

YOOX NET-A-PORTER GROUP

MODERN SLAVERY STATEMENT 2022

This statement is published in accordance with section 54(1) of the Modern Slavery Act 2015. It outlines the steps that YOOX NET-A-PORTER Group SpA (“YNAP”) has taken, and continues to take, to ensure that modern slavery and human trafficking are not taking place within our business and supply chain.

This statement applies to all companies within YNAP. It constitutes YNAP’s slavery and human trafficking statement for the financial year ending 31 March 2022.

About YOOX NET-A-PORTER

YOOX NET-A-PORTER (YNAP) is a leading online luxury and fashion retail business. Made up of four multi-brand online stores, NET-A-PORTER, MR PORTER, THE OUTNET and YOOX, it connects customers to the world’s most coveted brands, bringing them outstanding style and impeccable service. In addition, YOOX NET-A-PORTER’s Online Flagship Stores partner with world-leading luxury brands to power their own e-commerce destinations.

With 5.3 million customers across the globe, YNAP takes a localised approach to serving its clientele around the globe through its network of offices and operations across the United States, Europe, APAC and joint ventures with Alibaba in China and Symphony Investments in the Middle East.

We have offices and operations in the United States, Europe, the Middle East, Japan, China and Hong Kong, and deliver luxury fashion goods to more than 180 countries around the world. In our business operations globally, we employ almost 4,500 employees.

Procurement for the multi-brand online stores is achieved via an international portfolio of thousands of brands and suppliers with different levels of involvement. We have various direct suppliers around the globe, from which we buy our products and materials for sale. As a large global organisation, we have many other indirect suppliers, which relate to general business operations. These include - but are not limited to – suppliers who support our transport, editorial, customer care, marketing, office management and technology.

Since August 2018, YNAP has been part of the Compagnie Financière Richemont S.A. group of companies (“Richemont Group”).

Our Approach

YNAP has a zero-tolerance approach to any form of modern slavery. We are a signatory of the United Nations Global Compact. This signifies our commitment to putting effective systems and controls in place to safeguard against any form of modern slavery within our business and our supply chain.

As an employer, we comply with legislation in relation to employment and health and safety at work in the countries where we have a business presence. We are committed to paying all our employees appropriate salaries in accordance with national legislation in each country where we operate.

Our Supply Chain

Our standard procurement processes include checks and reviews designed to ensure that our suppliers have sufficient capability and capacity and are acting in compliance with YNAP's requirements.

We require all our suppliers to abide by the terms of YNAP's Code of Conduct for Suppliers. These terms include:

- Suppliers should not use any form of forced, bonded, indentured, or prison labour, and should/must not engage in any other form of compulsory labour, or any other form of slavery or human trafficking. All employment must be on a voluntary basis and workers should be free to terminate their employment at any time with reasonable notice.
- Suppliers must pay a fair remuneration for both men and women workers, for work of equal value in accordance with applicable local laws. Workers must receive wages and benefits that, at a minimum, meet all applicable laws.
- Suppliers must comply with local laws regarding minimum wages, standard working hours and employee benefits. Suppliers should not delay, withhold, or defer wages legally due to its employees, outside of industry standards. Overtime hours must be voluntary and fully compensated at regular or premium rates, according to local legal requirements.
- Suppliers must ensure that workers are at least the minimum age for employment or the age for completing compulsory education in the country where they are employed, whichever is the higher, as permitted by ILO Minimum Age Convention. Young persons should be at least 16 years old, unless an exception is allowed by local law which is consistent with ILO guidelines.
- Suppliers must ensure that working conditions in their supply chain, of both goods and services, are safe; that workers are treated with respect and dignity; that manufacturing and connected processes are ethically and environmentally responsible; and that the conduct of its business is based on principles of integrity, honesty, and fairness.
- YNAP's suppliers, and all third parties working with or for YNAP, are obligated, in all their activities, to operate in full compliance with the laws, rules and regulations of the countries in which they operate.

Policies

Since July 2019, YNAP has adopted the Standards of Business Conduct issued by the Richemont Group. These standards ensure that the ethical standards implemented by YNAP are clearly defined and represent a fundamental part of YNAP's corporate culture. They also intend to act as a benchmark for all those who work with YNAP in respect of how they conduct business and, in general, how they perform their activities. The standards include specific references to the exploitation of labour, and to discrimination based on gender or sexual orientation, race, class, nationality, language, religion, political and philosophical beliefs, political or union affiliation and association, health, disability and age. YNAP recognises that it has a responsibility to continuously integrate and upgrade the policies and controls it has in place to safeguard against any form of slavery, servitude, human trafficking and forced labour taking place within its business or supply chain.

