SWATCH GROUP

SUSTAINABILITY REPORT **2024**

2024 key figures

53.1%
of electricity from renewable energy sources

81.9%
of electricity from fossil-free energy sources

12.5%
biogas

–19.5%
heating oil consumption compared with 2023

626
apprentices as of 01.08.2024 (start of training year)

134
supplier audits

Swatch Group consolidated key figures	Unit	2024	2023	2022	2021	2020
Corporate and governance						
Net sales	CHF million	6 735	7 888	7 499	7 313	5 595
Salaries (excl. social security contributions)	CHF million	–1 997	–2 043	–1 888	–1 802	–1 807
R&D expenses (only direct costs)	CHF million	–273	–275	–246	–245	–223
Investments	CHF million	–568	–803	–399	–303	–253
Income taxes	CHF million	–126	–262	–273	–237	–89
Net result	CHF million	219	890	823	774	–53
New patents	Number	196	188	209	202	205
Environment						
Electricity consumption	GWh	✓ 266.4	294.0	281.4	257.9	239.4
Emissions from stationary combustion (primarily gas and heating oil)	t CO_2eq	✓ 10 948	11 807	12 942	14 910	15 890
Direct and indirect emissions (market based, Scope 1 and 2)	t CO_2eq	✓ 43 054	51 978	52 068	55 385	–
Water withdrawal	m^3	1 770 580	1 780 075	1 627 938	1 422 121	1 272 479
Hazardous waste	t	2 165	3 421	2 881	2 431	2 751
Non-hazardous waste	t	4 274	3 910	3 634	3 015	2 599
Social						
Employees as of Dec 31	Headcount	32 477	33 602	32 061	31 444	32 424
Proportion of women (headcount)	%	49	49	50	50	50
Proportion of women in management roles	%	36	37	36	37	–
Apprenticeship diplomas (in Switzerland)	Number	136	140	142	155	139
Sourcing						
Supplier audits	Number	134	128	146	76	54
Suppliers with A or B rating	Number	93	86	87	40	33

✓ Assurance conducted by PwC

Table of contents

This sustainability report has been prepared in accordance with the GRI Universal Standards 2021. We followed all the reporting principles and requirements contained in the GRI 1 Foundation standard to identify content and prepare the report.
The name Swatch Group includes the entire scope of Swatch Group entities included in the consolidated financial statements listed in the Annual Report 2024.

SUSTAINABILITY AT SWATCH GROUP

Foreword

GRI 2–22

Responsible operations, responsible corporate governance and sustainability are fundamentals for us and have been an integral part of our philosophy and corporate culture for many decades. We remain true to our vision and approach. Social responsibility, ethics and environmental protection have always been deeply anchored in our corporate culture. Swatch Group is committed to reducing energy consumption, minimizing its contribution to global warming, and using sustainable materials. The company enforces a zero-tolerance policy on corruption, modern slavery, and child labor. Swatch Group positions itself as an attractive and responsible employer and as a training company. Its business model is geared toward sustainable and long-term success.

In 2024, the sustainability committees of our various companies focused on strengthening the integration of sustainability into corporate culture, directly involving key departments in sustainability thinking and actions. In order to engage all employees and raise their awareness, Swatch Group has also brought in an online training course on environmental issues. More than 1000 employees took the training within the first two months of the program starting.

In addition, workshops to define the next steps and goals on the path to sustainability were organized and held. Our Sustainability Report 2024 takes stock of all the measures implemented to date and presents the goals we have set ourselves for the next few years.

For example, we are updating our materiality analysis in accordance with the principle of double materiality. This assessment, which was made under the direction of the Sustainability department with the involvement of people from all the Group's divisions, will enable us to adapt our sustainability strategy and goals in 2025. We continue to focus on Scope 3 in order to increase the effectiveness of the measures and further reduce these emissions. With the same aim in mind, we are also improving supply chain analysis in order to optimally meet our due diligence and transparency obligations.

We continue to invest in sustainability with passion, commitment and conviction, factoring in the entire life cycle and customer-oriented development of our products and the supply chain in all areas.

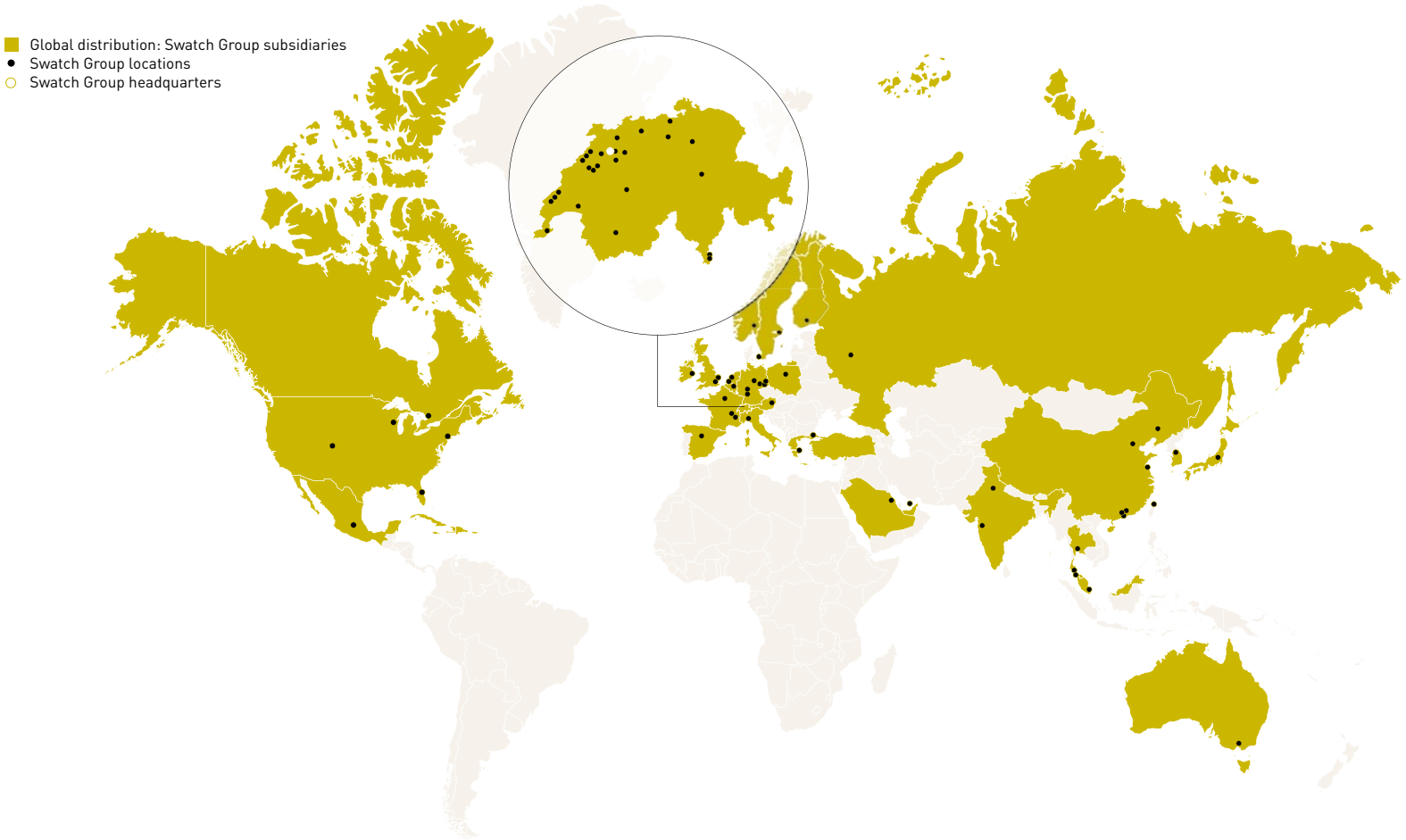
Since 2021, Swatch Group has published a sustainability report in line with GRI requirements in order to make reporting as transparent, comparable and comprehensive as possible. Swatch Group is also guided by the UN's Sustainable Development Goals (SDGs) and, as a responsible company, makes a contribution to achieving these goals.

Marc A. Hayek / Thierry Kenel / Antonio J. Lopez
Sustainability Steering Committee

Overview of Swatch Group

GRI 2-1

Swatch Group is an international group with 16 consumer brands working in the manufacture, marketing and sale of finished watches, jewelry, watch movements and components. It manufactures almost all the necessary mechanical and electronic components itself and supplies such parts to third-party manufacturers in Switzerland and around the world.



CHF **6 735** million
net sales

32 477 employees

Subsidiaries in
>30 countries

Sales in **>160** countries

~150 production
sites in Switzerland

7 production sites
outside of Switzerland[1]

1. France, Germany, Italy, Malaysia, Thailand and US. For more information, see page 5.

Business model and products

GRI 2-6

Swatch Group is a fully vertical company with a global sales network, service centers across the world and several sites for manufacturing watches, fine jewelry and electronic components. Swatch Group has approximately 150 production sites in Switzerland where it manufactures its own watch movements, cases, crystals, hands and other watch components. This far exceeds the criteria for marketing Swiss Made watches in accordance with applicable legal requirements.

Swatch Group companies in the electronic systems segment also have their production sites in Switzerland. Only a few production sites are located abroad, namely Glashütte Original's manufactory in Glashütte, Germany, and Harry Winston's fine jewelry manufactory in New York, USA. However, Harry Winston timepieces are produced in accordance with Swissness requirements in the manufactory in Plan-les-Ouates, near Geneva. Three other production facilities in Italy and France manufacture components for watch bracelets or specific precision parts. Swatch Group operates two production sites in Thailand and Malaysia for the assembly of electronic components and in the field of surface treatment.

Swatch Group brands and subsidiaries

Watches and jewelry

Breguet Depuis 1775 | Harry Winston | Blancpain Manufacture de Haute Horlogerie | Glashütte Original

Jaquet Droz Art Horloger Suisse Depuis 1738 | Omega | Longines | Rado Switzerland

Union Glashütte/SA. | Tissot Swiss Watches Since 1853 | Balmain Swiss Watches | Certina

Mido Swiss Watches Since 1918 | Hamilton | Swatch | flik flak

Distribution

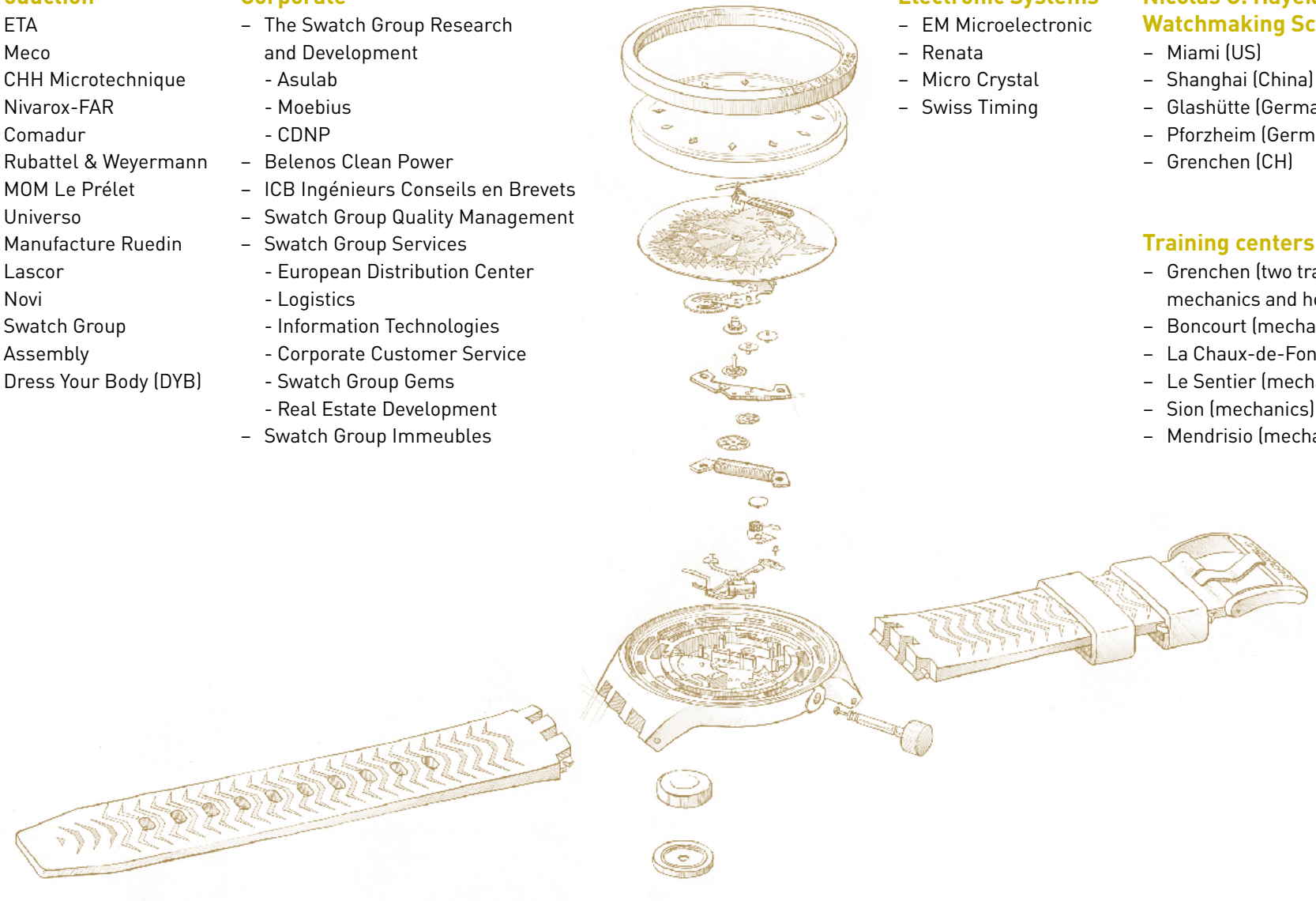
Tourbillon Boutique | Hour Passion

Production

- ETA
- Meco
- CHH Microtechnique
- Nivarox-FAR
- Comadur
- Rubattel & Weyermann
- MOM Le Prélet
- Universo
- Manufacture Ruedin
- Lascor
- Novi
- Swatch Group Assembly
- Dress Your Body (DYB)

Corporate

- The Swatch Group Research and Development
  - Asulab
  - Moebius
  - CDNP
- Belenos Clean Power
- ICB Ingénieurs Conseils en Brevets
- Swatch Group Quality Management
- Swatch Group Services
  - European Distribution Center
  - Logistics
  - Information Technologies
  - Corporate Customer Service
  - Swatch Group Gems
  - Real Estate Development
- Swatch Group Immeubles



Electronic Systems

- EM Microelectronic
- Renata
- Micro Crystal
- Swiss Timing

Nicolas G. Hayek Watchmaking Schools

- Miami (US)
- Shanghai (China)
- Glashütte (Germany)
- Pforzheim (Germany)
- Grenchen (CH)

Training centers

- Grenchen (two training centers, mechanics and horology)
- Boncourt (mechanics)
- La Chaux-de-Fonds (mechanics)
- Le Sentier (mechanics and horology)
- Sion (mechanics)
- Mendrisio (mechanics and horology)

EM / Powering electronic devices by ambient energy

EM Microelectronic (EM) designs and manufactures ultra-low power integrated circuits for small mobile devices and IoT applications. EM brings together the talent and resources needed to continue a long Swiss cultural tradition while creating cutting-edge products and ensuring long-term customer loyalty. EM is part of Swatch Group's electronic systems segment. Together with its sister companies Renata and Micro Crystal, EM combines individual skills and group-wide synergies to provide turnkey solutions for a variety of applications.

