

SUSTAINABLE PROCUREMENT POLICY

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INTRODUCTION

This Sustainable Procurement Policy defines TUDOR's commitment to sustainable supply practices. It applies to all departments and stakeholders involved in the supply chain and aims to ensure that operations conform to exacting ethical, environmental, and social standards.

DEFINITIONS

Sustainable procurement

The procurement of goods and services is considered sustainable when it addresses social and environmental impacts while meeting quality, scheduling, and cost requirements. These criteria must be considered all along the supply chain and throughout the entire life cycle of the good or service procured, considering its global socio-economic and environmental impacts.

Sustainable procurement unites all stakeholders as it plays a key role in our shared journey towards sustainability. This process requires that buyers and suppliers alike comply with regulations and observe sustainable practices according to TUDOR's Sustainable Development Charter and Code of Conduct.

Supply chain

A network of organizations, people, activities, information, and resources that have an impact on the company's activities and those of all the economic operators that provide goods and services and are involved in transporting, extracting, and processing materials or components as well as incorporating them into a finished product.

Supplier

Person or company that provides goods or services to TUDOR. These goods may include raw materials, components, finished products and equipment, as well as services.

Corporate social responsibility (CSR)

Strategy and action plan implemented by a company together with its stakeholders to manage its environmental and social impact and contribute to sustainable development initiatives.

GOALS

In terms of procurement, TUDOR's mission is to guarantee the acquisition of goods and services necessary for the company to function in keeping with its ethics and values : the ongoing quest for quality, the spirit of innovation, and the pursuit of excellence. This mission is also fully in line with the brand's sustainability strategy, which aims to create watches in full awareness of their impact and in doing so, assuming its part of the responsibility for the major issues facing society.

This Sustainable Procurement Policy is based on Swiss¹ and European² regulations, as well as [Organisation for Economic Co-operation and Development](#) (OECD) Guidance³.

It also draws from the Sustainable Development Charter signed by TUDOR 's suppliers as well as TUDOR 's internal Code of Conduct for employees .

It aims to :

- Gather and list sustainable procurement practices.
- Formalize the inclusion of environmental and social aspects in the company's procurement decisions.
- Internally promote procurement strategies with a positive environmental and social impact.
- Reaffirm TUDOR's commitments to its suppliers.
- Maintain strong relationships between the brand and its suppliers.

PUBLICATION AND UPDATES

This policy may be updated to reflect changes in regulations, industry practices, internal processes, and TUDOR's strategy. It will be republished after each update.

TUDOR'S COMMITMENTS TO ITS STAKEHOLDERS

Within the framework of its Procurement Policy and in its relationships with its suppliers, TUDOR is committed to contributing to the [United Nations' Sustainable Development Goals](#) (SDGs) for 2030. This commitment is aligned with TUDOR's sustainability priorities, which include :

Human Rights

- Eradicating forced labor, modern slavery, human trafficking, and child labor in all its forms.

Working Conditions

- Protecting labor rights and promoting safe and secure working environments.

Diversity and Inclusion

- Promoting inclusive employment that guarantees all women and men, including young people and persons with disabilities, decent work and equal pay for work of equal value.

Climate Change and Waste Management

- Using the world's natural resources efficiently without degrading the environment, and reducing waste generation through prevention, reduction, recycling, and reuse.
- Raising awareness about climate change, accelerating decarbonization, investing in sustainable solutions, and fighting against all climatic risks.

¹ Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour of 3 December 2021 (version as of 1 January 2022).

² Regulation (EU) 2017/821.

³ OECD Due Diligence Guidance of April 2016 for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, including annexes and addenda.

Water Management

- Improving water quality by reducing pollution, eliminating dumping and minimizing the release of hazardous chemicals and materials.
- Using water resources sustainably.

Responsible Sourcing and Mapping of Raw Materials

- Ensuring compliance with ethical business practices.
- Implementing procedures to provide a clear picture of the origins of suppliers and raw materials.
- Promoting sustainability at every stage of the supply chain.

TUDOR's actions are traditionally guided by concerns of quality, scheduling, and cost. Added to this now are sustainability requirements, for which TUDOR undertakes to :

- Comply with relevant local, national, and international legislation.
- Comply with the [Universal Declaration of Human Rights](#) and [the fundamental labour conventions](#) of the International Labour Organization (ILO).
- Comply with the United Nations Convention on the Rights of the Child as well as the ILO's Minimum Age [Convention \(No. 138\)](#) and Worst Forms of Child Labour [Convention n° 182](#).
- Follow the reference framework of the OECD Guidance.
- Comply with the principles set out in TUDOR's Sustainable Development Charter and Code of Conduct.
- Prioritize the use of sustainable resources.
- Encourage the growing involvement of the brand's suppliers in responsible practices, and supporting them in this process.

RESPONSIBILITIES OF PURCHASERS

As such, each of TUDOR's purchasers must :

- Be proactive in anticipating and adequately responding to the needs of the company.
- Work in close collaboration with suppliers to achieve the highest quality indicator required by internal customers and users.
- Build and maintain a panel of reliable suppliers to guarantee the brand's reputation.
- Ensure that suppliers, as well as their goods and/or services, comply with TUDOR's Sustainable Development Charter
- Avoid any risk of supply or service interruption.
- Guarantee fair and equitable acquisitions.

