responsible approach to how it sources its raw materials.

”

Ruben

Lead Buyer at Chopard



Barequera,
Chocó,
Colombia



3

QUESTIONS TO

Theo

Chopard's Manufacturing Manager



What's the history of the foundry?

In 1978, Chopard had the vision to become **one of the first watch and jewellery manufacturers** to build its own foundry - it's our little jewel.

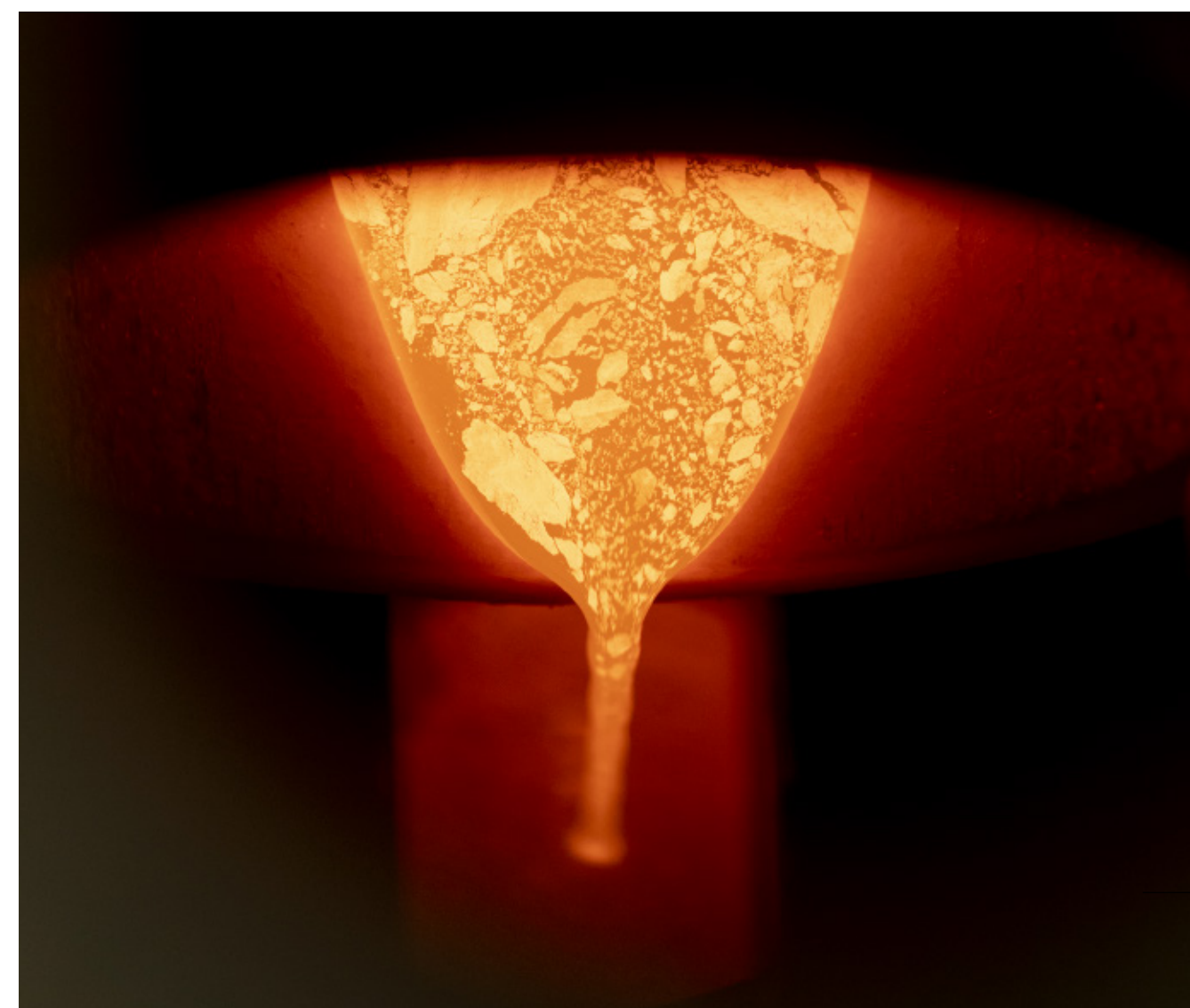
What benefits has it brought to the business?

Because we are such a **vertically-integrated business**, and we carry out our own manufacturing, we do create scraps. The foundry has helped us deal with this, and we now remelt over **80% of our gold scraps**, in a closed loop. We also create our own gold alloys in-house, to several different grades.

Are their benefits to the environment, too?

Thanks to **direct in-house reprocessing of our scraps**, we retain traceability of our alloys. We also avoid electro-chemical reprocessing in a refinery, which means using less energy and eliminating the use of chemicals. We have also cut the emissions linked to having to transport the materials.

Together, all these factors mean that we pay more attention to our social and environmental footprint, ensuring that our actions and decisions contribute to a higher level of responsible development along all steps of the supply chain.



Smelting of Ethical
gold Alloy in-house

ZOOM ON LUCENT STEEL™

Steel is our **most used raw material**, with between 25-30 tons purchased annually. It made financial and environmental sense to increase the amount of recycled steel we use. In 2019, following over **four years of Research and Development**, we launched our Lucent Steel™.

Since 2023, all our watches, including bracelets and cases, have been made from Lucent Steel™, made with a recycling rate of at least **80%**. This is a technically difficult mix to achieve and nearly doubles the average recycled content for stainless steel.

Lucent Steel™ is made using high-quality scraps from the watchmaking industry, along with **high-grade steel from the medical, aerospace and automotive sectors**. This ensures that while we are reducing our impact on the environment, we are not compromising on quality.

“

The challenges of sourcing steel are totally different to those we have encountered with gold. While gold led us to focus on the working conditions of artisanal miners, steel has been an opportunity for us to tackle the impact of our products in terms of carbon footprint.

”

Caroline

Co-President of Chopard



The properties of Lucent Steel™ include **pureness and luminescence**, achieved because it has far fewer impurities in it than conventional steel; biocompatibility and an anti-allergenic composition, with properties comparable to surgical steel; and **ultra-resistance**, with a unique hardness that makes it 50% more resistant to abrasion than conventional steel.

The initiative is having a significant effect on the greenhouse gases (GHG) linked to the production of steel we use. According to figures from the *International Stainless Steel Forum (ISS)*, shifting from standard steel to steel with 80% recycled content **reduces emissions by around 30%**. With a 90% recycled rate, this reduction increases to 40%. Initially our objective was to reach 90% recycled content by 2025, but this target has now been put back to 2028 to give our suppliers sufficient time to gather enough scraps of high enough quality.

By **sourcing from facilities within 1,000 km** of our Swiss manufacturing base, we are working with our steel suppliers to minimise emissions from transporting steel, too. We also recycle between 12-15 tons of our own steel scraps each year, further supporting our commitment to circularity.



Alpine Eagle watch.



Lucent Steel™ contains at least **80% recycled material**

90%
by 2028

Three exceptional D-flawless diamonds cut from the Queen of Kalahari, a 342-carat rough diamond of absolute purity.

MORE RESPONSIBLE GEMSTONE SOURCING

We expect all our direct suppliers of coloured gemstones to be **RJC Code of Practice certified by 2027**. This is a common standard for ethical, social, human rights and environmental practices throughout the jewellery supply chain, from mine to retail.

To further mitigate the risks, we are also conducting audits at cutting and polishing factories for coloured gemstones, and at some medium-scale mines.

The Maison is fully committed to the *Kimberley Process Certification Scheme* and complies with the *World Diamond Council System of Warranties* for polished diamonds. Both organisations are working to eliminate any trade in diamonds that contributes to the financing of conflict.

To know our supply chain, we engage with suppliers through transparency questionnaires, interviews and on-site visits, and mandate external auditors to verify the traceability of diamonds and specific coloured gemstones along the full supply chain to the mine of origin. We are also working towards assessing new technologically-based traceability solutions.

