

WATCH & JEWELLERY INITIATIVE 2030

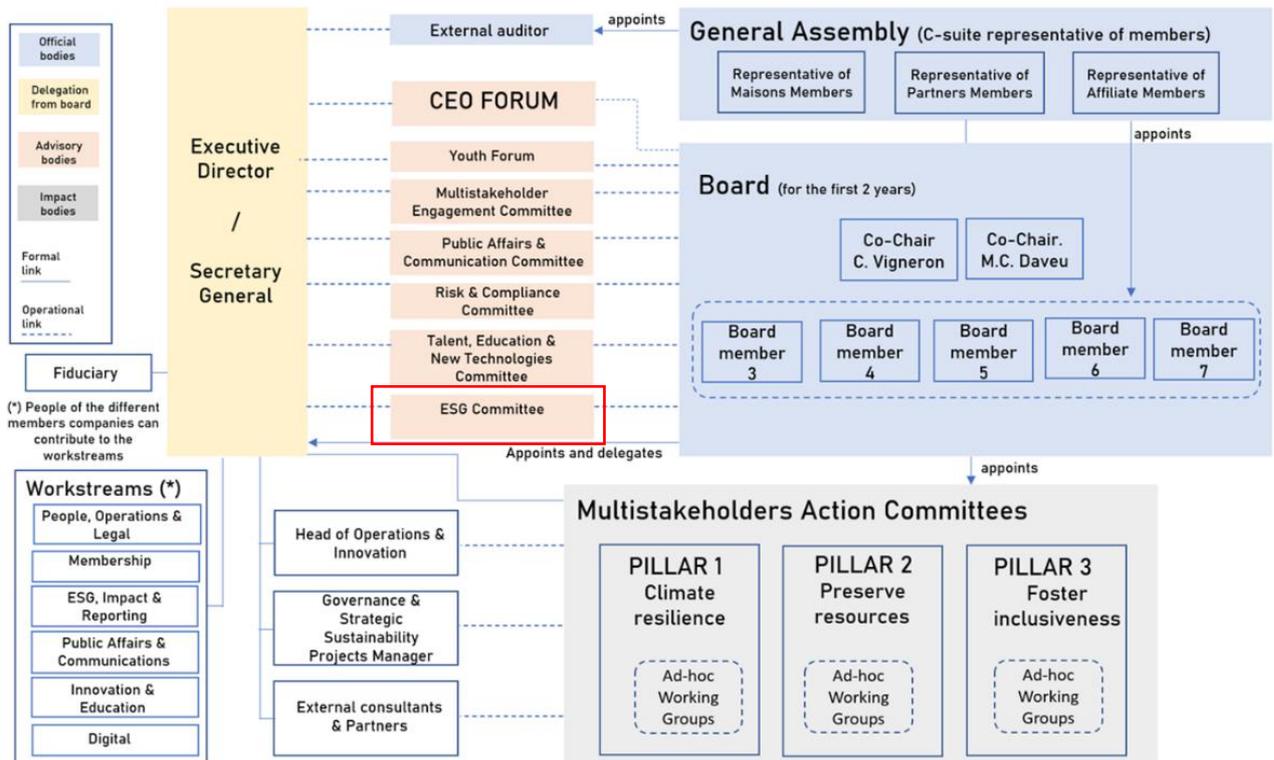
TERMS OF REFERENCE - ESG COMMITTEE

Document name:	Terms of Reference – ESG Committee
Version:	01
Date:	20.02.23
This document is the property of WJI 2030 and shall not be reproduced or distributed without written permission from WJI 2030 or its representative.	

1. Introduction

- 1.1. Founded by Kering and Cartier, the Watch and Jewellery Initiative 2030 (“**WJI 2030**”) is a Swiss non-profit association guided by the Ten Principles of the United Nations Global Compact and the 17 Sustainable Development Goals (“**SDGs**”). WJI 2030 has set ambitious goals to accelerate positive impact in three areas: building climate resilience, preserving resources, and fostering inclusiveness, through the collective effort of Maisons, their suppliers and business partners and in collaboration with key stakeholders.
- 1.2. WJI 2030 will pursue its goals in accordance with its Statutes, Code of Conduct, Anti-trust Policy and with any other policy it may develop and adopt from time to time.
- 1.3. As per Article 18 of WJI 2030's Statutes, to assist in the discharge of its role, the Board is entitled to delegate certain of its tasks to Committees. The Committees have the authority to examine specific issues within their respective terms of reference as approved by the Board and report to the Board with their recommendations.
- 1.4. As stated in Article 10 of the Statutes, dedicated Committees set up by the Board will not be considered as bodies of the Association.
- 1.5. The current Committees of WJI 2030 in place are:
 - Multi-Stakeholder Action Committees on Climate Resilience;
 - Multi-Stakeholder Action Committees on Preserving Resources;
 - Multi-Stakeholder Action Committees on Fostering Inclusiveness;
 - Multi-Stakeholder Engagement Committee;
 - Public Affairs and Communication Committee;
 - Risk and Compliance Committee;
 - Talent, Education and New Technologies Committee; and
 - ESG Committee.

