

Global ESG Policy

Environmental, Social, Governance



SWAROVSKI

Global ESG Policy

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1. Executive Summary

A responsible relationship with people and the planet is part of Swarovski's heritage and our way of doing business, and guides the relationship with our employees, customers, and suppliers, as well as the communities in which we operate. Today our long-term sustainability strategy is an integral part of our business strategy, LUXignite, which stipulates that *"we are an active and positive player in society, through our cultural activities and social & environmental action"*.

This Policy underpins and builds the foundation of this strong commitment. It outlines the critical role of sustainability for Swarovski, as well as clear focus areas, standards, roles & responsibilities in sustainability management across social, environmental, and governance related areas.

The Swarovski Board of Directors (BoD), Chief Executive Officer (CEO), Executive Committee (ExCo) and specifically the Chief Legal and Compliance Officer (CLCO) as highest owner of ESG (Environmental, Social, Governance) in Swarovski, form the first layer of responsibility in sustainability management. They are supported by functions across the value chain, as well as critical support functions such as EHS (Environment, Health & Safety), Finance, or Procurement.

Sustainability is deeply embedded into our existing strategy, management, and governance structures as well as the core processes of the organization.

2. Introduction

2.1 Objective

This Policy highlights the most important focus areas of our ESG strategy and outlines the role of sustainability at Swarovski, as well as clear standards, roles and responsibilities in sustainability management throughout the entire organization.

2.2 Scope and Target Group

This Policy applies to all Swarovski employees and encompasses all core processes.

Swarovski's ESG impacts and risks are assessed and managed not only within our own operations but across the entire value chain, including upstream (suppliers and raw materials) and downstream (product use and end-of-use). This includes ongoing monitoring and engagement with high-risk suppliers

2.3 Risks & Opportunities Covered

- Overarching risks & value creation opportunities: By acting sustainably and addressing critical sustainability challenges, Swarovski supports the sustainable growth of the company and creates new business opportunities and contributes to our brand purpose of "*making the world shine bright*". Non-sustainable businesses and business practices can have negative consequences for people and the planet, ultimately impacting our foundation for doing business. Companies are expected to act sustainably and support and drive sustainable solutions. Those that do not meet these expectations face reputational losses.
- Regulators/License to operate: Sustainability and ESG (Environment, Social, Governance) are increasingly in the focus of governmental and regulatory agendas, with both social and environmental aspects becoming more regulated. Adherence to ESG-related regulations is crucial for ensuring corporate compliance and safeguarding our license to operate.
- Customers: Swarovski needs to comply with its customers' sustainability targets to stay in business. Both B2B as well as B2C customers, especially the younger generations, have a high awareness of sustainability and a strong ask for action and innovative sustainable solutions. At the same time, innovative sustainable products and solutions can help us meet customer needs and differentiate from competitors.
- Investors: Sustainability is increasingly becoming a prerequisite for many investments, both in equity and debt. Transparency on sustainability matters allows investors to assess potential risks and opportunities. Controversies can lead to being classified as "un-investable".
- Employer branding: Employees place increasing importance on social and environmental aspects, expecting more from their employers on sustainability and ESG. Being a sustainable company helps Swarovski to improve employee engagement, and to attract and retain talent.
- Suppliers & Partners: Suppliers represent strategic partners in the co-creation of sustainable innovation, offering valuable opportunities for collaborative advancement. However, they also pose potential reputational risks to Swarovski, as any misconduct or failure on their part may adversely impact the company's public image and stakeholder trust.

3. Main Section

3.1 Our understanding of ESG and Sustainability

Sustainable development is defined as “meeting the needs of the present without compromising the ability of future generations to meet their own needs.”¹ In the corporate context, sustainability means corporations like Swarovski must not only focus on financial performance but also consider the risks and opportunities associated with the environmental and social (“E” and “S”) impacts they may have – in their own operations and along the full value chain.

The more recent shift from Sustainability towards “ESG”, adds governance aspects (“G”) referring to the systems, principles, processes and responsibilities that ensure sustainability considerations are properly established and integrated within the company. Additionally, ESG emphasizes sustainability-related financial risks and opportunities, expanding the traditionally impact-focused sustainability perspective.² ESG is a framework for businesses to consider their impact on the environment and society, along with the quality of their governance. It encompasses all non-financial topics not typically captured by traditional financial reporting and helps companies demonstrate responsible operations and build stakeholder trust.³ In this policy, ESG and Sustainability terms are used interchangeably.