87%
of diamonds
and
46%
of our coloured
gemstones
are RJC certified
suppliers



REDUCING OUR CARBON FOOTPRINT

ESRS E1

To meet the terms of the Paris Agreement, we need to limit the increase in global temperature to 1.5°C, by reducing emissions by 45% by 2030, and achieving Net Zero by 2050.

OUR NEXT STEPS TOWARDS NET ZERO

The private sector, as the biggest contributor to greenhouse gas emissions (GHG), is facing increasing pressure from regulators, investors and the public to address its impact on the climate crisis.

As part of our climate journey, we have committed to the **Science Based Targets initiative (SBTi)**, which supports companies in their transition to a low-carbon economy by helping determine the pace at which they need to reduce emissions

in order to meet the 2050 net-zero deadline. Our near-term targets have been validated by the SBTi in 2024.

Since 2021, we have been measuring our Scope 1, 2 and 3 carbon emissions in line with the widely recognised **Greenhouse Gas Protocol**. These measurements cover our entire value chain, our production sites in Switzerland and Germany, and our international distribution subsidiaries and stores.

OBJECTIVES

2023

Scope 1 & 2, reductions of **40% GHG emissions** in our Swiss buildings since 2014.

Scope 2: **85%** of the electricity purchased by the company comes from **renewable sources**.

2024 – 2030

Scope 1 & 2: reduce absolute GHG emissions to **55%**.

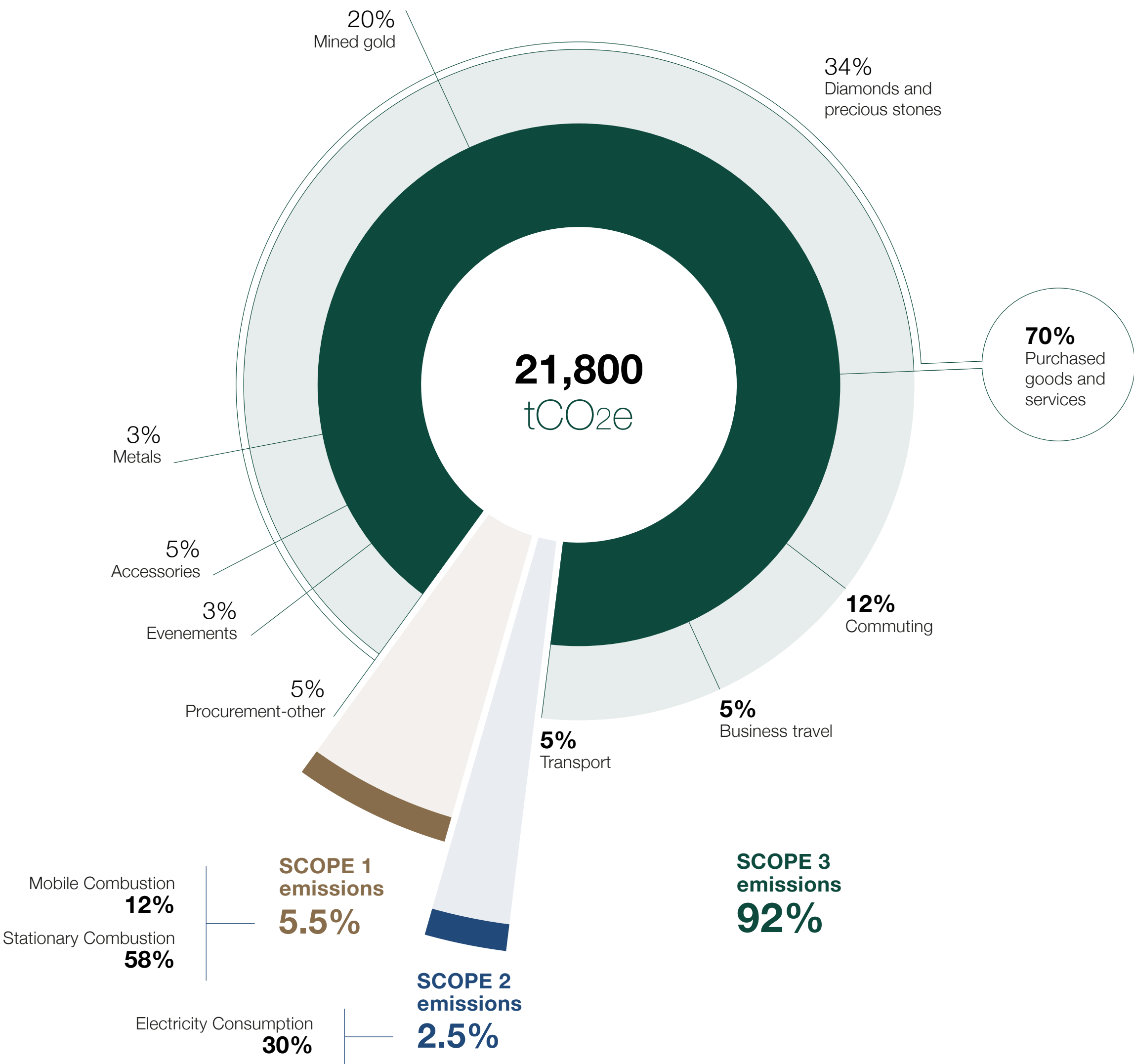
Scope 2: increase active annual sourcing of renewable electricity from **85%** in 2023 to **100%**.

Scope 3: reduce absolute GHG emissions from employee commuting by **25%**.

Scope 3: **80%** of our suppliers by emissions, covering purchased goods and services, will have science-based targets.

CARBON ACCOUNTING 2023

Our latest review shows that our total carbon footprint in 2023 had reduced year-on-year by 2%, to 21,800 CO₂e.



The Greenhouse Gas Protocol (GHG Protocol) divides emissions into three scopes:

SCOPE 1 - direct emissions from sources owned or controlled by a company, such as fossil fuels used on production sites and emissions from our vehicles.

SCOPE 2 - indirect emissions from purchased electricity, steam, heat, and cooling.

SCOPE 3 - all other emissions associated with a company's activities, such as purchasing raw materials, business travel and employee commuting.

OUR GHG EMISSIONS

Our Scope 1 & 2 emissions are mainly driven by natural gas, heating oil and energy intensive subsidiaries.

Scope 3 emissions make up **92% of our total emissions**. They are nearly exclusively driven by purchased good and services, such as diamonds and precious stones, and mined gold. However, following the lifting of Covid restrictions, there has also been an increase in our emissions from business travel.

Our Scope 3 emissions is made up of:

- 70% Purchased goods and services,
- 12% Employee commuting,
- 5% Business travel,
- 5% Transport,
- 4% Other.

Working with SBTi we have developed a 2030 Carbon Plan which includes targets to reduce:

- **Scope 1 & 2:** reduce absolute GHG emissions 55% by 2030 (from a 2022 base year),
- **Scope 2:** increase active annual sourcing of renewable electricity from 85 % in 2022 to 100% by 2030,
- **Scope 3:** reduce absolute GHG emissions from employee commuting 25% by 2030,
- **Scope 3:** 80% of our suppliers by emissions covering purchased goods and services will have science-based targets by 2028.

To reduce scope 1 & 2 emissions we are looking at a variety of measures such as changing the way in which we heat our facilities, switching to renewable energy and introducing new and innovative technologies (heat pumps, geothermal system and district heating networks). Since 2014, our Meyrin site has reduced the amount of natural gas by one million kWh, with a significant reduction in emissions. We are also looking at ways to improve operational efficiency by, for example, **optimising electricity** use along production lines and developing new ways to recover waste heat.

We are also tackling emissions from our **vehicle fleet** through a mixture of electric and hybrid options.

Our sites and subsidiaries are also switching to **renewable electricity**, and we are increasing our own on-site generation through solar panels, both of which are helping to cut in emissions.

To cut scope 3 emissions we are looking along our supply chain and developing ways to **optimise the supply** of precious metals and stones. We are currently evaluating the market for second-hand diamonds too, and assessing ways in which old stones can be recycled through re-cutting and redesign. We are also engaging with our key suppliers to help them establish and work towards their own science-based targets on climate.

