

ABOUT THIS REPORT

This, our fourth sustainability report, covers information and performance data on the operations of the Swarovski Crystal Business during the preceding two calendar years (2015–16). 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. From here on, where Swarovski is mentioned, it refers only to the Swarovski Crystal Business.

In this report, we provide detail about the evolving nature of our strategic approach to sustainability, which represents the beginning of a new phase in Swarovski's sustainability journey. Since we are now embarking on this new phase, we have focused our progress updates on the headline activities and achievements in 2015-16.

We have increased the scope of reported quantitative data in 2015-16, expanding the number of major sites we report on from nine to ten. This includes all of our own manufacturing and production locations: Wattens in Austria; Subotica in Serbia; Triesen in Liechtenstein; three sites in Bangkok in Thailand; Plattsburgh in the USA; Pune in India; Bien Hoa in Vietnam and our corporate offices in Männedorf in Switzerland.

We have also produced a detailed index, guided by the Global Reporting Initiative G4 Guidelines, as a supplement to this report. The index is available to download at www.swarovskigroup.com/sustainabilityreport2017

We welcome stakeholder feedback on any aspect of our report. Please contact us at <u>sustainability@swarovski.com</u>.

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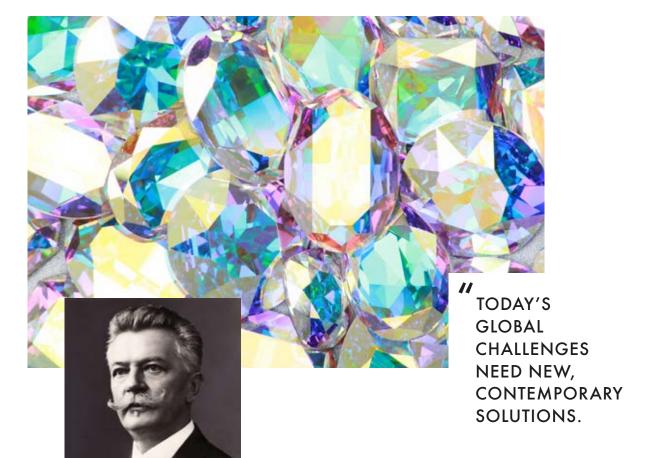
WELCOME TO THE SWAROVSKI SUSTAINABILITY REPORT 2017

Dear Readers,

In this sustainability report we look to the next phase of our sustainability journey, by outlining our revised strategy. Daniel Swarovski's founding vision, and his commitment to responsible ways of working, continue to guide our purpose, decisions and actions. With this renewed approach, we honor his legacy while also recognizing that today's global challenges need new, contemporary solutions.

Climate change, water crises, gender inequality, economic disparity, forced labor, and the overconsumption of natural resources require the private sector to step up. We accept we have a role to play in tackling many of these challenges and supporting delivery of the United Nations' Sustainable Development Goals.

ABOVE Swarovski Executive Board
OPPOSITE TOP Aurora Borealis crystal
OPPOSITE BOTTOM Daniel Swarovski



To this end, we have updated our sustainability strategy and refreshed our priorities around where we believe we can have the greatest impact across our value chain by employing the unique strengths of our business and brand. We also continually strive to work collaboratively with others across the fashion, jewelry and design industries to improve commitments across our sector.

The past two years have seen steady developments in our ongoing sustainability journey. Many certifications secured in 2015-16 provide external validation of our efforts to continually manage the social and environmental impacts of our operations, which form the bedrock of our strategy.

In this report, we summarize these and other highlights of our activities and achievements during 2015-16. We also take this opportunity to restate our commitment to the United Nations Global Compact, the Women's Empowerment Principles and the recently signed World Economic Forum's Compact for Responsive and Responsible Leadership.

As a company that thinks in generations, not quarters, we maintain a long-term outlook towards driving positive change, viewing it as an integral part of securing the future success of our business.