The move towards ESG and the related due diligence and disclosures require several functions in Swarovski to work closer together, such as Sustainability, EHS, Group Risk, Finance, or HR.

3.2 Sustainability at Swarovski & Sustainability Due Diligence (SDD)

As a long-standing signatory to the United Nations Global Compact, Swarovski adheres to a sustainability due diligence (SDD) approach across its external and internal chain of activities, following the six steps outlined by the OECD and other applicable frameworks⁴.

We embed responsible business conduct into policies and management systems: Sustainability is anchored in our ‘*Business Code of Conduct*’, integrated in our ‘*Culture Framework*’ and is an integral part of our ‘*LUXignite business strategy*’, including its mission statement: “*We are an active and positive player in society, through our cultural activities and social & environmental action.*” Sustainability is also embedded in our business strategies and our way of doing business, covering the value chain from product design, sourcing and manufacturing to the transport, marketing, sale and after-sale of our products to B2B and B2C customers. Note: All philanthropy-related efforts (unrelated to the company’s value chain) are handled by the Swarovski Foundation. We have several sustainability-related

¹ Source: Report of the UN’s World Commission on Environment and Development: Our Common Future (1987)

² A sustainability impact refers to the positive or negative effects that a company’s actions have on the environment, society, and economy (outward facing)

³ <https://www.pwc.com/im/en/issues/esg--environmental--social--governance-.html>

⁴ Embed responsible business conduct into policies and management systems, identify and assess actual or potential adverse impacts, cease or prevent or mitigate those impacts, track implementation and results, communicate how impacts are addressed, and provide for or cooperate in remediation when appropriate.

policies are updated, refined, and expanded continuously to ensure that they are fit for purpose and that any updates are communicated effectively.

On a regular basis, Swarovski identifies and assesses adverse impacts, e.g. via materiality assessments, waste and energy assessments, high-level risk scan of suppliers and own operations, due-diligence assessments, audits, saliency assessments to prioritize action and target setting (see also point 3.3 and 3.4).

To cease, prevent and mitigate our ESG related impacts we develop mitigation plans across our business in the most relevant areas (see points 3.6 and 3.7). We track implementation and results closely and communicate how impacts are addressed, e.g. via our corporate sustainability reporting (see also point 3.4 and 3.5). Swarovski addresses and remediates any adverse impacts caused or contributed to and has processes in place for stakeholders to raise concerns, namely our Speak Up grievance channel, and provides for or cooperates in remediation when necessary.⁵

Swarovski systematically engages with affected stakeholders and users of sustainability information, including employees, suppliers, customers, investors, and communities, to understand their expectations, rights, and concerns. Stakeholder input is integrated into our regular double materiality assessment process, risk management, and sustainability strategy review.

We are members of and active participants in many local, global, and industry groups and initiatives with which we collaborate on issues relevant to our business and wider society.

3.3 Overview of Main ESG focus topics

Based on double materiality and further data-based assessments (such as product life cycle-, saliency-, energy-, waste stream or saliency assessments), we carefully select the most important environmental and social sustainability topics that our business needs to focus on. These are our three 'Strategic Choices':

- Mitigate Climate Change: While compliance with applicable environmental and climate laws and regulations is non-negotiable, emphasis must be placed on continuously reducing the overall climate impact in all areas of the value chain. We mitigate climate change by focusing on increased energy efficiencies and a greater share of renewables in our own facilities (Scope 1 & 2) and throughout the entire supply chain (Scope 3). Swarovski is committed to the continuous development of a climate transition plan aligned with the goals of the Paris Agreement, which includes science-based emissions reduction targets, scenario analysis, climate-related financial disclosures, and actions to build resilience across the value chain.