Other actions to reduce our carbon footprint include accelerating circularity and eco-design solutions and increasing the amount of recycled content in our sourced materials and products.

We are also moving forward with an internal company mobility plan to mitigate the impacts of commuting. Electric vehicle charging points have been installed at our head office and manufacturing sites and we support the Bike to Work initiative. We also hold regular employee training sessions on climate change through Axa Climate School training programmes.



Fleurier Ebauches,
Fleurier, Switzerland

REDUCING THE IMPACTS OF OUR MANUFACTURING PROCESSES

ESRS E2 / ESRS E3 / ESRS E5

Our policies around managing resources are in line with the principles of the circular economy, and keeping products and materials in use for as long as possible.

Water — we are reducing consumption by introducing closed-loop systems at our sites. In 2019, we installed a closed-loop system to cool the machines at our manufacturing facility in Meyrin, resulting in a 53% reduction in water consumption. We apply a risk-based assessment on nature-related risk such as water use through the supply chain.

Chemicals — production processes across our value chain require a significant number of chemicals, with potential risks for human health and the environment. Our current programme is to reduce the number of products we use, filter all new ones according to environmental, health and safety (EHS) criteria and, where possible, substitute them with less hazardous alternatives.

Metals — 100% of our metal scraps are recycled. 80% of our manufacturing gold scraps are reprocessed in our internal foundry.

Waste — our waste reduction plan is based on the principles of Reduce, Reuse, Recycle. We have developed a full range of recycling circuits, enabling us to collect and reuse nearly 30 different materials. In 2023, 86% of our total waste was recycled.

Shopping bags, gift paper and catalogues — uses materials certified (70% recycled input and 30% controlled wood).

We are always looking to use materials with a lower impact. For example, walnut boxes are produced using water-based varnish and glue, recycled paper and cardboard, and stainless-steel hinges and fastening which can be infinitely recycled.



Gold 750 Bar after Casting



Casting



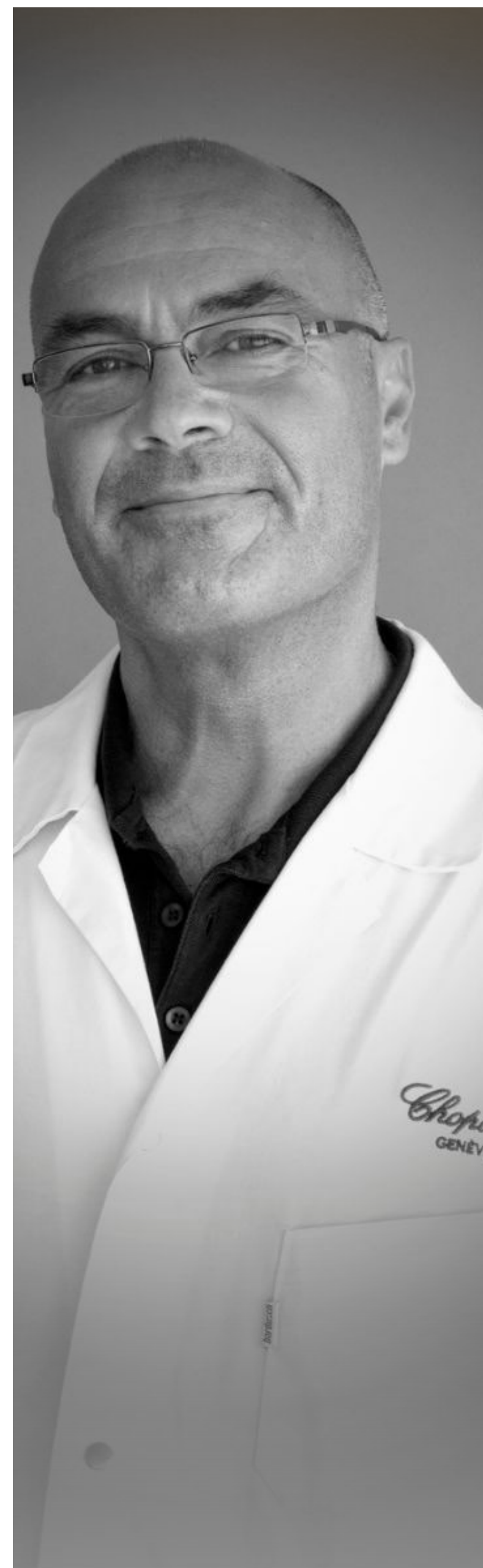
Die cutting of watch case in stamping workshop

3

CRAFTING CHANGE *Collectively*

The world continues to face an ever-changing set of risks and opportunities, which we believe are best addressed collectively. This is why we are creating partnerships and alliances with a wide range of international industry bodies and NGOs, helping to preserve endangered areas and support communities related to our activities.

We are also driving change internally, engaging with our employees and ensuring they have opportunities to learn and develop their talents in an inclusive and safe working environment. Training and professional development remain a high priority for us, and alongside teaching traditional skills to new generations, we ensure our employees have the up-to-date knowledge they need to be part of the collective change.



TRAINING AND SKILLS DEVELOPMENT

ESRS S1

Chopard is an independent and vertically integrated Maison, where we control the entire manufacturing process from design to distribution. This involves over 50 different crafts practiced across three manufacturing sites hence our strong commitment to in-house training and know-how.

KEEPING TRADITIONAL SKILLS ALIVE

We created our **first luxury jewelry-training department in house in 1980**, followed by a dedicated watchmaking training department in Meyrin in 1989 and then in Fleurier, Switzerland, in 2006. Our comprehensive apprenticeships provide a solid grounding to around **45 apprentices in jewellery**, watchmaking, micromechanics and surface finishing.

Our training policy involves fostering the **transmission of know-how** – or savoir faire - by sharing knowledge between different generations in our teams. Once they have completed their formal training, they begin working alongside skilled, time-served artisans, who pass on their knowledge, and help to keep the ancient, traditional skills alive. The rarity of the skills often means this type of training is the only source of knowledge available in these fields.



“

It is so important to keep the ancient, traditional skills alive and we believe the best way to do this is for our apprentices to learn from master craftspeople. Of course, technology has a role to play, but at the same time, we mustn't lose the know-how needed to make things by hand.

”

Céline

Training Manager



+40
apprentices trained
each year in our three
training departments

+50
crafts and professions
within the Maison



focus

ADDING SUSTAINABILITY TO THE TRAINING MIX

Transforming our Maison to meet the challenges facing society and our industry is a team effort. That's why everyone at Chopard is trained in operational and managerial skills, including corporate sustainability and health and safety at work.

We have also launched an e-learning program called “Together for Sustainable Luxury”. In line with RJC principles, it covers topics such as the low-carbon transition, the circular economy (based on AXA Climate School contents) as well as diversity and inclusion.

We also organise working groups and regular conferences on sustainability topics. In 2023, these included seminars organised by sustainable communications agency Sidiese and responsible purchasing consultancy BuyYourWay, working in small groups on responsible sourcing policy. Those sessions aim to look at potential obstacles and levers for action and how purchasing and the sustainability department can come together around a common sustainable sourcing vision.

3

QUESTIONS TO Emma Berno

Apprentice awarded in 2023 prize for the highest grade in practical work by Union des fabricants d'horlogerie de Genève, Vaud et Valais (UFGVV)

What made you choose a career in watchmaking?

I love the idea of making beautiful objects with my hands, and creating something that someone is going to love and enjoy. The level of meticulousness, precision and quality that my work requires really appeals to me, along with the fact that I'm practicing one of the world's oldest professions.

Do you think it's important to perpetuate traditional know-how?

Definitely – when you know how to use traditional techniques, you will always be able to handle modern tools. During my watchmaker's apprenticeship I learnt to pivot, for instance, which is a traditional turning technique, and one of the watchmaking skills listed as a UNESCO World Heritage. It's a great source of pride that we're helping to safeguard such ancient skills.

What did you most appreciate about your first few months at Chopard?

I was put at ease from day one and there was a real emphasis on quality over quantity, and that the speed I worked at would increase with experience. As a family-run business, people are at the heart of Chopard and employees are listened to. Doors are always open, and there are plenty of opportunities to talk through issues with managers and colleagues.

