2019/20 Sustainability Report

SWAROVSKI
Introduction
A Letter from our CEO

From COVID-19 to the climate crisis and the increasing visibility of social injustice and inequality, the many changes we’ve all lived through over the past two years have come at breakneck pace. Every one of us has been affected by their consequences – seemingly overnight, the global pandemic reconstructed the way we come together as humans and as a business. → Read on on the next page
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While our operations have been disrupted on every continent, the most fundamental impact has been on our people. Our lives have been turned upside-down, and we’ve had to formulate new ways of working in an instant.

As a business, taking responsibility has been ingrained in us for more than 125 years. Our founder, Daniel Swarovski, understood that success depended on looking after the communities and environment on which he relied. Our belief in those formative principles has never wavered. We’re proud to have made public commitments to global initiatives, listened to our people, and acted to empower the next generation. We have already achieved a lot on our collective journey to greater sustainability, and we’re grateful for the solid foundations that work has provided for us.

But in light of the significant world events of recent years, it’s imperative that we reflect on our role within a shared global community. We must work harder to ensure our contribution to society has a positive purpose. There’s much more we need to do to protect a world under urgent threat. We care deeply about people and our planet. So, we must catch up to contribute meaningfully to the collective endeavors of our society.

This document acts as an important step towards that goal. Our refreshed sustainability strategy marks a new starting point, not the finish line. It’s our line in the sand, defining a major transformation in the way we tackle sustainability challenges.

In this report, we introduce the six new focus areas that guide our efforts: equality, diversity, and inclusion, empowerment and education, respect for our people, greenhouse gas emissions, waste and circular economy, and conscious materials. Within these focus areas, you’ll see that we commit to ambitious science-based targets for cutting emissions throughout our entire value chain, we seek to build a brand that’s recognized as a pioneer of equality and individuality, and we strive to move towards circular business models that can significantly reduce and repurpose our waste.

We’ll also continue to monitor our suppliers and partners, ready to act upon any potential human rights issues anywhere in our supply chain.

We believe that we can more efficiently and holistically respond to these challenges by spreading accountability across our organization. By ensuring that more people have a stake in the success of our objectives, sustainability becomes woven into the fabric of the whole business.

In order to turn our dreams into reality, we will require every unique individual in our organization. We need those who imagine a more sustainable world, those who challenge the status quo, and those with different life stories. We need the brilliance of engineers and scientists, the dedication of our partners, the passion of our customers, and the energy of our leaders to make big change happen. By bringing together so many imaginations, we can shape a new, more sustainable reality.

For all our futures, we’re determined that the Swarovski name should be synonymous with attainment in sustainability. The initial commitments you’ll read throughout this report will be added to and tightened as we progress. Because this is only the start of our collective journey to confront our planet’s most pressing issues. With so many inspired individuals challenging us to be better, we know we can achieve much more.
About This Report

Our sixth sustainability report dives into the next phase of our ever-evolving strategic approach to sustainability. As well as covering information and performance data on the operations and sustainability progress of the Swarovski Crystal Business during the calendar years of 2019 and 2020, we have taken this opportunity to look towards the future, introducing our new strategy, commitments and initiatives that will help us realize our new increased ambition.

The Swarovski Crystal Business includes those parts of the Swarovski Group that design, manufacture, and sell high quality crystals, genuine gemstones and created stones as well as finished products such as jewelry, accessories, and home decor. Where Swarovski is mentioned, it refers only to the Swarovski Crystal Business. We report on our major sites, which includes all our own production locations: Wattens in Austria, Subotica in Serbia, three sites in Bangkok in Thailand, Plattsburgh in the USA, Pune in India, and Bien Hoa in Vietnam as well our operations facility in Triesen in Liechtenstein. We also have corporate offices in Männedorf in Switzerland and shared service centers in Gdansk in Poland, Penang in Malaysia, and San José in Costa Rica.

We’ve produced a detailed index, guided by the GRI Sustainability Report Guidelines and containing Standard Disclosures from the Guidelines, as a supplement to this report. The index can be found at the end of this report.

Our new sustainability strategy has been created in a spirit of ongoing openness and collaboration. As such, we’re keen to hear your thoughts on the content and direction of our objectives. We want to pose our challenges to you, listen to your ideas and learn from your knowledge and experience. We take great inspiration from the diverse minds of our community, so we warmly welcome your feedback on any aspect of our report.

Please get in touch:
sustainability@swarovski.com
How to Read This Report

Sustainability reports are sometimes a mixed blessing. Organizations want to share the full details of their progress and intent, but doing so can lead to dense, inaccessible texts that dissuade readers from investigating them. While this report is extensive, we’ve tried hard to strike a balance between straightforward, understandable language and the level of detail that helps readers gauge the scope of our achievements.

We know, however, that our audience is diverse with a range of specific interests. We encourage you to read as much of this report as possible, but we appreciate that isn’t always practical. This brief guide is intended to help you navigate the report and access the detail most appropriate to you.

We’ve split our report into the two issues we care about most: people and planet. But not everything fits neatly into just one section of a report – sometimes our work benefits both communities and the world around them. That means you’ll occasionally see the same initiative mentioned twice, or you’ll notice a project with a broader impact than the specific focus area we’ve filed it under. We’ve tried to put the right detail in the best place possible.

This report is fully digital so feel free to navigate yourself around using the menu bar at the top of each page.

For the topline information, read the opening sections of the report where we introduce our new strategy and commitments. Here, you’ll get an indication of our future plans and find out how we intend to tackle sustainability issues. If you’d also like an overview of our performance in 2019 and 2020, you’ll find some key indicators on the next two pages.

On top of the above, for a little more depth, you may like to also look through the first page of each focus area, where we take a deeper dive into our challenges, commitments, and activities. Additionally, amongst the key indicators on the next two pages, you’ll see that we’ve signposted some relevant stories later in the report that you might like to delve into too.

For the full picture, why not pour a responsibly sourced coffee and leaf through the whole report? There’s so much richness in the stories and data that we’d love you to engage with it all and give us your feedback. If there’s anything you think we’ve missed, would like to see, or are simply curious about, we hope this report can start a conversation between us. We’d be very happy to hear from you.
We enter a bold new chapter in our sustainability story. Our six new focus areas will help guide our efforts:

- **Greenhouse Gas Emissions**
- **Waste and Circular Economy**
- **Conscious Materials**
- **Equality, Diversity, and Inclusion**
- **Empowerment and Education**
- **Respect for Our People**

### Sustainability in Brief

We’ve set science based targets to reduce our Scope 1 and 2 emissions by 47% and our Scope 3 emissions by 28% by 2030.

- **Greenhouse Gas Emissions**: Since 2019 we’ve reduced our production site CO2 emissions by 30%.
- **Waste and Circular Economy**: Since 2019 we’ve reduced our total energy consumption by 20%.
- **Conscious Materials**: Our hydroelectric powerplant in Tyrol, Austria.
- **Equality, Diversity, and Inclusion**: Our Responsible Sourcing Initiative conducted 60 Sourcing Impact Assessments in 6 countries benefitting over 13,000 workers.
- **Empowerment and Education**: Since 2019 we’ve reduced the total amount of waste that we produce by 19%.
- **Respect for Our People**: Over 150 students inspired through our conscious design partnership with Central Saint Martins.

**GRI: 302.4, 305.5, 412.1**
Our Business

Swarovski is a Wonderlab where magic and science meet.

We unify all parts of our organization under one spellbinding idea and bring forward a wondrous new world of crystal craftsmanship. Founded in 1895 in Austria, we design, manufacture and sell the world’s highest quality crystal, gemstones, Swarovski Created Diamonds and Swarovski Zirconia, jewelry and accessories, as well as crystal objects and home accessories. These are sold in 2,615 stores in 170 countries.

Together with our sister companies, Swarovski Optik (optical devices) and Tyrolit (abrasives), Swarovski Crystal Business forms the Swarovski Group.

As of December 2020, nearly 22,000 colleagues across the Swarovski Crystal Business help us maintain our bold ambition and visionary attitude, paving the way to a brighter future. Their work enables us to deliver a diverse and innovative portfolio of unmatched quality, craftsmanship and creativity.

At the end of 2020, our eight production sites are spread around the world: in Austria, India, Thailand, Vietnam, Serbia and the USA whilst we have one operations facility in Liechtenstein. Our highly integrated supply chain allows us to make innovative sustainability and best-practice decisions across all areas of our business.

A responsible relationship with people and the planet has always been an integral part of our heritage. This manifests today in our well-established sustainability agenda with youth-focused education programs and foundations to promote human empowerment and conserve natural resources to achieve positive social impact.

All data and facts correct as of December 2020
Our Value Chain

We seek to understand and respond to sustainability issues across our value chain - from sourcing materials to designing pieces and engaging customers. The table on the next page shows a simplified representation of our value chain and, at each stage, a summary of some of the most significant sustainability issues that we continuously strive to better understand and address.

→ View our value chain on the next page
Our Value Chain

1. Product Design & Development
   - How we design and develop our products

2. Sourcing & Manufacturing
   - How we select materials
   - Where and how we source
   - How we refine and manufacture our products
   - How we mitigate waste

3. Distribution & Retail
   - How we ship and deliver our products
   - Where and how customers buy
   - How we advertise and communicate with our customers
   - How we package our products

4. Use & End of Use
   - How we extend life-cycles
   - How we close loops

Management & Strategy

- How we manage external stakeholders
- How we do business ethically without corruption
- How we protect, respect and empower our people
- How we champion equality, diversity, and inclusion
- How we monitor our impact on the planet
- How we report on sustainability and transparently measure progress
The Journey of a Swarovski Crystal

1. Raw Materials
   Sourcing the raw materials needed for crystal production including a mix of quartz, sand and minerals.

2. Melting
   Combining raw materials with heat in our production process creates a crystal.

3. Cutting
   The raw crystal material is then cut into crystals of various shapes and sizes including Swarovski figurines and loose crystal in a crystal candy land of shapes.

4. Finishing
   Once cut, Swarovski crystal goes through various finishing processes. This includes polishing to give it a sparkling finish, and adding color effects. This is also where crystals go through relevant procedures for integrated elements for example crystal mesh.

5. Finished Products

Crystal Components

- Decorations
- Jewelry, Watches & Accessories
- B2B Clients

Customers
Our Strategy
Laying the foundations

We want our business to be different – to stand out for its positive contribution to society and the environment – and we started by changing the way we approached that challenge.

