

Richemont

Corporate Social Responsibility Guidelines

As a member of the global community, Richemont strives to act as a responsible corporate citizen. It prides itself on maintaining high standards of integrity and honesty in carrying out its business activities and expects the support of its managers, its employees, suppliers and associates in pursuing these goals.

The Richemont Corporate Social Responsibility Guidelines have been adopted by the Board of Compagnie Financière Richemont SA on 23 March 2005, and revised on 15 November 2007.

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Detailed guidelines in each of these areas are set out in the following sections of this document.

Note that the terms 'Richemont' and 'the Group' are used interchangeably throughout this document.

Richemont Corporate Social Responsibility Guidelines

Part 1

Responsibility towards customers

Richemont “Maisons” are committed to excellence, ensuring that their heritage, individuality, traditional values and commitment to quality are conveyed to their customers through their products and services. In pursuing these goals, the Group, will seek to act with integrity and fairness towards its customers.

1. Product design and quality

Richemont Maisons are committed to creativity and innovation. Maisons must ensure that this is done in line with the brand’s identity and core values, thus maintaining the intrinsic worth of the brands over time. Richemont aspires to ensure that all products shall be of the highest possible quality.

2. Staff training and customer service

Richemont seeks to ensure that its retail customers, whether buying from a company owned boutique, a franchisee or from a retail partner, receive the highest standards of customer service and care. The Group will therefore provide all its employees and dealers with appropriate training to ensure customer-focused service that reflects the Group’s and each Maison’s image.

Employees shall be made aware of the need to treat all retail customers and potential customers fairly, avoiding discrimination

3. Availability and choice

Each Maison has established an appropriate strategy governing the distribution of its product to wholesale and retail customers.

- Through its extensive international distribution infrastructure that includes a network of wholesale and retail outlets, the Group seeks to offer, within the limits of production the best possible availability of its products across the globe.

4. After-sales service

Richemont seeks to provide its customers with high levels of service, whether in terms of repairs under guarantee, routine servicing or ad hoc repairs. Richemont will continue its efforts to ensure that there is a strong after-sales service organisation equipped to provide customers with a level of service and care which is commensurate with the quality of the products being sold and which meets customer expectations.

- Maisons shall ensure that the terms of guarantees provided by the company or under the terms of local legislation in the countries in which they operate are honoured.

- All after-sales service work shall be effected using materials of a quality equivalent to those used in the original product. Clear information regarding cost quotations and the time required for the repair process will be communicated to the customer, if requested.

5. Combating counterfeit products

Counterfeit products can lead to dilution and confusion in the market, undermine the value of legitimate products bought by the Group's clients and can result in the purchaser being deceived. Richemont is committed to taking appropriate action when it becomes aware of the production and distribution of counterfeit products.

- Product designs will be closely safeguarded. Wherever practical, products shall carry unique identifiers which will facilitate product tracking.
- Maisons' trademarks, designs, creations and technical innovations shall, as far as practically possible, be protected by trademark, patent, copyright and other appropriate intellectual property laws. The Intellectual Property Department will monitor and endeavour to protect the Group's assets in this area.
- The Group Intellectual Property Department will work to detect and combat the manufacture and sale of counterfeit and infringing products and will collaborate as required with international organisations, law enforcement agencies and other companies in order to minimise the impact of infringement and counterfeiting.

Richemont Corporate Social Responsibility Guidelines

Part 2

Responsibility towards employees

Fair dealing together with ethical conduct towards the Group's employees is central to Richemont's reputation and to its ongoing success. To this end, Richemont seeks to comply with all applicable laws and regulation and with the ethical principles set out below.

1. Employment and labour rights

Richemont is committed to adopting fair and ethical labour practices. Employee conditions and terms of service will comply with national laws and applicable industry standards.

- Richemont will not tolerate uncivil or degrading treatment of employees and is opposed to all forms of abuse, physical punishment, forced labour and child labour whether in its own operations or those of its suppliers or partners.
- Richemont will seek to provide appropriate mechanisms through which the rights and well being of its employees may be protected and they may learn and develop their skills.