WATCH & JEWELLERY INITIATIVE 2030



2. Purpose

- 2.1. The purpose of the ESG Committee (the "**Committee**") is to set the direction of WJI 2030's ESG reporting framework aligned with best practices and the evolving regulatory landscape, and develop an assurance framework to report reliable data on progress.

3. Composition & Terms

A. Appointment

- 3.1. Members of the Committee are appointed by decision of WJI 2030's Board, after considering the recommendation of the Executive Director.
- 3.2. The Committee shall be composed of a maximum of nine members.
- 3.3. The Committee shall have one Chair and one vice-Chair. One representing a WJI 2030 Member and one independent expert. The Board may designate the Chair and the vice-Chair and in the absence of any such designation by the Board, the Committee members themselves shall designate the Chair and vice-Chair by majority vote.
- 3.4. Committee members may designate an alternate (deputy), to replace them in case of absence at a meeting, subject to prior authorization of the Board.
- 3.5. All Committee members are required to fully comply with WJI 2030's Code of Conduct, including its Antitrust policy, and abide by WJI 2030's Charter Governing

WATCH & JEWELLERY

INITIATIVE 2030

Data Privacy, its Conflict of Interest Policy, as well as other relevant policies which may be applicable from time to time.

- 3.6. They shall exercise their duties as Committee member with loyalty and integrity towards WJI 2030, including by providing full and active participation and fulfilment of obligations.

B. Term

- 3.7. The first appointed members of the Committee shall serve for a term of two to four years as decided by the Board at their appointment. The subsequently appointed members shall serve terms of two years, or any such period as decided by the Board.
- 3.8. Terms of members of the Committee, including the vice-Chair, are renewable by the approval of both the Committee and WJI 2030's Board, up to a maximum of three consecutive terms.
- 3.9. The Chair shall not be eligible for immediate re-election, but only after a two-year lapse, unless in exceptional circumstances as determined by the Board. He/she may however be re-elected as a member of the Committee.
- 3.10. In case of resignation in the course of a term, a new member may be appointed for the remaining time of the term.
- 3.11. Members may be dismissed by a Board's resolution, at any time.

C. Selection Criteria

- 3.12. The Committee is to be composed of representatives from:
 - WJI 2030 Members (all types),
 - experts in ESG and related areas,
 - auditors experienced in ESG and related areas,
 - financial institutions, rating agencies, and
 - any other organisations or individuals with relevant expertise.

4. Meetings & Procedures

A. General Principles

- 4.1. The Committee shall hold regular meetings, at least four times per year. Meetings will be coordinated by the WJI 2030 Secretariat, in collaboration with the Chair.
- 4.2. All Committee meetings will include a clear anti-trust statement by the Chair at the beginning of each meeting.
- 4.3. The Committee may not delegate any portion of the Committee's authority, duties and responsibilities.
- 4.4. Committee members shall ensure all perspectives provided are free of any conflicting interest of a personal nature.

WATCH & JEWELLERY

INITIATIVE 2030

B. Participants and external observers

- 4.5. Meetings may include any participants deemed appropriate as observers, and they shall be of sufficient duration and scheduled at such times as the Committee deems appropriate to discharge properly its responsibilities. The Executive Director shall generally attend all regularly scheduled meetings of the Committee, as an observer.
- 4.6. The Committee may request that any Board members or employees of WJI 2030, or other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee as observers to provide relevant information.