Aligned with EM's sustainability efforts, EM's product portfolio offers chip solutions for migrating systems that were traditionally powered by replaceable batteries towards sustainable energy sources.

With the unprecedented multiplication of electronic devices, customers and final users in many verticals (IoT, consumer electronics, healthcare, industrial) have become extremely demanding in terms of their extended environmental responsibility, in particular when it comes to the power sources and electronic waste generation.

EM has positioned solar and thermal energy harvesting and power management at the center of its efforts, offering permanent, no-maintenance power supply for numerous devices.

The energy is supplied directly by the environment, removing the need for recharge or battery replacement and recycling, combining convenience and user experience with environmental consciousness.

For example, solar powered smartwatches never require charging or battery change, Bluetooth® headsets can go on for an unlimited period of time and connected thermostats require no maintenance thanks to EM's expertise in ultra-low power IC design and manufacturing.

For solar energy harvesting, EM's special focus is to achieve the best efficiency under low illumination conditions, as this is where most users operate their devices.

These applications of EM products extend the company's sustainability efforts beyond its own operations, allowing its customers and final consumers to transition to more environmentally conscious electronic devices.

Our contribution to the SDGs

MICRO CRYSTAL / Setting the pace and minimizing consumption

Micro Crystal designs ultra-low power components for electronics that support people in their everyday life and connect them to the digital world that they care about.

Micro Crystal began offering timing solutions using quartz crystals for watches over 40 years ago. Today the company is one of the leading suppliers of components for the world's largest manufacturers of consumer goods, automotive electronics, IoT solutions, industrial control systems, wearables, medical devices and implants, and other high-accuracy product applications.

Its portfolio comprises micro quartz crystals, real-time clock (RTC) modules, oscillators and oven-controlled oscillators (OCXO). Based in Grenchen in Switzerland, Micro Crystal is part of Swatch Group's electronic systems segment.

With a range of intelligent and highly efficient RTC modules that combine a 32.768 kHz crystal and an RTC integrated circuit in a miniature, ceramic case, the company offers developers space-saving, energy-saving timekeeping solutions that enable them to run their devices in power-saving mode between tasks. Whether on a single-board computer or an IOT sensor, an onboard RTC module provides precision timekeeping with timer and alarm management even when the device is switched off or in power-saving mode.

Integration of sustainable and safe methods for turning off electronic devices or setting them to standby mode is now more important than ever.

Micro Crystal's products can be used to manufacture a whole range of electronic devices that have a longer battery life with smaller batteries. Smaller products requiring less space on the circuit board make installation easier and create the possibility of smaller, more lightweight standalone devices and wearables.

Due to their long-term reliability and top performance, Micro Crystal's timing devices contribute to the energy transition by equipping battery management systems in electric vehicles. They facilitate the periodic and regular monitoring of the health status and charge level of battery pack cells. They are also helping expand and develop new healthcare and medical products, such as active implantable medical devices (AIMD) and electronic enabled drug delivery devices.

Micro Crystal has expanded its range of implantable-grade frequency and timing solutions with a product that offers unique functionality and power-saving options. Launched in 2022, the RV-5028-C7 Medical real-time clock module is typically used for developing neurostimulators, cardiac monitoring devices, infusion pumps and smart orthopedic implants, which are designed to significantly improve patients' quality of life and life expectancy.

In 2024, Micro Crystal continued to develop and market products that enable lower power consumption and minimal carbon footprint for its customers, including the C8 series of the world's smallest real-time clock modules, thereby reducing the overall environmental impact of its products.

Our contribution to the SDGs

RENATA / Always ahead of its time

Renata is a global leading manufacturer and supplier of primary and secondary micro-batteries and battery solutions. Its company headquarters are located in Itingen near Basel, Switzerland.

It is always ahead of its time. Founded in 1952, the company established itself as a watch battery producer and has always ensured that only the power actually required is used. Renata specialized in coin cells as early as the 1970s, catering to the new quartz watches at the time.

Today, Renata develops and manufactures innovative, efficient and first-class microbatteries for watches and consumer and industrial applications. The company is passionate about creating resource-efficient and eco-friendly solutions.

Its priorities include diligent and sustainable resource use. As a battery manufacturer, Renata is aware of its major responsibility toward society and the environment. It is always optimizing its processes to make its business more sustainable and environmentally friendly. Its factory has been ISO 14001 certified for environmental management for several years now.

Renata develops premium, longer-life batteries and operates its own battery recycling facility. By continually improving battery life and performance, Renata is ensuring it has satisfied customers, who can then go on to offer smaller and more efficient applications.

It is also playing a key role in promoting efficient resource use both within the company and with its customers.

For instance, Renata is supplying its customers with batteries for heat, gas and electricity meters. Lithium coin cells with a service life of up to ten years ensure optimal power consumption when used by the end user.

The company pays particular attention to saving energy, conserving resources and reducing emissions at its production sites. Its electricity is sourced entirely from Swiss hydropower.

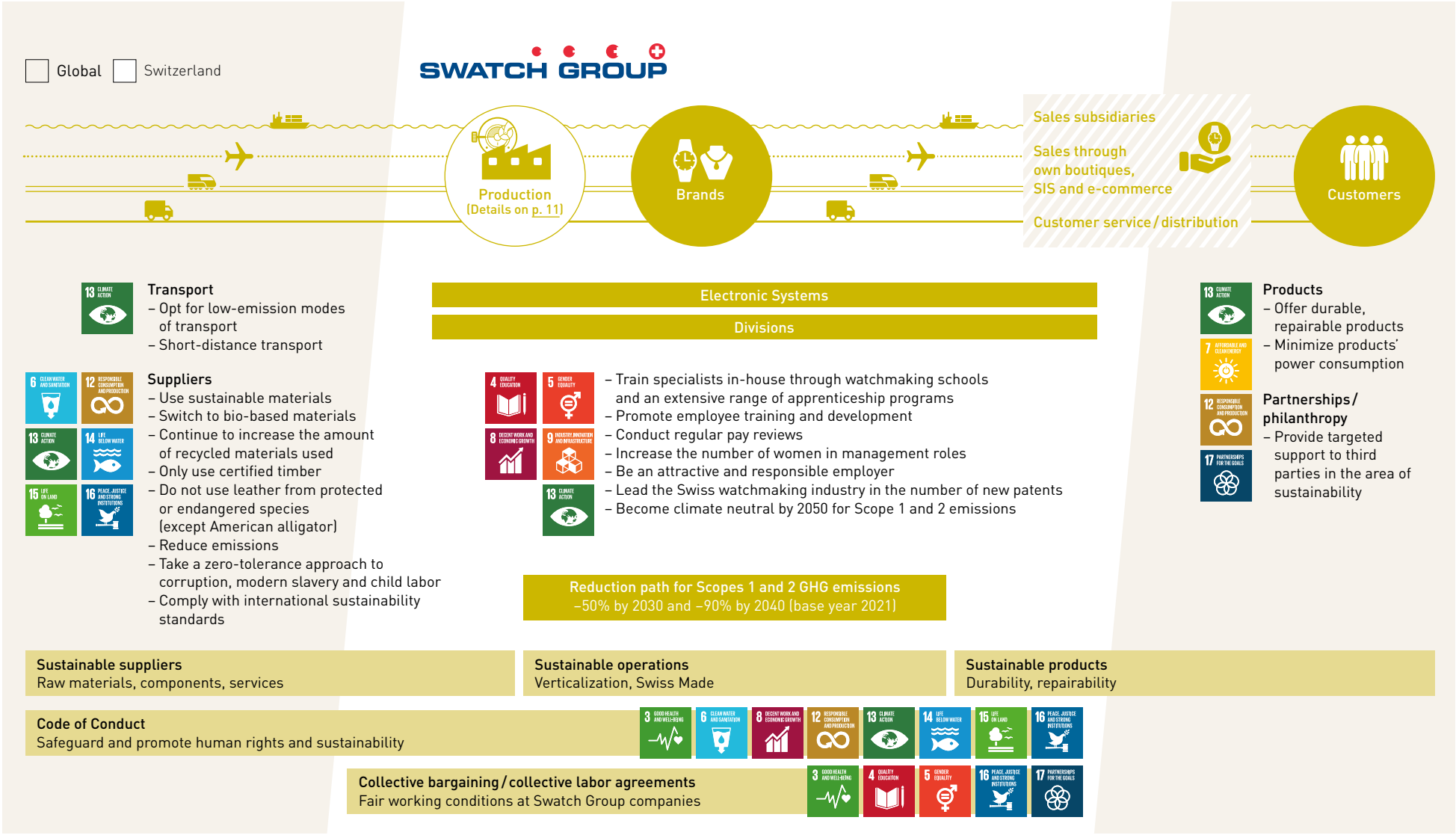
Renata's continual improvement processes lower its scrap rate and enable it to steadily reduce its energy use and water consumption.

Our contribution to the SDGs

Value chain

GRI 2–6

(simplified visual representation)



Production facilities

Why SWISS MADE

Nature protection. One-seventh of Switzerland's land is protected by its 20 nature parks. In addition, around 30% of the country is made up of forested areas, and this percentage is increasing.

Water protection. Around 6% of Europe's freshwater reserves are found in Switzerland, and a large number of major rivers have their sources in the Swiss mountains. Thanks to exemplary water pollution control, the water quality is excellent.

Renewable energy. Renewables account for around 80% of the electricity consumed in Switzerland. The country has one of the world's lowest-emission electricity mixes.

Public transport. One of the world's densest railway networks enables low-emission transportation of passengers and goods.

Social welfare. Switzerland has an extensive network of social security providers, which offer people who live and work in the country and their dependents far-reaching protection.

Political stability and co-determination. One of the distinguishing features of Switzerland's democracy is that citizens are not merely represented by Parliament, but can also have a direct impact on legislation.

Innovation. With a highly skilled workforce and outstanding scientific research institutions, Switzerland is one of the most innovative countries in the world.

Strategy for achieving climate goals

1. **Avoid** the use of resources that have no associated benefit
2. **Reduce** energy consumption to the necessary and technically feasible minimum
3. **Efficient** and effective operation of installations, as well as heat recovery
4. **Alternatives** to fossil-fuel energy sources, such as regenerative or zero-carbon energy sources
5. **Independent** generation or conversion of energy at the sites themselves
6. **Energy storage systems** and carbon offsetting projects

Sustainability strategy

GRI 2–12

Corporate responsibility

Swatch Group is committed to safeguarding its continued development, while also protecting the environment and guaranteeing the health and safety of individuals. The company endeavors to do the best it can in all areas and at all levels of the company to fulfill this responsibility. The Group's aim is to create value for its stakeholders, the environment and society as a whole.

Environmental, ethical and social criteria have therefore always been an integral part of its corporate culture and its sourcing policy. The Executive Group Management Board, the Extended Group Management Board and the management teams at the individual units continually ensure that they demonstrate what this culture of responsibility looks like and that all employees at all levels continually share and practice this approach. Swatch Group strives to ensure that resources are used efficiently and sparingly to guarantee that its products are manufactured and marketed in a sustainable and environmentally friendly manner, and thereby secure its long-term success. The use of recycled, recyclable, certified and/or environmentally friendly materials, consumer goods and production methods are the basis for all product development.

In 2001, Swatch Group began to set clear climate and efficiency targets and implement effective measures throughout the Group in order to play its part in preserving the environment. A further stage was completed in 2022, with the development and release of a roadmap for achieving Group-wide carbon neutrality in Scopes 1 and 2 by 2050.

Alongside this important progress, the Group is working to update its materiality concept and has introduced an opportunity and risk management system for this purpose. Increased measurement of Scope 3 emissions and a stronger operational risk management approach in the area of human rights are two further significant areas of work on the long list of projects and activities that the Group's sustainability officers are pursuing in their various units.

Commitment to the Sustainable Development Goals (SDGs)

Swatch Group seeks to meet the needs of the current generation without jeopardizing the ability of future generations to meet their own. The company's sustainability management approach is based on the United Nations' 2030 Agenda, which was adopted by the UN Member States. The 17 Sustainable Development Goals (SDGs) at the core of the 2030 Agenda form the international and universally applicable framework for sustainable development. Every SDG is essential

to securing the prosperity of people and the planet. Swatch Group has identified 13 SDGs that are especially relevant to the company and its stakeholders. The company actively contributes to achieving these goals. It has defined its commitments, and it will continue to refine them on an ongoing basis, by adding goals, actions and performance indicators.