⁵ For more details related to our Sustainability Due Diligence approach, please refer to our 'Responsible Sourcing & Manufacturing Policy'

- Preserve Resources & Minimize Waste: Resources must be used efficiently and reused whenever possible by continuously expanding and strengthening the sourcing of more sustainable and eco-friendly materials (such as recycled or biobased materials) and integrating them into products and packaging. Additionally, we embrace circular economy principles, aiming to design products for longevity, repairability, and recyclability and create future-fit materials through innovation without sacrificing quality or aesthetics. We accelerate circularity to preserve resources and extend product life. We streamline operations by closing loops and minimizing waste across our value chain. Legal requirements must be complied with, and best practice should be implemented to fight deforestation, forest degradation & prevent pollution of air and soil.
- Promote Fairness & Celebrate Individuality: We respect and protect the rights of everyone in our value chain, both internally and externally, ensuring fair employment conditions as per International Labour organization's (ILO) Core Conventions and UN Guiding Principles. We have implemented a human rights due diligence framework in line with the UN Guiding Principles on Business and Human Rights and OECD Guidelines, including regular risk assessments, mitigation measures, grievance mechanisms, and public disclosure of salient human rights risks and responses. We champion equity, diversity, and inclusion across our organization, value chain, and customer experience.

While the above reflects the priority areas of our sustainability strategy, our sustainability due diligence and reporting cover additional material ESG topics as outlined below:

Environmental	Climate Change Mitigation / Energy
	Pollution of Air, Water and Soil
	Water Withdrawals, Consumption, Discharges
	Biodiversity Loss and Ecosystems Change
	Resource Use and Circular Economy / Resource Inflows, Outflows, and Waste
Social (Own workforce)	Secure Employment
	Health & Safety
	Diversity and Inclusion / Discrimination and Harassment, incl. gendered impacts
	Equal Pay / Wages and Benefits
	Environmental Rights
Social (Workers in the value chain)	Secure Employment
	Working Time / Adequate Wages / Work-life Balance
	Health & Safety
	Child labor / Forced labor
	Adequate Housing
	Privacy
Governance	Corporate Culture / Anti-Corruption and Bribery / Protection of Whistleblowers
	Management of Relationships with Suppliers

3.4 Swarovski's Sustainability Targets

Swarovski has set ambitious measurable sustainability targets across the key focus areas of our strategy. These targets are aligned with the United Nations' (UN) Sustainable Development Goals for 2030 (SDGs), the Climate Goals of the Paris Agreement and the Science Based Targets Initiative (SBTi). All commitments and targets are published annually in our corporate sustainability report, including updates on our progress. These commitments are decided or can be modified by the respective governance bodies as described below.

3.5 Sustainability Reporting

Swarovski publishes comprehensive corporate sustainability reports on an annual basis, to transparently inform stakeholders about sustainability-related matters and meet their requirements and expectations and in accordance with applicable regulation. The annual Sustainability Report is described in a technical and auditable way and includes both detailed qualitative statements and quantitative data tables. The report compilation is led by our corporate sustainability team and increasingly supported by Finance. Information for the Sustainability Report is provided by various enabling functions, countries and subsidiaries and is subject to limited external assurance. The report is approved by Swarovski's Board of Directors.

Swarovski is continuously developing internal control systems and governance mechanisms which will ensure the quality and reliability of sustainability data and disclosures in line with reporting regulation and requirements. This includes cross-functional collaboration with Group Finance, Risk, Legal, Internal Audit, among others

3.6 Sustainability Management at Swarovski: Roles and Responsibilities

Clear roles and responsibilities ensure effective management of Sustainability throughout the entire organization, from the Swarovski Board of Directors, Executive Committee to all enabling functions, countries and employees. The Swarovski BoD, CEO, ExCo and specifically the Chief Legal & Compliance Officer form the first responsibility layer in sustainability management. They are supported by functions across the value chain, as well as critical support functions, such as SHEEQ (Safety, Health, Environment and Quality), Procurement, and Finance. Sustainability is largely embedded into existing management and governance structures, as well as the core processes of the organization.

- 3.6.1 Board of Directors: The BoD approves both the sustainability strategy and the sustainability report. Sustainability is a regular topic at Board level, featuring on the agendas of our BoD and its Finance and Audit Committee for reporting topics.
- 3.6.2 CEO & Executive Committee: Our CEO and the members of our ExCo are responsible for executing the strategy as well as setting, modifying and achieving our sustainability targets. Each year, there is a clear commitment of each ExCo member to prioritize their respective areas of responsibility. This ensures that

accountability is integrated into the different parts of our organization and that there is explicit agreement about priorities and clear roadmaps for delivery.