2. Reward

Richemont is a global enterprise and the means by which it rewards its employees will inevitably vary according to local law, practice and market pressures. Irrespective of this national diversity, Richemont strives to acknowledge the value that each employee brings to its business and to provide rewards on a fair and ethical basis and in line with a common framework.

- Wages and benefits will meet or exceed minimum national legal standards and should generally be in line with or exceed industry benchmarks.
- The Group seeks to provide adequate post-retirement benefits in line with local legislation and general good practice within its businesses and in the countries in which it operates.

3. Health and safety

Richemont acknowledges its responsibility for the health, safety and general well being of its employees in the performance of their duties. Richemont seeks to provide and maintain systems and places of work, which are in line with applicable safety and health standards.

- Richemont will endeavour to provide support and assistance in the resolution of work related problems.
- Richemont will undertake regular risk assessments of its work places. Where appropriate, Richemont will consult with employees on health and safety issues.

4. Equal opportunities and respect at work

Richemont is an equal opportunities employer and has a policy of offering equal treatment to all applicants and employees. Employment is provided and decisions concerning terms and conditions of employment, performance appraisals and promotions are made on the basis of aptitude, ability, contribution to Richemont's success and commercially appropriate factors permitted to be considered under local laws.

- Richemont does not discriminate in the recruitment, training, promotion, appraisal, compensation or termination of its employees on grounds of race, national origin, religion, disability, gender, sexual orientation or on any other illegal ground.
- Each employee is under a moral and, as applicable, legal duty not to discriminate on such grounds and any allegation of a breach of this duty will be investigated. Discrimination by an employee will result in appropriate disciplinary action, which, subject to applicable law, may include the summary dismissal of the individual concerned.
- Richemont will not tolerate conduct, which creates an offensive, intimidating or hostile environment for others. Harassment is unacceptable within the Richemont environment and will be investigated and dealt with in an appropriate manner.

5. Employee participation

Richemont maintains an open and responsive view of the activities of employee representatives and respects the rights of employees to participate in trade unions of their choosing and to collective representation.

- Richemont recognises employee representatives and aims to provide them with reasonable opportunity to conduct their functions within the workplace.

6. Fair dealing

Richemont is opposed to all forms of corruption and bribery. Its employees, suppliers and associates are prohibited from offering, making or receiving any unauthorised or unorthodox payments or other inducements which compromise the making of objective and fair business decisions

- Richemont encourages its employees to report any irregular approaches that an employee suspects are aimed at soliciting business from the Group.
- Business entertainment and hospitality must be of a type recognised to be appropriate for the level at which the employee works and for the country concerned.
- Richemont employees shall not offer payments or inducements to third parties in order to secure business from them.

7. Compliance and reporting

Richemont encourages employees to identify and raise potential ethical and legal issues before they lead to problems, to seek management advice on the application of ethical policies and these Guidelines when in doubt and to report violations of such policies these Guidelines and applicable laws and regulations promptly. Richemont will take action to investigate and address any violations.

- Richemont has established a reporting mechanism to give employees the opportunity to flag illegal acts and/or conduct that is not in compliance with the Richemont Code of Business Ethics and the Corporate Social Responsibility Guidelines. Any irregular activity they prefer not to transmit to local Management or Human Resources may be conveyed directly to the Head of Internal Audit at "whistle.blowing@richemont.com". To enable a prompt assessment and the implementation of appropriate corrective action, the informant may not report anonymously. Nevertheless, protection and confidentiality are guaranteed by the independence of the Internal Audit function.
- To the extent practicable and permitted by local law, Richemont will respect privacy and maintain the confidentiality of employee reports of possible violations for an employee reporting a possible violation. No one will be subject to retaliation or discrimination because they have in good faith reported suspected violations.

Richemont Corporate Social Responsibility Guidelines

Part 3

Responsibility towards the community

Richemont seeks to contribute to promoting the health, welfare and sustainable economic development of the wider community in which our Maisons operate. The Group also believes in the importance of supporting its employees in their individual and collective efforts towards improving society.

1. Charitable involvement

Richemont acknowledges its responsibility towards the community by participating in and/or donating to charitable organisations.