Sincerely,

THE EXECUTIVE BOARD OF THE SWAROVSKI CRYSTAL BUSINESS

SUSTAINABILITY IN BRIFF 2015-2016*



26% reduction in total energy consumption since 2010 across our manufacturing and

production locations

Scope 1 emissions decreased by 59% at our main crystal manufacturing site in Wattens since 2010







Swarovski Waterschool has expanded to two new locations (with pilots at the Ping River, Thailand and Mississippi River, USA) taking the total to seven locations globally

Over **80,000** crystals have been upcycled through conscious design initiatives



70% of our total water demand is met with recycled water across our manufacturing and production locations

88%
Swarovski
Sustainable
Stores

Of our new or refurbished monobrand stores 88% meet our Swarovski Sustainable Stores (Triple S) standard Atelier Swarovski launched an exclusive UN Women charity bracelet in support of the Safe Cities Global Initiative



33% of our energy comes from renewable sources at our manufacturing and production locations

The **Swarovski Integrity Charter**, endorsed by the Executive Board in 2016, formally defines and reconfirms our values, principles and commitment to acting responsibly



Under our **CLEAR program**, our finished products and those components across our entire supply chain meet the strictest regulations on hazardous substances

100% of Swarovski crystals are produced using our pioneering Advanced Crystal lead-free formula†



Conscious design projects
- initiatives **promoting sustainability** - were
piloted at three top
international design schools:

- ♦ Central Saint Martins in London
- ◆ Condé Nast Center of Fashion and Design in Shanghai
- ◆ École supérieure de mode ESG UQAM in Montreal





Certifications

- ◆ ISO 50001: Wattens, Austria
- ♦ ISO 14001: Swarovski Gemstones, Thailand
- ♦ SA8000: Pune, India
- ♦ OHSAS 18001: Swarovski Gemstones, Thailand
- ♦ SMETA: Subotica, Serbia
- ♦ Responsible Jewellery Council: Atelier Swarovski

28 Swarovski Foundation charitable partnerships:

4 Conserving Natural Resources
11 Fostering Culture and Creativity

13 Promoting Wellbeing



Sustainable paper guidelines (e.g. recycled content and responsibly sourced) integrated into new brand standards

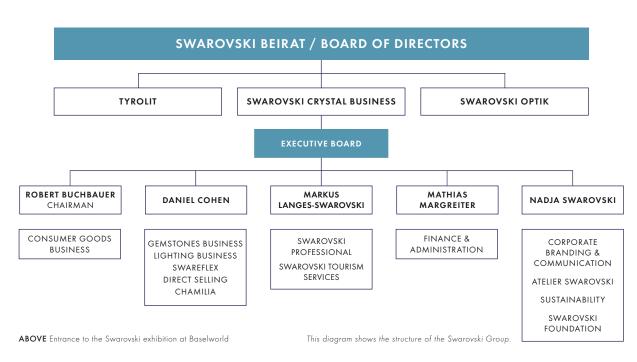
> *Quantitative data refers to 2016 †Containing 0.009% lead or less

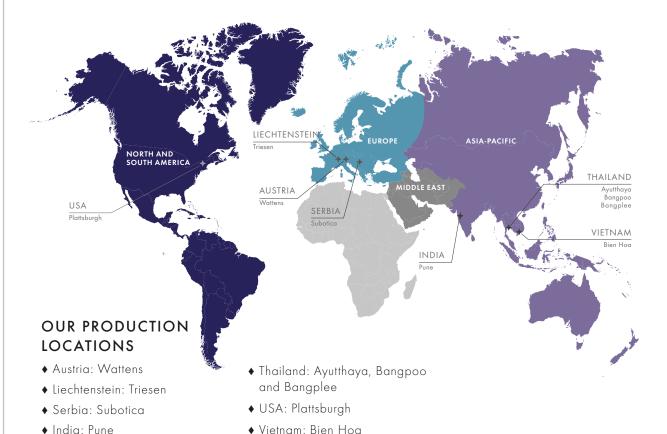


OUR BUSINESS

The Swarovski Crystal Business delivers a diverse portfolio of unmatched quality, craftsmanship and creativity, designing, manufacturing and selling highquality crystals, genuine gemstones and created stones, as well as finished products such as jewelry, home accessories and design and lighting solutions. The Swarovski Crystal Business and its sister companies Swarovski Optik (optical devices) and Tyrolit (abrasives) form the Swarovski Group.

Founded in 1895 by Daniel Swarovski in Wattens, Austria, the company is now run by the fifth generation of family members, with 27,000 dedicated colleagues across the world responsible for adding sparkle to everyday life and maintaining the company's position at the forefront of design, creativity and innovation. Swarovski's products are sold in approximately 2,800 stores in 170 countries globally, with production sites in Austria, India, Liechtenstein, Thailand, Vietnam, Serbia, and the USA.