C. Information

- 4.7. The Committee shall receive information from and meet, as deemed necessary and appropriate, with the Executive Director and/or the Governance Manager, Board members or other persons. Such briefings and meetings may take place with the Committee Chair or individual Committee members, as appropriate.
- 4.8. The Committee may require management to conduct audits on compliance, regulatory and/or legal and/or other related concerns.
- 4.9. The Committee may, in compliance with the relevant internal policies of WJI 2030 (Grievance and Complaints Mechanism, Due Diligence Policy and Protocol, etc.) and with the Board's approval, request written or oral advice from external advisors, at WJI 2030's cost.

D. Compensation and funding

- 4.10. WJI 2030 shall (i) provide for appropriate funding to compensate Committee members who are not representing WJI 2030 Members and/or who do not seat on the Board, for the reasonable time spent in the conduct of their duties as agreed individually with such Committee members and, (ii) cover reasonable travel expenses where these members are requested to attend in-person meetings.
- 4.11. WJI 2030 shall provide for appropriate funding as determined by the Committee, for the payment of ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties and responsibilities.

E. Reporting

- 4.12. The Committee shall keep written minutes of its meetings, which shall be maintained with the books and records of WJI 2030.
- 4.13. On an annual basis, the Committee shall deliver a written report on its activities to the Board. This report shall also review and assess the performance of the Committee.
- 4.14. In addition, the Committee may report, either directly or through the Executive Director, to the Board at any Board meeting through an oral report on those of its activities and decisions that should be brought to the attention of the Board.

WATCH & JEWELLERY

INITIATIVE 2030

4.15. The Committee shall review and assess the adequacy of these Terms of Reference regularly and, if appropriate, recommend changes to the Board for approval.

F. Quorum & decisions-making

4.16. The quorum to hold a meeting of the Committee shall be the simple majority of its appointed members.

4.17. Each Committee member, or their appointed alternate (if any), present in person is entitled to vote and has one vote.

4.18. A resolution of the Committee must be passed by a simple majority of the votes cast by the Committee members entitled to vote on the resolution and present at the meeting, or represented by their appointed alternate (if any).

4.19. Each Committee member, or their appointed alternate, present in person is entitled to vote and has one vote.

4.20. Committee members may not assign a proxy to another Committee member.

4.21. If on any resolution an equal number of votes is cast for and against the resolution, the Chair has a casting vote.

G. Attendance

4.22. Committee meetings will generally be conducted using electronic means to encourage broad and global participation.

4.23. The Committee Chair shall keep track of attendance during all meetings and advise the Executive Director if Committee members are absent on a consistent basis or are failing to abide by their obligations as Committee members. The Executive Director can advise the Board accordingly, who can ask the Committee member to stand down and be replaced.

5. Responsibilities

A. General Principles

5.1. As stated in Article 10 of the Statutes, the Committee will not be considered as a body of the Association. It has an advisory role to the Board and to the Secretariat.

5.2. While subject to the overarching guidance and supervision of the Board, the Committee is responsible for discharging its responsibilities and managing its activities, within the scope of the present Terms of Reference and shall (unless otherwise determined by the Board) be able to act without prior reference to the Board in relation to those matters.

B. Duties

5.3. In carrying out its responsibilities¹, the Committee shall share with the Board and Secretariat its views on the ESG related aspects of the mission of WJI 2030 and on

¹ To be refined after first year of operation.

WATCH & JEWELLERY INITIATIVE 2030

the manner in which it conducts its activities. In doing so, the Committee shall, in particular:

- 5.3.1. Generally enhance WJI 2030's ESG process,
- 5.3.2. Define, review and oversee WJI 2030's assurance program for its reporting framework,
- 5.3.3. Oversee WJI 2030's ESG framework, including review of the criteria, indices and metrics against best standards, with the appropriate members of management,
- 5.3.4. Define, review and monitor the effectiveness of WJI 2030's reporting framework,
- 5.3.5. Provide technical input where requested and applicable, and provide expert feedback, share views, knowledge and expertise,
- 5.3.6. Encourage and identify effective partnerships with relevant organizations, and
- 5.3.7. Undertake any other action deemed appropriate to achieve its duties or as referred to it by the Board.

C. *Authority*

- 5.4. The Committee may consider any matter which falls within the roles and responsibilities delegated to it by the Board, notwithstanding that the particular matter(s) may have been previously referred to and considered by another Committee. The Board delegates to the Committee the power to do all things necessary to perform its duties and fulfil its purpose.
- 5.5. However, the Committee is not responsible for supervising the performance of executives and does not become involved in day-to-day operations and management functions.

* * *

Approved by the Board on 13.03.2023

Entry into force 13.03.2023