SDG	Description	Swatch Group's commitments
	**Ensure healthy lives and promote well-being for all at all ages** – Occupational health and safety – Working conditions in the supply chain – Environmental considerations in the supply chain – Air quality – Water quality	– Make the safety and health of employees the Group's highest priority
	**Ensure inclusive and equitable high-quality education and promote lifelong learning opportunities for all** – Training and education – Availability of specialists – Training and employment of young workers	– Train specialists in-house through watchmaking schools and an extensive range of apprenticeship programs – Promote employee training and education
	**Achieve gender equality and empower all women and girls** – Equal pay for equal work – Promote diversity among employees	– Conduct regular pay reviews – Increase the number of women in management roles
	**Ensure availability and sustainable management of water and sanitation for all** – Water consumption – Water quality – Environmental considerations in the supply chain	– Optimize water consumption and wastewater quality in buildings and processes – Take care to minimize water use in production and reuse water as much as possible
	**Ensure access to affordable, reliable, sustainable and modern energy for all** – Energy efficiency of the Group's products – Renewable energy in the Group's products – Energy efficiency of buildings and processes	– Develop products so that they can be operated with sustainable energy sources wherever possible and minimize energy consumption

SDG	Description	Swatch Group's commitments
	**Promote sustained, inclusive economic growth, full and productive employment and decent work for all** – Offer and create high-quality jobs – Cooperation with trade unions, collective labor agreements, employee benefits – Economic performance – Further training and education programs for employees – Working conditions in the supply chain	– Commit to manufacturing in Switzerland and train employees to become specialists – Be an attractive and responsible employer
	**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation** – Innovation and R&D expenditure	– Remain the leader for the number of new patents in the Swiss watchmaking industry
	**Ensure sustainable consumption and production patterns** – Durable products, enabling repairs – Recycling and a circular economy – Environmental considerations in the supply chain – Working conditions in the supply chain – Avoid waste	– Offer durable products that can be repaired – Take into account sustainability in the supply chain – Use sustainable materials – Continue to increase the amount of recycled materials used – Switch to bio-based material
	**Take urgent action to combat climate change and its impacts** – Energy efficiency of buildings and processes – Reduce GHG emissions	– Achieve climate neutrality (Scope 1 and 2 emissions) by 2050 – Increase self-generated production of renewable electricity – Continually increase the energy efficiency of the company's facilities and processes – Develop products with a minimal carbon footprint

SDG	Description	Swatch Group's commitments
	**Conserve and sustainably use the oceans, seas and marine resources for sustainable development** – Water quality – Environmental considerations in the supply chain – Avoid waste	– Minimize water use – Audit suppliers in relation to water management – Reduce the use of plastics and minimize the threat of microplastics
	**Protect, restore and promote sustainable use of terrestrial ecosystems** – Deforestation and forest degradation – Promote biodiversity – Avoid air pollution – Avoid waste – Environmental considerations in the supply chain	– Only use certified timber – Do not use leather from protected or endangered species (except American alligator) – Take steps to reduce emissions – Avoid waste – Use own forests sustainably and promote biodiversity
	**Promote peaceful and inclusive societies, provide access to justice for all and build effective, accountable and inclusive institutions at all levels** – Effective and transparent governance – Comply with laws and regulations – Working conditions in the supply chain	– Take a zero-tolerance approach to corruption, modern slavery and child labor – Comply with international sustainability standards (RJC, Kimberley Process, etc.) – Safeguard and promote human rights and sustainability in supply chains
	**Strengthen the means of implementation and revitalize the global partnership for sustainable development** – Provide financial/technological support for sustainable actions – Economic performance, responsible taxpayer	– Swatch Group brands support specific actions taken on sustainability by third parties

Sustainability track record

Swatch Group has been committed to sustainability for many decades. Some of the milestones are summarized on the following pages.

1992–2000

1992

Launch of the Time to Move special edition Swatch to commemorate the Rio Earth Summit. The conference aimed to bring together world leaders and get them to commit to working towards a more secure future for our planet.

1994

The Spirit of Biel/Bienne solar-powered car sets a world record on the test track in Almería, Spain. The project was supported by Swatch and developed by the Ecole d'ingénieurs de Bienne.

1995

The first solar-powered Swatch with solar cells on the dial that power the quartz movement.

In collaboration with Daimler Benz, Swatch Group (then SMH) founds the joint venture MCC AG and starts developing the first "Smart" (Swatch, Mercedes and Art) hybrid car. This lays the foundations for what would later become the Belenos Clean Power Swatch Group company.

1999

Opening of the first Nicolas G. Hayek Watchmaking School in Shanghai, China, to preserve and promote watchmaking artisanship. In the following years, further schools were opened in Asia, Europe and the US.

©Keystone

2001 – 2011

2001

Swatch Group begins to set clear climate and efficiency targets and implement initial measures to reduce energy consumption and greenhouse gas emissions (GHG).

First collaboration with the Energy Agency for the Swiss Private Sector (EnAW) to reduce GHG emissions and energy consumption.

2002

First consolidated report on occupational safety and environmental protection as part of the annual report.

2003

On the occasion of the 50th anniversary of the diving watch Fifty Fathoms, Blancpain launches its first ocean protection initiatives.

2004

Omega supports the Solar Impulse project, with the aim to fly around the world in a solar-powered aircraft. The goal is to accelerate the necessary revolution in clean energy production and consumption through the use of solar energy.

First certification in accordance with the ISO 14001 Environmental Management System standard at Swatch Group (ETA).

2006

Swatch Group and Omega contribute technological expertise and financial support in the fields of micromechanics, microelectronics and new energy sources for the Solar Impulse solar-powered aircraft.

2008

Harry Winston becomes a member of the Responsible Jewellery Council.

2010

Decision to not use exotic leather in products, with the only exception being the use of straps from regulated American alligator breeders (in accordance with CITES, US Fish and Wildlife Services and ICFA standards).

Renovation of Swatch Group's La Suze and Le Bez hydroelectric plants.

First step towards centralized gold recycling within the Group.

2011

Opening of the unique Swatch Art Peace Hotel in Shanghai, China – a space that brings together diverse artists and encourages creation, collaboration and connection.

2011–2017

2011

First ESG (Environmental, Social, Governance) report published as part of the Swatch Group annual report.

Omega commits to fighting preventable blindness alongside international nonprofit organization Orbis with its flying eye hospital.

2012

All of the Swatch Group brands voluntarily discontinue the use of mercury-containing batteries three years before the EU decision in 2015.

2013

First agreement with EnAW and FOEN on a roadmap to reduce GHG emissions and energy consumption.

2014

Blancpain brings together its many initiatives for the protection of the oceans under the Blancpain Ocean Commitment label.

2015

Solar Impulse takes off from Abu Dhabi (UAE). Omega provided innovative technical systems.

Omega, Swatch Group Gems and Dress Your Body become members of the Responsible Jewellery Council.

2016

The new, patented EFG (edge-defined, film-fed growth) crystal growth process for sapphires enables in-house recycling of production residues, resulting in a more environmentally friendly manufacturing process.

Renata develops a return and recycling scheme for discharged batteries for Swiss customers.

2017

The Group takes a further step towards gold traceability by investing in the expansion of its own centralized gold foundry.

Swatch Group manufactures the world's smallest Bluetooth chip, the downsizing of which is crucial for condensing functions to fit into wearable electronic devices and for the Internet of Things (IoT). The Bluetooth chip is very energy efficient and starts up quickly.

It moves to entirely internal processing of precious metals, from the foundry to the semi-finished and finished products.

2018–2024

2018

Nivarox-FAR is certified by the Responsible Jewellery Council Code of Practices (RJC CoP). The RJC CoC (Chain of Custody) certification follows the year after.

Swatch Group decides to purchase only traceable gold.

2019

Opening of the Swatch headquarters, one of the largest wooden buildings in the world, with intelligent use of groundwater for heating and cooling, a total area of 1770 m² for photovoltaic installations, LED lighting and an ingenious energy plan that helps optimize the building's carbon footprint.

Opening of the Cité du Temps in Biel/Bienne, built in accordance with sustainability principles.

2020

Launch of the Tissot T-Touch Connect Solar, powered by nature and distributed in a new 100% paper watch box.

Swatch introduces new packaging made of paper foam.

Swatch introduces a new bio-sourced material.

2021

Newest innovation: BIOCERAMIC – watches made from a mix of ceramic and bio-based materials that use castor oil.

Preparation of the first sustainability report in accordance with the GRI standards, which also covers contributions to the SDGs.

Blancpain strengthens its commitment to the oceans by creating the *Female Fifty Fathoms (FFF) Award* as a new category at the *Ocean Photography Awards* to encourage more women to share their vision of the oceans.

2022

Omega participates in ClearSpace's pioneering mission to remove hazardous space debris, extending its sustainability efforts from the ocean floor and the earth's surface to every corner of space, no matter how crowded.

2023

A record number of apprentices start their training – 180. By expanding its apprenticeship program, Swatch Group is underlining the importance of vocational training and its role in securing young talent for the future.

2024

Start of the Swatch Group Sustainability School – an online learning experience consisting of 150 learning chapters to train employees on sustainable transformation topics.

Material sustainability topics

GRI 2–12, 2–13, 2–14, 3–1, 3–2

Definition of report content

Material topics for Swatch Group were reworked in 2021. During the first step of this review, the Sustainability Steering Committee, along with external support, drew up a long list of potential material topics. The Committee included topics specified in key reference frameworks and relevant issues identified through extensive peer research. The list contained around 130 topics and was consolidated, with topics grouped by theme. Using the SDG Action Manager tool, all the topics were then assessed in terms of their impact on sustainable development, measured against the Sustainable Development Goals (SDGs). The topics were given a rating based on each SDG for potential positive and negative impacts. This resulted in a list with 25 topics. They were consolidated further and reduced to 11 material topics.

In 2022, there was a thorough review of Swatch Group's existing material topics. For each topic, the review process recorded the existing or potential positive and negative impacts of the company's activities on business, the environment and people, including human rights, throughout the value chain. The review involved various stakeholder groups and drew on internal company data and external information. The Sustainability Team and an external agency assessed the impacts according to their scale and scope, with particular attention paid to negative impacts. The scale refers to how severe a negative impact is, while the scope refers to how widespread it is. The material topics were prioritized based on this assessment. Each topic was assigned an appropriate, topic-specific GRI standard so that actions and developments in these areas can be demonstrated using specific performance indicators. In addition, the management of climate-related risk and opportunities was classed as material.

In 2023, the list of material topics was reviewed and supplemented. Risks, opportunities, indicators and objectives were listed for each material topic. It should be noted that some objectives are set at the level of the individual companies and as a result, no consolidated targets at the Swatch Group level can be communicated. The consolidated targets, together with the targets of the individual companies, are an important component of the sustainability strategy.

The material topics were reviewed in 2024 and assessed as still relevant for Swatch Group. The Group also started an extensive materiality assessment based on the principle of double materiality. The project is being led by a group of experts from Swatch Group and its companies, and includes an extensive consultation with internal and external stakeholders. The results will be published in the Sustainability Report 2025.

The Sustainability Committee reviews and approves the list of material topics. The Group's approach to corporate responsibility is approved by the Board of Directors, which has the ultimate responsibility.

Material topics	GRI Standard	Contribution to the SDGs
Corporate and Governance		
Governance, ethics & compliance	– GRI 205 Anti-corruption – GRI 408 Child Labor – GRI 409 Forced or Compulsory Labor	
Climate-related risks and opportunities	– GRI 201 Economic Performance	
Economic performance	– GRI 201 Economic Performance – GRI 207 Tax	
Innovation	– GRI 203 Indirect Economic Impacts	
Environment		
Energy and emissions	– GRI 302 Energy – GRI 305 Emissions	
Product design and the circular economy	– GRI 301 Materials – GRI 306 Waste	
Water	– GRI 303 Water and Effluents	
Biodiversity	– GRI 304 Biodiversity	

Material topics	GRI Standard	Contribution to the SDGs
Social		
Employees, diversity and equal opportunities	– GRI 401 Employment – GRI 405 Diversity and Equal Opportunity – GRI 406 Non-discrimination – GRI 407 Freedom of Association and Collective Bargaining	
Occupational health and safety	– GRI 403 Occupational Health and Safety	
Training and education and preservation of arts and artisanship	– GRI 404 Training and Education	
Sourcing		
Sourcing	– GRI 204 Procurement Practices – GRI 301 Materials – GRI 308 Supplier Environmental Assessment – GRI 408 Child Labor – GRI 414 Supplier Social Assessment	

A description of the management approach and information on the topic standards is provided in the relevant chapters.

Stakeholders

GRI 2–29

Identifying and selecting stakeholders

Drawing on the experience of employees from different areas such as quality management, sourcing, logistics, human resources, energy management, and representatives of the Group companies and Group management, the company has identified the stakeholders who have the most influence on Swatch Group or are most affected by its business activities in some way. These stakeholders can be categorized into five groups:

List of stakeholder groups

	Customers	Employees	Business partners	Civil society	Regulators
Description/ example	**End customers, B2B**	**All employees**	**Partners/suppliers of products, raw materials, services**	**NGOs, the media, consumer federations, other players**	**Government bodies, industry associations, certification bodies**
Key topics	– Durability and quality of products, customer satisfaction – Customer care and service – Transparent information – Environment and working conditions in the supply chain	– High-quality jobs – Apprenticeship training – Training and education – Occupational health and safety – Collective labor agreements – Employee benefits – Equal pay, pay reviews – Economic performance	– Working conditions in the supply chain – Environmental considerations in the supply chain – Transparent information – Economic performance	– Climate change (GHG emissions) – Working conditions in the supply chain – Environmental considerations in the supply chain – Water consumption – Air quality – Energy consumption – Lawful conduct – Equal pay, pay reviews – Waste, circular economy, recycling	– Lawful conduct – Climate change (GHG emissions) – Environmental considerations in the supply chain – Working conditions in the supply chain – Occupational health and safety – Collective labor agreements – Economic performance
Interaction	Customer feedback in boutiques, after-sales service, online channels, social media	Direct communication, HR department, internal communication, intranet, mailings, flyers, CLAs	Regular direct communication, Supplier Code of Conduct, audits	Press releases, business and sustainability reporting	Implementation of legal specifications, active membership in federations

GRI 2–25, 2–26, 2–29

Stakeholder engagement

Swatch Group has a strong interest in identifying the needs and opinions of its key stakeholders and taking these into account in its corporate strategy and decision-making processes.

The Group maintains regular contact with these stakeholders in order to facilitate this. Swatch Group is in direct contact with people from various stakeholder groups using different channels and means of interacting, such as talking to customers in boutiques, holding dialogue with suppliers and employees, and providing ways to receive direct feedback and communicate online. This enables the company to find out which specific issues are important to which stakeholders, so it can then address these issues accordingly. This dialogue also informs the content of the sustainability report, which covers the material topics that positively or negatively impact people, such as human rights, the environment and the economy.

Due to Swatch Group's global presence, with subsidiaries in over 30 countries and customers around the world, the company is in contact with people from a wide range of cultural backgrounds, and it takes their needs and concerns seriously, particularly those of vulnerable groups.

Swatch Group strives to involve the widest possible range of stakeholders in the dialog and overcome obstacles with their input. The company often has direct contact with its stakeholders, whether in boutiques or through its customer service. Swatch Group ensures that it is close to its customers and suppliers and nurtures personal relationships with them through its in-country organizations. The Supplier Code of Conduct was revised in 2022, stipulating that suppliers must continue to adhere to Swatch Group's values and standards.

You can find more information in the Supplier Code of Conduct on the Swatch Group website: Swatch Group Supplier Code of Conduct

The company's lean and efficient governance structures make it possible to maintain constant dialogue with employees. In efforts to be mindful of vulnerable groups in the job market, Swatch Group Germany, for instance, includes applicants with disabilities in the target audience of all its job postings and gives them priority in cases where they are equally matched with other candidates. Integrating people with disabilities is also part of the collective labor agreement for the Swiss watch and microtechnology industry.

For the exchange of information, all stakeholder groups have permanent access to websites and online communication channels.

