



Tel. +61 3 9658 0900

ROLEX AUSTRALIA PTY LTD

104 Exhibition Street
MELBOURNE, VIC 3000

Statement for calendar year 2023

This statement is made pursuant to the *Modern Slavery Act 2018* (Cth) (“the Act”) for the reporting period 1 January 2023 to 31 December 2023 (“2023”).

It sets out the steps that Rolex Australia Pty Ltd ACN 005 956 338 (“Rolex Australia”) has undertaken and is continuing to undertake to identify and address potential incidents or heightened risks of modern slavery occurring within its operations and supply chains. Rolex Australia is committed to respecting and upholding the human rights of its people and other stakeholders that it interacts with in the course of its business activities. Rolex Australia understands that its commitment to respecting human rights supports its focus on being a responsible business.

Rolex Australia has a zero-tolerance approach to any form of modern slavery. Rolex Australia is committed to acting in an ethical manner, with integrity and transparency in all business dealings.

Reporting entity

Reporting entity: Rolex Australia Pty Ltd

ABN: 47 005 956 338

Registered Office: 104 Exhibition Street, Melbourne, VIC, 3000

Structure

Rolex Australia is an Australian Proprietary Company, registered on 30 December 1981 and is a member of the Rolex Group, headquartered in Switzerland. Rolex Australia has a head office in Melbourne, Australia and does not own or control any other entity.

Operations

Rolex Australia is the exclusive authorised importer and distributor of ROLEX and TUDOR wristwatches through a carefully selected network of third-party Retailers within the Oceanian market. Rolex Australia also owns and operates an After-Sale Service Centre located in Melbourne that services both the Retailer network and the end customer.

Rolex Australia has 59 employees working across its After-Sale Service Centre and Head Office. Rolex Australia continuously reviews its induction process for new employees to ensure it highlights the expectations of its people in mitigating risks and reporting concerns. Rolex Australia uses recruitment agencies to carry out vetting of prospective employees for their eligibility to work and dialogue with these recruitment agencies continues on relevant topics, including modern slavery.



Rolex Australia has embedded a human rights approach in its operations and supply chains through several policies implemented. The relevant senior policy owners and Board representatives review the policies every two years at a minimum.

Supply chain

Rolex Australia has a dispersed procurement function with various key management personnel responsible for the procurement of goods and services within their remit. Rolex Australia engages a variety of suppliers for the provision of non-trade goods and services, which include, but are not limited to:

- professional services including accounting and tax consulting services, IT consulting, and legal services;
- freight forwarding and custom brokers;
- construction;
- event management, production and media agencies;
- property management including cleaning; and
- general operating services including utilities, telephone, and internet.

In 2023, 82% of Rolex Australia's tier-1 suppliers were based in Australia.

Rolex Australia sources all wristwatches, sales accessories, spare parts, tools and equipment, promotional collateral and display material from one main supplier. 88% (by AUD value) of all transactions entered into by Rolex Australia are with this supplier, which is a related entity based in Switzerland.

This supplier has a high degree of vertical integration, manufacturing and transforming many of its materials in Switzerland, including gold and stainless steel. The supplier employs a significant Swiss-based workforce for processing and production. Accordingly, the supplier can minimise many sourcing risks that may be associated with contracted overseas labour due to its direct supervision of labour standards as they apply to their workforce. In relation to materials which are manufactured externally, this supplier sources many of these materials from European Union suppliers after applying rigorous selection criteria. The supplier contributes to an extensive suite of philanthropic activities which include training aspiring watchmakers and programs to support labourers overseas. These endeavours emphasise the supplier's understanding of human rights and the associated risks for people who are particularly vulnerable.

To involve its partners in its sustainable development efforts, this supplier has developed a Sustainable Development Charter¹. The Sustainable Development Charter formalises a voluntary commitment to people and the planet and aims to encourage and develop joint efforts that will benefit the greater good, as well as future generations.

In 2023, this supplier established an Alert System² which is an online reporting mechanism to allow anyone to submit a report regarding potential or actual harmful effects related to the extraction and processing of ores or metals (gold, tungsten, tantalum, and tin) from conflict or high-risk zones or child labour within its supply chains. The Alert System allows for anonymous reporting. In 2024, the scope of the Alert System will be expanded to enable users to report regarding potential or actual harmful effects related to the respect for human rights and basic liberties, protection of the environment and sound governance.

¹ https://media.rolex.com/rolexcom/about-rolex/corporate-social-responsibility/our-areas-of-action/sustainable-development-charter/rolex-sustainable-development-charter_en.pdf

² <https://www.rolex.com/about-rolex/sustainable-development/file-a-report>



Risks of modern slavery practices in the operations and supply chain

As outlined by the Attorney-General Department³, 'modern slavery' describes situations where offenders use coercion, threats or deception to exploit victims and undermine their freedom. Practices that constitute modern slavery can include:

- human trafficking;
- slavery;
- servitude;
- forced labour;
- debt bondage;
- forced marriage; and
- the worst forms of child labour.