LOOKING AFTER OUR PEOPLE

ESRS S1

We believe that having a workforce that reflects peoples' diversity in terms of cultural background, gender, age and experience is a huge asset and one that must be nurtured and valued. We want to promote a work culture where everybody is treated fairly, equally and respected for their contribution. We also want to attract, develop and retain a diverse workforce. These commitments are set out in more detail in our Diversity and Inclusion policy.

WORKING AT CHOPARD

We recruit people based on their skills and experience. A flat hierarchy and management structure means there are many options to move around the business.

We also continue to work towards maintaining and improving our gender balance across all levels.

“

Our inclusion strategy involves treating everyone equally, as well as making everyone feel valued and respected. We believe this is an important way of unlocking the potential of our people.

”

Emilie

Chopard HR Manager



LEARNING AT CHOPARD

Internal staff training has developed steadily since 2019, with sessions around soft skills, such as delegation and how to conduct a performance appraisal. A catalogue is available covering diversity and inclusion, with some modules available in five different languages. In 2024, we will be introducing sessions on diversity and integration, as well as additional training on tackling discrimination available on our e-learning platform Peopleforce and mandatory to all employees worldwide.

We also hold regular Lunch & Learn sessions, facilitated by an external coach, and covering a range of areas including stress management, making public presentations and handling a difficult conversation.

DEVELOPING AT CHOPARD

We have introduced several work/life balance initiatives created especially to address emotional health, social connectivity, positive attitude and other aspects of everyday life.

Employees can access a range of employee benefits from discounts on sporting activities, and preferential rates for a range of leisure activities from dining out to yoga classes and gym sessions.

We support our colleagues' emotional health, too. Our Code of Conduct includes a policy on the protection of personal integrity and in Switzerland, an anonymous hotline is available for any colleague who needs to talk about a work or personal problem.

We also offer our employees a package of benefits from occupational health specialist MOVIS that are designed to help achieve a healthy work/life balance.

Social connectivity is also important. Onboarding sessions in Meyrin are designed to encourage new employees to meet their colleagues and find out more about other departments and professions across Chopard.

A picture is worth a thousand words

To celebrate International Day of Happiness, we ran a competition inviting teams from across the Group to submit a picture in one of three categories – happy, funny and creative. The contest tapped into the Chopard ethos of happiness and our positioning as the Maison of *Joie de Vivre*.



Rodeline, a polisher, is one of the numerous Artisans seeking perfection in Chopard workshops.



Chopard's apprenticeship workshops in Fleurier and Geneva.

WORKING WITH THE INDUSTRY

ESRS E1 / ESRS S2 / ESRS S3 / ESRS G1

We believe that a collective approach is the best way to achieve our strategic objectives and develop global solutions for the watch and jewellery making industry, and the luxury goods sector in general.

We are collaborating with our peers to find the best ways in which to use resources and to reduce impacts on a global scale.

HOW PARTNERSHIPS ARE CREATING MORE SUSTAINABLE LUXURY

Our priorities include creating a more transparent and responsible supply chain for coloured gemstones; supporting artisanal mining practices and ensuring positive impacts on local communities; supporting the demand for decarbonised steel; and working on new sustainable initiatives with the wider watchmaking industry.

OBJECTIVES

2023

64% of our fine gold is sourced from accredited artisanal mines through the **Swiss Better Gold** partnership.

2024 – 2030

Maintain a minimum threshold of **70%** of our global gold supply from accredited artisanal mines through the **Swiss Better Gold** partnership.

Climate Group - SteelZero
building the demand for a net-zero steel.

In alignment with the **Climate Group's SteelZero**, procure at least **50%** of our steel from steelmakers that have set a long-term and a near-term science-based reduction target.



“

Chopard have been pioneers in the sustainable watch and jewellery space from the beginning and early members of the RJC since 2010. I remember admiring the Green Carpet Collection in 2013 and Caroline Scheufele's commitment to ethical mining and Fairmined gold at a time when few global brands were taking that step publicly. As the call to action becomes more urgent with climate change and Gen Z buying patterns shifting, your certification is now more valuable than ever.

”

Melanie Grant

Executive Director,
Responsible Jewellery Council



Responsible Jewellery Council (RJC)

Bringing together over 1800 companies, the RJC is the leading not-for-profit organisation for the development of standards in the watch and jewellery making industry. We have been members since 2010, and RJC Code of Practice-certified since 2012.

The RJC's mission is to promote and enforce ethical, social and environmentally responsible practices along the precious metal and gemstone supply chain.

Our membership means we can guarantee that our activities comply with the requirements of the code, which includes sections around respecting human rights and labour laws. We actively promote RJC certification among our suppliers.

SBG SWISSBETTERGOLD

“

Swiss Better Gold has been collaborating with Chopard for the last seven years, helping to connect them to the origin of the gold they use in their creations. Making these links is our “raison d'être” because knowing the exact location and name of the mine where the gold has come from, and to be able to put a name to the miners who extract it, is incredibly important. It helps to build bonds and shows a true commitment and responsibility to those communities. It is also fantastic for the miners, who are no longer anonymous but instead suppliers to a luxury Swiss watch and jewellery brand.

”

Diana Culillas

CEO,
Swiss Better Gold Association

Swiss Better Gold

Our partnership with Swiss Better Gold began in 2017 and ensures full traceability from mine to manufacture, as well as contributing to a significant positive socio-economic and environmental impact. As a member of Swiss Better Gold, we support ASM communities in Peru and Colombia, and all the gold we source meets the full criteria to be labelled as Step 2 on the Swiss Better Gold Continuous Improvement Escalator.

Our Head of Sustainability is also a member of the Swiss Better Gold board of directors, which allows us to contribute to the development of the association and promote ASM responsible gold across the industry.

We pay a premium of \$1,000 per kilo for the gold we buy, which helps to provide technical assistance to the miners and funds a range of economic and community projects to improve the living and working conditions of their communities. In 2023, over 3,000 people directly, and another 15,000 indirectly, benefited from projects financed by the Chopard premium.



“

Industry collaboration is part of our sustainability strategy. Not only are we proud of demonstrating responsible practices through RJC certification but also, thanks to the CGWG, supporting continuous improvement in our gemstones supply chain. ”

Isabelle

Corporate Sustainability Specialist



THE COLOURED GEMSTONES WORKING GROUP

The Coloured Gemstones Working Group (CGWG)

A member since 2019, the group unites luxury brands and mining companies to encourage the responsible sourcing of coloured gemstones. The group provides educational, training and management resources, as well as expert support, to help any business in the supply chain to demonstrate its commitment to sustainability, and to participate in a responsible and transparent industry.

°CLIMATE GROUP STEELZERO

Climate Group - SteelZero

In 2023, we became the first luxury Maison to join SteelZero, a global initiative bringing together forward-looking organisations from different sectors to hasten the transition to a net zero steel industry.

SteelZero utilises the purchasing power and influence of its members to send a powerful demand signal to steel producers, investors and policymakers to speed up widespread production of net zero steel.

AQC

ASSOCIATION POUR L'ASSURANCE QUALITÉ
DES FABRICANTS DE BRACELETS CUIR

Association pour l'Assurance Qualité des Fabricants de Bracelets Cuir (AQC)

The AQC works with stakeholders across the leather bracelet value chain, including watch brands, tanneries and alligator farms. We work closely with the association on traceability and sustainability related issues.



IMPACTING LOCAL COMMUNITIES

ESRS S2 / ESRS S3

There are several operational and regulatory risks associated with extracting raw materials, from social issues such as forced labour and land grabs, to environmental impacts like soil degradation and deforestation.

Bringing social and economic benefits to mining communities

A key objective in 2024 is to continue to generate a positive impact on ASM mining communities and help them to deal with their own specific, local challenges around water, education and energy. The Swiss Better Gold premium that we pay offers additional support around the energy transition, building infrastructure and creating alternative forms of economic development that run parallel to mining activity.

To achieve this, we work closely with international organizations that have developed standards and ways of working, such as Swiss Better Gold, with its commitment to helping gold miners adopt more socially and environmentally responsible mining practices.