GRI 2–28

External initiatives and association membership

Federation of the Swiss Watch Industry

Fédération de l'industrie horlogère (FH) is the umbrella organization of the Swiss watch industry. The federation currently has around 500 members, i.e., over 90% of Swiss companies involved in the manufacture and marketing of watches, pendulum clocks or components. In 1982, the Fédération suisse des associations de fabricants d'horlogerie and the Chambre suisse de l'horlogerie merged to form the FH. It currently embodies 150 years of history of the Swiss watch industry. The mission of the FH is to represent and develop the Swiss watch industry at a national and international level and uphold its interests. In concrete terms, the FH is committed to promoting free trade agreements, combating counterfeiting, protecting Swissness and handling regulatory matters, such as those relating to substances (REACH, RoHS) or the Swiss central office for the control of precious metals, or ensuring other industry-related requirements or standardization.

Swatch Group is an important member of the FH through its brand, production and service companies. The Group is represented in the FH General Meeting and actively and fully takes part in the FH's activities through its representatives on the Council and in the technical commissions and committees (economic, financial, legislative monitoring, legal, standardization and anti-counterfeiting group). Swatch Group is also

represented on the FH Board. Within the scope of its tasks, the FH maintains relations with public authorities and business circles and has an international network through its representative offices in Hong Kong and Tokyo, as well as through its connections at a federal level that are responsible for foreign affairs. The FH is also a very active member of economiesussie, a member of the CIBJO (Confédération internationale de bijouterie, joaillerie, orfèvrerie, des diamants, perles et pierres), and has a wide network of partners at a national and international level, in particular through its sister watch industry federations in various countries, such as France, Germany, Japan, China and South Korea.

Swiss Watch Industry Employers' Association – CP (Convention patronale de l'industrie horlogère suisse)

The CP is the umbrella organization for employers in the watch and microtechnology industries. It represents the interests of companies at employer level and liaises with trade unions, authorities and other umbrella organizations, such as the Swiss Employers' Association (Schweizerischer Arbeitgeberverband – SAV). The CP was founded in 1937. On May 15 of that year, it signed the country's first collective labor agreement (CLA) with the Swiss Metalworkers' and Watchmakers' Union (Schweizerischer Metallarbeiter- und Uhrenarbeiterverband – SMUV). This was a historic act for industrial peace, because for the first time in any country, the employers' federations and the workers' unions in an industrial sector decided to permanently renounce power struggles and resolve their relations and disputes through negotiation and arbitration. The unions negotiate an update of the CLA at regular intervals, usually every five years.

A new CLA, which was negotiated between the social partners, entered into force on July 1, 2024, and will remain valid until December 31, 2029.

This CLA applies to the four CP member associations – the Employers' Federation of the Watch and Microtechnology Industries (Association Patronale de l'Horlogerie et de la Microtechnique); Union of Watch Manufacturers of Geneva, Vaud and Valais (Union des Fabricants d'horlogerie de Genève, Vaud et Valais), the Employers' Association of the Watchmaking Industries (Association Patronale des Industries de l'Arc Horloger) and Swatch Group Industries – which represent over 500 companies and themselves employ more than 55 000 people.

The Group has a strong representation in the CP, and its delegates are actively involved in its general meetings, as well as in the various commissions or groups dealing with CLA negotiations, social security, watch industry foundations, vocational training and occupational health and safety. The latter is responsible for supporting the companies in the implementation of the industry solution for the watch and microtechnology industry. The office for vocational training is responsible for organizing basic and further training courses with the various vocational schools, technical colleges and other higher education institutions, in cooperation with the cantonal authorities and the companies that offer basic training and/or part-time training alongside work. After completing any of the various high-quality training courses that underpin the skills of the professions in the watch industry, participants can obtain certificates and diplomas that are officially recognized at a federal level.

WOSTEP Foundation, Watchmakers of Switzerland Training and Educational Program

The WOSTEP Foundation is a training and education center for watchmakers supported by members of the Swiss watch industry. Members and supporting organizations include major watchmakers, manufacturers, retailers and suppliers of workshop equipment and tools.

WOSTEP was founded in 1966 and was transformed into a foundation in 2006. The range of education programs and consultancy services offered by the WOSTEP Foundation are considered to be the standard of quality worldwide. WOSTEP's mission is to train and educate the next generation of technical personnel for the customer service sector of the Swiss watch industry. Employers around the world recognize WOSTEP certification as proof of technical skill and comprehensive training.

The Group works closely with the WOSTEP Foundation, including through its own apprentice workshops and training centers, and with the Nicolas G. Hayek Watchmaking School. The Group is represented by two members on the WOSTEP Foundation Board of Trustees.

Links to research centers and higher education institutions

Swatch Group continues to work closely with various institutions, such as the Centre suisse d'électronique et de microtechnique (CSEM), the Swiss federal institutes of technology in Lausanne (EPFL) and Zurich (ETHZ), and the University of Lausanne.

Swiss Association for Standardization (Schweizerische Normen-Vereinigung – SNV)

The Group is a member of the SNV and is actively involved in updating existing standards and developing new ones. The SNV has various technical committees, each of which specializes in a highly specific area of standardization. In relation to the watch industry, these areas include the specifications of diving watches, waterproof watches, magnetic resistant watches and components of all kinds. The standards preserve the manufacturing processes and guarantee both the industry and consumers a certain product quality. The SNV is an expert point of contact for all standardization matters. As an independent hub and competence center, the SNV ensures efficient access to national and international standards. It enables and promotes the development and harmonization of new standards through the active influence of its expert members in national and international standardization bodies.

International umbrella organizations and associations

Swatch Group is also involved in the national associations of other countries, including France (Fédération de l'horlogerie), Italy (Assorologi, Associazione Italiana Produttori e Distributori di Orologeria), the US (American Watch Association – AWA), Hong Kong (The Federation of Hong Kong Watch Trades & Industries Ltd.), Japan (Japan Watch Importers' Association), and India (All India Federation of Horological Industries – AIFHI).

The Group is also a member of DIGITALEUROPE, the leading trade association representing digitally transforming industries in Europe. DIGITALEUROPE champions a regulatory environment that enables European businesses and citizens to economically prosper from digital technologies. Together with its members, the association shapes the industry policy positions on all relevant legislative matters and contributes to the development and implementation of relevant EU policies. DIGITALEUROPE members actively contribute to harmonized European standards and support the strengthening of market surveillance in the internal market. They drive the adoption of best practices, technology neutrality and interoperability. DIGITALEUROPE's mission is, among other things, to promote voluntary industry initiatives in areas such as European and global standardization targets, the modernization of the European compliance regime, common billing solutions and the introduction of electronic ID in the EU.

A key area within the European Green Deal involves the Waste Electrical and Electronic Equipment (WEEE) Directive and the requirements of RoHS and REACH, with the aim of contributing to sustainable production and sustainable consumer goods. As a member of DIGITALEUROPE, Swatch Group is joining efforts to support the European Green Deal.

CORPORATE AND GOVERNANCE

Governance, ethics & compliance

GRI 3–3

Swatch Group is committed to transparent and fair corporate governance. The Group's actions are determined by ethical principles and the respectful use of resources. The Group observes a zero-tolerance policy both internally and with suppliers with regard to violations of human rights, e.g. child labor, forced labor, corruption and other criminal acts.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Swatch Group is upholding human rights by pursuing a zero-tolerance policy on child labor and auditing suppliers in countries where there is greater risk. In the long term, this has a positive impact on the economic performance of these countries and reduces the risk of poverty.	Business practices and standards may change over time, as case law and culture evolve. This gives rise to both legal and reputational risks. Sourcing of materials from particular countries / regions may be restricted for legal reasons.	Guidelines for business practices are set out in the Code of Conduct and Supplier Code of Conduct. With these directives, Swatch Group is committed to standards that go beyond the legal requirements. The Supplier Code of Conduct requires that human rights be upheld, and this is checked in supplier audits. Corporate Risk Management regularly identifies, analyzes and records crucial risks so that environmental, safety and health risks can be detected at an early stage and targeted prevention measures can be developed and implemented. By monitoring the legal developments in countries in which Swatch Group operates, the company ensures that its activities and products comply with all applicable laws and regulations, including environmental, social and safety regulations and standards.	– Fines and sanctions for non-compliance with environmental protection laws or laws and/or regulations in the social and economic areas – Cases of corruption in the sense of accepting unlawful advantages (through bribery, fraud, extortion, collusion or money laundering) – Number of supplier audits – Number of suppliers with A or B rating – Number of sustainability specialists at Swatch Group	– No material breaches of laws or regulations – No cases of corruption in the sense of accepting unlawful advantages (through bribery, fraud, extortion, collusion or money laundering)

GRI 2–9, 2–12

Governance structure

Effective and transparent governance is central to the success of the company.

Swatch Group implements lean and efficient governance structures at all levels. While the Board of Directors is responsible for executive management, strategy and monitoring, the Executive Group Management Board is responsible for operational management tasks, in which it is supported by the Extended Executive Group Management Board. The Board of Directors is made up of seven members and has an Audit Committee and a Compensation Committee.

For further information about the governance structure, please see the Corporate Governance Report in the Swatch Group Annual Report 2024

GRI 2–9, 2–12, 2–13, 2–14, 2–16

Sustainability governance

The Executive Group Management Board is responsible for ensuring compliance with the Group's high standards in the area of sustainability. It embeds the approach to corporate responsibility in the corporate strategy and defines specific targets and measures. Implementation is coordinated and managed by the Sustainability Steering Committee, which includes representatives from the Board of Directors and the Executive Group Management Board. The Group's approach to corporate responsibility is approved by the Board of Directors, which has the ultimate responsibility.

Corporate sustainability structure

HIGHLIGHT

Swatch Group sustainability training: change through knowledge

In 2024, Swatch Group continued to affirm its commitment to sustainability, making it a priority to educate employees and raise their awareness of this issue. The launch of the Swatch Group Sustainability School was a significant milestone. This initiative aims to share knowledge with employees and highlight ways in which they can effectively combat climate change.

The Sustainability School is an innovative online learning project that explains the origins of the climate crisis. Since it launched in September 2024, over 1000 Swatch Group employees have completed the introductory course.

In view of the wide variety of professional roles within Swatch Group, the school has developed different learning pathways in order to highlight areas in which each professional group can take relevant, meaningful action.

The training initiative is set to continue in 2025. Swatch Group is confident that many more employees in key roles will receive training and adapt their responsibilities to the sustainability goals.

In addition to the digital teaching content, the school also focuses on shared, experiential learning. A dozen employees from various Swatch Group companies were given training to enable them to facilitate the Climate Fresk workshop. This dynamic, three-hour event looks at the scientific basis of climate change and is geared towards shared problem-solving and actionable insights. In 2025, the facilitators will run workshops across Swatch Group, sharing climate knowledge widely to achieve a far-reaching impact.

To bolster internal cooperation, the Sustainability Team organized a series of knowledge-sharing events in 2024.

Swatch Group will further integrate sustainability into all operations in 2025, through education, collaboration and specific measures. By giving employees the tools to meet the challenges of climate change, the Group is laying the foundations for a sustainable future.

Raising awareness of sustainability issues at Nivarox-FAR

On September 4, Nivarox-FAR launched a campaign to raise awareness of sustainability among employees at all its locations. Participants discussed issues such as "What is sustainability?" in groups of around 20 people for 30 minutes. Taking the United Nations Sustainable Development Goals as a starting point, they looked at Swatch Group's internal directives and Sustainability Report.

Group objectives for each emissions scope have been reviewed and fleshed out by considering the examples of decarbonization projects at individual Nivarox-FAR sites.

Looking at Scope 3, participants discussed issues such as employee mobility, waste disposal and sourcing. They also gained insights into the impact of the supply chain on both environmental and social factors, exploring the concept of responsible sourcing.

Of course, it was not possible to consider all aspects of sustainability, but the lively conversation provoked many questions and contributions, and participants also shared examples of best practices from their everyday work.

At the end of the sessions, the facilitators highlighted the opportunity to take part in future online courses run by the Swatch Group Sustainability School, which can be adapted to the various professional groups within the company.

Sustainability Steering Committee

The Sustainability Steering Committee is responsible for Swatch Group's strategy and performance in the area of sustainability. The members are in constant contact with the Sustainability Team and usually meet every three months.

The Sustainability Steering Committee reports directly to the Executive Group Management Board at the Board's monthly meetings. The CEO raises the issues that are important for the Board of Directors with the committee members.

Sustainability Team

The Sustainability Team is responsible for the implementation of the company's sustainability strategy and policy.

The team supports the brands, production sites, in-country organizations and central functions in their projects and initiatives and serves as a communication platform for the individual Group companies. The Sustainability Team consolidates the sustainability data of the operating entities and Group functions and prepares the Group's sustainability report. It answers questions from internal and external stakeholders.

Sustainability officers at the subsidiaries

The sustainability officer ensures the advancement of the sustainability strategy for their brand, company or company entity, and defines and implements a specific roadmap.

The sustainability officer collects the data needed for the sustainability reports of the Group and its individual companies.

The larger company entities have had sustainability officers for a while. The corporate sustainability structure has grown further in recent years, and all companies now have their own sustainability officer. An interdisciplinary team supports them in a number of brand, production and distribution companies. In addition, the Executive Group Management Board issued a new internal sustainability directive in 2022. It includes stipulations on ensuring that any decisions taken by Group company management boards are checked for their positive and negative ESG impacts. The sustainability officers for the various units are in close contact with each other and exchange information on best practices and different projects across the Group. These passionate experts ensure the Group's sustainability policy is applied in practice.

Central functions

Energy Management

The Energy Management Team's ultimate goal is to achieve climate neutrality for Scope 1 emissions at all Swatch Group locations by 2050. Optimizing energy use and using renewable energy sources for generating heat are its primary focus. The Energy Management Team supports the Swatch Group sites in developing and implementing measures to optimize energy consumption.

In addition, measures are being introduced to minimize emissions through the loss of refrigerants and reduce emissions from processes.

Other targets are to achieve climate neutrality for Scope 2 emissions by 2050 and maximize energy autonomy by harnessing innovative technologies.

The Energy Management Team focuses on challenges including the energy transition, energy security, energy quality, minimizing energy consumption and new technologies. At the same time, the Group works with the Energy Agency of the Swiss Private Sector (EnAW) as an external expert partner, examining legal frameworks, the situation on the energy market and how set targets are being met in real time so that it can be extra agile and respond to changes as swiftly as possible.