To strengthen our sustainability efforts and develop a bold new strategy, we needed the right foundations in place. That meant bringing together a unified and dedicated team of diverse specialists, working as one to inspire and transform the organization. And it meant implementing a new governance structure that helps us make sustainability a key topic for all our teams and decision-makers across our complete business and value chain. Today more than ever before, sustainability must be at the heart of everything we do.
Setting the right priorities

In order to create clear, initial goals for our strategy, we went through a process of deep reflection. We analyzed our operations, products and customer interactions in forensic detail, utilized data from greenhouse gas studies, life cycle assessments and waste stream mapping, and incorporated the insights of many experts from inside and outside our company. We looked all around our business to identify where we can make the biggest difference. While our business has always cared about its relationship with society and the environment, there’s much more we must do. We’ve had to face up to things it might have been easier to ignore.

The result of this detailed work is the strategy you can read about in these pages. The focus areas we’ve chosen are grounded in their relevance to our business and relevance to our customers. We’re driven by a desire to make a big impact in a few, targeted areas, not spread ourselves too thinly, and our new brand direction lends itself perfectly to sustainability, supporting the ambitions we’ve set out. The groundwork we’ve carried out ensures we’re set up in the most effective way to collaborate on vital sustainability issues across our business.

Taking action

Our strategy and inaugural guiding targets have been approved by our Management Board. But they’re only the beginning – we’ll put much more work into building and strengthening them over time. Our objectives are founded on science, and we don’t want to rush into eye-catching statements that end up being neither achievable nor useful. For us, the strongest, most valuable targets contain robust milestones and intensify over time, incrementally stretching people and processes. We will build on the starting point we’ve established.

Getting here has involved significant, transformative effort by many people. But now that our strategy has launched, we’re determined to deliver on it, making these objectives an integral part of everyday life for people at Swarovski. Our business is filled with great minds. Over the following pages, you’ll find out more about how diverse and inspirational dreamers in teams right across our business are making step changes to achieve the targets we’ve set out. Together, we can ignite our bold dreams of sustainable progress for people and our planet.
Our Vision

We began the journey to our new strategy by asking a vital question: in today’s world, what does sustainability mean? The answer isn’t as straightforward as it may seem – sustainability is a word that’s often repeated but rarely defined.

For us, it means harnessing the power of science and magic to reshape reality for our planet and its people. We have a unique opportunity to tap into the combined might of many different imaginations for the good of our world.

We want to inspire customers with a sustainable customer experience. We want to lead the jewelry industry in circular innovation by sourcing more conscious materials, reusing and repurposing the materials we already have, and reducing our carbon emissions.

And, by building a safe, inclusive workplace, protecting people in our supply chain and educating customers to look after their world, we want to be recognized as an empowering brand that gives people the courage to practice self-expression.

On the next page, we unveil the six focus areas that guide our ongoing sustainability efforts before revealing more detail about each of them in the People and Planet sections.

Our Sustainability Strategy Exists for Both People and Planet.
Our Framework

Celebrating Our People
- Equality, Diversity, and Inclusion
- Empowerment and Education
- Conscious Materials

Respect for our People
- Empowerment and Education
- Conscious Materials

Greenhouse Gas Emissions
- Respect for our People
- Waste and Circular Economy

Waste and Circular Economy
- Respect for our People
- Waste and Circular Economy

How we contribute to the SDGs

GRI: 102.47
Our new governance structure ensures that sustainability is an integral part of the way all of our leaders and teams operate, supported by central teams working across the business.

The Sustainability Circle

The Sustainability Circle supports Swarovski’s transition to a more sustainable company across the value chain, by aligning the core-functions of the business towards a more sustainable future.

It is our team’s mission to drive and enable the organisation to make conscious choices creating long term value for people, planet and our business.
People
The founders of our business knew that production was about more than just materials. The so-called ‘Swarovski Spirit’ inhabited our production halls from the beginning, and the company was an active community partner to the inhabitants of our hometown in Wattens, developing a vibrant culture of sports, leisure and social activities, supporting charitable initiatives, setting up social housing and constructing schools.

Today, we understand that a successful business nurtures and engages a diverse workforce and creates an inclusive working environment. Every individual has the right to a sense of belonging, inclusivity, and the ability to express themselves without judgement or prejudice. We’ll uphold those fundamental beliefs for all colleagues in our organization – whether they’re directly employed by us or not – as well as throughout society.

We empower our people through equity in learning and development opportunities, and we work hard to ensure they’re happy and equipped with the tools and resources needed for them to be successful. We want to support our employees to realize their full potential. We want to give people inside and outside our business the courage to celebrate their individuality. Our new strategy strives to create a positive, transformative effect on people everywhere.

“A precondition for your long-term success is that you endeavour to think not only of yourselves but also of your fellow human beings. Those who adhere to this condition will certainly be blessed with success.”

-Daniel Swarovski (1862 - 1956)
Our company wants to encourage people to practice self expression. Our colleagues should feel able to bring their full selves to work every day. By celebrating our differences and harnessing the combined power of many diverse perspectives, we can push our business to achieve so much more.

We want to be recognized as a brand that’s built on a foundation of equality and inclusivity. We aim to champion diversity and celebrate people’s individuality.

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**Our focus areas in detail and our progress so far**

### Equality, Diversity, & Inclusion

#### Our key commitments

1. **Swarovski commits to building a diverse leadership population that includes underrepresented groups.**
   - As a first step we will ensure 45% of our leadership positions are filled by female leaders.
   - Why?
     - To encourage people to celebrate their individuality and practice self expression.
     - Our customers should feel represented by us.
     - To eliminate all forms of social inequality and prejudice.

2. **Swarovski commits to reducing bias in our recruitment.**
   - By implementing innovative recruitment practices including AI technology using neuroscience and gamification in our key retail markets, we are aiming for bias-free high-volume recruitment by 2024.

3. **We are committed to celebrating individuality, to prove this, starting in 2021 we are substantially increasing the diversity in our marketing materials to include individuals from underrepresented groups including gender, age, ethnicity, size, ability, sexual orientation.**

4. **Celebrate and elevate the LGBT+ community, both inside and outside our business: Internally, we will provide education and awareness opportunities for our employees including workshops on gender competencies and trans awareness.**

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GRI: 103.1-3, 405.1
For us, equality means equitable rights, responsibilities, and opportunities. The world isn’t a level playing field, but by standing up for empowerment, we can advance equality.

Equality, Diversity, & Inclusion

When we talk about diversity, we mean the variety of people and ideas that elevate our organization. Giving different imaginations the space to dream is a crucial part of realizing our bold vision for innovation and sustainability.

We see inclusion as the behavior that flows from diversity, creating value for us all. In an inclusive workplace, people feel involved, respected, valued, connected, and heard.

Our employee journey, and the day-to-day experiences of colleagues in work, framed our research to better understand our business. Using this as our guide ensures we always focus on the most credible and impactful issues.

Internally, we’re building a leadership population that includes underrepresented groups. As a first step, we’re aiming for women to form 45% of our leadership group. We’re reducing bias in our recruitment processes and, in key markets, are looking to utilize technology that includes gamification and neuroscience.

At the same time, our Corporate HR team is creating a combined roadmap for all equality, diversity, and inclusion-related ‘moments that matter’ for our people. That work enables us to respond to clear short-term opportunities, such as providing education and increasing support and empowerment for our already established employee resource groups, setting up more as needed.

Externally, we appreciate that our marketing and imagery should embody the whole of society. Starting in 2021, we’re substantially increasing the diversity in our marketing materials to include individuals from underrepresented groups, including gender, age, ethnicity, size, ability, and sexual orientation. Our commitment to the UN Free & Equal campaign and adoption of the UN Standards of Conduct for Businesses tackling discrimination against Lesbian, Gay, Bi, Trans, & Intersex People will help generate greater equality for LGBTI people.

We have identified important touchpoints in the employee journey that will help us to create a more diverse and inclusive workplace.

1. **Attract**
   - Promotion and creation of inclusive global employee policies and initiatives: flexible working and wellbeing projects to attract diverse talent.

2. **Recruit**
   - Mitigate bias in our recruitment processes at both selection and interview stages.

3. **Onboard**
   - Creation of inclusive welcome experience for new hires including eLearning and onboarding activities.

4. **Develop**
   - Promotion of life-long learning opportunities and encourage employees to utilize the vast learning and development programs.

5. **Leadership and talent**
   - Work with leaders to understand bias and how to mitigate it to promote equality, diversity and inclusion in teams.

6. **Engage**
   - Create employee engagement opportunities throughout the year that promote messages of EDI, like Pride and International Women’s Day.

7. **Leaving company**
   - Caring exit process to give opportunity for feedback from employees.
We’re working on a roadmap of activities and projects that enhance equality, diversity, and inclusion throughout the entire employee journey, starting with the way we attract and recruit talent. We’ll also work with our colleagues to empower and educate our workforce about this important subject.

In collaboration with our Corporate HR team, use our research into the employee journey and the day-to-day experiences of our colleagues to pinpoint where we need to improve the most.

Identify programs, projects and external activities of potential value.

Define KPIs and benchmarks to track progress.

Help established and passionate employee resource groups inspire change and awareness throughout our business.

Lead to the creation of a framework that helps us track progress for topics of equality, diversity, and inclusion. We already report on progress against the Women’s Empowerment Principles and, in some territories, on our gender pay gap too.

Present many opportunities for education, such as transgender awareness, being an ally and unconscious bias.

We can take bias out of our systems and processes and encourage everyday habits that foster an inclusive culture.
Empowerment and Education

Everyone who depends on us should have the opportunity to learn and grow. We want to motivate people to limit their impact on the planet, treat others with respect and push for more conscious decision-making wherever they can – including in their own lives.

We all need to help each other make positive changes, and through education, we can empower people to ignite their dreams, encouraging informed community conversations that elevate the way we think about our planet and its people.

We believe that through education we can empower individuals internally and externally to make more conscious decisions and be inspired to make their boldest dreams come true.

Our key commitments

1. We will increase our efforts to raise awareness, educate & foster behavior change among our workforce about sustainability & equality issues.

2. We will continue to support global academic institutions annually through sharing expert industry knowledge about sustainability and reignited crystal donations.