TUDOR'S COMMITMENTS TO ITS SUPPLIERS

TUDOR is committed to fostering collaboration with each of its suppliers, and in particular :

- Encouraging innovation.
- Supporting actions to reduce the negative environmental and social impact of their supply chains.
- Maintaining a transparent, quality relationship that is committed in the long term.
- Guaranteeing the confidentiality of interactions.

RESPONSIBILITIES OF SUPPLIERS

TUDOR wants its suppliers to make a clear commitment to supporting its aims, particularly in the areas of ethics, social responsibility, and the environment.

To this end, TUDOR gives preference to suppliers who act in accordance with the principles of sustainable development.

If a supplier refuses to sign TUDOR's Sustainable Development Charter or provide information about its own supply chains, TUDOR reserves the right to not enter into business relations with the supplier or to terminate said relations if already initiated.

If moderate or high risks are identified for a supplier with which TUDOR has business relations, the brand can also request that an audit be carried out by independent third parties to ensure that the supplier addresses said risk.

IMPLEMENTATION

TUDOR strives to uphold and enforce its sustainability strategy across all of its supply chains. In practice, this commitment involves implementing systematic processes for assessing the risks of human rights and environmental abuses, processes that also guide the assessment and selection of the brand's suppliers.

Managing Supply Chain Risks

TUDOR has established a matrix for assessing the probability and severity of risks of human rights and environmental abuses along its supply chains.

The matrix aims to identify the CSR risks inherent to each of the company's procurement categories. TUDOR updates this matrix annually to reflect the latest geopolitical, media, and industry developments.

Due diligence and risk management are exercised for all of TUDOR's purchases, with a particular focus on minerals and metals sourced from conflict-affected areas (gold, tin, tantalum and tungsten) and for child labor. To this end, the brand follows OECD Guidance and its reference framework.

Specific internal governance has been implemented to address this subject through a Strategic Ethics and Compliance Committee that meets annually and a Steering Committee that meets at least ten times per year. These two committees represent the stakeholders involved and inform them of any decisions made regarding supply chain risk management.

Other risks are also assessed annually, such as those related to cybersecurity, scheduling, supply interruption, supplier relations, dependency, market conditions, and financial matters.

Evaluating Suppliers

TUDOR has also implemented a supplier risk attenuation program to ensure they are following best practices. Suppliers should be transparent and provide any information TUDOR may need to map out the provenance of the materials used, the sites, the processes used to manufacture its goods and the locations of its services. Based on their level of risk, TUDOR organizes audits, either announced or unannounced, carried out by third parties on sites of production, processing, or raw material extraction.

TUDOR gives its suppliers six months to achieve compliance for any minor non-conformities (documentation review) and requests an immediate action plan for any major nonconformities identified on-site. Each progress plan is monitored and assessed and must bear proof of its effectiveness.

Although TUDOR accompanies its suppliers in their risk management, the brand reserves the right to terminate business relations if the risk is well-established and too significant to be completely controlled.

Selecting New Suppliers

For high-risk groups, the Ethics and Compliance team systematically follows a due diligence procedure before allowing a new supplier to enter the TUDOR database. This procedure follows CSR criteria, ensuring a rigorous selection of ethical suppliers. Each supplier must also sign TUDOR's Sustainable Development Charter, which allows TUDOR to ensure that all of its partners are aligned with its core values and commitments.

Alert System

A report system, available on tudorwatch.com, allows TUDOR to take into account the concerns of its stakeholders regarding any potential violation along its supply chains of this Sustainable Procurement Policy, of the Sustainable Development Charter and of international law. The brand uses a third-party platform to guarantee the anonymity and confidentiality of the reporter's personal data.

Transparency

The company regularly addresses the evolution of the supply chain risk management system internally through its intranet and through communication channels specifically for management. Rules and best practices are regularly communicated to stakeholders. TUDOR will also make this information public each year.

Third-Party Audit of Internal Practices

The company's compliance management system is audited annually by an independent, certified auditor.

CONCLUSION

TUDOR's Sustainable Procurement Policy illustrates its commitment to guaranteeing responsible and sustainable practices throughout its supply chain. It reflects the importance attached to good practice, compliance, and transparency. TUDOR is committed to working closely with its partners to promote sustainable development practices throughout its value chain.

PROCESS

For every new order or new search for supply sources, buyers and their internal clients must follow the procurement steps below :

SUSTAINABLE PROCUREMENT PROCESS

Identifying Needs

- Examine consumption styles to re-adjust needs.
- Consider sustainable development goals, total cost and product life cycle when determining needs.

Administrative Management

- Sign the non-disclosure agreement.
- Have selected suppliers sign the Sustainable Development Charter.
- Enter the supplier into the information system.

Consultation

- Comply with competitive tendering regulations.
- Draw up scope statements that include ecolabels and eco-friendly materials and consider the life cycle of the product, waste and packaging management and optimized logistics whenever possible.
- Ensure that the supplier has communicated any «Made in» and mapping information.

Supplier Selection

- Beyond economic criteria, choose suppliers based on risk management, social and environmental commitments and total cost of ownership.
- Plan site visits and audits depending on the supplier's risk level.

Contracts and Orders

- Sign the contract. Contracts comply with international labor standards and the labor laws of the country in which the supplier operates.
- Place the order and follow up in the information system.

Send the Supplier Risk Vigilance form ("SRV") for high-risk suppliers.

VERSION
1

DATE
JUNE 2025

MODIFICATION(S)
Initial Procurement Policy.