VALUE CHAIN

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





















PRODUCT DESIGN AND DEVELOPMENT

- ♦ Product safety
- ◆ Product responsibility

SOURCING

- ♦ Supply chain assessment and management
- ♦ Human rights and working conditions
- ♦ Ethics and anti-corruption

PRODUCTION

- ♦ Labor practices
- ◆ Environmental management - energy, emissions, water and waste

DISTRIBUTION AND LOGISTICS

♦ Environmental management - energy, emissions, water and waste

CUSTOMERS AND COLLABORATION

- ♦ Disposal and/ or end of life
- ♦ Inspiring and promoting sustainability

SWAROVSKI SUSTAINABILITY REPORT 2017



OUR SUSTAINABILITY STRATEGY

For more than 120 years, we have strived to stay true to Daniel Swarovski's founding principles of doing business in a way that respects the social and natural capital on which we all depend.

Since 2010 we have taken a more formal approach, which led to the publication of our first sustainability report. We have consciously integrated sustainability into the operations of the Swarovski business, while building on our key strengths and achievements, such as our lead-free* Advanced Crystal formula.

Now, we recognize that Daniel Swarovski's legacy can live on through Swarovski playing a deeper role in society and tackling some of the global challenges faced by the world today.

ABOVE Crystal production, Wattens, Austria

*Containing 0.009% lead or less

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WE HAVE CONSCIOUSLY INTEGRATED SUSTAINABILITY INTO THE OPERATIONS OF SWAROVSKI.

We are now embarking on the next phase of our sustainability journey. Through discussions with our stakeholders, and further analysis, we have developed our thinking around our most pertinent impacts, dependencies and opportunities.

The main tenets of our strategy are summarized in our vision and goals, and through five priority themes that define the areas of particular focus where we believe that Swarovski can have the greatest positive impact across our value chain. This framework runs alongside the continual work required to manage the broad range of sustainability risks, issues and opportunities across our business.

OUR VISION

Swarovski drives positive change, so when you buy Swarovski you are contributing to a better world

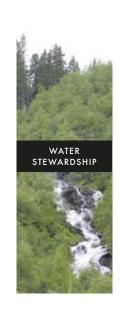
OUR GOALS

To protect the people and the natural environment touched by our supply chain

To inspire and enable our designers, collaborators and customers to be more sustainable

To work towards sustainable production and consumption

OUR THEMES











OPERATIONAL SUSTAINABILITY

Ongoing improvement of social and environmental governance and systems across the business units, production sites and external supply chain



WE AIM TO **BECOME KNOWN** FOR ENDORSING **SUSTAINABLE** MATERIALS AND PRODUCTS.



SUSTAINABLE

DEVELOPMENT

GALS

WATER STEWARDSHIP Water has always been central to the Swarovski story, with our 120year history of crystal production partly generated by small-scale hydro-power from the beginning. We now see the most significant risks and opportunities around our production sites and in some key regions in our supply chain where there is water pollution, water scarcity, and flooding. The aim now is to better understand the fresh water challenges and the potential context-based and collaborative interventions we can make.

WOMEN'S EMPOWERMENT As a brand for which women are a significant part of our consumer base and workforce, we strive to champion women's empowerment. Our aim is to empower women across our value chain from those who craft our products to those who wear them.

FAIR PARTNERSHIPS We aim for colleagues in our production sites and across our supply chain to enjoy good conditions, benefits and opportunities in their working life and we endeavor to have a positive impact on the wider local communities.

CONSCIOUS DESIGN The breadth and depth of our industry design collaborations is one of the key reasons for our success as a global brand. We aim to become known for endorsing sustainable materials and products, and inspiring conscious collections by harnessing our networks and championing conscious design.

SUSTAINABLE INNOVATION Swarovski has always been at the forefront of innovation, and we want to channel this pioneering spirit in pursuit of sustainable innovation. We will pursue innovative uses and applications for our crystals, seek to influence the materials used with our products, research innovative services that contribute to the circular economy and link up with smart devices.

UNITED NATIONS' SUSTAINABLE **DEVELOPMENT GOALS**

We seek to align ourselves with the United Nations' Sustainable Development Goals (SDGs) through our priority themes. The themes map across to the SDGs highlighted below and we have begun to consult with colleagues and NGOs to explore local development challenges and opportunities in our production locations.