Why?

- To nurture an efficient and motivated workforce.
- So that everyone in the Swarovski organization can drive conscious decisions that limit their impact on the planet and help them treat people with respect.
- To give people the opportunity to ignite their dreams.
- Everyone who depends on us should be able to learn and grow.
## Empowerment & Education

We believe that through education we can empower individuals internally and externally to make more conscious decisions and be inspired to make their boldest dreams come true.

**Learning and developing keeps all of us at the top of our game. Over more than 125 years, we’ve understood how vital it is to cultivate knowledge and skills and to keep exploring. Whether it’s building on an existing strength or getting swept away by curiosity for something new, we encourage everyone to take advantage of the chance to learn.**

**What it means**

We provide all sorts of different development opportunities, subjects, and formats, helping colleagues around the globe to steer their careers or simply explore a topic of interest. Our Digital Learning Space hosts a number of Lifelong Learning courses on topics from nurturing a growth mindset to giving and receiving feedback. New courses are added regularly. Our masterclasses provide interactive, virtual workshops that are facilitated by experts, enabling learners to discuss and exchange best practice with their peers in a supportive environment.
Empowerment & Education

Amongst our plans to empower and educate people across our business and society, we intend to:

1. Work with pioneers and institutions to create an enduring collaborative project focused on innovation. Together, we'll continue to push the boundaries of our sustainable development by tackling a business-relevant challenge that we cannot resolve alone.

2. Collaborate with world-renowned academic institutions, connecting their work directly to key Swarovski departments such as Operations and Innovation.

3. Utilize the findings of life-cycle assessments to create new innovations that assist our business in looking after people and our planet.

4. Use the platform we've established to inspire others to explore sustainable innovation and to amplify successes in that field.

5. Continue developing our Lifelong Learning program.

6. Set up projects with students, designers, and individuals looking for creative ways to communicate environmental and social sustainability.
### Empowerment & Education

#### Operations Academy
We want to open doors for our people so that they flourish into the most inspiring individuals they can be. That’s why we’re extending our Operations Academy from Wattens to the rest of the world, joining our long-established global Retail and Sales Academies in supporting learning and development in their respective departments. We identified that we could do more to provide education and progression opportunities for our Operations teams in our manufacturing sites across the globe, so this initiative has been specifically tailored to their needs. The academy will help us ensure we develop the potential of our Operations colleagues and, in turn, continue to produce the best quality products.

#### Apprenticeships
At our Wattens site, we have a long tradition of training apprentices: over the last 60 years, 1,475 have been trained in-house. Our apprenticeships run for up to four years, covering eleven different specialisms, such as chemical lab technology, carpentry, and several engineering professions.

Swarovski apprentices learn much more than just the craft of their trade. We make sure they’re prepared for a variety of operational processes, experience practical applications for cutting-edge AI and virtual reality systems, learn the latest software packages, and develop a wide range of soft skills for their own personal development. Apprentices may even get the opportunity to complete internships abroad.

We also run lots of community-building activities to build stronger relationships between apprentices – at Wattens, we can have up to 100 apprentices in training at any one time.

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### Our progress so far

We were proud to receive the Fit For Future award for Best Apprenticeships Companies from the Austrian Federal Ministry for Digitization and Business Location in 2019. In recognizing our scheme’s educational quality, the judges noted that, “Innovative training focuses on the apprentices and their individual talents, promoting the development of personal and social skills.”

"Innovative training focuses on the apprentices and their individual talents, promoting the development of personal and social skills." - Best Apprenticeships Companies from the Austrian Federal Ministry for Digitization and Business Location in 2019
Reverse mentoring

In late 2019, our Corporate HR team launched a reverse mentoring initiative, with 16 participants gathering for a day of training facilitated by organizational dialogue experts, The Conversation Space. By breaking down the barriers of traditional top-down business hierarchies, reverse mentoring encourages diverse conversations across backgrounds and generations, reinforcing our values.

One mentee commented that the program offered “an opportunity to interact with someone from a different generation and look at things through different eyes and hear feedback you may not normally hear.”

Feedback from mentors included: “What was unexpected was the energy I got out of it. It was great to have the opportunity to [...] share your concerns and hear that others have the same ones as you.”

The program is ongoing, with a new cohort of mentors and mentees starting in June 2021. As we seek to create an inspiring environment for all our people, these new relationships encourage different perspectives on our workplace culture.

Leadership development

We believe that leadership isn’t something that simply comes with a title, but that everyone can be a leader. Therefore, we offer lots of opportunities to develop leadership skills.

Depending on their role and career aspirations, colleagues can benefit from a Lateral Leadership program designed for people who lead without formal authority, Leadership Essentials for first-time people leaders, or more advanced leadership programs, up to executive education, that help senior leaders address business challenges.

We want to equip and empower our leaders to challenge assumptions and push the boundaries of impossible, so we’re working hard to invest in all our talented people.

Lateral leadership

Lateral Leadership is a program in our leadership development portfolio aimed at senior experts, managers, and project leads who need to influence peers without formal authority. We launched the pilot program in 2020 with a cohort of 12 participants, giving them the skills to understand and embrace the challenge of lateral leadership in cross-cultural and -departmental settings across multiple locations.

Lateral Leadership training provides useful tools and techniques to aid collaboration, such as resolving conflicts without the need for escalation, developing empathy and influencing stakeholders. After four successful cohorts, eight more cohorts are expected to take part in 2021.
Empowerment & Education

Using reignited crystals for education and empowerment

As part of our efforts to reduce waste and commit to circular practices, we’re exploring how we can put our unused crystals to use. We’ve worked with creatives and academic institutions, challenging them to utilize waste as a creative resource, since 2015. We’re committed to continuing these partnerships and to widening their focus to include social, as well as environmental, sustainability.

To find out more about Swarovski reignited crystals, visit page 49.

"We launched the Swarovski Innovator Award for final year students in 2017. Now in its 5th year we see that this competition has been instrumental in the careers of our graduates. What’s more, the competition introduces students to the reality that our industry requires sustainable design thinking and innovative approaches to meet today’s global challenges. It shows them that a globally leading company such as Swarovski takes this very seriously and integrates this into the core of their business which is truly inspirational”

- Bernadette Deddens, Course Leader, BA(Hons) Fashion Jewellery
Respect for Our People

It's vital that all those working to create Swarovski magic – whether directly employed by us or as part of our supply chain – can be confident that their human rights are protected.

We’ll continue to regularly audit suppliers to ensure that these standards are maintained and remediate necessary changes based on our findings.

We’ll provide all workers with healthy, safe working environments and sound employment conditions.

Our key commitments

1. We will persistently respect the rights of our people throughout the value chain and strive to ensure safe and healthy working environments for all.

2. We will continue providing working environments and sound employment conditions in accordance with the expectations of the Responsible Jewellery Council, Sedex Members Ethical Trade Audit (SMETA), the UN Guiding Principles, and the International Labour Organization Core Conventions.

Why?

- It's imperative that we maintain our high standards.
- People working in our supply chain should be reassured that their human rights are consistently safeguarded.
- All individuals deserve respect and dignity in their workplace.
Respect for Our People

We know the crucial role our people play in our ongoing success. It’s imperative that we respect the rights of everyone who contributes to our business – whether they’re directly employed by us or working anywhere in our supply chain.

Upholding internationally proclaimed human rights and labor standards internally and throughout our suppliers is a must. Our Responsible Sourcing Initiative (RSI) is one way in which we achieve that.

Responsible sourcing–social program
We first implemented our Responsible Sourcing Initiative (RSI) in 2014, focusing on the labor conditions in our external supply chain. The RSI is a systematic, risk-based approach to assessing suppliers’ performance against our Code of Conduct. This helps us to ensure healthy and safe working conditions as well as sound employment practices by our suppliers. Through the RSI social program, we have greater capacity to monitor and improve supply chain labor practices, and we work closely with suppliers to drive continuous improvement.

Swarovski Responsible Sourcing Initiative
Social Program - Annual Assessment Cycle

**Manufacturer / Supplier Code of Conduct**
Suppliers are required to sign our Code of Conduct in the onboarding process.

**Supplier Self-assessment**
Suppliers are required to submit a self-assessment which we then use as the first tool to evaluate labor standards at site level.

**Risk Assessment**
We conduct a risk assessment based on the site location, the product and material category being supplied and spend. Suppliers are then ranked based on risk.

**Corrective Action & Capacity Building**
Based on the findings from both our site assessment and third-party audit we collaborate with our suppliers to address and correct any issues identified. We curate tailor-made training and guidance for our suppliers based on their performance.

**Site Assessment & Third-party Audit**
Swarovski conducted site assessments and/or third-party audits are conducted. Results allow us to review the conformance of supplier sites for all suppliers considered higher risk and selected non-risk suppliers.

GRI: 103.1-3, 412.1-3
Due to COVID-19, numerous global audits had to be postponed to 2021. Our audit assessments were focused on domestic travel in China, where our responsible sourcing team is based. Consequently this map is not indicative of a usual audit cycle.

**Responsible Sourcing Impact 2020**

- **60 assessments conducted**
- **55 key manufacturers being audited**
- **6 countries**
- **13k+ people benefited from ensuring positive work**
- **12 sourcing categories**
- **The top 3 issues identified:**
  - health & safety
  - working hours
  - wages & benefits

*GRI: 103.1-3, 412.1-3*
## Respect for Our People

Over the coming year, we’ll continue our adherence to the UN Guiding Principles on Business and Human Rights (UNGPs) to ensure that we’re providing the highest standard of support for workers. In line with the Principles, we’re planning:


2. To review our approach to human and labor rights in response to our gap analysis. As a first step, we’ll adjust relevant policies and guidance documents so that they reflect our findings.

3. A due diligence mechanism aligned to the Respect and Remedy pillars of the UNGP. Through this assessment, we’ll map human rights issues across our global value chain in collaboration with our suppliers. We’ll report our findings and use our data to inform our ongoing supplier evaluation and improve our policies.
WeSparkle

In our 2018 survey of employees working in our gemstones factory in Bangplee, Thailand, we learned that their principal concerns fell into four main areas: finance, health, equality and environment.

Part of our response to these findings was WeSparkle, an initiative created in collaboration with the Raks Thai Foundation to develop training curriculums and tools that aid financial literacy.