- 3.6.3 Sustainability Cabinet: Our Sustainability Cabinet, chaired by Swarovski's Chief Legal and Compliance Officer, meets three times a year. This committee comprises leaders from our ExCo and supports decision-making on sustainability topics.
- 3.6.4 Sustainability Team: Our central Sustainability team reports into the Chief Legal & Compliance Officer, a member of the ExCo. The team is dedicated to steering and tracking progress across the three strategic choices of our sustainability strategy and throughout our operations and value chain. It acts as a center of excellence and guides teams across the business to drive change where it matters most. It also leads Sustainability Due Diligence (SDD) and corporate ESG reporting.
- 3.6.5 Enabling Functions: All functions play an important role in achieving the company's sustainability targets and must integrate sustainability aspects into their processes and decision making. The extent of this integration varies depending on their specific roles and responsibilities in reaching our sustainability targets. Listed below are several critical functions and examples of their actions:
- Global Supply Chain (GSC): GSC plays a crucial role in minimizing greenhouse gas emissions and waste in operations and logistics/transport, enablement of internal infrastructures for circular business models (ie. Repair centers, reverse logistics and material recovery), driving manufacturing and process innovation, more sustainable packaging as well as upholding human rights at our manufacturing sites.
 - Safety, Health and Environment (SHE): The Safety, Health, Environment & Quality (SHEQ) Department is an important pillar to operationalize our ESG strategy. It ensures regulatory compliance within our own operations, while integrating safety, health, environmental, and quality standards and promoting sustainable practices. The Quality function supports ESG by enhancing product longevity, reparability, recyclability, and reduction of waste, while also ensuring process integrity and customer satisfaction. These efforts are implemented through the Integrated Management System (IMS), ensuring consistent performance, accountability, operational resilience and continuous improvement.
 - Procurement: In collaboration with the Sustainability team, Procurement implements supply chain due diligence measures, including the Supplier Code of Conduct, which outlines Swarovski's minimum requirements for suppliers, or the auditing of high-risk suppliers. Procurement also supports reduction of scope 3 greenhouse gas emissions and achievement of our circularity targets via the sourcing of lower-impact materials and services and is a key enabler to drive sustainable innovation with our suppliers and partners.⁶

⁶ For more information, refer to «Responsible Sourcing & Manufacturing Policy»

- Commercial / Sales: This function is vital in reducing greenhouse gas emissions and waste arising from our physical store network and enabling after-sales support to enhance product life.
- Product Creation: Our product creation teams increasingly integrate sustainability considerations into product design, following our Swarovski *Circular Design Framework*. This includes the use of lower impact materials and processes, designing products to be 'used more' and make products in a way that they can be 'made again' (recycled and reused) – e.g. by incorporating design features such as versatility, repairability, durability.
- Human Resources: HR is responsible for fostering a culture based on inclusion, diversity, fairness, respect at work, equality of opportunity, equitable pay practices, and quality working conditions. HR also helps to embed sustainability in line with our culture pillars.
- Finance: Finance increasingly supports sustainability in reporting and data matters, as well as establishing solid processes and internal controls.
- Digital: The Digital & IT department plays a critical role in advancing sustainability by leveraging technology & data to reduce environmental impact, improve efficiency, and ensure ESG data transparency
- Brand: The brand organization impacts material choice and consumption, particularly in packaging, and can help to reduce Scope 3 greenhouse gas emissions through purchased goods and transportation.
- Legal: With the rise in ESG- related regulations for due diligence and reporting, the Legal function is critical in assessing compliance needs and implementing necessary actions across the business
- And many others

3.7 Expectations towards employees, Implementation Measures & Training

At Swarovski, all employees are expected to uphold the highest standards of environmental and social responsibility in alignment with our commitment to sustainable and ethical business practices. Specifically, employees are expected to:

- Demonstrate environmental and social awareness in their daily operations, making decisions that reflect our values of sustainability, equity, and respect for human rights
- Actively engage in ESG-related trainings where available and agreed focus initiatives (Sustainability "How to Win" Workstreams)
- In instances where national legislation differs from Swarovski's ESG policies, employees must adhere to the more stringent standard to ensure compliance and integrity.
- If an employee becomes aware of any actual or potential violation of this policy, they are encouraged to report their concern to their manager. Should the issue remain unresolved, employees may escalate the matter to local or Group Human Resources or contact Corporate Sustainability. As a final recourse, concerns can be reported through the Swarovski Speak Up grievance channel, which ensures confidentiality and protection from retaliation.

