

# YOOX NET-A-PORTER GROUP

## MODERN SLAVERY STATEMENT 2020

This statement is published in accordance with section 54(1) of the Modern Slavery Act 2015. It sets out the steps that YOOXNET-A-PORTER GROUP has taken, and continues to take, to ensure that modern slavery and human trafficking is not taking place within our business and supply chain.

This statement applies to all companies within the YNAP Group. It constitutes YNAP Group's slavery and human trafficking statement for the financial year ending 31 March 2020.

### About YNAP

YOOX NET-A-PORTER GROUP is an online luxury fashion retailer. We operate online stores, including 'online flagship stores', which are based on relationships with leading fashion and luxury brands.

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 we employ 5390 employees.

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

Since August 2018, Yoox Net-A-Porter Group S.p.A. has been subject to the direction and coordination of Compagnie Financière Richemont S.A.

### Our Approach

YNAP has a zero tolerance approach to any form of modern slavery. We are a signatory to 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 undertake to comply with the legislation on 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, and at least 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, capacity and are in agreement with YNAP conditions.

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

- Suppliers should not use any form of forced, bonded, indentured, or prison labour, and not engage in any other forms of compulsory labour, or any other forms 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 will 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 in that country or the age for completing compulsory education in that country whichever is the higher, as permitted by ILO Minimum Age Convention. Young persons should be at least 16, except if allowed by local law and such exception is consistent with ILO guidelines.
- Suppliers must ensure that work 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 of their activities, to operate in full compliance with the laws, rules and regulations of the countries in which they operate.

## Policies

The Group has adopted since July 2019 the Standards of Business Conduct issued by Compagnie Financière Richemont S.A ensuring that the ethical standards implemented by the Group are clearly defined and represent a fundamental part of the corporate culture. They also intend to act as the benchmark for behavior by all those who work with the Group in the conduct of business and, in general, the performance of their activities. This includes specific reference to the exploitation of labor, 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.

The Group recognizes 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 labor taking place within the business or the supply chain.

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

Our Whistleblowing Policy deals with all types of concerns regarding suspected or alleged violations by YNAP's management, members of corporate bodies, and employees or third parties. It allows all aforementioned recipients an opportunity to anonymously report any suspected wrongdoings or dangers at work, which can provide evidence leading to appropriate remediation.

We feel that these policies are the basis for a robust approach to combatting modern slavery and human rights.

## Compliance

An enterprise risk management approach, based on ISO 31000, is used to identify, assess, monitor and report on YNAP's compliance risks.

This includes risks relating to sustainability, including human rights. We have identified the procurement of 'dirty gold' as a high risk. Our Supplier Code of Conduct requires that all suppliers of gold provide assurance that it has been sourced in a manner which respects human and labour rights.

We constantly assess and monitor supply chain risks. The three main risk areas of YNAP regarding Modern Slavery are the following:

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

The YNAP Group renewed its certification to the Responsible Jewelry Council (RJC) in October 2018. RJC members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds, gold and platinum group metals. The Code of Practices addresses human rights, labor rights, environmental impact, mining practices and product disclosure in the jewelry supply chain.

## Training

We understand the importance of providing regular training on human rights and modern slavery. We provide informal, ongoing, demand-based support to suppliers in response to any questions or issues raised. There is a project currently underway to identify the specific training needed for different parts of YNAP, and building on training that has been provided in recent years on the RJC standards to personnel within the logistics and purchasing departments.

## Impact of Covid-19

YNAP has taken appropriate precautions to ensure the safety of all its employees and all third parties who come into contact with the business, in line with both Government instructions and best practice. For example, the early adoption of working from home, social distancing, the wearing of PPE, and the implementation of a wide range of other safety measures for those continuing to work in offices and other YNAP sites (controlling movement of staff, increased cleaning regimes etc.) has provided reassurance that the organization will make every effort to protect employees and third parties, and an assurance that their situation is secure. We have also sought to ensure that employees and third parties are supported both financially and by other means to ensure that they are able to manage the lockdown, disruption to business, and any other consequences of Covid 19 to minimise the risk of employees or third-party organizations within our supply chain falling into conditions that make them susceptible to modern slavery. Our actions include:

- We have continued to fulfil all contractual obligations, paying suppliers for their services and goods received in line with agreed terms and conditions.
- We have undertaken risk assessments on employees who have declared fragile health conditions which could be impacted by Covid 19. The outcome of the assessments has led to specific actions to secure the safety and wellbeing of these staff.
- We have routinely communicated to all staff the organization's desire to look after their interests to cope with the consequences of Covid 19 (as well as maintaining our strong relationships with third parties that engage with YNAP) and have provided guidance on health and safety measures that should be followed.
- We have communicated the availability of mental health support for all staff. Also, the importance of staying physically active to help support mental wellbeing.

YNAP continues to review the measures being taken and the changing landscape in each location where it is operating to ensure that our approaches are appropriate in both health and safety terms and in relation to other potentially detrimental consequences, including impact on Modern Slavery Act obligations.

## Looking Ahead

We continue to develop our approach to human rights. We are committed to continued harmonization of the scope of our policies and practices, and the extension of training for employees and our suppliers. Supply chain mapping and sharing of information increases our capability to identify and address issues. Increasing supply chain monitoring and transparency is a key aspect of our approach to eliminating modern slavery in our business, and something we continue to prioritize.

This statement was approved by the Board of Directors of YOOX NET-A-PORTER GROUP S.p.A. and The Net-a-Porter Group Ltd. It will be reviewed and updated on an annual basis.

Gianluca Gaias  
Chief Security Officer  
June 2020