INFOBOX

Precautions in the event of an electricity shortage

Under Article 102 of the Swiss Federal Constitution, a power shortage is classed as a severe shortage, which is why the state has taken measures enabling it to intervene within the bounds of its authority in the event that one occurs. It has tasked the Association of Swiss Electricity Companies (VSE) with taking the necessary precautions to be able to cope with an electricity crisis. With this aim in mind, VSE created the Organization for Power Supply in Extraordinary Situations (OSTRAL), which is responsible for the power supply in the event of a crisis. If there is a power shortage, OSTRAL will be activated on the instruction of the Swiss Federal Office for National Economic Supply, in accordance with laws enacted by the government in the event of a crisis.

OSTRAL makes a distinction between four levels of preparedness:

- Monitoring the supply situation / monitoring storage facilities and consumption
- Alerting and increased preparedness / reminding consumers to save power, voluntary power-saving measures
- Requesting the enactment of the electricity management ordinances (BVO), consultation procedure, decision, enactment
- Implementing the BVO / banning the use of specific devices and appliances / rationing power use by end users / rolling blackouts / controlling Swiss power plants centrally.

Swatch Group companies are actively preparing for electricity shortages, by putting in place intervention programs to respond to possible quotas and load shedding situations, implementing measures to reduce electricity consumption, and preparing business continuity programs.

www.ostral.ch

Another common thread in the Energy Management Team's efforts to achieve its targets is the long-term agreement with the Swiss Federal Office for the Environment requiring a reduction in CO_2 emissions.

Quality management

Swatch Group Quality Management lays down the functional quality and safety criteria for products brought to market by Swatch Group companies. It also provides Group companies with the information and test methods required to apply these criteria.

Swatch Group Quality Management ensures that inspections are carried out in accordance with legislation and determines the applicable legal requirements for products in terms of safety, environmental regulations and consumer information. Drawing on the relevant standards, Swatch Group Quality Management creates approval procedures to ensure product conformity and functional reliability by simulating the conditions in which products are used. Swatch Group companies, suppliers and the testing and analysis laboratories are given set requirements in the form of technical specifications and guidelines, which they have access to either on the Intranet or the Swatch Group Quality Management Extranet.

Swatch Group Quality Management standardizes particular processes, methods and products and makes recommendations in this regard. Swatch Group Quality Management aims to create an internal consensus in its standardization work and actively participates in developing standards (ISO, EN, SN, etc.). It also offers Swatch Group companies support with applying standards. Through its work, Swatch Group Quality Management plays a key role in continually improving production processes and products and in implementing the sustainability strategy.

Product conformity

Swatch Group Quality Management implements strict approval procedures for products to ensure that customers can use them safely and that they conform to national and international regulations (including the REACH Regulation, the RoHS Directive and Swiss regulations). Swatch Group Quality Management helps Swatch Group companies to comply with the REACH Regulation, which also contains provisions on using certain substances and the reporting requirements for substances of very high concern (SVHC). In 2024, the authorities identified another six substances as SVHC, but these have not yet been banned under the REACH regulation. Swatch Group voluntarily bans the use of these substances in its products and seeks non-harmful alternatives, provided that they are technically feasible.

Swatch Group Quality Management incorporates all the legal requirements governing the environmental characteristics of substances contained in materials into its own specifications for Group companies and their suppliers (the EU Regulation on Persistent Organic Pollutants, the RoHS Directive on restricting certain hazardous substances in electric and electronic devices, and the EU Directive on Packaging and Packaging Waste).

List of banned substances, management of laboratories and test reports

Since 2007, Swatch Group Quality Management has been providing Swatch Group companies and their suppliers with lists of regulated substances in products brought to market. These lists are based on the strictest international standards that apply to these particular materials. They apply to all products that Swatch Group brings to market (watches for adults and children, packaging and cases, jewelry and products for children). For every substance (345 substances to date), the approved laboratories must follow a standardized and recognized analysis method. There are also specific lists for complex materials (composite material, leather and/or textiles). They ensure that the relevant regulations are being adhered to and help prevent false positives in conformity reports. Swatch Group Quality Management has set up a process for auditing new analysis methods for regulated substances in line with regulations, and it actively participates in CEN and ISO technical committees to develop analysis methods that are perfectly suited to Swatch Group products. It has created 56 different analysis methods to date.

For over ten years, Swatch Group Quality Management has provided Swatch Group companies and their suppliers with a list of select laboratories to ensure they are complying with the relevant chemical regulations and guarantee product conformity. The external laboratories are ISO 17025 certified and are monitored. Swatch Group Quality Management monitors them and regularly checks their analysis methods, sample management and processes for issuing conformity reports. To date, nine chemistry laboratories have been approved for use by Swatch Group companies.

In 2024, the laboratories prepared 1889 test reports for Swatch Group.

Mechanical and physical approval tests

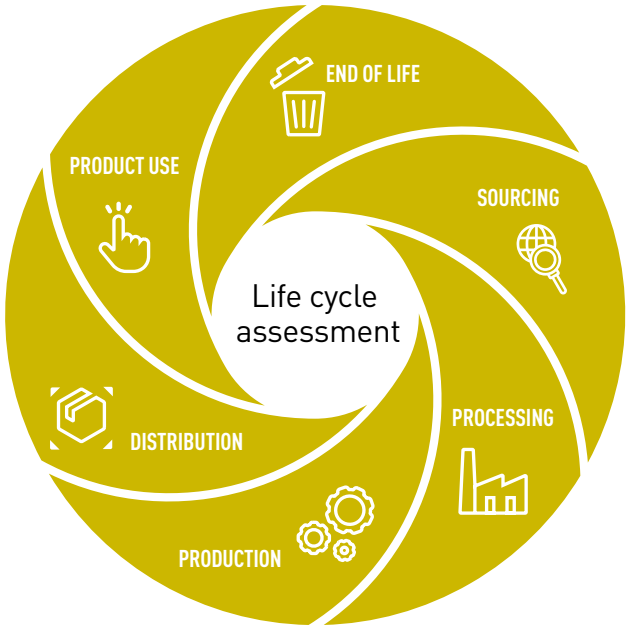
Swatch Group Quality Management has drawn up checklists and testing methods for individual components that the different Group companies and external suppliers can use to accurately simulate the conditions in which watches are worn. The tests examine mechanical wear and exposure to environmental factors (e.g., moisture, heat, UV rays). There are currently 36 available test procedures (most in English and French), which Swatch Group Quality Management oversees.

These tests help guarantee the reliability and durability of the products.

Life cycle assessments (LCA)

Choosing a sustainable development strategy is an essential part of product development, which is why Swatch Group performs life cycle assessments using the openLCA software and ecoinvent database. The assessments are carried out in accordance with ISO 14040 and ISO 14044.

From the results of these analyses, a comparison can be made between the environmental impacts of different materials, products and processes that perform the same function. Those that have the lowest environmental impact throughout their life cycle can then be selected. The analyses are also used to identify opportunities for improving the environmental performance of the Group's products, including packaging, at different stages of their life cycle. This means that when there are new developments, informed decisions can be made with regard to sourcing raw materials, selecting processes and handling end-of-life treatment, for instance. Swatch Group has launched various LCA projects looking at different watch components, packaging and cases. Swatch Group seeks to further establish the use of LCAs for its future developments as a means of meeting its environmental sustainability commitments.



REGULATED SUBSTANCES

345
regulated substances

1 889
external test reports

56
methods for chemical analysis

9
ISO 17025 authorized and certified chemistry labs

Products and standardization

Standardization heavily influences a product's development, manufacture and service life in its particular context. Standards and standardization activities are therefore an essential part of Swatch Group's operations.

Standards are constantly evolving, and Swatch Group does not limit itself to what currently applies. Instead, it adds more test methods, standard processes or related restrictions to its internal directives, making them much stricter than the official standards in force.

Swatch Group Quality Management leads or supports the activities of Swiss and international committees and coordinates the relevant working groups internally. Swatch Group Quality Management regularly organizes workshops in the company to share information about any new compulsory standards or where it foresees a new standard being needed. It works closely with the relevant bodies (SNV, FH, CEN, ISO, IEC) for this.

Below are three real-world examples of Swatch Group Quality Management's role in standardization:

- Swatch Group Quality Management currently presides over the ISO/TC 114/SC3 committee, which focuses on standards for waterproof watches (ISO 22810) and diving watches (ISO 6425). Over the next few years, the committee is aiming to achieve international consensus to further enhance the test procedures and parameters for these types of products and make this topic more accessible for everyone.
- Swatch Group Quality Management is participating in the activities of the ISO/TC 174/WG4 working group focusing on responsible sourcing practices, particularly for precious metals. The working group is currently trying to establish a definition of recycled gold at ISO level.
- Good business practices (ISO 16359). Here too, Swatch Group Quality Management is contributing, via its participation in the working group, to the development of a standard based on harmonized practices that will help importers and exporters to prove that their watches comply with international regulations and business practices. This standard could become an effective tool for the regulatory authorities when they introduce new regulations.

Monitoring and provision of standards

As part of its standardization work, Swatch Group Quality Management monitors new international environmental standards and makes them available to Swatch Group companies. A number of topics are closely monitored: environmental management systems, eco labels and declarations, the evaluation of products' environmental characteristics and standards on packaging and packaging waste.

GRI 2–23, 2–24, 2–26, 408–1, 409–1

Values, principles, standards and norms of behavior

Swatch Group respects all applicable national and international legal systems in its operations. It observes European standards, even where they go beyond local regulations. It observes a zero-tolerance policy on human rights violations, e.g. child labor, forced labor, corruption and other criminal acts. The principles for business practices are set out in the Swatch Group Code of Conduct. In relation to sustainable production methods and products, environmental protection and health and safety, Swatch Group complies with the applicable EU directives, such as the RoHS Directive, the REACH Regulation, and the Waste from Electrical and Electronic Equipment (WEEE) Directive. It always bases its policies on the strictest regulations as the minimum benchmark. With internal directives, the Group commits itself to standards that go beyond the legal requirements.

Human rights

Swatch Group supports and respects the protection of internationally proclaimed human rights, ensures that it does not become complicit in human rights violations and abides by the Ten Principles of the United Nations Global Compact.

Swatch Group's sustainability begins with its value system and a principles-based approach to business. This means that the Group operates in a way that enables it to meet its obligations in relation to human rights, labor, the environment and anti-corruption policies and procedures. Swatch Group applies the same values and principles in all its locations and understands that good practices in one area cannot compensate for harm in another. These values and principles are anchored in internal directives and the Supplier Code of Conduct.

Supplier network management

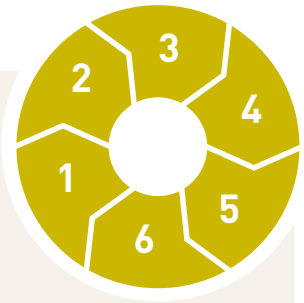
Swatch Group applies the same high standards of due diligence in quality, safety, and sustainability to all stakeholders, both internal and external.

Binding internal directives, ongoing holistic integration of sourcing codes of conduct (including the Swatch Group Code of Conduct), the appointment and training of internal sustainability specialists (sustainability officers), and independent supplier audits are cornerstones of sourcing management.

Due diligence in business practices, such as the zero-tolerance policy on human rights violations, must be complied with in full.

As a company with a particular responsibility for the extraction and sourcing of raw materials and the procurement of biological raw materials, Swatch Group applies international guidelines and standards

Due diligence in the supply chain



1. Reporting and audits

- Annual reporting on due diligence in relation to responsible supply chains of minerals from high-risk and conflict-affected areas, as well as child labor
- Annual audit of minerals and metals by an auditing firm.

See "Minerals and metals from conflict-affected areas" and "Child labor" in the "Sourcing" chapter

2. Managing harmful impacts

- Appropriate measures to prevent, reduce, end or minimize actual and/or potential harmful impacts
- Documenting preventative or corrective measures taken to determine the extent to which harmful impacts have been prevented, ended or minimized
- Assessing implementation of measures on a regular basis (at least yearly).

See "Supplier audits" in the "Sourcing" chapter

3. Compliance processes

- Establishing a reporting process so that all stakeholders can raise any justified concerns relating to potential or actual negative impacts
- Using complaints as an early warning system for risk identification
- Reporting and documenting complaints.

See "Cease, prevent or mitigate negative effects" in the "Sourcing" chapter

4. Directives and responsibilities

- Integrating due diligence into company directives
- Describing our due diligence approach, the Code of Conduct and due diligence measures
- Annually updated directive.

See "Supplier network management" on the left.

5. Risk assessment

- Assessing the risks of individual business activities in the company supply chain:
  - Conflict minerals (3TG): mining, trade, handling and export of minerals from conflict-affected and high-risk areas.

See "Minerals and metals from conflict-affected areas" and "Identify and assess adverse impacts" in the "Sourcing" chapter

6. Traceability

- Establishing a system to ensure traceability in the supply chain, including data and documentation of:
  - The entire 3TG supply chain, including information on the origin, the supplier and their smelting works/foundries
  - The production sites, or the supplier of the products and/or services.

See "Minerals and metals from conflict-affected areas" and "Supply chain" in the "Sourcing" chapter

(including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas and its Supplement on Gold; the Social Accountability International SA 8000 standard; and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)).

By implementing targeted measures, the operational management team ensures that high standards are consistently upheld throughout the supplier network. A thorough risk analysis focusing on high-risk regions and industries was conducted in the period under review. Independent audits and inspections of direct suppliers ensure credibility and objectivity.

Over 70 sustainability specialists have received training at Swatch Group companies worldwide. These training courses have raised awareness of potential risks, with a focus on human rights risks and regulations.

You can find more information in the Supplier Code of Conduct on the Swatch Group website: Swatch Group Supplier Code of Conduct

Risk management and precautionary principle

The Swatch Group Corporate Risk Team coordinates risk management matters and reports directly to the CFO. The Corporate Risk Team is responsible for physical safety worldwide and for managing and implementing national and international insurance programs. Operational risks are assessed every year, and the insurance cover or other remedial measures are updated or redefined.

The Corporate Risk Management Team ensures that crucial risks relating to environmental protection, health and safety are identified, analyzed and recorded on an ongoing basis so that targeted prevention measures can be developed and implemented at an early stage. The precautionary principle has been embedded in internal directives since 1994.

A significant component of risk management is business continuity management. Experts determine the operating entities that are important for the Group and how they interconnect, identify the main risks (e.g. cyber risk, fire, water, chemical substances, interruption of operations), and draw up measures to ensure business continuity as far as possible. Prevention and emergency procedures are the focal point. A significant element of Swatch Group risk management is its policy of independence. Consequently, the company is reducing dependence on single suppliers, distribution partners and financial service providers where reasonable. This also includes storing enough stock, expanding and modernizing production capacities, considering alternative supply solutions, making strategically important acquisitions and having a high level of equity.