Whilst there are risks of modern slavery practices in all businesses and supply chains, Rolex Australia acknowledges that the risks of modern slavery practices may be more prevalent in certain industries and geographical regions. Rolex Australia is aware that companies that operate in industries such as contracted cleaning, construction, hospitality and manufacturing have an elevated risk of modern slavery. From 2024, Rolex Australia will have a targeted focus on its suppliers identified as having an elevated risk as part of its ongoing risk identification and mitigation strategy.

Rolex Australia understands that some countries may have higher risks of modern slavery. Rolex Australia does not have any direct dealings with countries that are considered high-risk or with a high prevalence of modern slavery, as defined by the Global Slavery Index⁴.

As highlighted in the Supply Chain section above, Rolex Australia sources most of its products from Switzerland, a country bearing the lowest prevalence score as determined by the Global Slavery Index.

Rolex Australia engages with other suppliers for general operating expenditure (see Operations section above). Whilst Rolex Australia is aware of the concepts of causing, contributing to, or being directly linked to modern slavery, and the subsequent duty to provide a remedy, this risk is mitigated as all of Rolex Australia's employees and 82% of its tier-1 suppliers are based in Australia. This assessment is consistent with the Global Slavery Index estimates for Australia which considers Australia to have a low vulnerability and prevalence score.

Rolex Australia completed a mapping of the tier-1 supply chain for 2023. Suppliers were categorised by; industry, geography and share of total expenditure. The purpose of this review was to identify suppliers with an elevated risk of modern slavery. Where available, Rolex Australia reviewed the Modern Slavery Statements submitted by its key Australian suppliers to better understand the controls they have in place to address shared modern slavery risks.

Actions taken to assess and address these risks

Policies

Rolex Australia has procedures in place for grievances and whistleblowing to enable its employees to raise any concerns they may have in an anonymous, supported, and respected manner. Employees of Rolex Australia may also report concerns through the Alert System made available by the main supplier as highlighted in the Supply Chain section above.

Rolex Australia adheres to all obligations regarding the payment of at least the minimum legislated wage to employees, who are also provided with safe working environments.

³ <https://www.ag.gov.au/crime/people-smuggling-and-human-trafficking/modern-slavery>

⁴ Walk Free Foundation 2023 Global Slavery Index ("Global Slavery Index")



Rolex Australia regularly reviews its policies and procedures to ensure the highest standards are maintained throughout its operations. Feedback from employees is sought and relevant issues are acted on by management.

Supplier consultation

Rolex Australia has obtained confirmation from its main supplier that they have taken steps to minimise the risk of modern slavery occurring within their business and supply chains. This supplier engages with its own suppliers on potential risks of child labour and is focused notably on this issue within its operations. Following the introduction of an extensive traceability program⁵ several years ago, the supplier significantly increased its visibility and tracking of materials sourced from multiple locations around the globe. This supplier's commitment to supply chain traceability and the issue of child labour is reinforced by the non-financial reporting obligations introduced in Switzerland in 2023 by the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour⁶. As required by this Ordinance, an audit in relation to minerals and metals and child labour was carried out in a report by an audit firm, which has examined the risk management plan of the supplier on these aspects.

Dialogue between Rolex Australia and its main supplier (and other tier-1 suppliers) on modern slavery will continue with a focus on continuous improvement as per the requirements of the Act.

Rolex Australia continues to work with its suppliers to build meaningful relationships to promote transparency in discussions surrounding modern slavery. Whilst Rolex Australia acknowledges that it may not be possible to fully investigate all activities of its tier-1 suppliers, and in turn their suppliers, it continues to look for ways to support the promotion of human rights within its operations and value chain.

Supply chain mapping

Following the mapping of the 2023 tier-1 supply chain, Rolex Australia assessed the risk profile of each supplier using the modern slavery risk factors set out below:

- Sector/industry – certain sectors and industries may have higher modern slavery risks because of their characteristics, products and processes, such as widespread use of low skilled labour or reliance on outsourcing.
- Geography – certain countries and geographic regions may have higher modern slavery risks due to poor governance, weak rule of law, conflict, migration flows and socio-economic factors like poverty.
- Product and service – certain products and services may have higher modern slavery risks because of the way they are produced, provided or used.
- Model of supply – certain business models may have higher modern slavery risks because they have poor governance structures or a record of non-compliance with labour standards.

Rolex Australia determined in its tier-1 supply chain risk profile assessment that 97% (by AUD value) of all transactions are with suppliers who they considered as low risk, while 0.01% (by AUD value) of all transactions were with suppliers considered as higher risk. Rolex Australia will continue to use the supply chain risk profile assessment to focus its efforts on suppliers that are considered to have a higher risk profile.