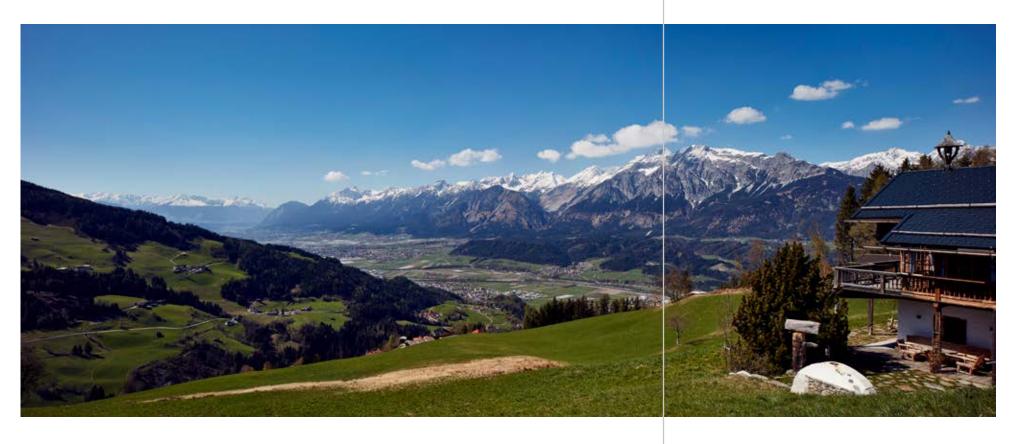


ABOVE LEFT Jewelry production lines in our facility in Thailand ABOVE RIGHT Employees in our Swarovski Gemstones production facility in Thailand





SWAROVSKI 12 13 SUSTAINABILITY REPORT 2017



WE ARE MAKING
PROGRESS WITH
TAILORING
SUSTAINABILITY
GOVERNANCE TO
SPECIFIC REQUIREMENTS
ACROSS OUR BUSINESS.

MANAGING OPERATIONS

We maintain a program around the ongoing improvement of social and environmental governance, systems, standards and certifications across our business units, our production sites and our external supply chain.

MANAGEMENT APPROACH

At Swarovski, sustainability is endorsed and guided at the highest level. As with other major corporate decisions, strategic sustainability decisions are made collectively by the Executive Board to maintain alignment with the commercial strategy whilst engaging senior management on the direction and progress of the sustainability agenda. Executive Board member Nadja Swarovski represents sustainability at the executive level, and, reporting to her, the Global Vice President of Corporate Sustainability and Social Responsibility manages the development and implementation of our sustainability program across the company's business units and cross-functional departments.

ABOVE Tyrol, Austria
OPPOSITE Swarovski plant, Wattens, Austria

SUSTAINABILITY IS ENDORSED AND GUIDED AT THE HIGHEST LEVEL.

As discussed earlier in this report, our strategy is now defined by five themes that represent the areas in which we believe Swarovski can have the greatest positive impact. These will become an integral part of our ongoing stakeholder engagements.

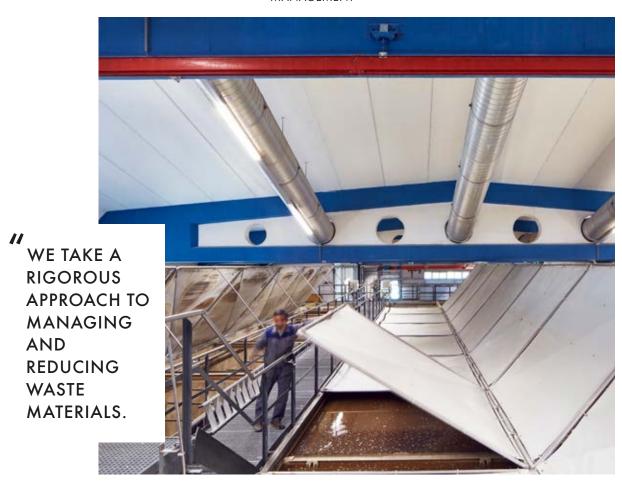
Our work within these themes sits on a bedrock of continual activities to manage our fundamental social and environmental impacts at an operational level. Progress across these areas is summarized in more detail in a separate <u>index</u>, guided by the Global Reporting Initiative.