The tools included videos and practical techniques for use in everyday life, as well as teaching guides for facilitators. The courses provided skills and methods for tasks such as household budgeting, recording daily incomes and expenditure, planning spending, and financial management.

Much of the project revolved around financial literacy activities. The project team began by using an online form to ask workers which subjects would be useful to them, with most people interested in topics like financial planning, debt management, money saving and boosting income. They followed this with face-to-face discussions about financial challenges, such as balancing credit payments with saving for the future.

Two targeted activities took this further. Raks Thai staff and our advisors conducted training on managing finances, debt and savings in the era of COVID-19.

The course enabled participants to prepare balance sheets for household and personal finances to help cope with a contracted economy. Additionally, a debt negotiation course offered practical advice that empowered participants to take greater control of existing debts. Workers were able to share their experiences with each other and learn how to negotiate with creditors to restructure their debt.

So far, the program has assisted 200+ people, and we intend to reach even more colleagues in future.

A popular component of the WeSparkle program has been the Wellbeing Corner, where staff from Raks Thai, an organization promoting strong communities and assisting disadvantaged groups, were available on the factory floor for face-to-face guidance and advice during worker breaks. Organizers also arranged special sessions featuring external service providers, and the dedicated area hosted informational material on a range of topics, including finance, health and gender equality.

During 2020, Wellbeing Corner recorded more than 750 visits.

"I benefited a lot from the WeSparkle program, especially during the time of the COVID-19 Pandemic, which caused a small decrease in my monthly income due to the working hours reduction.

Participating in this program helped me to understand and be better aware about my financial position as well as to manage my expenses and distinguish between my needs and wants. Additionally, Jennie, who was the field officer of this program, was very supportive in following up on my case and giving me friendly advice, which helped me to open up about my personal financial problems to her. Thank you Swarovski for caring about us, the employees, and providing this very beneficial program to all the employees at SGT."

- Unchalee Pangam, Quality Assurance Officer
HERproject

We joined Business for Social Responsibility’s HERproject in 2018.

HER stands for Health Enables Returns, and, under the tagline ‘Empowered Women, Dignified Work, Better Business’, the project shows how workplace health and financial inclusion can bring the full potential of women to the fore. Established in 2007, HERproject has increased the wellbeing, confidence and economic potential of more than 1,000,000 women and 450,000 men.

In our pilot in Guangdong, China, we worked with one of our suppliers with a high number of women employees. Peer Health Workers (PHEs) received health training based on the specific needs of women in their workplace. PHEs are then empowered to share this knowledge with their peers both inside and outside work.

After the successful pilot, we facilitated further HERprojects with key strategic partners in China. As well as delivering an important health awareness program, our HERproject initiative teaches communication and leadership skills that show women they can achieve more than they may have realized. Our work in this area has the potential to positively affect the lives of at least 800 people.
Giving Back to the Community in Thailand

We empower employees throughout our locations around the world to support initiatives that cover issues pertinent to their local communities.

**CSR Continuous Award**

In 2019, our facility in Ayutthaya, Thailand received a CSR-DIW Continuous Award from the government’s Department of Industrial Works for the fifth consecutive year. The award was presented for continual improvements in sustainability and corporate social responsibility. We’re committed to running the business with good governance, ensuring that our employees are well taken care of, while also giving back to the community.

**Social development project**

For its 2019 social development project, our facility in Bangplee Thailand choose to support nearby Klong Bann Rakard School. Our local staff discussed the school’s most pressing needs with its principal, agreeing to set up a new computer room, donate 10 unused computers and provide a training session on basic computer skills to the school’s students.

During 2019 and 2020, our Thai facilities made further donations of computing equipment to help other organizations, including almost 100 used desktop and laptop PCs to community NGO, The Mirror Foundation and two decommissioned servers to Phetchaburi Rajabhat University.

**Professional Photography and Retouching project**

Our Bangplee site in Thailand supported the Professional Photography and Retouching project organized by the Will Share Association. The project encourages people with disabilities to develop photography expertise, using technology to retouch photos.

The 60-hour training program gives participants the skills to work for themselves using the latest software. The project also aims for participants to build confidence before they enter the labor market.
Partnering with Central Saint Martins

Through our longstanding partnership with UAL Central Saint Martins, we've been helping talented designers consider sustainability in their work for years. In 2019 our collaboration reached new heights, in our biggest project yet reaching over 150 students across three different degree courses.

We challenge them to think differently about the materials they incorporate in their designs and hope they'll take new perspectives with them into their careers and industries.

In BA Jewellery Design, students work with Swarovski reignited crystals with the brief of contributing to a more sustainable future. They must research and use the most conscious materials available and create proposals for future wearable jewelry that respects people or our planet.

We work with the Print, Weave and Knit pathways of the BA Textile Design course to explore new conscious designs and processes for crystals in lifestyle products. Students produce a collection of sustainable designs, including applications such as crystal tapestry, intarsia, digital print and embellishment.

Chemists, engineers, architects and other Master’s students investigate the full potential of light as a material. By using Swarovski crystals as the core elements of experimentation, MA Material Futures students help the world understand how to harness this powerful natural resource.

The conscious design project in partnership with Central St Martins was a fantastic opportunity. It not only allowed me to experiment with a material I wouldn’t otherwise have had access to. It also gave me the chance to learn first hand about Swarovski as a business, the heritage, the ethos and starting point in Wattens, Austria. This is an experience I regularly reflect on and am very grateful for. The Conscious Design project has been invaluable and has shaped the way I design, make and think about jewelry.

- Imogen Burch, BA Jewellery Design Winner

We've now established the Swarovski Conscious Design Hub on the Central Saint Martins website, acting as a showcase for the research and design work produced through our partnership and demonstrating to students that we’re committed to sustainable futures.

Our positive relationships with design schools extend to several different partners globally, including London College of Fashion, with whom we operate an annual project 'The Swarovski Innovator Award'.
The Future Is Equal

Back in 2018, we launched our biggest ever diversity initiative, The Future Is Equal, to coincide with International Women’s Day.

Now in its fourth year, The Future Is Equal shines an increasingly bright light on gender equality and bias. In 2020, we invited colleagues around the world to hold events and raise awareness to address gender equality issues. Our people came together with a powerful voice, celebrating women’s achievements, inspiring a more equal and inclusive workplace, and signing up to our Breaking Bias program. Breaking Bias is a four-week online learning program hosted by neuroscience pioneers, the NeuroLeadership Institute, and available to employees across the world.

Understanding bias, especially the role of unconscious bias, is a crucial part of tackling societal inequalities. At an individual level, appreciating and acknowledging internal bias can be an uncomfortable experience. But doing so allows us to explore systems created with the same biases built in. Research conducted by McKinsey demonstrates that there’s a business imperative too, organizations with strong ethnic and gender diversity are more likely to enjoy increased profitability.

So far, 471 employees from 23 countries have taken the Breaking Bias training, and we aim to offer unconscious bias training to all our retail and office employees by 2021.

8155 employees reached
4,485 employees participated
36 countries
56 locations
8 March 2020
311k+ engagement on social media
€ 8.8k raised for women’s empowerment charities
Benchmarking and Analysis

The WEPs Gender Gap analysis is a credible temperature check of where we are and the areas of opportunity to improve performance on gender related topics and allows us to provide an internal analysis of how Swarovski has engaged with the Women’s Empowerment Principles and specifically answer Principle 7 of the WEP’s.

In 2019 we conducted a WEPS assessment update. From the last assessment in 2017, we have made considerable improvement and according to the WEPS assessment Swarovski recognizes the importance of gender equality and is taking concrete steps to introduce policies and practices. The 2019 assessment allowed us to create some concrete recommendations to continue our progression which have since been completed, including but not limited to activities like supporting the creation of a network of colleagues working on EDI.

Our next assessment will take place in Q3 2021. A key focus for 2021 is to identify additional self-assessment and benchmarking tools that can support us on our wider EDI touchpoints, to ensure we are making progress and continuing our commitment to continuous improvement.
Understanding and mitigating bias is one of the first steps we’re taking towards a more inclusive culture. Within that objective, gender bias is one of the most pressing issues for us to address.

Women make up 72% of our workforce, so we believe our business is well-placed to champion gender equality. We encourage employees to participate in an external learning module designed by PwC in collaboration with the United Nations and the He4She movement.

The module helps colleagues recognize how unconscious assumptions shape gender norms, roles and relations. It explains the cost of gender inequality at home, school and work. To date, 1,057 colleagues have taken the course with more following their lead this year.

72% of our full time workforce are women

1,057 colleagues have taken the digital learning course
Employee Resource Groups (ERGs)

We’re proud to support many employee-led groups and networks within Swarovski that provide community building, awareness-raising and shared action. Here are just two of our brilliant ERGs.

**eMpoWer together**

By empowering women at work to achieve their ambitions, eMpoWer together aims to create an equal workplace that unites genders, fosters cross-gender collaboration and equips women with the skills to fulfill their career aspirations.

The gender-mixed organizing committee began as a local initiative in Männedorf, Switzerland but continues to grow, so far expanding to sites in Austria, Liechtenstein, Costa Rica and Poland.

In 2020, the group facilitated two events with external speakers, held four emotional intelligence workshops, co-led a cross-company event with Accenture and launched the Swarovski Lean In Network.

eMpoWer together also supports corporate internal awareness campaigns and was a key component of our International Women's Day Campaign in 2020, raising money for Women for Women International.

“The most powerful levers to achieve equality in the workplace are the elimination of (unconscious) gender bias and the exchange between women and men about the obstacles that women face in their day-to-day work. Being surrounded by a dedicated and committed team together with whom I am shaping and advancing eMpoWer motivates me every day to continue our efforts in supporting women to achieve their ambitions at work.”

- Kathrin Benkenstein

“For me, eMpoWer together means enablement, inspiration, support, open exchange and pondering on ideas. Gender inequality affects everyone – women, men, trans and gender-diverse people, children and families. It impacts people of all ages and backgrounds. Our aim is to empower women at work regardless of their ambitions and to raise awareness of gender equality drivers. I am proud to be part of a truly engaged and energetic core group and happy we can meet needs and bring more and more colleagues together.”

- Leonie Frank
Employee Resource Groups (ERGs)

We’re proud to support many employee-led groups and networks within Swarovski that provide community building, awareness-raising and shared action. Here are just two of our brilliant ERGs.