Modern slavery upskilling

During 2023, Rolex Australia engaged external modern slavery subject matter experts to facilitate an upskilling workshop (“Workshop”) with the Management Team that included representation from Finance, Human Resources, Administration, Communications, Commercial and After-Sales.

⁵ <https://www.rolex.com/about-rolex/sustainable-development/traceability>

⁶ <https://www.fedlex.admin.ch/eli/cc/2021/847/en>



The purpose of the Workshop was to support the Management Team to:

- Strengthen their awareness and understanding of modern slavery. Topics covered in the Workshop included: what modern slavery is and how it is relevant to Rolex Australia; the requirements of the Act and how these requirements might change following the review of the Act; and the role of Rolex Australia to address modern slavery risks in its operations and supply chains.
- Measure the effectiveness of its modern slavery upskilling via the development of pre and post Workshop surveys.
- Develop a modern slavery roadmap ("Roadmap") to ensure targeted progress over the next three years (2024 – 2026) in line with continuous improvement expectations as set out in the Act.

Modern slavery roadmap

Following the Workshop, the Management Team developed a Roadmap that outlines the actions Rolex Australia has committed to undertake over the next three years (2024 – 2026). The actions were aligned with a modern slavery framework of six domains to focus its impact and facilitate a continual improvement approach across the operations and supply chains:

1. Governance
2. Risk Assessment
3. Due Diligence
4. Training
5. Grievance and Remediation
6. Monitoring and Reporting

These actions were documented and circulated via an Internal Memorandum and include the establishment of a modern slavery governance structure to define roles and responsibilities, a high-level escalation process and a register of actions to track the activities undertaken to enhance Rolex Australia's modern slavery approach.

Aligned with the Roadmap, Rolex Australia completed the following actions in 2023:

- Established a modern slavery working group ("Working Group"): The purpose and goals of the Working Group were finalised with membership including representation from Finance, Human Resources, Administration, and Commercial. Membership of the Working Group will be revisited in future reporting periods to ensure the approach remains effective. The Working Group meets on a quarterly basis, and a representative of the Working Group provides an update to the Management Team following each meeting.
- Provided supporting materials for frontline workers: Publicly available resources (provided by a national non-governmental organisation) that outline what modern slavery is and where to go for help were added to cleaning rooms and entrance hallways in the Rolex Australia head office and are readily accessible to staff and contractors. This information was also made available on the intranet and in languages other than English. All Rolex Australia staff were advised of the purpose of the resources to support their understanding and awareness.
- Developed a project plan to support the Roadmap implementation process: All agreed Roadmap actions have been added to an implementation project plan that will be monitored on an ongoing basis through Working Group meetings, with direct reporting to the Management Team. The project plan outlines actions to be undertaken over the next three years (2024 - 2026), who is accountable for the action, and progress monitoring.
- Commenced drafting a Modern Slavery Policy: Rolex Australia will implement the finalised policy in 2024 following consultation with external consultants.

Assessment of the effectiveness of these actions

Rolex Australia has not identified, or been made aware, of any occurrences of modern slavery in its operations or supply chains during the reporting period.



Rolex Australia continues to review the effectiveness of the strategies employed to identify new or existing risks of modern slavery and act on any incidences where modern slavery practices or risks are detected within its operations or supply chains. Given the low risk of modern slavery in the operations, the strategies are assessed informally during internal meetings with key stakeholders and within the quarterly Working Group meetings. Rolex Australia's Board of Directors are provided with updates as necessary.

In order to understand how effective the upskilling was in enhancing the Management Team's knowledge and engagement on modern slavery, all Workshop participants completed a survey before and after the Workshop. At the end of the workshop all participants indicated they had increased their knowledge of modern slavery and their understanding of how it is relevant to Rolex Australia.

Future actions

In the 2022 Statement, Rolex Australia committed to progressing its response to modern slavery by adopting a number of actions from 2024. Below is an update on the actions that Rolex Australia committed to undertaking:

Action	Status
Create a modern slavery roadmap.	Complete
Release modern slavery awareness training for all internal stakeholders.	On track
Continue engagement with new and existing suppliers on modern slavery aspects and risk mitigations. A higher focus will be placed on suppliers that operate in industries identified as having a higher prevalence of modern slavery.	Ongoing
Continue engagement with recruitment agencies to ensure that contracted workers are recruited appropriately and with the highest regard for respecting human rights and guarding against modern slavery.	Ongoing
Review and update policies, including a standalone policy focusing on modern slavery.	On track
Strengthen key management personnel's awareness of the risks of modern slavery in the operations	Complete

Process of developing the statement in consultation with entities owned or controlled

Rolex Australia does not own or control any entities and therefore the requirement outlined in section 16 (f) of the Act is not applicable.

Other information

All relevant information has been provided in the preceding sections of this statement.



Approval for this statement

This modern slavery statement was approved by the Board of Directors of Rolex Australia. This statement is signed by Mr. Benoit Falletti in his capacity as Director of Rolex Australia on 18 July 2024.

Signature


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