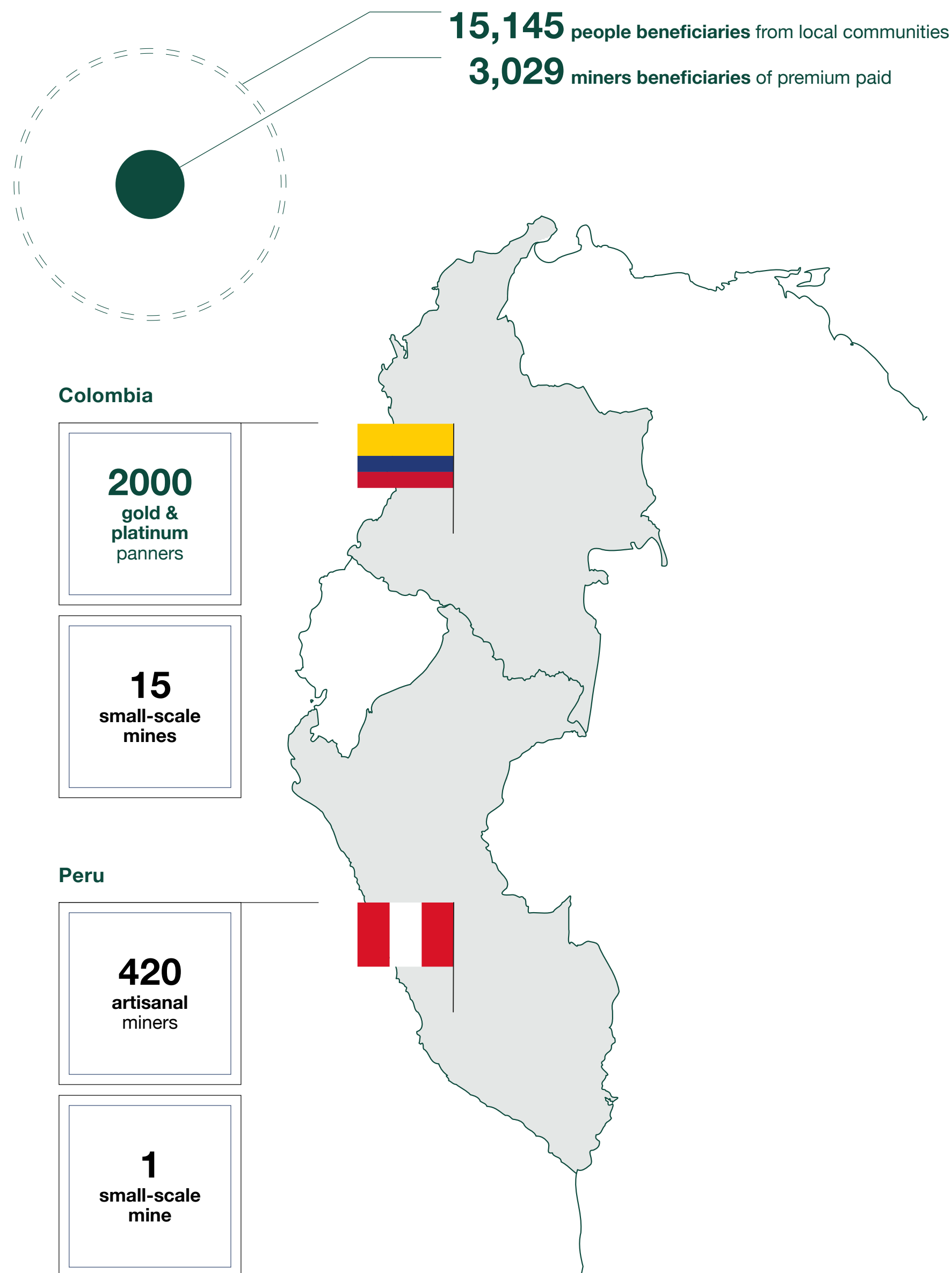
Supporting Colombia's gold panners

Subsistence mining is carried out by men and women using traditional alluvial mining techniques and hand equipment such as sluices and panning. By law they must not use any machinery or chemicals, thus their gold mining activity has little environmental impact. In Colombia, these miners are called barequeros.

In 2019, we began supporting a local initiative to improve the working conditions of more than 900 barequeros gold panners in the department of El Chocó. This is Colombia's second-largest gold producing region but also one of the country's poorest.

This flagship project ensures the barequeros receive a fair income, plus a premium on each gramme of gold sold. They also benefit from training on topics such as occupational health and safety, basic environmental protection and gender rights. Last year we provided over 400 personal protection kits.

ARTISANAL SOURCING REPARTITION



Focus

BOOSTING THE SUPPLY OF CLEAN WATER

A recent initiative is set to improve the living conditions for **60 barequeros** by providing equipment to purify water and make it adequate for human consumption. Families in El Chocó often live precarious lives, especially when it comes to clean, safe water. By supplying them with a 250-litre water tank, complete with clay filter, we are helping to relieve some of this pressure by producing drinking water from rainwater and other water sources such as rivers.



PRECIOUS TERRITORIES

ESRS E2 / ESRS E3 / ESRS E4

Our Precious Territories program is focussed on preserving the beauty of the world and the precious natural landscapes where we operate. From the stunning mountains surrounding our home in the Swiss Alps, to the countries thousands of kilometres away where our gemstones and metals are sourced, we are facing up to our impacts and responsibilities.

Our work involves supporting people who are taking action to preserve endangered natural landscapes, wildlife and ecosystems, reflecting the fact that protecting nature and reversing biodiversity loss has become one of the biggest challenges we face. Some projects are 'upstream,' where raw materials are extracted, others are 'downstream,' covering manufacture and use. Both are helping to restore and regenerate ecosystems, landscapes and biodiversity.



OBJECTIVES

2024 – 2030

Regenerate and restore ecosystems and biodiversity linked to our upstream supply chain risks.

Contribute to the protection of **Alpine ecosystems**, through our Foundation Alpine Eagle.

TACKLING OUR UPSTREAM IMPACTS

Reducing environmental risk at El Coral

El Coral is a mining operation in Antioquia, Colombia. In 2021, heavy rains caused landslides and floods which had a major effect on the mine's tailing ponds, which are used to store the waste made from separating minerals from rocks. This severely reduced the ponds' capacity, leading to spills and the risk of contaminating local water sources.

To address this, through the Swiss Better Gold premium, we helped to finance the renovation of the ponds, adding a new waterproof membrane and improving their capacity. El Coral also introduced a closed system for sludge and wastewater management, further reducing the risk of seepage into nearby water bodies.

Helping to restore the landscape

At Tenerife, another mine in Antioquia, Colombia, our contribution through the Swiss Better Gold premium is helping to regenerate the landscape with the planting of 30,000 native trees.

The trees, which are all are particularly effective at supporting soil recovery, will spread out over 28 hectares, and help address the environmental impact of the mining operation. Previous successful reforestation projects around the mine also ensure that the mine's personnel have the necessary skills to manage the process.

PROTECTING ALPINE WILDERNESS

The Alpine Eagle Foundation

Founded in 2021 by Chopard Co-President Karl-Friedrich Scheufele, the Foundation contributes to the protection of the environment and biodiversity of the Alps by raising awareness, mobilising support and taking action on behalf of the life it shelters.

Working with Les Aigles du Lemman project, 21 white-tailed eagles have been reintroduced, with plans for over 80 more by the end of the decade. Most will be released into France and Switzerland, particularly around the shores of Lake Geneva, where the birds were last seen over 130 years ago.

The Foundation is also working on research to help protect another iconic Alpine species, the golden eagle, and help mitigate the risk of the birds colliding with the blades of wind turbines, which are increasing being installed at higher altitudes.

<https://www.alpineeaglefoundation.org/>



APPENDIX



RESPONSIBLE SOURCING POLICY

I. INTRODUCTION

Le petit-fils de L. U. Chopard & Cie SA (hereafter “**Chopard**”), based in Geneva (Switzerland), a Swiss family-run company and leading manufacturer of luxury watches and jewellery sold worldwide, is committed to a responsible approach to its business activities.