As well as meeting high-quality standards in supply chain management, YNAP is committed to ensuring that: working conditions in its supply chain are safe; workers are treated with respect and dignity; manufacturing processes are ethically and environmentally responsible; and the conduct of its business is based on principles of integrity, honesty and fairness.

YNAP's Whistleblowing Policy includes suspected or alleged wrongdoing by senior management, employees or third parties, including business partners, suppliers, associates and all those who operate in the name or interest of YNAP Group and companies. The policy allows all aforementioned parties the opportunity to anonymously report any suspected wrongdoings or dangers at work, which can provide evidence leading to appropriate remediation.

YNAP's new Global Equity & Diversity Policy outlines its commitment to all employees in respect of

equality of opportunity, fair treatment, inclusion, and respect for all people in its business operations.

YNAP believes that these policies and commitments are the basis for a robust approach to combatting modern slavery and upholding human rights. To ensure full awareness of and access to these policies, all YNAP employees are notified of policy launches and updates via YNAP's internal social media platform. In addition, all policies are available for employees to access at any time via YNAP's internal intranet.

Risk management

YNAP risk management process is based on the implementation of a structured Enterprise Risk Management (ERM), grounded on the standard ISO 31000 and on the Enterprise Risk Management Framework, as defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

COSO's ERM-Integrated Framework builds on eight components:

1. Internal Environment, which includes the environment within YNAP, its risk appetite, as well as its integrity and ethical values.
2. Objective Setting, to ensure that YNAP objectives are set considering risks and opportunities and that they are consistent with the Company's risk appetite.
3. Event Identification, in which help identifying and map out events that can have an impact on the achievement of YNAP objectives. Events can be either risks or opportunities and they are outlined in the Risk Register.
4. Risk Assessment: whereby the identified risks are assessed considering their impact, likelihood, and YNAP exposure to those, in order to determine both the inherent and residual risk associated to each event.
5. Risk Response, as the evaluation carried out during the assessment phase, allows to determine the activities to be implemented to mitigate the risk or to maximize the opportunity (avoiding, accepting, reducing or sharing), on the basis of the Company's risk tolerances and appetite.
6. Control Activities, which are implemented through policies, procedures, and activities, to ensure that risks responses are effectively carried out.
7. Information and Communication, whereby relevant information is shared in a way and timeframe that enables people to carry out their responsibilities.
8. Monitoring, as the entire ERM process is monitored, and changes applied where necessary with the aim to be resilient and adapt to the changing environment YNAP operates in.

A Group Head of Risk Management has been assigned responsibility for identifying, assessing, and managing risks at Group level by following the ERM framework.

Along with the framework, in order to ensure that YNAP Management is up to date on the top risks that can have an impact on the Group's strategic goals, a committee has been established - the Risk and Controls Committee (RCC). The Committee meets regularly and is composed of permanent members (YNAP CSO, CFO, CTO, the Group Head of Risk Management and the Finance Governance and Change Director) with other participants invited according to the meeting agenda. The Risks and Controls Committee:

- Ensures that emerging compliance and ethics risks are discussed and addressed by YNAP Executives and Senior Managers.
- Oversees and manages potential threats and opportunities across the Group.
- Sets up and maintains the "tone at the top" of compliance-related aspects at a Group level, receiving strategic inputs and commitment to compliance from Executives and Senior Managers.

The monitoring activity also includes risks relating to social and environmental sustainability. YNAP has identified the procurement of 'dirty gold' as a high risk. YNAP's Supplier Code of Conduct requires that all suppliers of gold provide assurances that their gold has been sourced in a manner which respects human and labour rights.

YNAP constantly assesses and monitors supply chain risks through constant open dialogue with their suppliers and brand partners. The three main risk areas for YNAP in respect of modern slavery are:

- Risks related to the violation of human rights.
- Risks related to its employees' protection.
- Risks related to its supply chain.

To elevate standards in buying and sourcing, YNAP launched its Supply Chain Transparency Program in 2021 to improve traceability and transparency throughout their private label's supply chains in partnership with Sourcemap, an external supply chain transparency platform. As a first step, all Tier 1 suppliers (assembly and manufacturing of final products) for YNAP's private label suppliers were engaged to gain more information on their business practices and organise on-site audits where necessary. As a second step, the assessment will be expanded to all Tier 2 suppliers.

Supervisory Body (Organismo di Vigilanza)

YNAP ensures propriety and transparency in the conduct of business affairs and activities by formally adopting an Organisation, Management and Control Model (hereinafter "Model 231") as provided by Legislative Decree 231/2001.

Decree 231 establishes a system of administrative liability (which is substantially comparable to criminal liability) of legal persons and companies and associations, including those without legal personality, which is in addition to the liability of the natural person who physically committed the crime and aims to involve, in the punishment of that crime, the Entities in whose interest or benefit the crime was committed. This administrative liability only exists if one of the crimes explicitly listed in the Decree is committed.