In addition to integrating sustainability into the afore-mentioned Governance structure, the implementation of sustainability measures is supported by the following actions, in line with the OECD's guidelines for sustainability due diligence:

- This ESG Policy is communicated to all employees upon its launch and subsequently integrated into the company onboarding process.
- The ESG Policy is made available to the public on our website [swarovski.com](https://www.swarovski.com), and shared on our internal communication intranet SIA, both globally and locally.
- The ESG policy is being translated into most spoken local languages.
- The sustainability team conducts ongoing dedicated training and working sessions with those functions where progress is most critical (Sustainability "How to Win" Workstreams)
- Sustainability is centrally embedded into the existing Swarovski training landscape where specific sustainability learning resources are offered.

4. Definitions and Abbreviations

- **BoD:** Board of Directors
- **CEO:** Chief Executive Officer
- **SHE:** Safety, Health and Environment
- **ESG** (Environmental, Social, and Governance) is a framework for businesses to consider their impact on the environment and society, along with the quality of their governance. It encompasses all non-financial topics not typically captured by traditional financial reporting and helps companies demonstrate responsible operations and build stakeholder trust.
- **ExCo:** Executive Committee
- **Grievance mechanism:** operational channel administered by the company and directly accessible by its stakeholders, allowing for grievances and concerns to be identified and addressed early and directly, thereby preventing both harm and grievances from escalating.
- **Impact:** the effect the undertaking has or could have on the environment and people, including effects on their human rights, connected with its own operations and upstream and downstream value chain, including through its products and services, as well as through its business relationships (ESRS Aggregated Acronyms and Glossary of Terms July 2025).
- **Materiality assessment:** process of identifying and evaluating sustainability matters that represent the undertaking's most significant impacts on people and the

environment, as well as those that influence enterprise value (ESRS 1, paras. 45-53; ESRS 2 IRO-1).

- **OECD:** Organization for Economic Cooperation and Development
- **Scope 1 Greenhouse Gas (GHG) Emissions:** direct GHG emissions from sources that are owned or controlled by the undertaking. **Scope 2 GHG emissions:** indirect emissions from the generation of purchased or acquired electricity, steam, heat or cooling consumed by the undertaking. **Scope 3 GHG emissions:** all indirect GHG emissions (not included in Scope 2 GHG emissions) that occur in the value chain of the reporting undertaking, including both upstream and downstream emissions.
- **SHEEQ:** Safety, Health, Environment and Quality
- **Stakeholders:** those who can affect or be affected by the undertaking. *Affected stakeholders:* individuals or groups whose interests are affected or could be affected – positively or negatively – by the undertaking’s activities and its direct and indirect business relationships across its value chain; and *users of sustainability statements:* primary users of general purpose financial reporting (existing and potential investors, lenders and other creditors including asset managers, credit institutions, insurance undertakings), as well as other users, including the undertaking’s business partners, trade unions and social partners, civil society and non-governmental organisations, governments, analysts and academics. (ESRS Aggregated Acronyms and Glossary of Terms July 2025).
- **Sustainability:** means corporations like Swarovski must not only focus on financial performance but also consider the risks and opportunities associated with the environmental and social (“E” and “S”) impacts they may have – in their own operations and along the full value chain. A sustainability impact refers to the positive or negative effects that a company's actions have on the environment, society, and economy (outward facing).
- **Sustainability due diligence:** ongoing process by which an undertaking identifies, prevents, mitigates, and accounts for its actual and potential adverse impacts on people and the environment, connected to its own operations, value chain, and business relationships (ESRS 1, para. 68; aligned with OECD & UNGPs).
- **Sustainability-related risks** with negative financial effects arising from environmental, social or governance matters that may negatively affect the undertaking's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term. **Sustainability-related opportunities** with positive financial effects (ESRS Aggregated Acronyms and Glossary of Terms July 2025).