Recognising that risks of significant adverse impacts may be associated with the extraction, trade, handling and export of minerals from conflict-affected and high-risk areas, and acknowledging its responsibility to respect human rights, Chopard has committed to implementing its *Responsible Sourcing Policy* (hereinafter “**Responsible Sourcing Policy**”) throughout its supply chains.

The Responsible Sourcing Policy sets forth Chopard’s commitments and strategy to avoid contributing to conflict or to any abuses when sourcing minerals from high-risks areas and is addressed to all Chopard stakeholders worldwide.

The Responsible Sourcing Policy is consistent with the *OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas* (hereinafter “**OECD Guidance**”) and is applicable to all minerals sourced by Chopard.

II. CHOPARD’S COMMITMENTS

RESPONSIBLE SOURCING

1. Chopard commits to respecting human rights, avoiding contributing to the financing of conflict and complying with all relevant UN resolutions and laws, including sanctions.

2. Chopard will neither tolerate nor profit from, contribute to, assist or facilitate the commission of serious abuses associated with the extraction, transport or trade of minerals from conflict-affected and high-risk areas:

- any forms of torture, cruel, inhuman and degrading treatment;
- any forms of forced or compulsory labour;
- the worst forms of child labour;
- other gross human rights violations and abuses such as widespread violence;
- war crimes, violations of international humanitarian law, crimes against humanity and/or
- genocide.

3. Chopard will not tolerate any direct or indirect support to non-state armed groups through the extraction, transport, trade, handling or export of minerals, including:

- illegally controlled mine sites or otherwise controlled transportation routes;
- illegally taxed or extorted money or minerals at points of access to mine sites, along transportation routes or at points where minerals are traded; and/or
- illegally taxed or extorted intermediaries, export companies or international traders.

4. Public or private security forces: Chopard will engage with public or private security forces in accordance with the *Voluntary Principles on Security & Human Rights* (a multi-stakeholder initiative composed of governments, key international non-governmental organizations, and companies). Chopard will not provide direct or indirect support to public or private security forces that commit abuses described in *paragraph 2* of this Responsible Sourcing Policy or that act illegally as described in *paragraph 3*.

5. Bribery and fraudulent misrepresentation of the origin of minerals: Chopard will not offer, promise, give or demand bribes and will resist the solicitation of bribes to conceal or disguise the origin of minerals or to misrepresent taxes, fees and royalties paid to governments for the purposes of extraction, trade, handling, transport and export of minerals.

6. Money laundering: Chopard will support and contribute to efforts to eliminate money laundering where it identifies a reasonable risk resulting from or connected to the extraction, trade, handling, transport or export of minerals derived from the illegal taxation or extortion of minerals at points of access to mine sites, along transportation routes or at points where minerals are traded by upstream suppliers.

RISK MANAGEMENT STRATEGY

7. To implement these commitments, Chopard conducts an effective and comprehensive risk-based due diligence process, which includes *Know your Counterparts (KYC)* checks to identify its upstream and downstream partners, as well as all activities recommended by the OECD Guidance, as reflected in the *OECD five-step framework*.

8. *As a certified member of the Responsible Jewellery Council (RJC), Chopard is audited every 3 years by an independent third-party against the Responsible Jewellery Council (RJC) Code of Practices (COP), notably with respect to its human rights risk due diligence process.*

9. Chopard only buys or sells diamonds that are fully compliant with the *Kimberley Process Certification Scheme and the World Diamond Council System of Warranties*. As mentioned in Chapter 1, Chopard applies international sanctions.

10. Chopard only buys precious metals from refiners certified against the following international standards:

- a. *Responsible Jewellery Council (RJC) Code of Practices (COP)*; and
- b. *Responsible Jewellery Council (Chain-of-Custody)*.

11. Chopard commits to using its influence to prevent abuses within its supply chains. The following consequences will apply where Chopard identifies a reasonable risk that a supplier is associated with one or more of the following risks:

- *Serious abuses associated with the extraction, trade and transport of minerals identified in paragraph 2 of this Responsible Sourcing Policy*: Immediate suspension or disengagement.
- *Direct or indirect support to non-state armed groups as described in paragraph 3 of this Responsible Sourcing Policy*: Immediate suspension or disengagement.
- *Direct or indirect support to public or private security forces who illegally control mine sites, transport routes and upstream actors (including illegal taxation)*: Temporary suspension, followed by implementation of measurable mitigative actions and monitoring. Suspension or disengagement if mitigation measures implemented are ineffective within reasonable timescales.
- *Money laundering, bribery and fraudulent misrepresentation of the origin of minerals and non- payment of taxes, fees and royalties to governments*: Temporary suspension, followed by implementation of measurable mitigative actions and monitoring. Suspension or disengagement if mitigation measures implemented are ineffective within reasonable timescales.

SUPPLIERS’ AND STAKEHOLDERS’ ENGAGEMENT

12. The Responsible Sourcing Commitments described in this Responsible Sourcing Policy are reflected in Chopard’s Code of Conduct for Suppliers (<https://www.chopard.com/intl/code-of-conduct-for-partners>), which requires all suppliers, dealers, agents, sub-contractors and all business partners in general to adopt similar responsible sourcing practices and to comply with Chopard’s own principles and values.

13. Chopard seeks to establish long-term relationships, as appropriate, in accordance with the risk management strategy described in *paragraph 11* of this Responsible Sourcing Policy.

14. Chopard commits to building capacity within its supply chains, including through training and dialogue, and to upholding the continuous improvement of suppliers’ due diligence and sourcing practices.

15. Chopard commits to supporting the formalisation, development and promotion of responsible sourcing practices within artisanal and small-scale mining (ASM) communities. Chopard exclusively purchases ASM gold from mines that are part of the *Swiss Better Gold Association* (SBGA) system, *Fairmined* or *Fairtrade* certification schemes.

16. Chopard has a grievance mechanism, which allows all stakeholders to voice concerns regarding the circumstances of mineral extraction, trade, handling and export associated with potential risks, described in *paragraphs 1-6* of this Responsible Sourcing Policy, detailed in the *Code of Conduct for Suppliers* and available on Chopard’s webpage Alert line (<https://www.chopard.com/en-us/sustainability-our-approach/stakeholders-grievance-mechanism-policy.htm>).

III. IMPLEMENTATION AND ENFORCEMENT

Chopard’s Head of Corporate Sustainability, in close collaboration with the Chopard Purchasing Department, is responsible for implementing the Responsible Sourcing Policy, overseeing due diligence, collecting and investigating grievances, and reporting.

Chopard commits to communicating this Responsible Sourcing Policy to all its suppliers and external stakeholders through its Sustainability Report. The policy statement is included in its supplier contracts and agreements.

Any questions, comments or complaints related to the above-mentioned topics and risks (Annex II of the OECD Guidance points 2-6) may be addressed (anonymously if necessary) to *Chopard’s Head of Corporate Sustainability* at the following address: rue de Veyrot 8, 1217 Meyrin 1, Switzerland, or via email to : sustainability@chopard.ch.

SUPPLY CHAIN DUE DILIGENCE REPORT

Our Responsible Sourcing Programme strives to achieve the best sustainability practices in our supply chain. “Know your Supply Chain” is one of our three pillars which includes the due diligence system.

In an industry with complex supply chains such as the jewellery and watchmaking industry, risk areas need to be screened from the bottom up to identify, prevent, and mitigate any negative human rights and environmental impacts in the supply chains.

For this purpose, we have designed our Supply Chain Due Diligence System in alignment with OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, (hereinafter, ‘the OECD Guidance’). We perform supplier due diligence, assess their sustainability performance, and support them in driving continuous improvement towards compliance requirements.