Periodic materiality assessments are also carried out through internal and external consultations and by gathering industry intelligence.

GOVERNANCE

In addition to the overarching governance of the Executive Board and the management of sustainability by a global internal team, we are also making progress with tailoring sustainability governance to specific requirements across the business. Business units (BU) such as the Swarovski Gemstones Business and Swarovski Professional have identified and appointed relevant BU stakeholders to implement formal structures to manage sustainability issues within their operations. This approach enables them to better address their unique business requirements and stakeholder expectations. The process of strengthening governance by making it more attuned to BU needs and stakeholder expectations is ongoing while we seek strong alignment across the Swarovski Crystal Business.





ENVIRONMENTAL MANAGEMENT

As a responsible business with global manufacturing facilities, sustainable resource management is integral to Swarovski maintaining its long-term ability to operate successfully.

We continually seek new opportunities to reduce our energy consumption and lower emissions by adopting innovative energy efficiency measures and identifying opportunities to use renewable energy. In response to these ongoing challenges, our colleagues across production and process engineering collaborate regularly to develop new solutions and improve our performance. An important focal point for these efforts is our main crystal manufacturing site in Wattens, Austria, where we use significantly more

ABOVE Water treatment facility at Swarovski plant in Wattens, Austria
OPPOSITE TOP Wax mould-making in our production facility, Thailand
OPPOSITE BOTTOM Raw materials

energy than at any of our other facilities. Here, we achieved the ISO 50001 energy management certification in 2016.

We take a proactive approach to managing water in our manufacturing operations throughout the cutting, grinding and polishing stages of creating crystals. 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. We also take a rigorous approach to managing and reducing waste materials. Our consistent focus on waste reduction has helped us to achieve important breakthroughs, such as being able to recycle 90% of the rare earths used in the polishing process.



RESPONSIBLE SOURCING INITIATIVE

Our supply chain comprises a significant proportion of our own factories, together with external suppliers. Our Responsible Sourcing Initiative was established in 2014 to help us and our suppliers address environmental and social risks throughout our supply chain. It is a key part of our responsible approach to supply chain issues and is founded on a systematic, risk-based approach to monitoring suppliers' adherence to our Supplier Code of Conduct.

OUR RESPONSIBLE
SOURCING INITIATIVE
IS A KEY PART OF OUR
RESPONSIBLE APPROACH
TO SUPPLY-CHAIN ISSUES.



As a result, 93% of our Category A and B suppliers, who supply our finished goods, components and raw materials and represent 95% of our annual procurement spend, have signed our Supplier Code of Conduct. Within our Consumer Goods Business, the largest business unit within the Swarovski Crystal Business, 97% of the Category A and B suppliers who supply finished jewelry, homeware, watches and packaging are routinely audited as part of the Responsible Sourcing Initiative.

We make targeted use of third-party assessments (e.g. SMETA, Responsible Jewellery Council and SA8000) and our own internal labor assessment (based on SMETA and SA8000) to monitor supplier performance. In recognition of the often complex issues in factories, we take a consultative approach to helping factory owners with remediation activities.

MANAGEMENT



PRODUCT SAFETY

With a long-standing commitment to creating safe, responsible products, Swarovski continuously strives to innovate to be ahead of current legislation in the area of product safety. Our focus on product safety will continue to bring competitive advantages as consumer interest in transparency grows.

Our rigorous approach to optimizing the chemical content of our products through our Restricted Substance Policy Program (CLEAR) forms part of our broader Product Compliance Program, established by the Executive Board in 2009.

OUR FOCUS ON PRODUCT
SAFETY WILL CONTINUE TO
BRING COMPETITIVE ADVANTAGES
AS CONSUMER INTEREST IN
TRANSPARENCY GROWS.

CLEAR acts as a mandatory standard for all our product development activities relating to hazardous substances. We have also implemented an online information portal for suppliers that provides advice on how to reduce the cost and complexity of compliance topics.



EMPLOYEES

Our people play a vital role in the ongoing success of our company and we recognize that diversity brings real commercial value to our business. We seek to build a diverse workforce and leverage an inclusive work environment by building leadership capability and organizational capacity. In order to realize our vision to be a truly attractive employer, we strive to empower our people with equal learning and development opportunities, ensure they are happy at work and have the tools and resources they need to give their best.