Climate-related risks and opportunities that would not otherwise fall under the responsibility of the Swatch Group Corporate Risk Team are assessed and identified by the Swatch Group Corporate Sustainability Team based on latest available climate science and inputs from Sustainability Officers and Risk Management teams in the different Swatch Group companies.

For more information, see "Climate-related risks and opportunities", p. 38

Information security and data protection

The Group's approach to data protection and information security ensures maximum data security and the best possible information technology systems throughout the Group's network. Its information security procedures are continuously adapted to be state of the art by regularly analyzing cyber threats and technological developments and implementing any necessary measures immediately. In addition to technological measures, a strong information security culture is implemented at all levels within the Group through various means, including an e-learning training course, which is available in 13 different languages and specific workshops. The combined approach of user training and technological information security measures increases the level of information security.

Data protection is a top priority, which is why the Group has several data centers protected by different levels of security and state-of-the-art information security measures. This enables the entities to have an operationally secure environment with confidentiality, integrity and data availability as well as security for the related information technology systems.

Swatch Group reviews its information security measures on a regular basis to ensure it fully complies with the applicable regulations and legal frameworks of the countries in which it operates.

Intellectual property protection and anti-counterfeiting policy

Swatch Group products have a very strong and unique identity. They are developed and manufactured with the greatest level of care and are the embodiment of the expertise of many different professions, from watchmakers to designers. With cutting-edge technology, precise artisanship and fast, professional customer service, the brands ensure lasting value for their products. However, due to their success, the brands are also exposed to counterfeiting. The watch and jewelry sector is particularly affected by counterfeiting. According to customs authorities, jewelry and watches rank top among the most frequently seized items in terms of value and fifth in terms of quantity.

According to a report published by the OECD[1] in 2021, this not only damages the reputation of Swiss companies, but also inflicts economic damage, as these companies are defrauded of almost 4.5 billion Swiss francs in sales annually (figures from 2018). The watch and jewelry sector is the most affected, with losses of around two billion Swiss francs per year. According to the OECD, Swiss companies would have been able to provide more than 10 000 additional jobs in 2018 without the impact of counterfeiting. Counterfeiting also affects the public purse, which, according to estimates by the study's authors, lost almost 160 million Swiss francs in tax and customs revenue in 2018.

The danger of counterfeiting also lies in the fact that these products may contain materials or components that do not meet safety requirements and therefore pose a risk to consumer health and safety.

With the rapid development of e-commerce, it has become easier for consumers to shop online, and they are therefore exposed to the high risk of counterfeit products on the Internet, as it can be very difficult to distinguish counterfeits from the genuine products. This criminal behavior also affects customer service.

It is usually possible for the perpetrators to infringe intellectual property or deceive consumers online without any big risk. The anonymity of the perpetrators, the easy international payment options, the low shipping costs, the variety of distribution channels and the lack of international sanction options make it difficult to report or prosecute. As a result, online sales of counterfeit products have now reached industrial proportions, and Swatch Group has been taking specific measures to combat counterfeiting on the Internet for many years. Given the scale of this phenomenon, it is necessary to employ new tools to address this specific problem and, in particular, to ensure a global approach to and understanding of counterfeiting. To prevent counterfeit products, the visibility of such offers must be reduced in order to diminish the demand for these products.

Counterfeiters have now moved to using omnichannel sales, meaning that surveillance must extend to social networks, sales apps and new technological developments such as virtual watch faces for download.

Swatch Group ensures the technical and intellectual protection of its products (jewelry, finished watches, movements, semi-finished products and components) at all levels to safeguard their intrinsic value. It does so by protecting technical innovations with patents and valorizing its technological assets through the protection of trademarks, designs or copyright, and by defending each of these rights. Any infringement of the intellectual property or expertise of Swatch Group companies will be immediately subject to legal action, and the counterfeiting and piracy of products and services will be tackled firmly. To this end, Swatch Group has a dedicated anti-counterfeiting team and works closely with the Federation of the Swiss Watch Industry (FH) and with the customs authorities, police and other criminal and administrative authorities of the various countries in which it operates, as well as at international level, in particular with Europol.

1. OECD: www.ige.ch/en/intellectual-property/counterfeiting-and-piracy/studies

GRI 205–2, 205–3

Anti-corruption

Swatch Group adopts a zero-tolerance policy towards corruption and other criminal acts.

Clear guidelines on preventing corruption are set out in the employee handbook, the Code of Conduct and the Supplier Code of Conduct. These documents are available on the internet, on the intranet, or in another format to all employees and, as may be required, to suppliers, business partners and other interested parties. Compliance with these specifications is checked in audits.

For more information on supplier audits, see the "Sourcing" chapter, p. 98

At the time of writing, the Group is not aware of any cases of corruption in the sense of accepting or granting unlawful advantages (through bribery, fraud, extortion, collusion, money laundering, etc.) that occurred during the reporting period.

GRI 2–27

Compliance

At the time of writing, the Group is not aware of any material breaches of laws and regulations that occurred during the reporting period and that led to administrative or legal sanctions and fines.

Climate-related risks and opportunities

GRI 201–2, 3–3

Climate-related risks refer to risks that Swatch Group faces as a result of climate change. Climate-related risks may either arise as a result of a change in climate conditions (physical risks) or as a result of efforts to mitigate climate change (transition risks). Climate-related opportunities refer to possible ways that a change in climate conditions could benefit Swatch Group.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
By actively monitoring and managing these risks and opportunities, Swatch Group is helping to prevent and mitigate the risks and foster the opportunities.	Climate-related risks and opportunities include: – Higher energy and raw material costs – Shifts in supply and demand toward sustainable products. Greater physical risks, such as extreme weather conditions and their impact (damage to infrastructure, logistics disruption, etc.).	Work is being done to identify the short, medium and long-term climate risks and opportunities that are relevant to Swatch Group, draw up suitable strategies and introduce measures. Physical risks are covered by various insurance policies, which are regularly checked and adjusted based on the latest insights. Transition risks and opportunities are included in strategic planning.	– Costs of insuring against physical risks – Number of damage events – Sales of sustainable products – Emission intensity	Indicators only

Governance

The Sustainability Team and sustainability officers are responsible for assessing and managing climate-related risks and opportunities and for bringing these to the attention of the Sustainability Steering Committee.

Climate-related risks and opportunities are reviewed and approved by the Sustainability Steering Committee. The Board of Directors approves the Group sustainability strategy and bears the overall responsibility.

The Sustainability Team and the Sustainability Steering Committee meet at least four times a year to discuss ESG-related topics, including climate-related risks and challenges.

Since 2023, an ESG evaluation is carried out for all investment applications over 50 000 Swiss francs. Investment requests will be denied if it goes against the strategy or substantially increases climate-related risks.

Strategy

Swatch Group needs to tackle climate-related risks in the short-to-medium term (0–5 years, 5–15 years). These risks may vary significantly depending on the implementation of the Paris Agreement by the countries. The transition may cause operational and procurement costs to rise. Physical risks could present a greater risk to the procurement of raw materials in the long term (longer than 15 years).

The financial impact was assessed on the basis on the reduction in the Group's profit margin if the risk occurs. A low financial impact means an impact of 0% to 10% reduction, a medium impact means 10% to 30% reduction, and a high impact means a greater than 30% reduction.

The likelihood for each risk was defined as "low" when the risk is unlikely to occur within the defined timeframe. There is limited evidence or historical precedent suggesting this risk will materialize. It was defined as "medium" when the risk has a reasonable chance of occurring within the defined timeframe. There is some evidence or historical precedent indicating this risk could materialize, but it is not certain. It was defined as "high" when the risk is very likely to occur within the defined timeframe. There is strong evidence, historical precedent, or ongoing trends indicating this risk will materialize.

In order to better understand how climate change could affect its business, Swatch Group has conducted a comprehensive climate scenario analysis looking at global warming of 2°C and 4°C. These two scenarios are based on average global temperature increases of 2°C and 4°C by the year 2100. Temperatures are expected to rise gradually to these levels between now and then. Based on the assumption that it will continue to operate in the same areas of business, Swatch Group examined the impact of these temperature increases on its operations in 2030. The following simplifying assumptions were made as part of this process:

- In the 2°C scenario, the Corporate Sustainability team assumed that in the period to 2030 society acts rapidly to limit greenhouse gas emissions and puts in place measures to restrain deforestation and discourage emissions (for example, by introducing emissions charges of 75 to 100 US dollars per metric ton, in line with the International Energy Agency's 450 ppm scenario).

- In the 4°C scenario, the Corporate Sustainability team assumed climate policy is less ambitious, and emissions remain high so the physical manifestations of climate change are increasingly apparent by 2030. To avoid repetition and highlight more imminent risks, the table below shows only risks identified in the 2°C scenario.

In general, Swatch Group's extensive vertical integration, robust research and development capabilities, and predominantly Switzerland-based supply chain provide a strong foundation for resilience and adaptability in various climate scenarios. The company has proactively implemented a management approach to identify, assess, and mitigate climate-related risks, which encompasses both physical and transitional risks. In addition, Swatch Group recognizes climate-related opportunities, such as enhancing energy efficiency, innovating sustainable materials, and meeting evolving consumer demands for environmentally responsible products. These opportunities are addressed with specific time horizons: short-term advancements in energy-efficient manufacturing, medium-term development of sustainable product lines, and long-term strategies for carbon-neutral operations. By embedding climate resilience into its operations and decision-making processes, Swatch Group is well positioned to sustain growth and competitiveness across diverse climate scenarios while aligning with its long-term sustainability objectives.

Impact of changes and risk mitigation strategies – transition risks

Risks	Likelihood	Time frame	Financial impacts (without risk mitigation)	Mitigation strategies	Opportunities
Current and future regulations	High	Short-term	Low – Market access, possible fines.	Cooperating with external experts to analyze and implement future legislative changes (e.g. TCFD).	
Law and policy Rising carbon taxes and measures to restrict carbon-intensive activities	Medium	Short-term	Low – Increasing energy costs, increasing logistics costs.	Transition to renewable energy. Improving energy efficiency. Investments in own power generation. Maintain high level of production in Switzerland.	Greater independence; Swissness becomes more important.
	Medium	Short to medium-term	Medium – Supply chain disruptions, increasing material costs.	Continuing to have high warehousing levels to avoid stock disruptions.	Increasing recycling rate. Using recycled materials.
	Medium	Short to medium-term	Low – Increasing cost of packaging material.	Switching to low-carbon materials.	Lower costs due to smaller packaging size and more affordable materials.
Technology Developing new technologies for a low-carbon economy	Medium	Medium-term	Low – Depreciation of assets, investments in low-emission technologies to meet market regulations.	In-house experts to work on energy efficiencies (Energy Management Team).	Transitioning to cost-effective and energy-efficient technologies.
Market and reputation Change in supply and demand as consumers opt for sustainable alternatives	Low	Short to medium-term	Medium – Lost revenue or missed opportunities for growth.	Choosing low-carbon suppliers. Investing in low-carbon materials. Strengthening environmental commitment with climate targets. Publishing an annual sustainability report on all three scopes with a climate strategy.	Innovation through low-carbon materials. Reaching a younger, more eco-conscious target group by selling products with low-carbon and recycled materials. Being a leader in the ESG arena (reputation).
	Low	Short to medium-term	Low – Increasing decarbonization costs due to greater demand for carbon credits.	Prioritizing the emission reduction.	Investing in activities for which there are carbon credits (e.g. generating power from renewable energy, forests, carbon capture).

Impact of changes and risk mitigation strategies – physical risks

Risks	Likelihood	Time frame	Financial impacts (without risk mitigation)	Mitigation strategies	Opportunities
Floods, hail and extreme rainfall events	Medium	Long-term	Medium – Supply chain and production disruptions due to damaged infrastructure (roads, railroads, bridges). Local flooding of buildings and local power cuts.	Considering weather forecasts or severe weather warnings in risk management. Preparing for incidents depends on the local risk assessment. Increasing autonomous power supply.	Increasing the autonomous power supply creates a competitive edge.
Heat waves, droughts and forest fires	Medium	Long-term	Medium – Increasing strain on infrastructure (asphalt, environment, railroads). No or less transport on waterways (price increase due to more expensive transport alternatives).	Incorporating market monitoring and the global climate risk assessment into risk management.	Competitive edge through local production.
	Medium	Medium to long-term	Medium – Increasing strain on building infrastructure (cooling, service life of outdoor facilities, expansion, condensation, humidity, etc.). Groundwater depletion causes building damage.	Training technical employees and building managers.	Renovating buildings at a quicker pace will lead to lower costs.
	Medium	Medium to long-term	High – Examining power supplied by hydroelectric power plants. Safety risk posed by nuclear power plants (cooling, lack of water in watercourses, temperature of watercourses too high). Nuclear power plant outages result in power fluctuations in the grid and power cuts.	Increasing autonomous power supply.	Increasing the autonomous power supply creates a competitive edge.
	Medium	Medium to long-term	High – Restricting water use.	Using rainwater and water reuse.	Having a more autonomous external water supply creates a competitive edge.
Diseases, pandemics	Low	Long-term	High – Increase in and vulnerability to communicable diseases due to weak immunity (nutritional problems, problems with the quality of drinking water, stress).	Developing ideas for increasing health protection for employees.	Employee health becomes more important. Fewer working hours lost.
Crop failure and drinking water shortages	Low	Long-term	High – Consumers focusing on the essentials (what is needed to survive), increasing migratory flows, increasing global conflicts. Impact on raw materials. Pressure on agricultural raw materials for the industry.	Reviewing stock management and supplier agreements (guarantees, prices, substitution options).	

Risk management

A climate-related materiality assessment has been conducted. It measures how much stakeholders are worried about each issue and the potential impact of each issue on business. This materiality assessment is set to be carried out regularly. In 2024, Swatch Group started the process of renewing our materiality assessment.

At Group level, the Sustainability Team and Energy Management Team carry out a top-down assessment of climate risks to get a good overview of the biggest risks facing the Group, considering different climate scenarios.

At the same time, a bottom-up assessment is being conducted, which brings together the evaluation results from the watch, jewelry and electronic component production sites and the global sales and service center network.

They draw up risk mitigation strategies for each climate risk, and measures are being taken to mitigate the threat posed by the climate risks. As described in the "Sourcing" chapter, Swatch Group has already implemented various strategies to reduce the risks presented by supplier activities that have a bearing on sustainability.

The Sustainability Team and Risk Management Team define, assess and manage climate-related risks. If increased risk is identified, the Sustainability Steering Committee informs the Executive Group Management Board. Insurance policies are updated where appropriate, considering the relevant risks, particularly where physical risks were identified.

Metrics and targets

Swatch Group has metrics for Scope 1, 2 and 3 emissions, energy and heat consumption, self-generated power and water consumption.