"Diversity and inclusion have always been important topics to me, so when choosing my employer, I wanted to ensure its values are aligned with mine. Being aware and celebrating individuality are fundamental elements to Swarovski. Working at Swarovski enables me to be myself and being part of the Pride employee resource group allows me to safely and proudly bring my personal beliefs into my working environment too.”

- Arek Wiecekowskii

Pride at Swarovski

All around the world, June is dedicated to celebrating the LGBT+ communities. The month commemorates the Stonewall riots of June 1969 – protests that changed public awareness of the LGBT+ community’s struggles in America and beyond.

Pride month is about coming together in love and friendship, teaching tolerance, providing education about pride history and continuing to move towards equality. It calls for all people to consider how damaging LGBT+ phobias are and how everyone can be better allies.

At Swarovski, we want to bring out the best in our employees and ensure that everyone is safe and supported at work each day.

All individuals deserve to be comfortable with being themselves and unafraid to voice their opinions.

We stand behind our network of local and global LGBT+ ERGs as part of that commitment.

These employee-led groups help create a global solidarity movement that engages and inspires our amazing tribes to become change agents for equality.
Planet
We started with a simple objective: minimize our environmental impact to protect the planet. The climate crisis is a human-made problem that our global society urgently needs to halt. If we don't, the repercussions will be grave. We know that the emissions we create and the waste we produce contribute to that problem, so it's our responsibility to step up our efforts to limit our impact. By acting now, we can have a positive influence on our world and encourage essential systemic change.
Greenhouse gases are widely understood to be the biggest contributing factor to the destabilization of our climate. By cutting our emissions, we play a part in mitigating the climate emergency. Because we support the consensus of the scientific community, we're adopting science-based targets in accordance with the Science Based Targets initiative (SBTi) for the reduction of our greenhouse gas emissions.
Greenhouse Gas Emissions

Wildfires in Australia, Brazil, and the United States, flooding in East Asia, and the mounting global threat of environmental migration: the climate emergency is having a real-life impact on our world here and now. We must act.

Because we believe in using scientific knowledge to inform us of the actions we must take, we're setting science-based emissions targets to focus minds and accelerate our progress. By 2030, we intend to reduce emissions from our facilities – Scope 1 and 2 – by 47% and from our entire supply chain – Scope 3 – by 28%.

Meeting these ambitious targets means asking our entire business to work together, especially in higher carbon-emitting areas such as manufacturing, packaging, and distribution. We've kickstarted our plans already but will collaborate on further, targeted initiatives as we proceed.

What it means

- By 2030, we intend to reduce emissions from our facilities – Scope 1 and 2 – by 47%
- Against a 2019 baseline we've reduced our scope 1-3 emissions by 30%

GRI: 103.1-3, 305.5
There are three elements to our work to limit our greenhouse gas emissions:

**Science-based targets**
We have a long history of calculating and reporting our emissions. Throughout previous reports, we’ve been clear about our intent to limit them. Our new strategy ramps up that effort, committing us to bespoke science-based targets aligned with the Science Based Targets initiative.

Achieving our new targets will reduce Scope 1 and 2 emissions from our facilities by 47% and decrease Scope 3 emissions from our complete supply chain by 28% by 2030.

In 2021, multiple workstreams, including life-cycle assessments, will help us gather more in-depth data. We’ll use this data to identify opportunities for emissions reductions and create roadmaps setting out how to achieve our targets.

**Life-cycle assessment**
Our last report detailed our partnership with environmental data analysts, Trucost. Together, we analyzed the extraction and processing of 53 raw materials used in our crystal production in order to assess the financial value of our environmental impact.

In 2020, partnering with Quantis, we expanded the scope of our assessment to include the impact of five of our key commercial products throughout their life cycle – from their raw materials to eventual end of life.

We’ll study the findings once they’re finalized in 2021. This assessment allows us to prioritize our efforts and make evidence-based decisions to minimize our environmental footprint, including greenhouse gas emissions, at a product level.

**Sustainable manufacturing**
As a responsible business with manufacturing facilities around the world, we’re committed to restricting our greenhouse gas emissions. We record our environmental footprint in detail, and in addition to our ongoing efficiency projects, we’re currently developing a roadmap for achieving our science-based targets.

The roadmap sets out several efficiency projects, larger investments in infrastructure and renewable energy, research projects such as decarbonizing our crystal production process, and an investigation into power purchase agreements.
Waste & Circular Economy

We have more than 125 years’ experience of refining and improving our products. By combining the great expertise within our business with the latest ideas from academics, innovators and start-ups, we can reduce our waste, engineer more efficient processes and become a leader of the jewelry industry’s circular economy.

Closed production loops keep materials, waste and by-products locked into the production cycle for re-use, inhibiting their potential impacts on ecosystems. We want to shift our processes away from traditional linear thinking, ensuring materials continue to circulate and that our products become an integral part of the loop. We aim to significantly reduce waste throughout the entire value chain and will adopt circular business models.

Our key commitments

1. Through our Infinity Accelerator program we are partnering with external experts to invest into sustainable innovation that allows us to progress in critical environmental topics.

2. We are working to double our material efficiency by 2030.

3. We aim to improve our consumer facing packaging by transitioning to entirely certified or recycled sources and to make it completely recyclable or compostable, by 2030.

4. By 2030 we aim to transform our own operations to become 90% land-fill free with at least 70% of our waste being recycled or repurposed.

Why?
Closed loops dramatically reduce the degradation of ecosystems by limiting the escape of by-products.
In detail

Waste and Circular Economy

We want to throw out the linear ‘take, make, waste’ approach to business and replace it with circular models and processes. We have the potential to become leaders of the jewelry industry’s circular economy – but we’re not experts yet.

Our plans

We’ll work hand-in-hand with innovative partners to investigate better products, new processes, and opportunities to reduce waste. Only by collaborating with inspired individuals and organizations will we find boundary-pushing and scalable solutions that keep us ahead of our peers.

Our re-doubled efforts to reduce waste start with a pledge to improve our customer-facing packaging. We’re transitioning to entirely certified or recycled sources for packaging and making it completely recyclable or compostable by 2030. We’re also investing in a dedicated accelerator program that will allow us to speed up innovation in circular business models and exploring how to extend the life of our products while shrinking our waste output. By 2030, we aim to transform our own operations to become 90% landfill free with at least 70% of our waste being recycled or repurposed.

Introducing reignited crystals

Since 2015, as part of our conscious design initiative, we’ve donated unused crystal stock that would otherwise go to waste to creatives and academic institutions. More information on these partnerships can be found on page 37.

100% of our packaging will be certified or from recycled sources and to make it completely recyclable or compostable, by 2030.
Conscious Materials

For our customers, our products and the materials that go into making them are the most visible parts of what it means to be Swarovski. We can limit our and our customers’ environmental impact by making better decisions about our materials.

As a first step, we aim to switch to alternatives that shrink our environmental footprint without affecting the quality, design or durability of our products. Conscious materials not only have a positive impact on our planet, they also benefit societies too – improving people’s health, for example.

That’s why we want to create a sustainable customer experience for all our in-store and online customers. We pledge to constantly improve the sustainability of our products.

Our key commitments

1. It is our ambition to launch at least one sustainable product collection per year starting from 2022.

2. By 2030, we aim to source all our metals from responsibly managed and recycled sources.

Why?

- For customers, our products are the most tangible proof points of what it means to be a business that cares about people and planet.
- We can limit our and our customers’ environmental impact by making better decisions about our materials.
Conscious Materials

Decades of experience in crystal innovation means we're ahead of the industry in sustainable manufacturing. We were the first jewelry business to publicly disclose research relating to the environmental impact of our main product.
Conscious Materials

**Advanced Crystal Formula**
Our Advanced Crystal Formula had already raised the bar, allowing us to create the first lead-free crystals without diminishing their iconic Swarovski statement. When we introduced the formula, we were the first company to produce crystals containing less than 0.009% lead. Our quest for continuous improvement means that we’ve now taken that industry leadership even further, reducing the lead content in our loose standard crystals assortment to no more than 0.004% - that’s less lead than that contained in a regular drinking glass.

**CLEAR program**
Our Restricted Substance Safety Policy program, CLEAR, mandates us to systematically manage, restrict, and eliminate harmful chemicals from our products and supply chain. It’s a mandatory standard for all product development involving chemicals and obligatory for our global manufacturing facilities, as well as the suppliers producing on our behalf. REACH, the EU’s chemical compliance initiative, is fully integrated into CLEAR.
### Products and packaging

Since 2020, we’ve been working on a strategy to reduce the environmental footprint of our products and packaging. We’ve created guiding principles for how we can minimize our impact in this area. Our 2030 roadmap incorporates these principles, including a materials library that helps us assess the environmental effects of every material in our product portfolio – from our crystals to our end products and packaging.

Following this approach will help us make incremental improvements, year-on-year. In 2021, we’ll work at a cross-departmental level to identify opportunities for pilot projects that support our ambition to improve the sustainability credentials of our products.

### Lab grown diamonds

Just like mined diamonds, Swarovski Created Diamonds are hand-selected and graded for clarity, color, cut, and carat weight. They’re also made entirely of carbon with an identical structure to natural diamonds – the only difference is that we craft them from scratch in a state-of-the-art laboratory rather than digging fresh earth to find them.

Growing diamonds in a lab can, however, be an energy-intensive process. We don’t take this lightly, so we use Swiss Climate to offset 250kg of carbon dioxide emissions for every carat of cut and polished Swarovski Created Diamonds that we sell. As a consequence, our production has been carbon neutral since 2020. We promise to continue researching ways to minimize the energy usage of our lab-grown stones.

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**Conscious Materials**

*What it means*

GRI: 103.1-3
In 2019 and 2020, we partnered with environmental assessment experts, TÜV Rheinland, to jointly develop our own environmental audit protocol tailored specifically to our product categories.

Supplier risk will then be further assessed based on the production country and materials categories. Any high-risk suppliers will go through third-party auditing for detailed environmental performance assessment.

The program examines all the relevant elements of our suppliers’ production activities, as they determine the environmental impact and emissions that each supplier generates. We audit the legal compliance status and practices of our suppliers in an operational context. By identifying any implementation gaps, we can engage with suppliers to establish an appropriate environmental management system and support them in taking corrective actions, thereby facilitating continuous improvement.