COMMUNITY INVESTMENT

Established in 2000, our flagship community investment program, Swarovski Waterschool, continues to deliver an inspiring educational program that enables young people to understand and practice sustainable water use. These schools are located near seven key water courses around the globe and work with local NGO partners to engage students and their communities to ensure the long-term availability of clean water for all.

WE WORK WITH LOCAL NGO PARTNERS
TO ENSURE THE LONGTERM AVAILABILITY OF CLEAN WATER FOR ALL.





SWAROVSKI FOUNDATION

The Swarovski Foundation was established in 2013 to build on Swarovski's rich heritage of philanthropy, upheld by five generations of the Swarovski family. Its three focus areas are: fostering culture and creativity, promoting wellbeing and conserving natural resources. The Swarovski Foundation is governed by an external Board of Trustees, chaired by Nadja Swarovski.

OPPOSITE TOP Packing finished pieces of jewelry in Thailand OPPOSITE BOTTOM Employee in Wattens, Austria

ABOVE Ugandan girl using a Tippy Tap to wash hands

LEFT Students of Room to Read's Girl's Education Program in India



2015-2016 HEADLINE ACHIEVEMENTS AND ACTIVITIES

THIRD PARTY AUDITS AND CERTIFICATIONS

In 2015 and 2016, we continued to strengthen our social and environmental management systems. Our progress has been formally recognized against the following standards:

Responsible Jewellery Council

- ◆ Atelier Swarovski: certification 2016
- ♦ Swarovski Professional: certification 2017
- ♦ Swarovski Gemstones Business: certification 2015
- ◆ Chamilia: certification 2015

SA8000

◆ Pune, India: certified 2016

SMETA

◆ Subotica, Serbia: audits passed 2015 and 2016

OHSAS 18001

◆ Swarovski Gemstones Thailand: certified 2016

ISO 14001

◆ Swarovski Gemstones Thailand: certified 2016

ISO 50001

♦ Wattens, Austria: certified 2016

CASE STUDY: RESPONSIBLE JEWELLERY COUNCIL

The Responsible Jewellery Council (RJC) is an international not-for-profit standards and certification organization established to reinforce consumer confidence in the jewelry industry. Its 900+ members span the jewelry supply chain from mine to store and commit to being independently audited against the RJC Code of Practices, defining responsible business practices.

In November 2016, Atelier Swarovski achieved certification following the successful verification of the brand's sustainability standards by an international third-party auditing company accredited by the RJC. Certification confirms that Atelier Swarovski is compliant with the industry standards of sustainability, including the areas of business ethics, human rights, and social and environmental management. Atelier Swarovski follows the Swarovski Gemstones Business and Chamilia, which both achieved RJC certification in 2015. Swarovski Professional is currently in the process of preparing for RJC certification after becoming a member in 2016.





Nadja Swarovski, member of the Swarovski Executive Board commented: "We are proud that Atelier Swarovski has become a certified member of the Responsible Jewellery Council. This certification is a testament to the work that Swarovski undertakes to ensure our business has a responsible relationship with people and the planet and a positive impact in the future."



COLORED GEMSTONES RESPONSIBLE MINING STANDARD

As part of multi-stakeholder collaboration, the Swarovski Gemstones Business has been actively engaged in efforts to establish the first colored gemstones responsible mining standard in the industry. We are pleased to see that, in 2016, the RJC announced that it will expand its certification scope to include colored gemstones.

OPPOSITE Austrian employee inspecting crystals LEFT Swarovski Gemstones Spring/Summer 2017 marketing campaign

ENVIRONMENTAL PERFORMANCE

These data refer to the ten major locations listed in 'About this Report' (page 1).

Energy Consumption

♦ 26% decline since 2010 due, in part, to a focus on energy efficiency

Carbon Emissions

♦ 59% decline since 2010 in Scope 1 emissions

Renewable Energy

♦ 33% of the energy we consume is derived from renewable sources

Recycled Water

♦ 70% of the water used in our operations is recycled



Waste Recycling, Reuse or Composting

- ♦ 37% of the waste generated in our production processes is recycled, reused or composted
- ◆ All the rare earth minerals used in the crystal polishing process are recycled with a yield of 80% to 95%

ABOVE RIGHT Crystal warehouse, Wattens, Austria ABOVE LEFT Crystal manufacturing efficiency monitoring, Wattens, Austria OPPOSITE Crystal inspection, Wattens, Austria



GREEN LOGISTICS PILOT

In exploring options for reducing our logistics-related carbon footprint, we piloted the transportation of Swarovski pens by sea. This resulted in a 99% reduction in carbon emissions compared with air freight, and the adoption of sea freight as standard for the products in scope.