Model 231 and the principles contained therein govern the actions of the Corporate Bodies, Employees, Associates, Consultants, Suppliers, Business Partners and, more generally, all those who, for any reason, work in connection with activities on behalf or in the interests of the Company.

In accordance with the principles laid down by Legislative Decree 231/01, the Board of Directors of YNAP has assigned the task of supervising the functioning, efficacy and observance of the Model to an autonomous and independent Company body with specific powers of initiative and control (known as the "Supervisory Body"). Therefore, the Supervisory Body performs its functions outside the Company's operative processes, reporting periodically to the Board of Directors, having no hierarchical relationship with the Board itself or with the individual Department managers. The Supervisory Body is composed of two external members and one internal, who, with their competence in legal and administrative matters and in the internal control system, guarantee observance of the requirements included in the Model. The Model in fact specifies and maps the processes in which the crimes it covers might occur. In this sense, the Supervisory Body regularly verifies that the controls which should prevent such crimes are put in place correctly.

Decree 231 expressly identifies the crimes (offences and violations) that can trigger the liability of the Entity if said crimes are committed in its interests or for its benefit. For the purpose of this Statement, it is specified that YNAP Supervisory Body also oversees the following crimes:

- Illicit intermediation and labour exploitation (Model 231 – Special Part D).
- Employment of illegally staying third-country nationals (Model 231- Special Part L).

In order to prevent such crimes, YNAP is required to:

- Refrain from engaging in, collaborating with or causing the carrying out of behaviours such as to integrate, considered individually or collectively, directly or indirectly, the types of crime provided for by art. 25-quinquies of the Decree.
- Guarantee a classification and remuneration of employees in compliance with national and territorial collective agreements and in any case proportionate to the quality and quantity of the work.

- Respect the regulations relating to working hours, rest periods, weekly rest periods, compulsory leave, holidays.
- Apply the regulations on safety and hygiene in the workplace.
- Ensure non-degrading working conditions, surveillance methods and housing situations.
- Refrain from engaging in or participating in the implementation of conducts which, considered individually or collectively, may integrate the crime referred to in Article 25-duodecies of Legislative Decree 231/01.
- Refrain from engaging in and adopting behaviours that, although they do not in themselves integrate the crime of employment of illegally staying third-country nationals, may affect the effectiveness of the preventive internal controls instituted.

Training

YNAP understands the importance of providing regular training on human rights and modern slavery. It provides its suppliers with informal, ongoing, demand-based support in response to any questions or issues they may raise on these topics.

During 2021 and 2022, YNAP rolled out global training to all its employees on Anti-Discrimination & Anti-Harassment and a bespoke Unconscious Bias programme. All YNAP's managers, including its Executive Committee, have also undertaken a training programme on Inclusive Leadership.

Impact of Covid-19

YNAP has taken appropriate Covid-19 measures to ensure the safety of all its employees and third parties who come into contact with its business in line with applicable laws and regulations, as well as best practice. This includes YNAP's early adoption of allowing its employees to work from home, as well as its implementation of the following measures for those working at its sites (offices and warehouses): social distancing; the provision and request to wear PPE; temperature checks on entry; one-way systems; and the introduction of a series of other safety measures e.g., controlling movement of staff, increased cleaning regimes, screening campaigns that provided reassurance that the business has and will continue to make every effort to protect the health and safety of its employees and third parties present at its sites. YNAP also sought to ensure that its employees and third parties were supported both financially and [by other means] so that they were able to cope with the impact of mandated lockdowns; the disruption to business and to avoid the risk of them becoming susceptible to modern slavery.

YNAP's actions included:

- Continuing to fulfil all contractual obligations, paying suppliers for their services and goods received in line with agreed terms and conditions.
- Undertaking risk assessments on employees who were declared as having vulnerable health conditions which could be impacted by Covid-19. The outcome of the assessments led to specific actions to secure the safety and wellbeing of those employees.
- Routinely communicating to all employees in order to provide them with guidance on the relevant health and safety measures that they should follow, as well as support to cope with the challenges of Covid-19 and lockdown.
- Communicating the availability of mental health support for all employees. Also, the importance of staying physically active to help support mental wellbeing.

YNAP continues to review the measures it has taken and the changing landscape in each location where it operates to ensure that its approach is appropriate in terms of health and safety and other potentially detrimental consequences, including any impact on its modern slavery obligations.

Looking Ahead

YNAP will continue to work with its direct suppliers to identify potential emerging risks and impacts in the extended supply chain, and furthermore focus on transparency and traceability throughout the supply chain to ensure that risks of modern slavery are considered.

This statement was approved by the Board of Directors of YOOX NET-A-PORTER GROUP S.p.A. and its affiliates. It is reviewed and updated on an annual basis.

Gianluca Gaias
Chief Security Officer
April 2022