- Globally, Richemont supports Laureus Sport for Good, a charity established to help underprivileged individuals around the world through the medium of sport. Richemont companies around the world are encouraged to support the Laureus concept, through both financial involvement and support for the charity in terms of making resources and staff time available.
- Maisons have the freedom to donate to any officially recognized charitable organisation which supports a valid cause. Representatives of the Maisons should seek to ensure that significant donations are put to good use, have access to the financial statements of the charity concerned and verify that funds are used to benefit legitimate projects and are not absorbed in administration of the charity.
- Richemont Maisons and operating companies may only make contributions to political parties or similar organisations to the extent permitted by local law with the prior approval of the Chairman's Committee. Any such contributions shall be fully and transparently disclosed in both the Group's internal reporting and in the statutory reporting of the entity involved in accordance with local legal and regulatory requirements.
- Richemont employees should be given the opportunity, where feasible, to voluntarily donate money to their chosen charity by way of payroll deductions.
- Employees should be encouraged to volunteer their time to support charitable causes. Where appropriate, the Group will endeavour, wherever practicable, to allow employees reasonable time, whether compensated or not, to become involved in projects which support the community and/or charitable causes.

2. Sponsorship activities

Sponsoring aims by nature to associate a company with an international or local event, through a financial participation.

- Individually, Richemont Maisons support various initiatives, which are seen to be linked to the values of the Maison. It is important that the choice of activity for sponsorship be suited to the image and the profile of the clientele of the Maison in question.
- Maisons should avoid involvement in sponsoring, potentially hazardous activities or activities which are not compatible with the values of the Group or the Maison itself.

3. Fostering new talent

Richemont seeks both to develop and perpetuate know-how, technical skills and a spirit of excellence amongst its employees. This is especially important for the traditions of craftsmanship that are involved in the creation of the Group's products.

- Group companies will operate formal apprenticeship programmes both independently and under the auspices of the relevant government agencies and trade associations.
- Richemont acknowledges its responsibility for fostering new talent by offering opportunities for staff to benefit from the experience of more senior employees throughout the organisation.
- The Group will invest in the education of future potential employees and provides them with learning opportunities, for example through the Richemont School of Design in Milan and through the development of special partnerships with international design and craft schools.
- Through its cultural initiatives, the Group supports young artists in a range of disciplines, fostering creativity and new talent.

4. Responsible citizen

Richemont recognises its responsibilities to its shareholders to optimise over the long term its profitability and return to shareholders within the constraints imposed by laws, regulations and good corporate conduct. It also recognises its obligations to the communities in which it operates. The Group will pay all taxes due in compliance with prevailing fiscal rules and regulations.

Richemont Corporate Social Responsibility Guidelines

Part 4

Responsibility towards the environment

As a member of the global community, Richemont seeks to act as a responsible corporate citizen carrying out its business activities in a manner which is consistent with the protection of the environment.

In this regard Richemont has developed a model Environmental Code of Conduct (the “Environmental Code”), which confirms the Group’s commitment to environmental stewardship and elaborates in detail the principles and practices that will be followed in order to promote responsible environmental management. The Environmental Code has been drafted taking into account the principles inherent in these Guidelines. The Environmental Code may be adapted, with the approval of the Group Corporate Social Responsibility (“CSR”) Committee, to reflect the activities of specific Maisons or entities in the Group.

1. Operations

- Richemont will ensure that its operations are in compliance with local environmental legislation, norms and regulations and executed in harmony with the environmental surroundings.
- Richemont will monitor, as appropriate, both pollution and the consumption of water, energy, oil, natural resources and other materials used in its operations with a view to improving their usage and minimising waste.
- Richemont will comply with international and local regulations related to the procurement, import, usage and export of raw materials issued from endangered or protected species.
- Richemont adheres to the principles of the “World Diamond Council Resolution on Industry Self-regulation” supporting the Kimberley Process and the system of written warranties established by the industry.
- Richemont will seek to require its suppliers of gold to provide, wherever feasible, assurance that gold has been mined in a manner that does not inflict environmental damage or violate human rights.

2. Product stewardship

- Richemont Maisons will seek to minimise the impact of their manufacturing activities and delivery processes on the environment.