We want this new element of our RSI program to promote good environmental practices that ultimately drive reductions in greenhouse gases and waste across our supply chain. We also aim to spot opportunities to deepen our dialogue with suppliers about environmental issues and further embed our supply chain environmental strategy throughout our operations.

From 2021, we're expanding the scope of our Responsible Sourcing Initiative (RSI) to incorporate an environmental program. The aim of this program is to evaluate the environmental performance of our external supply chain, including but not limited to its air emissions and energy usage. Using self-assessment, we’re undertaking a preliminary check of the environmental practices of our core suppliers.
Manufacturing in Wattens

There have been several initiatives designed to reduce the environmental impact of manufacturing at our home in Wattens, Austria:

Reduced power for colorization

We modernized our pumping stations to use physical vapor deposition (PVD) to add color to our products. By retrofitting turbopumps, we reduced the system power requirements by around 2 kWh per annum per pumping station compared to the old oil diffusion pumps. Less cooling power is also needed to remove generated heat, providing additional savings. With 21 systems, we’ve saved 200,000 kWh per annum and 15.6 metric tons of CO2.

Repurposing polishing medium wastewater

Process water is used for grinding, polishing, and washing apparatus. At our Werk2 production site, we’ve reduced the amount of wastewater produced by reusing the blowdown from our polishing medium. This also saves energy as softened water requires heating, but the blowdown is already at the correct process temperature. As a result, re-purposing wastewater saves 24.6 tonnes of CO2 per year and 18,000 m3 of water.

Fewer chemicals in process water

The process water at Werk2 includes an agent that cools the grinding and polishing wheels to achieve the highest possible quality of crystals. We’ve internally developed an agent to replace the previous chemical that increases occupational safety and greatly decreases the presence of environmentally hazardous substances in the process wastewater.

LED lighting installation

At our apparatus assembly site, we replaced the existing ceiling light system with new LED lighting. This has improved the work environment by increasing illuminance while also reducing our impact on the planet. The refurbishment saves 100,000 kWh of electricity generation per year and cuts CO2 emissions by 7.8 metric tons per year.
Our Stores

Triple S stores
Our monobrand stores are created according to our Swarovski Sustainable Stores guidelines, known as Triple S, which are based on the LEED certification process. The Triple S protocol was developed in 2014 and updated in 2020 with the intention of rolling it out to all future store concepts. Our dazzling new store concept, Instant Wonder, also introduces a significant decrease in energy consumption, thanks to reduced wall lighting. We also minimized waste during refurbishment by maintaining existing elements such as the back-of-house and storefronts.

We’re always striving to make our retail stores more sustainable. We’re working on innovative solutions that incorporate sustainable materials, increase our energy efficiency, and optimize our retail operations to minimize waste. Our new sustainability strategy will help guide us to further responsible improvements to our stores.

New LEED-certified stores
In 2020, we unveiled our refurbished Tokyo Ginza flagship store. Designed by Studio Urquiola as an elevated expression of our Crystal Studio concept, the contemporary store is also silver LEED certified. LEED – Leadership in Energy and Environmental Design – is the most widely used green building rating system in the world. It was essential to the development team that the store should not only provide an outstanding customer experience, but also that it should limit its impact on the environment.

From concept to opening, the store creation process took 15 months, with an especially strong effort from local and global colleagues during the COVID-19 pandemic to ensure on-time completion.

Since then, we’ve furthered enhanced our stores’ reputation for environmental excellence by creating a platinum LEED-certified outlet in Shenzhen, China. Opened in September 2020, it took six months to bring the 67m² store from drawing board to reality. Compared to regular stores, the new Shenzhen boutique provides significant energy savings, with the electricity capacity of the lighting fixtures never exceeding 3kW.
Launched back in 2001, groundbreaking Swarovski Crystal Pearls are the perfect expression of over 125 years of innovation, crafted by the fusion of science and magic.

Our cutting edge technology transforms waste crystal beads into the core of our Swarovski Crystal Pearls. This reduces the amount of new crystal beads we need to manufacture. By recycling our crystal bead waste we minimize energy consumption and limit our environmental impact. Swarovski Crystal Pearls remain highly durable, respect all applicable industry expectations and laws, and are a beautiful alternative to freshwater pearls for vegans.
Cadmium-free Alternatives

Across our loose standard crystal assortment, almost all our crystals are now crafted without adding cadmium while still retaining the same vibrant color intensity.

These crystals contain less than 0.004% cadmium and, because they're produced using our Advanced Crystal Formula, less than 0.004% lead too. For the six remaining colors that can't be created without cadmium, we're proud to offer equally brilliant cadmium-free alternatives. These innovations enable designers and customers to make more responsible choices while still ensuring the highest levels of craftwork.
Disaster Resilience for Communities and Business in Thailand

Thailand has a long and unwelcome relationship with flooding, which occurs on an annual basis. In 2011, for example, 65 of the country’s 77 provinces were declared flood disaster zones. At least 815 people lost their lives, and the economic impact was estimated at $46.5 billion.

Our subsidiary in Ayutthaya, Thailand, was badly affected by the 2011 floods. As we described in our last report, we worked with them and the non-profit Asian Disaster Preparedness Center (ADPC) on a two-stranded community environmental project in 2018. Through stakeholder meetings with governments and technical experts, the business resilience strand helped our jewelry plant in Ayutthaya strengthen its flood preparedness plan.

The second strand enabled volunteers from the company to work in collaboration with community leaders and regional authorities to improve local resilience to disasters. With the initiative now concluded, 38 volunteers were presented with certificates recognizing the important part they played in the project’s success.
During 2019 and 2020, the government commissioned international organization, myclimate, to conduct an energy and climate project competition for apprentices in the principality.

Eight apprentices from Swarovski’s Triesen site registered for the competition. Divided into three groups, the apprentices were supported through each project phase by a myclimate coach as well as our own internal project leaders.

The three groups of enthusiastic and motivated apprentices investigated a suitable project idea and presented it at a kick-off meeting in November 2019.

The groups then conducted further research, including interviewing key internal experts and stakeholders, to create a detailed plan. Following the plan, the apprentices calculated possible cost savings, conducted experiments, and liaised with external organizations to gather statistics relevant to their chosen topic. Once the results were collected, the projects were documented and displayed in poster form.

Each project team presented their poster at the competition’s award ceremony, held at the SAL in Schaan in September 2020. Apprentices from several companies took part, with a total of 11 projects presented at information booths. His Serene Highness, Hereditary Prince Alois of Liechtenstein, the Minister of Education, Dominique Hasler, jury members, and many other visitors were on hand to review the innovative projects covering many aspects of energy and climate protection.

We’re proud of the efforts of all the Swarovski apprentices who took part and gained valuable knowledge, skills, and experience for their developing careers.
Water has always been an important element to the Swarovski story. Small-scale hydro-power has party powered our crystal production since our beginning over 125 years ago.

We take a proactive approach to managing water in our manufacturing operations throughout the journey of a crystal. Our Central Water Circulation Systems, a closed-loop water recycling process for grinding and polishing, have been in operation since 1990 and reduce the need to draw water from the public water supply.

Each litre of water in our closed loop system is used 1.5 times before being discharged into our wastewater treatment plant.

At Wattens, our closed-loop wastewater treatment system cleans and recycles 99% of the water from our crystal-cutting process. After this, it is channelled through the municipal water treatment plant and returned to the Inn River.
Supporting Emerging Designers

One of the reasons for our success as a global brand is the breadth of our industry design collaborations.

We believe in the positive, transformational power of collaboration, so, more now than ever, we endeavor to collaborate on sustainable collections with the next generation of talented designers, as well as established and influential names. Our conscious design projects and collaborations aim to inspire the design community to consider sustainability in their work. Together, we can lead the industry into a more sustainable and innovative future.

Our work in this area saw us support two designers who excelled at the CDFA/Vogue Fashion Fund in 2019. Christopher John Rogers won the challenge with suits embellished with Swarovski reignited crystals. In 2020, another finalist, Collina Strada, created a Quarantine collection containing reignited crystals in response to the COVID-19 pandemic, donating all profits to 22 charities.

Case studies

**Jonathan Cohen**

Jonathan Cohen created three Swarovski crystal-studded belts in partnership with NEST, a nonprofit working to increase global workforce inclusivity, improve women’s wellbeing and preserve cultural traditions around the world. Through NEST, Cohen worked with female artisans to produce the belts. Cohen explained, “Being able to partner with Nest and Swarovski this season is a dream come true. To be able to be connected with different artisan communities to create beautiful products in a conscious way is of the utmost importance for the brand.”

“Working with Swarovski is always a highlight of the season for us. They are constantly pushing boundaries, taking risks, and changing the meaning of what conscious design is. Their values align with what we at Jonathan Cohen stand for and I couldn’t ask for a better partnership.”

- Jonathan Cohen

**E.L.V. Denim**

We collaborated with zero-waste denim brand, E.L.V. Denim, on an exclusive capsule collection made from 100% upcycled denim and reignited crystals, promoting our shared passion for conscious design.

E.L.V. Denim’s Founder and Creative Director, Anna Foster, said: “I truly admire Swarovski’s commitment to sustainable development. Rather than down cycling their crystal they have used it as a positive resource, allowing brands such as myself to use them creatively, producing limited-edition capsule collections. It has been such a pleasure to design with the crystals, crafting these unique pieces which are effortlessly E.L.V. Denim.”
Collaborating with Established Designers

Balmain

45th Césars ceremony
A first-time partnership between Balmain and our reignited crystals initiative produced a red-carpet look for French actor, Sara Forestier, who was nominated for Best Supporting Actress. The bespoke gown by Olivier Rousteing featured 1,150 reignited Swarovski stones, all embroidered by hand. The meticulous work took 25 artisans over 650 hours to create.

Paris Fashion Week SS 21
Balmain’s show at Jardin des Plantes was a 75-year celebration with a focus on high craftsmanship and heritage, relaunching the iconic PB monogram. The collaboration included 10 crystal looks, including four looks featuring reignited crystals as a special focus on conscious design, as requested by Olivier Rousteing. The collaboration utilized nearly two million crystals, half of which were reignited.