For more information, see "Energy and emissions", p. 52

Swatch Group intends to be climate-neutral on Scope 1 and Scope 2 by 2050 and has set intermediary targets to achieve reductions in its Scope 1 and Scope 2 emissions of 50% and 90% by 2030 and 2040 respectively, compared with 2021. Swatch Group also intends to reduce its water consumption and to keep a low rate of withdrawing water, particularly from areas with water stress (for more information, see the section on "Water" in the "Environment" chapter).

Economic performance

GRI 3-3

Economic performance, and therefore value generation for all stakeholders, is an important component of Swatch Group's business model. A country's fiscal policy is of key importance and guarantees macroeconomic stability.

Positive and negative impacts (inside-out) GRI 3-3-a, 3-3-b	**Risks and opportunities (outside-in)**	**Measures** GRI 3-3-c, 3-3-d, 3-3-e, 3-3-f	**Indicators**	**Metrics and targets**
Swatch Group's economic performance feeds back into society in the form of salaries and taxes. Tax revenues play a pivotal role in achieving the SDGs and are a key mechanism for Swatch Group to contribute to the economies of countries in which it operates. In addition, Swatch Group revenues are reinvested in research and development, training, local suppliers and the Group's sponsoring and philanthropic activities. This shows that a business model focusing on long-term, sustainable success has a wide range of social, economic and environmental benefits.	Due to its varied global activities, the Group is subject to a range of financial risks such as exchange rate, market, credit and liquidity risks. (see Financial risk management, p. 153 in the Annual Report). In countries with stronger economic performance, there is more demand for Swatch Group products. Macroeconomic stability in countries where Swatch Group is active is a prerequisite for long-term investments.	Financial risk management is focused on identifying and analyzing exchange rate risks, in order to minimize their impact on Group earnings (see Financial risk management, p. 153 in the Annual Report). Swatch Group avoids aggressive tax practices and structures and pays taxes according to the value added. It reports its tax expenses for each country to the Swiss Federal Tax Administration as part of country-by-country reporting practices.	– Net sales – Operating costs – Employee wages and benefits – Payments to providers of capital (incl. interest and dividends) – Taxes – Economic value retained – Exchange rate volatility	For indicators, see p. 45 Sales targets are defined at company level and are confidential

Ensuring the long-term economic success of Swatch Group is essential for sustainable value creation for the benefit of society and the environment. However, Group also generates a significant economic impact through its activities, from which many of the stakeholders benefit.

GRI 201–1

Direct economic value generated and distributed

(in CHF million)	2024	Proportion
Net sales	6 735	
Operating costs	–3 925	58%
Employee wages and benefits	–2 506	37%
Payments to providers of capital (incl. interest and dividends)	–361	6%
Income taxes	–126	2%
Economic value retained	–183	–3%

GRI 207–1, 207–2, 207–3

Swatch Group tax strategy

Swatch Group is a multinational group of companies with its own subsidiaries in over 30 countries.

Swatch Group follows a responsible and lawful tax and customs strategy. It considers effective and efficient tax and customs compliance to be a key objective and commits significant resources to ensure that the Group's tax and customs affairs are properly regulated, transparent and sustainable.

Swatch Group complies with the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct within the following framework: "Tax compliance includes such measures as providing to the relevant authorities timely information that is relevant or required by law for purposes of the correct determination of taxes to be assessed in connection with their operations and conforming transfer pricing practices to the arm's length principle."[1]

The Group's tax strategy ensures that the entire organization is committed to complying with tax and customs laws and regulations in the countries in which it operates, in line with the following strategic priorities:

- Compliance with tax and customs legislation, reporting and payment obligations, including the correct posting of taxes and duties.
- Application of good governance, due care and diligence with regard to tax and customs procedures and ongoing improvement of these procedures.
- Management of tax and customs costs and monitoring of the related risks by seeking advice from the global tax team and external advisors in particularly complex or uncertain areas.
- Provision of transparent and timely information to the relevant authorities.
- Maintening an accountable team of qualified tax and customs professionals in all countries where the Group operates.

Tax strategy and tax-related issues are discussed, reviewed and approved at Executive Group Management Board level.

Risk management in tax affairs

In order to ensure compliance and minimize the associated risks, the Group has robust tax- and customs-related processes and controls in place. Tax affairs in each country are very complex in many functional and technical areas, which is why, with the help of tax experts, Swatch Group's consolidated subsidiaries monitor, adapt and continuously improve their tax and customs compliance processes to avoid possible errors or omissions.

1. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

Swatch Group's subsidiaries have clearly defined responsibilities for their tax affairs, which ensure that tax risks are reported and that tax issues are escalated to the appropriate level. Swatch Group's consolidated subsidiaries have a low tolerance for tax risks and work proactively with tax experts to ascertain their tax position with certainty.

Tax planning

Tax planning is aimed at supporting the commercial needs of the company by ensuring that the business of each entity is conducted in full compliance with applicable laws and regulations. The tax function is therefore involved in the commercial decision-making processes and provides appropriate input in relation to business matters to ensure a clear understanding of the tax consequences of all decisions made. The Group does not engage in aggressive tax planning or tax structuring that has no business purpose or economic merit.

Relationship with tax authorities

Swatch Group is committed to maintaining a transparent relationship with the relevant authorities, fostering open dialog on a timely basis and endeavoring to respond promptly to all inquiries and requests for information from the authorities. The Group may request pre-approval from the relevant tax and customs authorities for certain transactions if there are significant uncertainties and/or the transaction is of major significance. In the case of tax audits, the Group aims to reach a settlement whenever possible and considers litigation as a last resort.

Innovation

GRI 203–2, 3–3

Swatch Group's commitment to sustainability is not limited to its direct business activities – the Group also has an impact on the environmental, social and economic spheres through its own innovation and its support for initiatives and organizations.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Innovations such as ultra-low-power ICs pave the way for ultra energy efficient applications. This improves the energy consumption of a vast array of products and helps create new business models. Swatch Group is also heavily involved in the battery technology sector for electromobility purposes, through its company Belenos.	Innovations in other industries/areas may affect Swatch Group's business model, whether through new competitor products (risks) or new sales opportunities (opportunities).	The Group supports innovation by investing in research and development. A large share of R&D costs are related to sustainability, such as switching to more sustainable materials or reducing the energy consumption of electronic products. Swatch Group also works with various research centers and universities.	– Number of patents – R&D expenditure	Indicators only

Patents

In 2024, Swatch Group registered a total of 196 patents. Of these, 166 were related to watches and 30 were related to other areas, including electronics, energy sources and general chronometry. In total, Swatch Group owns approximately 20 000 active patents and patent applications, divided into almost 3000 different patent families.

Age distribution of patent families

0–5 years	6–10 years	11–20 years
31%	35%	34%

Swatch Group's innovations are protected by its internal patent attorneys, ICB Ingénieurs Conseils en Brevets. ICB protects and defends the technological assets of the Group companies and of Swatch Group's various research and development entities. ICB files new patent applications directly with the Swiss Federal Institute of Intellectual Property and the European Patent Office and works with a worldwide network of specialized law firms for applications in other countries. The work of the ICB enables efficient protection of Swatch Group's developments thanks to effective synergies between the patent attorneys and the research teams within the Group.

Environment-related patents

Swatch Group's research and development areas include:

- Improving the performance of movements
- Improving quality to extend the service life of products
- Reducing energy consumption
- Increasing the operating time / power reserve
- Reducing power or energy loss for mechanical watches
- Replacing toxic materials by using alternatives that are less toxic or have no effect on people and the environment

At least 30% of research and development expenditure and new patents can be described as environment related (innovations in renewable energy production, energy efficiency, environmental management and technologies to lower emissions).

Examples from 2024 include:

- Low-power, low-noise charge amplifiers for capacitive acceleration sensors: this invention reduces electronics noise at a certain level of energy consumption, which further increases the precision of the sensors in all battery-powered equipment.

- Design and definition of a procedure to manufacture a new solid electrolyte with metal coating to prevent leaks in rechargeable batteries.

- Ternary electrolyte: new solid electrolyte that prevents leaks in rechargeable batteries. Leaks can damage the item and require it to be replaced.

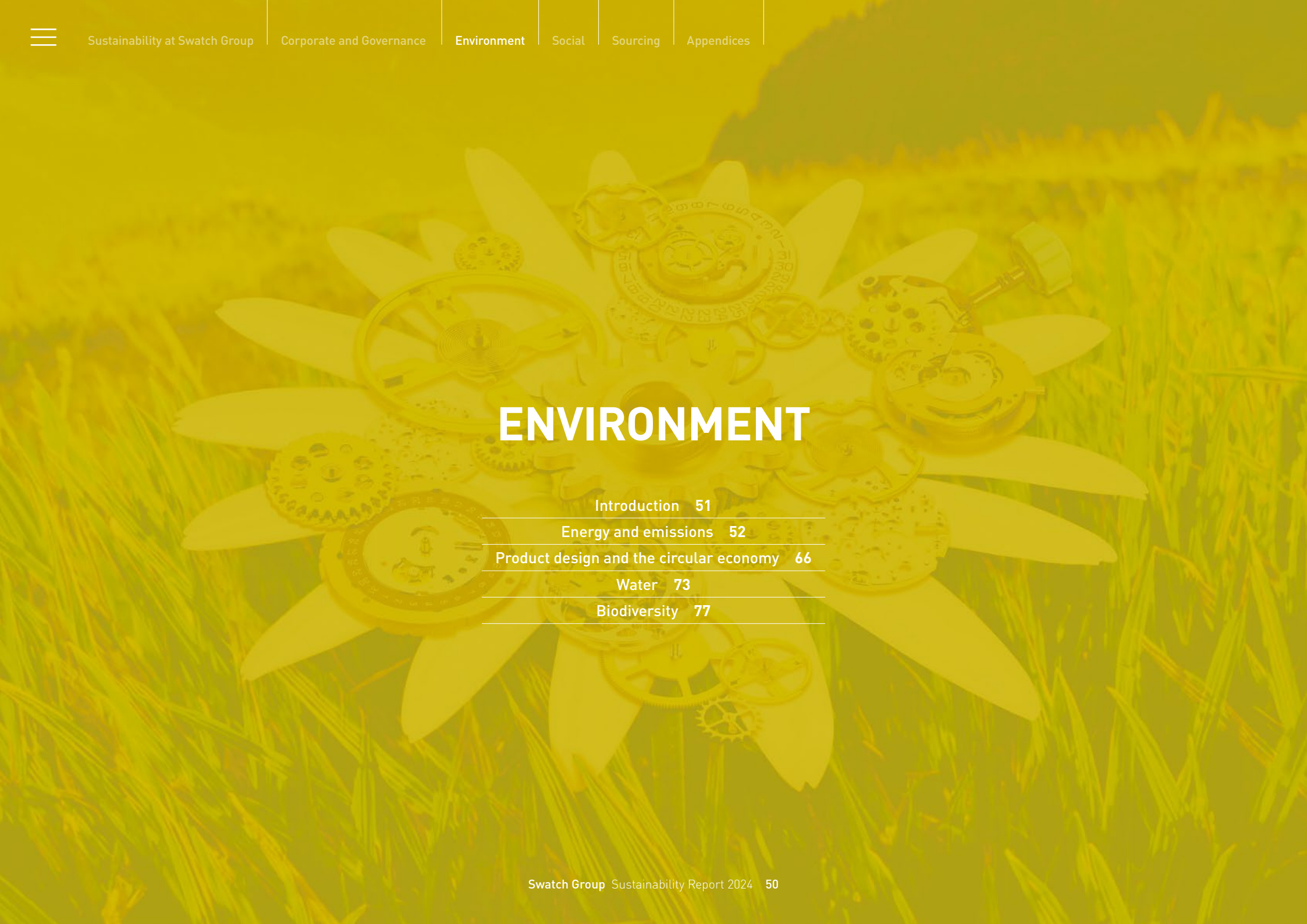
- Substrate with an epilame-coated surface and procedure for epilamization of this kind of substrate: the latest generation of epilame, which meets the new REACH regulations.

Research and development

Each year, Swatch Group invests in research and development in order to remain innovative in the long term. In 2024, directly measurable R&D costs were 273 million Swiss francs, which represents 4.1% of turnover.

Environment-related research and development

A large share of R&D costs are directly or indirectly related to the Group's sustainability efforts, such as developing new materials (e.g., bio-based materials and substances), movements with a long service life and ultra-low-power microchips. It is not always possible to clearly separate out and record how much of the R&D expenditure was spent on environment-related developments in these areas compared to that spent on product development. Based on an analysis of the patents, at least 30% of the F&E costs can be specifically assigned to environment-related developments. This equates to 82 million Swiss francs in the year under review.



ENVIRONMENT

Introduction

Environmental protection is firmly anchored in all Swatch Group divisions and companies, and represents a core priority that is respected, promoted and implemented daily by every employee in the company. The Group applies this conviction along the entire value chain, from product design and production processes to the recycling of its products. The Group's brands develop new products using recycled or recyclable, organic and compostable materials wherever possible. In order to efficiently implement the Group's strategy for sustainable product design, it has started conducting Life Cycle Assessments (LCAs) to better identify and minimize environmental impacts.

For further information about LCAs, please see p. 32

In addition, measures to reduce energy and resource consumption are being implemented, whether through manufacturing facilities with smart energy control systems or through energy-efficient, heat-insulated and eco-friendly infrastructures and production sites. To optimize ecological and energy performance, ultra-modern technologies and building materials are used for new production buildings, other buildings and renovations; this practice also led to a further improvement in the year under review.

Data acquisition is being continuously improved in terms of both the quality of collection methods and new identifiers. However, it should be noted that due to their diversity, the business entities set their own targets and measures for many key figures, which are not presented in this report in a consolidated form.