PAPER AND PACKAGING

We integrated sustainability guidelines (e.g. Forestry Stewardship Council certified and recycled content) into our revised brand standards, which set out minimum requirements and outline best practice in the use of printed materials for communications.



CASE STUDY: INNOVATION IN CRYSTAL MANUFACTURING **OPERATIONS**

Technical innovation in production has been part of Swarovski's DNA since it was founded more than 120 years ago, and this pioneering spirit continues to set us apart from our competitors. At the forefront of our technological progress is our crystal manufacturing facilities in Wattens, Austria, where over the past two years, our technical and production teams have implemented further upgrades to improve efficiencies, minimize our impacts and ensure we remain the world leader in crystal manufacturing.

One example of an upgrade at our manufacturing facilities is that we have adopted best practice ultra violet degradation technology to treat organic solvent - a byproduct of our crystal coating method. This new process eliminates the use of up to 40,000m³ of water per year, which was used in the previous treatment washing system. In addition, unlike standard incineration technology, ultra violet degradation does not require the use of natural gas to burn the waste gas, avoiding the potential emission of 370 tonnes of carbon per year.

Another improvement we have made is in the washing of crystals during the manufacturing process. Our engineers have improved efficiencies by recovering as much energy as possible using heat exchanges that transfer heat from waste water to fresh rinsing water. Now, 90% of the energy used for hot water is from the direct recovery of heat using heat exchange technology. The process also results in 75% less water and 30% less energy being used due to the new heat pump system.

As we discussed in our last report, since 2011 we have adopted the use of oxygen-burner technology in our glass-melting furnaces, which has reduced our consumption of natural gas. This technology was first installed in our continuous-melting furnaces, and achieved 6,230MWh of energy savings in 2016; and after extending this to our six pot furnaces (used for colored glass production), we achieved another 5,140MWh of energy savings in the same year. Overall, ongoing efforts to reduce our energy consumption and emissions at our crystal manufacturing facilities in Wattens have continued with significant success, cumulatively saving over 41,000MWh of energy in 2016.





EXTREME ICE SURVEY

Since 2015, Swarovski employees have participated in a joint project with James Balog, acclaimed nature photographer, to document the diminishment of Austria's Stubia glacier, as part of his Extreme Ice Survey, which monitors the effect of climate change on glaciers.

SWAROVSKI FOUNDATION

The Swarovski Foundation, an independent charity established to honor Daniel Swarovski's philanthropic spirit, is a major supporter of the Design Museum in London, which officially reopened at its new location in 2016, featuring the new Swarovski Foundation Centre for Learning, expected to welcome up to 60,000 learners annually.

ABOVE Swarovski employees monitoring Austrian glaciers for the Extreme Ice Survey

OPPOSITE TOP Swarovski Waterschool, Uganda

OPPOSITE BOTTOM Indigo store, Beijing, China

SWAROVSKI WATERSCHOOL

Swarovski Waterschool celebrated its 15th anniversary in 2015. Since our last report, the program has expanded to two new locations (Ping River, Thailand and Mississippi River, USA) taking the total to seven locations globally.

COP21

In December 2015, Swarovski supported an 'Earth to Paris' event to celebrate the signing of the Paris agreement on climate change by partnering with James Balog to present his acclaimed documentary Chasing Ice.

COP22

In November 2016, Swarovski joined a call to action on the Paris agreement through a digital partnership with 'Earth to Marrakech' at the United Nations' Climate Change Conference.

WE ARE EXTREMELY PROUD TO SUPPORT UN WOMEN AND ARE COMMITTED TO HELP CREATE A WORLD IN WHICH WOMEN FEEL EMPOWERED.

UN WOMEN SAFE CITIES CAMPAIGN

In 2015, Atelier Swarovski launched an exclusive bracelet in support of the UN Women Safe Cities Global Initiative, donating 30% of the RRP from each sale. Nadja Swarovski, Member of the Swarovski Executive Board, commented: "In support of their tireless campaign to improve women's safety we have created a selection of bracelets to raise awareness of this important fight."