3. Precautionary approach

- Richemont will endeavour to respect the preservation of ecosystems and the conservation of scarce resources.
- The Group will manufacture products in a manner consistent with prevailing best practices in order to prevent any adverse impact on health, safety or the environment.
- For its major manufacturing entities, Richemont will develop and maintain emergency preparedness plans in conjunction with the relevant emergency services and authorities.

4. Application and Compliance

- A member of management at each of the Group's manufacturing facilities will be assigned responsibility for the implementation of environmentally responsible practices.
- Richemont reserves the right, subject to applicable law, to terminate employment or business relationships with any employee, supplier or business partner who violates the Group's guidelines relative to environmentally responsible management.
- Richemont has established a reporting mechanism to give employees the opportunity to flag illegal acts and/or conduct that is not in compliance with the Richemont Code of Business Ethics and the Corporate Social Responsibility Guidelines. Any irregular activity they prefer not to transmit to local Management or Human Resources may be conveyed directly to the Head of Internal Audit at "whistle.blowing@richemont.com". To enable a prompt assessment and the implementation of appropriate corrective action, the informant may not report anonymously. Nevertheless, protection and confidentiality are guaranteed by the independence of the Internal Audit function.

Richemont Corporate Social Responsibility Guidelines

Part 5

Responsibility towards and obligations of business partners

Richemont and its Maisons' relationships with all business partners - suppliers, sub-contractors and business allies are based on sound business practices and mutual trust. The relationship should be dynamic in nature and mutually rewarding. In the spirit of setting up and disclosing its policies towards its business partners, Richemont has issued a Model Supplier Code of Conduct (the "Model Supplier Code") applicable to all its business partners throughout the Group. The Model Supplier Code has been drafted taking into account the principles inherent in these Guidelines and elaborates in detail how Richemont expects its suppliers to adhere to responsible business practices. The Model Supplier Code may be adapted, with the approval of the Group CSR Committee, to reflect the operations and requirements of specific Maisons or entities in the Group.

1. Labour relationships and employment practices

- Richemont expects its suppliers to adopt and apply fair and ethical labour practices respecting fundamental rights of their employees based on the conventions of the International Labour Organisation (ILO). These include no forced employment, freedom of association, healthy and safe working conditions, no child labour, fair wages, reasonable working hours, no discrimination and no physical maltreatment.
- Suppliers are expected to comply with relevant legislation and industry standards of the countries in which they operate.

2. Responsible environmental management

- Suppliers are expected to comply with local and international legislation and regulations as well as with the principles outlined in the Richemont "Environmental Code".

3. Industry specific issues

- Suppliers are expected to comply with specific international and local regulations relating to the industry in which they operate, for example "CITES", relating to the procurement, import, usage and export of raw materials from endangered or protected species and the "World Diamond Council Resolution on Industry self-regulation" which supports the Kimberly Process to promote responsible procurement of conflict free diamonds. Further specific information for each industry is given in the Model Supplier Code.

4. Ethical business principles

- Suppliers are expected to act according to a “spirit of trust” regarding ethical business principles related to trade secrets, respect for intellectual property, sincerity, truthfulness and transparency, which will contribute to credible, fair, stable and sustainable business relationships with Richemont and its Maisons.
- Materials and parts used in the manufacture of the Group’s products will be sourced from responsible business partners, who can assure the Group’s quality standards. In the case of raw materials such as precious metals and gemstones, in particular, care shall be taken to seek to ensure that supplies are sourced only from acceptable sources, recognising the need to adhere to international standards of best practice in avoiding the exploitation of workers, abuse of the environment and avoiding support for unlawful regimes or trading practices.

5. Supplier of the supplier

- Richemont encourages suppliers to extend, communicate and apply the principles contained in the Model Supplier Code to their employees, suppliers, sub-contractors and other third parties with whom they do business.

6. Application and compliance

- As part of the procurement process and the selection of the suppliers, potential partners will be required to confirm their compliance with the provisions of the Model Supplier Code of the Maison or Group company with whom they will do business.
- Richemont reserves the right to terminate its business relationships with any supplier or business partner who violates the Group’s principles outlined in these guidelines.
- Richemont provides a formal reporting mechanism to ensure compliance with these Guidelines, which is detailed in the Model Supplier Code. This procedure allows for whistle blowing through a direct contact with senior management to ensure assessment of the problem and appropriate corrective action, as required.