Our five-steps due diligence system is implemented to evaluate our suppliers on a risk-based approach covering the following three main categories of risks:

- Governance (*financing conflict, corruption, money laundering*)
- Human Rights (*Child & forced labour, Labour conditions, Community Impact, Indigenous rights*)
- Environment (*Climate Change, Biodiversity, Pollution*)

In accordance with the implementation of the OECD Guidance, Chopard’s policy has evolved to a risk-based approach to responsible sourcing and consequently does not exclude entire countries from its supply chain unless otherwise required by regulations (e.g., embargo, sanctions, trade restrictions). Depending on the risk type and risk level identified we will request the appropriate preventive or corrective measures to our suppliers (e.g. type of certification, label, audits, action plan) and down the supply chain.

Our due diligence system is structured following 5 steps to fully align with the internationally recognized OECD Guidance.

1: Strong Management System

This first step ensures that we have an efficient internal organisation, sufficient resources, and up-to-date policies, and procedures to conduct a qualitative supply chain due diligence.

Policies

Our **Responsible Sourcing Policy** is publicly available on Chopard Sustainability website. The Policy is part of the appendix of the commercial agreements signed with our suppliers of precious metals and precious stones.

Within the framework of this system, the Chopard Code of Conduct for Partners places specific responsibilities on all suppliers and sub-suppliers around the world, covering Business Ethics, Human

Rights, Labour practices and Environmental protection principles. The Code of Conduct for Partners outlines our expectations regarding responsible business practices from all downstream partners, and we require all our business partners to adhere to this policy in order to work with us.

According to the risk related to the product or material, we request to all of our significant suppliers to be certified or audited against an independent third-party auditor. The certification and/or audit scheme must cover the relevant topics in accordance with the material environmental and social issues of the sector.

We ensure that all stakeholders are able to raise potential concerns about our operations and our supply chain through our [grievance mechanism](#) described on our sustainability webpage.

Internal Organisation

The system is led by the Head of Corporate Sustainability (HCS) and overseen by the company’s Chief Financial Officer (CFO), member of the board. The Head of Corporate Sustainability works hand in hand with internal transversal committees and departments (purchasing department, precious metals department, metals committee, sustainability, fiability laboratory,...) to conduct the supply chain due diligence.

System of control and transparency

Since the beginning of 2023, Chopard has designed a tailored-made online supplier platform to manage its due diligence supply chain with regards to compliance, risk assessment (ranking), indicators and dashboards. The compliance package documents are uploaded on the supplier’s page and the risk assessment is conducted for each significant supplier on the platform by the sustainability team (evidence, audits reports, link to ESG risk screening tools, articles, etc.). The platform allows us to measure our supply chains’ performance against specific indicators tracked on dashboard to continuously improve our system and sourcing strategy.

All documents accompanying the precious goods are scanned and archived on its servers, guaranteeing computerized traceability between the supplier’s documents (transfer documents) and its unique receipt numbers.

2: Identify and assess risks in the supply chain

A due diligence on governance, human rights, and environmental risks is systematically conducted on the supply chain of the following materials: Precious Metals (Gold, Platinum, Palladium, Silver), Precious stones (Diamonds and Coloured gemstones), Non-Precious Metals (Steel and Titanium), Leather, Cotton and Wood-related products.

Suppliers of products/services based or producing in a country with an “enhanced” and “heightened” diligence response as defined in the UNICEF’s Children’s Rights in the Workplace Index ([hereafter “UNICEF index”](#)) are also be assessed.

Supply Chain Mapping

The essential first step to identify the risks is to map its supply chains to the origin of the raw material. We are mapping annually the above-mentioned materials back to the country of origin and, as far as we can, to the extraction facility (mines or farms).

To collect this information on precious metals and precious stones’ supply chains, Chopard engages with its suppliers through, among others, transparency questionnaires, traceability certificates, interviews, and on-site visits from Chopard team. We mandate external auditors to verify the traceability of our precious stones down the chain (diamonds, specific coloured gemstones) to the mine of origin. Regarding our leather strap supply chain, we work in partnership with the Swiss-based international Association of leather bracelets manufacturers for the Watch Industry (AQC) that coordinates Chopard’s supply chain mapping with our bracelets suppliers.

Risk Assessment

The risk assessment process is conducted on the risk category mentioned in the introduction: Governance, Human Rights and Environment.

For each category, we use specialised tools for risk category, among others:

Governance: our KYC forms, and other screening tools on PEP for instance.

Human Rights: [European Union CAHRA map](#); international sanctions (UE / UK/ US); NGO reports or media articles; MVO Human Rights <https://www.mvorisicochecker.nl/en/start-check>

Environment & Biodiversity: Carbon footprint, LCA analysis, Sustainability reports; [Integrated Biodiversity Assessment Tool \(IBAT\)](#); WWF [Global Deforestation Fronts](#); WWF [Water Risk Filter](#); Animal welfare LWG risk map.

To ensure compliance regarding sanctioned entities and individuals, Chopard closely monitors the international sanctions published by governments and international organisations such as the Council of the EU; Switzerland – State Secretariat for Economic Affairs (SECO); US – OFAC; UK – HM Treasury; United Nations Security Sanctions. With regards to our gold supply chain, we annually assess and record the Supply Chain Due Diligence Reports of all the refiners we are working with.

When conducting the risk assessment, some red flags can be identified (e.g. suppliers located in Conflict-Affected and High-Risk Areas (CAHRA), a region/material is under international sanctions, etc.). Red

flags do not necessarily mean that the risk is confirmed, however, it requires to conduct an enhanced due diligence, which can consist in-depth discussions with the supplier (e.g. refiners), additional evidence proving the risk is prevented or mitigated (field reports, KYC, etc.), verification of the due diligence system conducted by the tier-1 in its supply chain through on-the-ground assessments (independent auditors on-site, Chopard team on-site visits, etc.).

3: Design and implement a strategy to respond to identified risks

Should potential risks be confirmed through further scheduled enhanced risk assessment activities, a Risk Management Plan will be designed and implemented in collaboration with the supplier and affected stakeholders, where appropriate. All findings of the supply chain risk assessment are communicated to the board.

The Risk Management Plan will refer to the **Responsible Sourcing Policy** (clause 11.) and to the OECD Guidance. The actions will be considered depending on the type and severity of risk identified, they will be closely monitored, and re-evaluated after six months.

In case of international sanctions against a specific origin and material like Russian diamonds (e.g. G7 sanctions against Russian diamonds), we ceased the purchase of stones from this origin in February 2022. We communicated the requirements officially to our suppliers followed by visits on-site from our team and a traceability audit by an external auditor to ensure our sourcing is aligned with the sanctions.

4: Carry out independent third-party audit of supply chain due diligence at identified points in the supply chain

Chopard’s supply chain due diligence system was subject to an independent third-party audit during the RJC recertification process in January 2022. The auditor did not observe any non-conformances related to Chopard’s five-step supply chain due diligence system (RJC COP7). The next independent audit of our supply chain due diligence system will take place in January 2025.

5: Report annually on supply chain due diligence

This Supply Chain Due Diligence Report fulfills the reporting expectations of the OECD Guidance and is integrated in Chopard’s annual Sustainability Report.

SUPPLY CHAIN REGULATIONS AND COMPLIANCE

REPORT ON DUE DILIGENCE AND REPORTING OBLIGATIONS IN RELATION TO MINERALS AND METALS FROM CONFLICT-AFFECTED AREAS AND CHILD LABOR

Since 2023, even though legally exempt from the obligations arising from Articles 964 j-I of the Swiss Code of Obligations (hereinafter “CO”) and the Ordinance on Due Diligence and Transparency in relation to minerals and metals from conflict-affected and high-risk areas and child labor (hereinafter the “Ordinance”) of 3 December 2021, Chopard respects the legal requirements as prescribed by said articles and Ordinance.

This report aims to detail Chopard’s conformity with Article 964j-I CO and the Ordinance: regarding minerals and metals and child labor.