CASE STUDY: SWAROVSKI SUSTAINABLE STORES

Triple S stands for the Swarovski Sustainable Stores framework, which guides our efforts to create and maintain stores with a low environmental impact. The Triple S Manual is integral to our store development approach and has been integrated into our General Contractor Guidelines. It focuses primarily on mono-brand Swarovski Retail stores (MOB SR) and covers major refurbishments, relocations and new Crystal Forest store design projects worldwide. We refer to the Leadership in Energy and Environmental Design (LEED) guidelines for commercial interiors as our baseline, and we integrate new green building techniques, while addressing important topics such as recycling materials, energy consumption, water use and waste reduction.

Initiatives include installing more efficient LED architectural lighting and heating, ventilation and air conditioning systems, sustainable sourcing for 'greener' construction sites, the reduction of water consumption, improved storage and collection of recyclables and the use of low-emitting construction materials.

Triple S has seen consistent performance improvements. In 2014 (its first year of implementation) we set a target of 25% of our MOB SR stores in each region to comply with Triple S standards, which was easily exceeded, with 42% of MOB SR store openings and refurbishments meeting the standards. The most recent data show that our stretch target of 80% in 2016 was achieved with over 88% of stores being compliant. As part of the program, we seek LEED certification for one key store each year and are pleased that our new Beijing Indigo store achieved LEED Platinum certification in January 2017.





SWAROVSKI INTEGRITY CHARTER

Endorsed by the Executive Board in 2016, the Charter defines how Swarovski can act responsibly to meet global business opportunities and challenges. It reconfirms our values, principles and commitment to being a responsible business.

LEARNING AND DEVELOPMENT

Swarovski won three awards for its Leadership Academy and Mentoring Programs at the 'Training Journal Awards 2016.' At the time, over 350 leaders had taken part in the Leadership Academy since its relaunch less than two years earlier and nearly 200 people had taken part in mentoring conversations.

ABOVE LEFT Production staff on a break, Thailand ABOVE RIGHT Trust Women Conference run by the Thomas Reuters Foundation

OPPOSITE TOP Central Saint Martins' jewelry project finalist, Talisa Bergsen

OPPOSITE BOTTOM Crystal inspection

DIVERSITY

These data refer to 2016 and include the ten major locations listed in 'About this Report' (page 1).

	Male	Female
Employee	27%	73%
Management	60%	40%
Senior Management	73%	27%

WIN CONFERENCE

In 2016, Swarovski sponsored the Women's International Networking Conference, which works to increase the critical mass of women in decision-making roles. Through plenary sessions and workshops, the conference looks at options for the 'World. Work and You.'

TRUST WOMEN

For the third consecutive year, Swarovski sponsored the Trust Women Conference that unites NGOs, corporations and pioneers in the field of women's rights to take action and forge tangible commitments to empower women and fight modern slavery.





CASE STUDY: CONSCIOUS DESIGN

At Swarovski, we are aware the increasing social and environmental challenges the design community faces, and we also recognize the role Swarovski can play in finding collaborative solutions in partnership with our professional customers and industry collaborators. To this end, Swarovski strives to pilot and develop creative solutions that promote the responsible use of materials and resources, and have a positive impact on the lives of the people who make, use and wear our products.

We believe in the power of designers - in particular those in the jewelry and fashion industries - to make a positive impact through their creative choices. As part of our long-standing commitment to supporting young talent, we seek to engage in conversations with design institutions and have started to pilot a new format in our product presentations to design schools that incorporates sustainability as a core element of our brand values.

Through our upcycling initiative, we are piloting ideas for how to upcycle end-of-life Swarovski crystals and gemstones and thinking about how we can contribute to a new circular economy. Such programs, which are a challenge but also an opportunity for creative individuals, we have worked with design institutions and organizations

with a social purpose to transform over 80,000 stunning Swarovski crystals and gemstones into beautiful, new creations.

One example of this is our partnership with Cirque du Soleil on a sustainable design project with Fashion Business students at École supérieure de mode ESG UQAM, part of the Université du Québec in Montreal. This project challenged the



students to take Swarovski crystal-embellished costumes that have previously appeared in Cirque du Soleil's world-famous shows and integrate their end-of-life materials into new products. Through this initiative, both Swarovski and Cirque du Soleil were keen to connect with young talent and engage their skills in a way that promoted sustainable design.