‘Swarovski has played an important part of this house’s history with some of Monsieur Balmain’s most important designs relying on those famous dazzling crystals – which is why we are so happy to have Swarovski play a key role in tonight’s runway which places an emphasis on heritage. The craftsmen in our atelier relied on almost two million crystals (many of them reignited) for this show and I cannot wait to see those designs shining on the runway tonight, under the Paris stars’

- Olivier Rousteing
Performance
Data +
GRI Index
### Performance Data: People

#### Total Swarovski Crystal Business Employees: GRI 102.8

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part Time (Total)</td>
<td>HC</td>
<td>3,994</td>
<td>5,803</td>
</tr>
<tr>
<td>Female</td>
<td>HC</td>
<td>3,493</td>
<td>5,125</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>499</td>
<td>677</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>HC</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Full Time (Total)</td>
<td>HC</td>
<td>16,859</td>
<td>21,497</td>
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<tr>
<td>Female</td>
<td>HC</td>
<td>12,220</td>
<td>15,655</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>4,637</td>
<td>5,842</td>
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<tr>
<td>Undisclosed</td>
<td>HC</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Contingent Workers (Total)</td>
<td>HC</td>
<td>504</td>
<td>1,137</td>
</tr>
<tr>
<td>Female</td>
<td>HC</td>
<td>285</td>
<td>752</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>66</td>
<td>167</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>HC</td>
<td>153</td>
<td>218</td>
</tr>
<tr>
<td>HC Overall (Total)</td>
<td>HC</td>
<td>20,853</td>
<td>27,300</td>
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<tr>
<td>Female</td>
<td>HC</td>
<td>15,721</td>
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<tr>
<td>Male</td>
<td>HC</td>
<td>5,128</td>
<td>6,519</td>
</tr>
<tr>
<td>Undisclosed</td>
<td>HC</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>% Female</td>
<td>%</td>
<td>75</td>
<td>76</td>
</tr>
<tr>
<td>% Male</td>
<td>%</td>
<td>25</td>
<td>24</td>
</tr>
<tr>
<td>HV Overall &amp; Contingent Workers</td>
<td>HC</td>
<td>21,357</td>
<td>28,437</td>
</tr>
<tr>
<td>(Total)</td>
<td></td>
<td></td>
<td></td>
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#### Employee Training: GRI 404

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<tbody>
<tr>
<td>Total Training Hours Female</td>
<td>Hours</td>
<td>2,892</td>
</tr>
<tr>
<td>Total Training Hours Male</td>
<td>Hours</td>
<td>2,154</td>
</tr>
<tr>
<td>Training Rate Female</td>
<td>%</td>
<td>2.39</td>
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<tr>
<td>Training Rate Male</td>
<td>%</td>
<td>1.27</td>
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#### Composition of Governance Bodies: GRI 405.1 and Breakdown of employee category

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</thead>
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<tr>
<td>Employee</td>
<td>HC</td>
<td>18,116</td>
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<tr>
<td>Female</td>
<td>HC</td>
<td>14,338</td>
<td>19,187</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>3,778</td>
<td>4,991</td>
</tr>
<tr>
<td>% Female</td>
<td>%</td>
<td>79</td>
<td>79</td>
</tr>
<tr>
<td>% Male</td>
<td>%</td>
<td>21</td>
<td>21</td>
</tr>
<tr>
<td>Management</td>
<td>HC</td>
<td>2,161</td>
<td>2,456</td>
</tr>
<tr>
<td>Female</td>
<td>HC</td>
<td>1,170</td>
<td>1,339</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>991</td>
<td>1,116</td>
</tr>
<tr>
<td>% Female</td>
<td>%</td>
<td>54</td>
<td>55</td>
</tr>
<tr>
<td>% Male</td>
<td>%</td>
<td>46</td>
<td>45</td>
</tr>
<tr>
<td>Senior Management</td>
<td>HC</td>
<td>546</td>
<td>628</td>
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<tr>
<td>Female</td>
<td>HC</td>
<td>206</td>
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<tr>
<td>Male</td>
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<td>340</td>
<td>382</td>
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<tr>
<td>% Female</td>
<td>%</td>
<td>38</td>
<td>39</td>
</tr>
<tr>
<td>% Male</td>
<td>%</td>
<td>62</td>
<td>61</td>
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<tr>
<td>Top Management</td>
<td>HC</td>
<td>30</td>
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<tr>
<td>Female</td>
<td>HC</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Male</td>
<td>HC</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>% Female</td>
<td>%</td>
<td>30</td>
<td>23</td>
</tr>
<tr>
<td>% Male</td>
<td>%</td>
<td>70</td>
<td>77</td>
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### Performance Data: Planet

<table>
<thead>
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<th>Indicator</th>
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<tbody>
<tr>
<td>Total CO2e emissions</td>
<td>Tonnes</td>
<td>323,916.69</td>
<td>460,941.61</td>
</tr>
<tr>
<td>(Location-Based)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Scope 1</td>
<td>Tonnes</td>
<td>46,936.11</td>
<td>54,859.61</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Tonnes</td>
<td>36,722.45</td>
<td>45,512.15</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Tonnes</td>
<td>240,258.14</td>
<td>360,569.86</td>
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</tbody>
</table>

### Renewables vs Non-Renewables

<table>
<thead>
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<th>Indicator</th>
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<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Renewables % of total energy</td>
<td>%</td>
<td>83</td>
<td>75</td>
</tr>
<tr>
<td>Non Renewables</td>
<td>kWh</td>
<td>241,556,558.35</td>
<td>273,574,994.02</td>
</tr>
<tr>
<td>Renewables % of total energy</td>
<td>%</td>
<td>17</td>
<td>25</td>
</tr>
<tr>
<td>Renewables</td>
<td>kWh</td>
<td>49,710,742.72</td>
<td>90,436,946.33</td>
</tr>
<tr>
<td>Total energy consumption</td>
<td>kWh</td>
<td>291,267,301.07</td>
<td>364,011,939.35</td>
</tr>
</tbody>
</table>

1 GRI 305 Emissions - 305-1 Direct (Scope 1) and 305-2 Energy indirect (Scope2) GHG emissions

Continues on next page →
### Water: GRI 303 and Water withdrawal by source: GRI 303-1

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>m3</td>
<td>2,096,837</td>
<td>2,770,443</td>
</tr>
<tr>
<td>Groundwater</td>
<td>m3</td>
<td>1,544,345</td>
<td>1,989,858</td>
</tr>
<tr>
<td>Lakes</td>
<td>m3</td>
<td>300</td>
<td>300</td>
</tr>
<tr>
<td>Public water supply systems or other water utilities</td>
<td>m3</td>
<td>433,783</td>
<td>596,431</td>
</tr>
<tr>
<td>Rivers</td>
<td>m3</td>
<td>118,409</td>
<td>183,854</td>
</tr>
<tr>
<td>Volume of planned water discharge</td>
<td>m3</td>
<td>1,234,086</td>
<td>2,377,413</td>
</tr>
</tbody>
</table>

### Water: GRI 303 and Water recycled and reused: GRI 303-3

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Water Recycled or Reused</td>
<td>m3</td>
<td>4,952,675.67</td>
<td>4,997,378.91</td>
</tr>
<tr>
<td>Water Recycled or Reused as a percentage of total water usage</td>
<td>%</td>
<td>105.11</td>
<td>251.34</td>
</tr>
<tr>
<td>Water Recycled or Reused as a percentage of total water withdrawal</td>
<td>%</td>
<td>178.77</td>
<td>238.33</td>
</tr>
</tbody>
</table>


<table>
<thead>
<tr>
<th>Indicator</th>
<th>Measure</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Volume of planned water discharge</td>
<td>m3</td>
<td>2,377,413.0</td>
<td>1234086.0</td>
</tr>
<tr>
<td>Total Non-Hazardous Waste</td>
<td>Tonnes</td>
<td>7985.8</td>
<td>12,026.8</td>
</tr>
<tr>
<td>Recovered, recycled &amp; reused waste % of total non-hazardous waste</td>
<td>%</td>
<td>37</td>
<td>43</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>Tonnes</td>
<td>242.1</td>
<td>643.6</td>
</tr>
<tr>
<td>Recycling</td>
<td>Tonnes</td>
<td>2719.7</td>
<td>4,4681</td>
</tr>
<tr>
<td>Reuse</td>
<td>Tonnes</td>
<td>13.5</td>
<td>40.9</td>
</tr>
<tr>
<td>Total Weight of Waste</td>
<td>Tonnes</td>
<td>14,345.5</td>
<td>22,213.4</td>
</tr>
<tr>
<td>Total Hazardous Waste</td>
<td>Tonnes</td>
<td>6,359.7</td>
<td>10,187.2</td>
</tr>
<tr>
<td>Recovered, recycled &amp; reused waste % of total hazardous waste</td>
<td>%</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>Recovery, including energy recovery</td>
<td>Tonnes</td>
<td>86.6</td>
<td>488.2</td>
</tr>
<tr>
<td>Recycling</td>
<td>Tonnes</td>
<td>741.7</td>
<td>962.9</td>
</tr>
<tr>
<td>Reuse</td>
<td>Tonnes</td>
<td>1.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Total Weight of Waste</td>
<td>Tonnes</td>
<td>14,345.52</td>
<td>22,213.6</td>
</tr>
<tr>
<td>Recovered, recycled &amp; reused waste % of total</td>
<td>%</td>
<td>26.5</td>
<td>30</td>
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### GRI: General disclosures