1. Due Diligence and Reporting Obligations in relation to Minerals and Metals

Chopard has implemented rigorous processes to ensure traceability and risk management in its supply chain, in accordance with the OECD Due Diligence Guidance. Chopard’s commitment is based on a double objective:

- strengthening the transparency and traceability of its supplies, and
- ensuring respect for human rights, particularly by ensuring that its activities do not finance armed conflicts or contribute to serious violations of international law.

i. Responsible Sourcing Policy

Chopard has implemented a strict internal responsible sourcing policy, aligned with the principles set out in the OECD Guidance. This policy imposes the following obligations on all direct and indirect suppliers:

- declaration of the origin of the minerals and metals supplied, and
- contractual commitment to the traceability of raw materials.

ii. Risk Assessment Mechanism

Chopard conducts an annual in-depth risk assessment of its supply chain, based on a methodology consistent with the OECD Guidelines. This assessment is based on a comprehensive analysis of the following elements:

- the geographical location of suppliers,
- verification of documents related to the traceability chain of minerals and metals,
- audit of the risk management processes implemented by suppliers.

This assessment allows the identification of potential risk areas and the implementation of necessary corrective measures.

iii. Corrective Actions and Mitigation Measures

In the event that a risk related to human rights or conflict financing is detected in its supply chain, Chopard adopts immediate corrective measures. These measures include:

- suspension of business relations with non-compliant suppliers,
- implementation of a corrective action plan, in collaboration with the suppliers concerned, aimed at strengthening transparency and compliance with international standards.

iv. External Verification, Certification, and Reporting

In accordance with the OECD Guidance, Chopard submits its processes to independent verification. As part of the 2022 certification (RJC COP 7 OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas), an independent auditor confirmed that Chopard fully complies with international due diligence requirements.

Furthermore, the results of these verifications are systematically integrated into Chopard’s continuous risk management improvement process.

Additionally, in accordance with Article 9 para. 3 of the Ordinance, Chopard includes its conclusions on compliance with Articles 964 j-I CO and the Ordinance in its “Sustainability Report” published annually on Chopard’s website.

2. Due Diligence and Reporting Obligations in relation to Child Labor

Chopard conducted an evaluation of its entire supply chain to identify and prevent any risk of child labor. After analyzing the risks associated with its operations, it was concluded that Chopard is not subject to due diligence and reporting obligations regarding child labor for the following reasons:

- Location of Activities: Chopard’s headquarters and production sites are located in Switzerland and Germany, two states that have fully ratified the main conventions of the International Labour Organization (hereafter “ILO”), namely Convention No. 138 on the minimum age and Convention No. 182 on the worst forms of child labor and which apply the United Nations Guiding Principles on Business and Human Rights (hereafter the “United Nations Guiding Principles”). These states have strict national legislation in line with international standards for combating child labor.
- Subcontracting and Suppliers: When Chopard uses subcontracting, it is carried out only in countries that have ratified the ILO conventions and respect the United Nations Guiding Principles, thus ensuring strong protection against any form of child labor. Chopard systematically conducts due diligence on its business partners and suppliers to ensure compliance with these conventions.
- Supply Chain Analysis: Chopard conducted a thorough evaluation of its supply chains, which revealed no indicators or suspicions of child labor. Contractual relationships with its suppliers include explicit clauses prohibiting child labor, and these suppliers are based in jurisdictions that have ratified the ILO conventions, respect the United Nations Guiding Principles and are subject to strict labor law regimes.

Thus, there is no evident use or proven risk of child labor in the supply chain.

In conclusion, Chopard fully complies with legal requirements for combating child labor, and its commitment to responsible practices is reflected in effective preventive measures within its supply chains.

3. Conclusion

Chopard commits to maintaining the highest standards of due diligence and transparency. By adhering to OECD standards and other international regulations, Chopard reaffirms its responsibility to an ethical and responsible supply chain and to respecting human rights throughout its value chain. Chopard will continue its efforts to ensure ongoing compliance with these standards and remains determined to strengthen its practices in human rights, environmental protection, and good governance.

This Report on due diligence and reporting obligations in relation to minerals and metals from conflict-affected areas and child labor fulfills the reporting expectations of Article 964j-I CO and the Ordinance.

SUSTAINABLE KEY PERFORMANCE INDICATORS (KPIs)

PILLARS	TOPICS	INDICATORS	KEYS FIGURES 2023	ESRS
RETHINKING OUR PRODUCTS	RESPONSIBLE SOURCING	<div><div>■</div> Significant suppliers certified, or in process of being certified by an internationally recognised sustainability scheme (%)</div> <div><div>■</div> Lucent Steel™ recycled rate from facilities within 1000 km of our Swiss manufacture and contained in all our steel watches, including bracelets and cases (%)</div> <div><div>■</div> Proportion of RJC certified diamonds (%)</div> <div><div>■</div> Proportion of RJC certified coloured gemstones (%)</div> <div><div>■</div> Proportion of declared bovine origins (farms) from Europe (%)</div> <div><div>■</div> Proportion of alligator farms certified against Animal welfare standards and from US origin (%)</div>	<div>➤ 52%</div> <div>➤ 80%</div> <div>➤ 87%</div> <div>➤ 46%</div> <div>➤ 82%</div> <div>➤ 100%</div>	ESRS E2 ESRS E3 ESRS E4 ESRS E5 ESRS S3 ESRS G1
	CARBON FOOTPRINT	<div><div>■</div> CO2 emitted - GHG protocol (tons)</div> <div><div>■</div> Scope 1 & 2: réductions of GHG in our Swiss buildings since 2014 (%)</div> <div><div>■</div> Scope 2: proportion of the electricity purchased by the company coming from renewable sources (%)</div>	<div>➤ 21,800 tons</div> <div>➤ 40%</div> <div>➤ 80%</div>	ESRS E1
	ENERGY CONSUMPTION	<div><div>■</div> Renewable energy consumption (MWh)</div> <div><div>■</div> Annual consumption of non-renewable electricity (MWh)</div> <div><div>■</div> Annual consumption of renewable energy (MWh)</div>	<div>➤ 9,689.51 MWh</div> <div>➤ 2,704.12 MWh</div> <div>➤ 9,689.51 MWh</div>	
	WATER CONSUMPTION	<div><div>■</div> Total water consumption (m³)</div>	<div>➤ 31,874 m³</div>	
	WASTE	<div><div>■</div> Volume of waste generated (tons)</div> <div><div>■</div> Total weight of non-hasardous waste (tons)</div> <div><div>■</div> Hazardous waste generated (tons)</div> <div><div>■</div> Total weight of waste recycled (tons)</div> <div><div>■</div> Total weight of recovered (tons)</div>	<div>➤ 576 tons</div> <div>➤ 490 tons</div> <div>➤ 86.24 tons</div> <div>➤ 398.12 tons</div> <div>➤ 473.51 tons</div>	
ENGAGING OUR EMPLOYEES	WORKING CONDITIONS AND WELLBEING	<div><div>■</div> Employee retention rate (%)</div> <div><div>■</div> Employees covered by a health and safety system (%)</div> <div><div>■</div> Number of employee work-related accidents</div> <div><div>■</div> Number of deaths resulting from occupational accidents and diseases</div>	<div>➤ 90%</div> <div>➤ 100%</div> <div>➤ 62</div> <div>➤ 0</div>	ESRS S1
	TRAINING AND SKILLS DEVELOPMENT	<div><div>■</div> Number of apprentices trained</div>	<div>➤ +40</div>	ESRS S1
	DIVERSITY, EQUALITY & INCLUSION	<div><div>■</div> Number of female employees</div> <div><div>■</div> Number of male employees</div> <div><div>■</div> Number of women in the first decision-marking body</div> <div><div>■</div> Number of men in the first decision-marking body</div> <div><div>■</div> Proportion of women in executive bodies (%)</div> <div><div>■</div> Proportion of men in executive bodies (%)</div> <div><div>■</div> Proportion of employees by age group < 30 / < 30-50 / > 50 (%)</div>	<div>➤ 970.8</div> <div>➤ 1,058.93</div> <div>➤ 14</div> <div>➤ 26</div> <div>➤ 35%</div> <div>➤ 65%</div> <div>➤ 9% / 57% / 34%</div>	ESRS S1
ACTING COLLECTIVELY	PARTNERSHIPS	<div><div>■</div> Fine gold sourced from accredited artisanal mines through the Swiss Better Gold partnership</div>	<div>➤ 64%</div>	ESRS E1 ESRS S2 ESRS S3 ESRS G1

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