Richemont Corporate Social Responsibility Guidelines

Part 6

Responsibility towards shareholders

Richemont is committed to maintaining a high standard of corporate governance and subscribes to the principles laid down in the Swiss Code of Best Practice for Corporate Governance.

Richemont believe it is imperative that business entities maintain the trust of their shareholders and the investment community generally. Failure to comply with the generally accepted principles of corporate governance could result in the investing community discounting the Group's shares to those of its peers who meet those standards. Conversely, aspiring to high standards in this area and providing full and understandable disclosures of the Group's position in key areas, should result in benefits to all stakeholders.

The Group's Corporate Governance Regulations, which have been distributed to senior executives, sets out the standards that shall be applied.

1. Principles of corporate governance

- Shareholders are encouraged to attend and vote at the Annual General Meeting of Compagnie Financière Richemont SA ('CFR').
- The board of CFR is composed principally of non-executive directors with a broad experience of international business and finance whose role is to oversee management and control the strategic direction of the Group.
- The board of CFR has established Audit, Compensation and Nomination committees to undertake specific responsibilities and oversee management's roles in those areas.
- Management and employees throughout the Group are charged with ensuring that the Group's activities are conducted in a manner that does not prejudice the Group's reputation in terms of corporate governance generally.

2. Transparency in financial reporting

The Group seeks to achieve high standards of financial reporting.

- The annual and interim financial statements of the Group have been prepared in accordance with Swiss Generally Accepted Accounting Principles up to the financial year ended 31 March 2005; the Group adopted International Financial Reporting Standards in its financial year ending on 31 March 2006.

- The financial statements of the Group and the financial statements of all entities within the Group are audited by independent public accountants. In terms of the consolidated financial statements, the independent accountants report to the Audit Committee, the Board and, ultimately, the shareholders of CFR.
- Management and employees throughout the Group must ensure that financial information presented in respect of the entities for which they are responsible is complete and accurate.
- All employees must recognise the importance of ensuring the completeness and accuracy of the information contained in financial reports for Group purposes, for local statutory purposes and for tax and other regulatory filings.

3. Proactive investor information policy

The Group has established a separate Investor Relations function, whose responsibility it is to maintain an open and balanced dialogue with the investment community generally.

- All investors must be treated equitably with no individual investor, analyst or group being afforded preferential treatment or access to information, which is not available to the market as a whole.
- The Group will seek to avoid the release of price sensitive information to individual investors or analysts. In the event of an erroneous or accidental release of such information, appropriate steps will be taken to inform the wider investment community without delay.
- The Group will seek to respond in a fair and accurate manner to appropriate media inquiries.
- Unless specifically authorised, executives will not make statements relating to the Group's financial affairs (or which may be interpreted as relating to the affairs of the Group) to the financial community generally and the press, in particular.

4. Code of Conduct for Dealings in Securities

To avoid the accidental or intentional misuse of price-sensitive information that has not been made available to the investing community generally, the Group has implemented a Code of Conduct for Dealings in Securities (the "Dealings Code"), which has been distributed to all members of management and other employees who may, from time to time, have access to price sensitive information concerning the Group.

- In addition to complying with the Dealings Code, there is an overriding obligation on recipients of the Dealings Code to exercise their own judgement in determining whether it is or is not appropriate for them to be dealing in the Group's securities at any time.
- Recipients of the Dealings Code and parties, closely linked to them are banned from trading in the Group's own securities whilst in possession of price-sensitive information.

- The Dealings Code establishes closed periods during which the recipients are not permitted to deal in the Group's own securities, regardless of whether or not they are in possession of price-sensitive information.
- The Dealings Code requires that its recipients obtain appropriate clearance from senior management before dealing in the Group's securities (other than in respect of the exercise of stock options) and imposes reporting obligations on its recipients.

These Guidelines are statements of policies for individual and business conduct and do not, in any way constitute an employment contract or an assurance of continued employment or other obligation legally binding on Richemont