



## **FRED - ANNUAL REPORT 2022**

### **Description of the company**

Fred Paris is affiliated to the LVMH Moët Hennessy Louis-Vuitton SE ("LVMH") Group. Fred Paris designs, manufactures, sells, and distributes high-quality jewelry under the internationally renowned luxury brand FRED Paris

Fred Paris and all its subsidiaries in the entire world (hereinafter "Fred") are fully committed to complying with all applicable laws, regulations, and national and international conventions, as well as with best practices, about ethics, human rights, and social responsibility. Fred's commitment is to act with integrity in all its business dealings and to promote ethical conduct, to enhance compliance with applicable laws and to provide guidance with respect to business conduct. It has adopted a number of policies that are relevant to this commitment, which set out what FRED expects from its employees, internal business and its external suppliers.

Fred is certified member of the [Responsible Jewellery Council](#). This certification intends to provide clients with the trust that our value chain is managed responsibly.

Fred works with business partners & suppliers who agree to comply with the requirements of the Fred Suppliers' Code of Conduct and with the principles stipulated in the Conventions of the International Labour Organization, the Universal Declaration of Human Rights, the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises and the United Nations Women's Empowerment Principles.

Fred is committed to implementing the five-step framework of the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition, Fred is committed to implementing the UN Guiding Principles on Business and Human Rights as well as the International Labour Organization Declaration on Fundamental Principles and Rights at Work, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social and Cultural Rights,

With this statement, Fred wishes to highlight the policies, the risk assessment, the managing system of the risk review, and the grievance mechanism that aim at preventing or mitigating adverse impact associated with our sourcing practices.

### **Organisational structure**

Fred's supply chain encompasses suppliers and business partners who provide raw materials for the relevant manufacturing processes and services to run its business. Fred jewellery products are manufactured through an external network of suppliers located in France, Italy, Belgium, Spain, Portugal, Germany and Switzerland.

## Policies

Fred requires its business partners & suppliers to respect the ethical principles presented in the Fred Suppliers' Code of Conduct and to ensure that their own suppliers and subcontractors do the same. Obligation to accept and respect the Fred Suppliers' Code of Conduct is part of contractual terms.

In particular, this Code of Conduct specifies compliance with social issues to abide, respect and adhere to the company moral and ethical values in the management of the company concerning Human Rights, working Conditions and environmental issues.

Fred is aware of the potential social impacts of its activities connected, in particular, to the sourcing of raw materials. For this reason, it has defined a responsible sourcing approach and policies to conduct its business in an ethical way and respecting human rights. With specific reference to the jewellery production:

- Fred confirms its commitment to acting responsibly and to engaging with trusted suppliers based in countries adhering to the [Kimberley Process](#), a joint government, industry, and civil society initiative to stem the flow of conflict diamonds through an international certification scheme. Moreover, all Fred suppliers are members of trade associations, such as the [World Diamond Council](#), which aim at implementing the Kimberley Process through a self-regulation system.
- Fred, since 2011, is a member of the Responsible Jewellery Council and it keeps maintaining the RJC Code of Practices Certification. The Responsible Jewelry Council (RJC) is a not-for-profit organization that has been established to promote a common standard for responsible ethical, social, and environmental practices, which respect human rights, throughout the Diamond and Colored Gemstones, Gold and Platinum Group Metals Jewelry supply chain, from mine to retail. RJC Members commit to and are independently audited against the RJC Code of Practices – an international standard on responsible business practices for diamonds and Colored gemstones, gold and platinum group metals. The Code of Practices addresses human rights, labor rights, environmental impact, mining practices, product disclosure and many more important topics in the jewelry supply chain. The Certification confirms its commitment, in close collaboration with its stakeholders, to promote responsible and ethical practices within its business operations and core strategy through a continual dedication to improvement;

Fred is committed to strengthening systems and controls for the respect of human rights across the supply chain. Therefore, the Supply chain department and the Ethics & Compliance Committee, regularly assess the adequacy of the procedural framework and identify opportunities for continuous improvement.

## Assessing risk within the supply chain

In association with LVMH programs and the principles promoted by the Responsible Jewellery Council, Fred monitors social and human right risks across the supply chain.

For this purpose, Fred has put in place a Suppliers Risk Management Process, constituted by the following three steps:

- 1) suppliers risk assessment;
- 2) social & environmental audit of suppliers;
- 3) follow up.

A supplier risk analysis is performed and an overall score is assigned to each of Fred's direct suppliers based on their level of exposure to social and environmental risks.

Main suppliers have also been requested to fill in a Due Diligence questionnaire. The aim of this questionnaire is to collect information about Fred supplier's due diligence management system in accordance with the recommendations of the OECD Guidance for responsible supply chains of minerals from Conflict-Affected and High-Risk Areas. They are asked to list from which suppliers the precious stones and metals have been sourced and to indicate the origin. In addition, suppliers are asked about the results of their own supplier risk assessment and to detail potential red flags.

Thanks to the suppliers' answers to the questionnaire and thanks to the knowledge of the business of the suppliers, Fred has completed a mapping of the risks. In 2022, no significant risk has been underlined.

### **Due Diligence and supplier audit**

Fred has included in agreements with suppliers the right to visit suppliers' factories. Audits can be announced or semi-announced and are based on one of the recognized standards: RJC Code of Practices.

Fred is satisfying the new version of the RJC COP that was published in April 2019. Therefore, it works to strengthen its internal processes and procedures with specific reference to diamond sourcing through the implementation of a Due Diligence process across its diamond Supply Chain, in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. In addition, Fred, through LVMH, is part of the Coloured Gemstones Working Group. This group brings together luxury jewellery brands to better understand and manage the risks and opportunities for positive environmental and social impact in the sourcing of coloured gemstones.

### **Training & awareness**

All employees can access the LVMH Ethics and Compliance intranet, including several tools and practical information to help promoting exemplary behaviour in the day-to-day conduct of business activities. Fred promotes a culture of dialogue and transparency and has adopted an Internal Alert System, through an online interface dedicated to employees. The System provides a fully confidential and secure way of reporting activities regarding violations or alleged violations of any internal guidelines and procedures, as well as ethics principles, in addition to applicable laws and regulations.