<table>
<thead>
<tr>
<th>GRI standard</th>
<th>Disclosure</th>
<th>Page reference or response</th>
<th>Omissions</th>
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<tbody>
<tr>
<td>102.1</td>
<td>Name of the organisation</td>
<td>Swarovski AG</td>
<td></td>
</tr>
<tr>
<td>102.2</td>
<td>Activities, brands, products, services</td>
<td>Swarovski Crystal Business includes those parts of the Swarovski Group that design, manufacture and sell high-quality crystals, genuine gemstones and created stones as well as finished products such as jewelry, accessories and lighting. Where Swarovski is mentioned, it refers only to the Swarovski Crystal Business.</td>
<td></td>
</tr>
<tr>
<td>102.3</td>
<td>Location of headquarters</td>
<td>Wattens, Austria</td>
<td></td>
</tr>
<tr>
<td>102.4</td>
<td>Location of operations</td>
<td>Wattens in Austria, Subotica in Serbia, Triesen in Liechtenstein, three sites in Bangkok in Thailand, Plattsburgh in the USA, Pune in India and Bien Hoa in Vietnam. We also have corporate offices in Männedorf in Switzerland and shared service centers in Gdansk in Poland, Penang in Malaysia and San José in Costa Rica.</td>
<td></td>
</tr>
<tr>
<td>102.5</td>
<td>Ownership and legal form</td>
<td>Swarovski AG is a privately owned business.</td>
<td></td>
</tr>
<tr>
<td>102.6</td>
<td>Markets served</td>
<td>Swarovski's products are sold in approx 170 countries across North, Central and South America, Europe, Africa, Asia and Oceania.</td>
<td></td>
</tr>
<tr>
<td>102.7</td>
<td>Scale of the organisation</td>
<td>Our business, PG 9</td>
<td></td>
</tr>
<tr>
<td>102.8</td>
<td>Information on employees and other workers</td>
<td>Our business, PG 9</td>
<td>Performance summary tables, PG 65-67</td>
</tr>
<tr>
<td>102.9</td>
<td>Supply chain</td>
<td>Value chain, PG 10-12</td>
<td></td>
</tr>
<tr>
<td>102.10</td>
<td>Significant changes</td>
<td>About this report, PG 6</td>
<td></td>
</tr>
<tr>
<td>102.11</td>
<td>Precautionary principle</td>
<td>We address the precautionary principle through our approach to sustainability. Proactively addressing our material issues with robust actions taken across the business to minimise the impact of our operations.</td>
<td></td>
</tr>
<tr>
<td>102.12</td>
<td>External initiatives</td>
<td>Swarovski endorses several initiatives / organisations designed to promote social prosperity and minimise the environmental impact of the jewelry industry. These include among others, Central Saint Martins (UAL) and Asian Disaster Preparedness Centre (ADPC)</td>
<td></td>
</tr>
<tr>
<td>102.13</td>
<td>Membership of associations</td>
<td>Swarovski holds positions on a number of social and environmental organisations, and supports others through membership and ongoing involvement. These include: Responsible Jewelry Council (RJC) and Business for Social Responsibility.</td>
<td></td>
</tr>
</tbody>
</table>

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Continues on next page →→
| 102.14 | Statement from manager | A letter from our CEO, PG 4-5 |
| 102.16 | Values, principles, standards | We have an internal code of conduct for employees and a separate one that all our suppliers sign up to when they become part of our supplier chain. |
| 102.18 | Governance structure | Governance, PG 18 |
| 102.40 | List of stakeholder groups | Our key stakeholder groups include suppliers, customers, employees, governments, multilateral institutions, NGOs, industry organisations and investors. We also participate in business networks that allow us to have open dialogues with cross-industry players on specific issues. **Internal**: Regular Management Board Updates, Sustainability Circle, Sustainability Working Groups **NGOs**: UNGC, BSR **Working Groups & Associations**: Colored Gemstones Working Group, Sustainable Brands, RJC **Partnerships**: Quantis, TruCost, SBTi |
| 102.41 | Collective bargaining agreements | We have collective bargaining agreements in place at our Wattens and Pune sites. |
| 102.42 | Identifying and selecting stakeholders | Stakeholders are selected based on our strategic priorities and targets. In the spirit of increasing transparency we are identifying and selecting leading industry standards and partners to reach our goals and continuously improve our performance. |
| 102.43 | Approach to stakeholder engagement | **External**: push communications, online content & annual reporting, training, audits, surveys, interviews. **Internal**: Sustainability Circle, working groups, Management Board updates, training & awareness sessions, employee engagement activities like lunch lectures and articles on intranet. |
| 102.44 | Key topics and concerns raised | Circular approach to business  
| | | Responsible sourcing  
| | | Sustainable materials  
| | | Conflict minerals  
| | | Product quality and safety  
| | | Sustainable manufacturing  
| | | Equality, inclusion and diversity  
| | | Human rights  
| | | Climate change  
| | | Waste and water in operations  
| | | Chemicals and hazardous materials  
| | | Employee health, safety and labour rights  
| | | Corporate governance  
| | | Business ethics and compliance  
| | | Accessibility  
| | | Responsible marketing  
| | | Talent and development  
| 102.45 | Entities included | About this report, PG 6  
| 102.46 | Report content and topic boundaries | Our vision, PG 16  
| 102.47 | List of material topics | Our vision, PG 16  
| | | Our framework, PG 17  
| 102.48 | Restatement of information | About this report, PG 6  
| 102.49 | Changes in reporting | We have introduced a new strategy this year. As such from this point onwards we will be reporting against our new materiality assessment.  
| 102.50 | Reporting period | About this report, PG 6  
| 102.51 | Date of most recent report | September 2019  
| 102.52 | Reporting cycle | About this report, PG 6  

Continues on next page
### Contact point

102.53 Contact point sustainability@swarovski.com About this report, PG 6

### Reporting in accordance with GRI standards

102.54 Reporting in accordance with GRI standards About this report, PG 6

### GRI content index

102.55 GRI content index GRI content index, PG 68

### External assurance

102.56 External assurance

Elements of our data has been independently assured – e.g. SBTi and our LCA exercise – however our full data set has not been checked by an external agent.
## Material disclosures

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<th>Disclosure</th>
<th>Page reference or response</th>
<th>Omissions</th>
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<td>301 Materials and 103 Management Approach</td>
<td>103.1 Explanation of material topic</td>
<td>PG 50-53</td>
<td></td>
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<tr>
<td></td>
<td>103.2 Management approach and components</td>
<td>PG 50-53</td>
<td></td>
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<tr>
<td></td>
<td>103.3 Evaluation of management approach</td>
<td>PG 50-53</td>
<td></td>
</tr>
<tr>
<td>301.2 Recycled input materials used</td>
<td>301.3 Reclaimed products, packaging materials</td>
<td>PG 67</td>
<td></td>
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<tr>
<td>302 Energy and 103 Management Approach</td>
<td>103.1 Explanation of material topic</td>
<td>PG 44, 47</td>
<td></td>
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<td></td>
<td>103.2 Management approach and components</td>
<td>PG 48</td>
<td></td>
</tr>
<tr>
<td></td>
<td>103.3 Evaluation of management approach</td>
<td>PG 48</td>
<td></td>
</tr>
<tr>
<td>302.1 Energy consumption in organisation</td>
<td>302.4 Reduction of energy consumption</td>
<td>PG 8, 44, 47, 55-56</td>
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## 303 Water

<table>
<thead>
<tr>
<th>303.1</th>
<th>Water withdrawal by source</th>
<th>PG 67</th>
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<tbody>
<tr>
<td>303.3</td>
<td>Water recycled and reused</td>
<td>PG 67</td>
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## 305 Emissions and 103 Management Approach

<table>
<thead>
<tr>
<th>103.1</th>
<th>Explanation of material topic</th>
<th>PG 45-47</th>
</tr>
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<tbody>
<tr>
<td>103.2</td>
<td>Management approach and components</td>
<td>PG 45-47</td>
</tr>
<tr>
<td>103.3</td>
<td>Evaluation of management approach</td>
<td>PG 45-47</td>
</tr>
<tr>
<td>305.1</td>
<td>Scope 1 emissions</td>
<td>PG 66</td>
</tr>
<tr>
<td>305.2</td>
<td>Scope 2 emissions</td>
<td>PG 66</td>
</tr>
<tr>
<td>305.3</td>
<td>Scope 3 emissions</td>
<td>PG 66</td>
</tr>
<tr>
<td>305.5</td>
<td>Reduction of GHG emissions</td>
<td>PG 8, 45-47, 55, 66</td>
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</tbody>
</table>

## 306 Waste and 103 Management Approach

<table>
<thead>
<tr>
<th>103.1</th>
<th>Explanation of material topic</th>
<th>PG 48-49</th>
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<tbody>
<tr>
<td>103.2</td>
<td>Management approach and components</td>
<td>PG 48-49</td>
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<tr>
<td>103.3</td>
<td>Evaluation of management approach</td>
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<tr>
<td>306.1</td>
<td>Waste generation</td>
<td>PG 67</td>
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<tr>
<td>306.2</td>
<td>Management of significant waste</td>
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</tr>
<tr>
<td>306.3</td>
<td>Waste generated</td>
<td>PG 67</td>
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## 404 Training and Education

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<th>PG 24-29</th>
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<tbody>
<tr>
<td>103.2</td>
<td>Management approach and components</td>
<td>PG 24-29</td>
</tr>
<tr>
<td>103.3</td>
<td>Evaluation of management approach</td>
<td>PG 24-29</td>
</tr>
<tr>
<td>404.1</td>
<td>Average hours of training per year per employee</td>
<td>PG 65</td>
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<tr>
<td>404.3</td>
<td>Percentage of employees receiving regular performance and career development reviews</td>
<td>PG 65</td>
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## 405 Diversity and inclusion and 103 Management Approach

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<th>PG 21-23</th>
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<td>103.2</td>
<td>Management approach and components</td>
<td>PG 21-23</td>
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<td>103.3</td>
<td>Evaluation of management approach</td>
<td>PG 21-23</td>
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<tr>
<td>405.1</td>
<td>Diversity of governance bodies and employees</td>
<td>PG 21-23, 35, 38-42, 65</td>
</tr>
<tr>
<td>405.2</td>
<td>Gender pay gap</td>
<td>We report our gender pay gap as per local legal legislation. e.g. <a href="https://www.swarovski.com/en_GB-GB/s-genderpayreport/Gender-Pay-Gap-Report/">https://www.swarovski.com/en_GB-GB/s-genderpayreport/Gender-Pay-Gap-Report/</a></td>
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### 412 Human rights and 103 Management Approach

<table>
<thead>
<tr>
<th>103.1</th>
<th>Explanation of material topic</th>
<th>PG 30-33</th>
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<tr>
<td>103.3</td>
<td>Evaluation of management approach</td>
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<tr>
<td>412.1</td>
<td>Human rights reviews and impact assessments</td>
<td>PG 8, 30-32</td>
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<tr>
<td>412.2</td>
<td>Training on human rights policies or procedures</td>
<td>PG 30-32</td>
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<tr>
<td>412.3</td>
<td>Contracts and agreements with human rights screening</td>
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Get in touch:
sustainability@swarovski.com