For further information about data collection, please see the chapter "About this report", p. 114

Energy and emissions

GRI 3-3

Production, sourcing and sales: **Energy is needed to operate buildings and facilities. In addition, there are indirect emissions (Scope 3) from sources such as suppliers, transport and raw materials.**

Use of products: **The use of Swatch Group products is associated with very low greenhouse gas emissions. Mechanical watches, for example, are powered by kinetic energy, while quartz watches are powered by solar cells or by batteries produced by the company's own battery production facility, which runs on renewable electricity.**

Positive and negative impacts (inside-out) GRI 3-3-a, 3-3-b	**Risks and opportunities (outside-in)**	**Measures** GRI 3-3-c, 3-3-d, 3-3-e, 3-3-f	**Indicators**	**Metrics and targets**
Depending on the type of energy source, power use can have negative effects on the environment, particularly through greenhouse gas emissions and the detrimental effect these have on climate change. One way in which Swatch Group is having a positive impact is through EM Microelectronic. The design and production of ultra-low-power ICs is helping make electronic products more energy efficient.	Swatch Group needs to tackle transition risks in the short-to-medium term. These risks may vary significantly depending on the implementation of the Paris Agreement by the countries. The transition may cause operational and procurement costs to rise. Physical risks could present a greater risk to the procurement of raw materials in the long term. Changes in supply and demand as consumers opt for sustainable alternatives can be viewed both as an opportunity and a risk.	Swatch Group is seeking to reduce its Scope 1 and 2 emissions to zero by 2050, and it has a road map containing the necessary measures to achieve this. It is also aiming to reduce Scope 3 emissions; a road map and specific objectives are still being developed.	– Energy consumption – Scope 1, 2 and 3 emissions	Detailed objectives and roadmap, see p. 57

As early as 1990, Swatch Group campaigned for a reduction of GHG emissions and lower energy consumption through its sponsorship of the solar mobile The Spirit of Biel/Bienne. The solar mobile won the World Solar Challenge in Australia at the time. The first solar-powered Swatch (1995) stems from this period, and it has lost none of its appeal. As a result, the Group's early commitment to protecting the climate remains an important value, and Swatch Group remains motivated to play its part in sustainable climate action in the long term.

> THE GROUP AIMS TO ACHIEVE ITS GOAL OF CLIMATE NEUTRALITY FOR SCOPE 1 AND SCOPE 2 EMISSIONS BY 2050.

The Group aims to achieve the goal of climate neutrality for Scope 1 and Scope 2 by 2050. A strategy to reduce greenhouse gas emissions has been developed; the targets are reviewed regularly and, if possible, a faster reduction strategy is implemented.

In order to reduce Scope 1 emissions, targets for energy efficiency gains and GHG reductions have been set for all production units in Switzerland since 2013, and they apply generally to the entire Group on a consolidated basis. Production sites and distribution companies located outside Switzerland, in particular the many boutiques and service centers, are also working to improve their energy performance. Although the boutiques and service centers consume far less energy than the production plants in Switzerland, they are nevertheless included in the range of measures to reduce emissions and energy consumption.

Strategy for achieving climate goals

To achieve its emissions reduction targets, Swatch Group has defined a carbon neutrality target for each location and is concentrating primarily on the largest CO_2 emitters. The considerations are based on six principles (see box on the right).

In order to implement the energy transition in industry, the Swatch Group is focusing on three main aspects:

1. Renovating the heating, ventilation and cooling technology in old buildings through the use of the latest innovative technologies to optimize comfort, energy consumption and building management.

2. Using clean energy from primarily renewable sources such as wind, hydropower and photovoltaics, but also considerations of biogas and district heating from renewable sources from the local area.

PRINCIPLES

1. **Avoid** the use of resources that have no associated benefit.
2. **Reduce** energy consumption to the necessary and technically feasible minimum.
3. **Efficient** and effective operation of installations, as well as heat recovery.
4. **Alternatives** to fossil-fuel energy sources, such as regenerative or zero-carbon energy sources.
5. **Independent** generation or conversion of energy at the sites themselves.
6. **Energy storage systems** and carbon offsetting projects.

3. The constant pursuit of technical innovations in connection with energy storage, the production of green hydrogen and sustainably produced biogenic fuels.

This will reduce general energy consumption, and fossil fuels will be gradually replaced by renewables.

To this end, a switch is being made to electric heat generation, which will reduce total energy consumption in Scopes 1 and 2 but increase electricity demand in Scope 2. As a result, Scope 2 effects will rise as the progress on decarbonization projects increases. To reduce these, Swatch Group will:

- Reduce equipment power consumption through optimization measures and planned shutdowns at the end of production.

- Develop energy plans to optimize the electrical performance of the heating and cooling appliances operated with refrigerants.

- Invest in photovoltaic installations on the roofs of Swatch Group-owned buildings.

- Purchase electricity produced from renewable sources.

Specific reduction targets for greenhouse gas emissions in Scopes 1 and 2 have been defined for every company. The Group reviews the general progress every six months; all companies are being provided with technical support for the measures to optimize and replace the existing systems.

This document contains various suggestions for improving the carbon footprint and enables all entities to make the appropriate efforts depending on what has been achieved to date and the Group strategy.

Swiss production plant environmental program

In 2013, Swatch Group, with the support of the Energy Agency of the Swiss Private Sector (EnAW), signed a binding target agreement regarding stationary greenhouse gas emissions (Scope 1) with the Swiss Federal Office for the Environment (FOEN). All of the Group's Swiss production facilities are bound by this agreement and implement measures to help achieve Swatch Group's energy targets. The first agreement related to the period from 2013 to 2021 and was extended until 2024. A new target agreement with the FOEN is currently being drawn up with the support of the EnAW.

2025

CERTIFICAT

Agence de l'énergie pour l'économie

Blancpain SA Le Sentier est active !

Blancpain SA Le Sentier participe à l'Agence de l'énergie pour l'économie depuis 2013 et s'engage ainsi pour la protection durable du climat.

Blancpain SA Le Sentier mise sur l'offre suivante de l'AEnEC:

Convention d'objectifs: l'entreprise s'est engagée à améliorer son efficacité énergétique et à réduire ses émissions de gaz à effet de serre sur une période de dix ans. Pour ce faire, elle met en œuvre les mesures d'amélioration prévues dans la convention et l'atteinte de ses objectifs est contrôlée chaque année.

30.01.2025

Frank Ruepp
Agence de l'énergie pour l'économie

Martin Kernen
Agence de l'énergie pour l'économie

AGENCE DE L'ÉNERGIE POUR L'ÉCONOMIE AEnEC

One of our 35 EnAW-certificates.

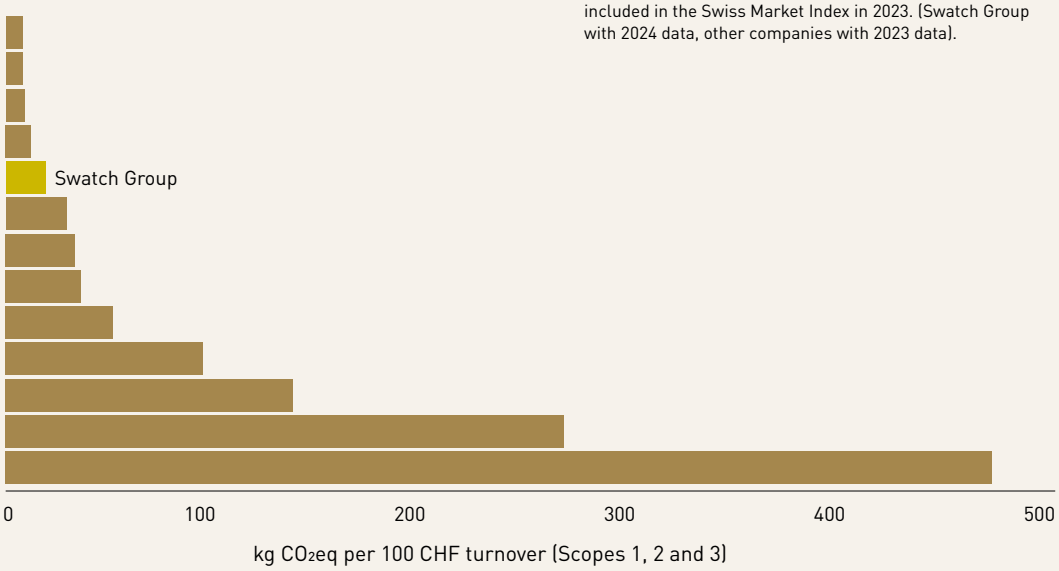
HIGHLIGHT

Emission intensity (Scopes 1, 2 and 3) of the largest industrial companies in Switzerland [1]

At Swatch Group, 100 Swiss francs of turnover corresponds to an average of 19 kg CO_2eq (Scopes 1, 2 and 3). This is rather low compared to other companies producing physical products.

Please note: this is an average value per 100 Swiss francs of turnover. The figures are not suitable for calculating the CO_2 footprint of a specific watch, as the values can vary depending on the watch model.

1. Graph shows Swatch Group and 12 industrial companies included in the Swiss Market Index in 2023. (Swatch Group with 2024 data, other companies with 2023 data).



GHG emission reduction roadmap

Compared to other industries, the watchmaking industry has low direct greenhouse gas emissions (Scope 1) and indirect emissions related to energy purchase (Scope 2).

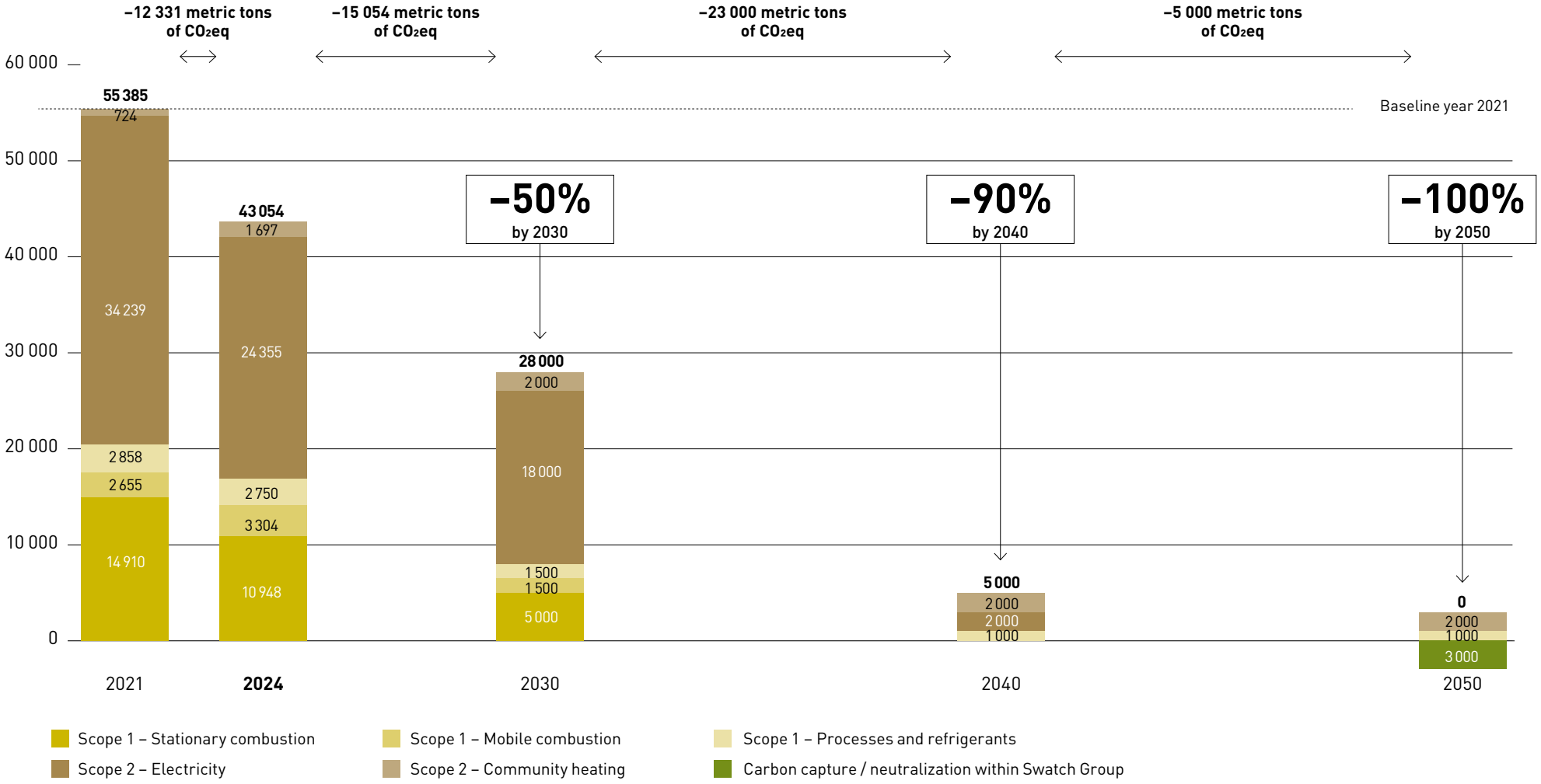
Nevertheless, Swatch Group is committed to reducing not only its direct emissions but also the emissions across its entire value chain, including upstream and downstream activities (Scope 3).

Within this reporting period, Swatch Group has estimated its entire Scope 3 emissions. These emissions stand at around 1.2 million metric tons of CO_2eq, with an uncertainty factor of +/– 0.4 million metric tons of CO_2eq. The value is based on data from suppliers, emission factor databases, and published data from other industry players.

The ambition of Swatch Group is climate neutrality in Scopes 1 and 2 by 2050, with intermediary targets set on Scope 1 and Scope 2 for 2030 and 2040.
A target for Scope 3 and intermediary targets for Scope 3 will be announced once a concrete action plan is ready to publish.

Reduction path for Scopes 1 and 2

(GHG Emissions in metric tons of CO_2eq, market based)



Greenhouse gas reduction targets and measures

Scope 1	Target	Measures
Stationary combustion	– Reduce stationary emissions to 35% by 2030 and to zero by 2040. (This category includes consumption of heating oil, gas and wood for heat production.)	– With the already planned projects for the next ten years, the stationary combustion emissions can be reduced by 90%. Ideas and concepts exist to reduce the remaining emissions as well.
Mobile combustion	– Reduce mobile emissions to 50% by 2030 and to zero by 2040. (This category includes consumption of diesel and gasoline for Swatch Group vehicles.)	– New cars and trucks to be non-fossil fuel vehicles. Exceptions must be justified.
Processes and refrigerants	– Reduce emissions from refrigerants to 50% by 2030 and to zero by 2040. – Reduce process emissions to 50% by 2030.	– Replace cooling systems and heat pumps with systems that use refrigerants with low global warming potential. – Reduce process emissions by using alternative technologies or by recovering/transforming the emissions. – Reevaluate feasibility of further reductions on a yearly basis. – Carbon capture/neutralization of remaining emissions within Swatch Group.
Scope 2	**Target**	**Measures**
Electricity	– Reduce emissions from electricity to 50% by 2030, to 5% by 2040 and to zero by 2050.	– Increase own renewable electricity production. – Procurement of renewable electricity through a mix of financing of projects, prioritizing bundled certificates, PPAs and as a last resort GoOs certificates. – Increase process and buildings energy efficiency.
District heating	– No target. District heating emissions are expected to double in the coming years due to more facilities switching to district heating.	– Carbon capture/neutralization of remaining emissions within Swatch Group. – Transparency on the emission factors of district heating; influence communities to take measures to use low-carbon energy sources.
Scope 3	**Target**	**Measures (planned)**
	– Reduce Scope 3 emissions. Specific targets and interim targets are defined as soon as a clear roadmap with concrete measures has been drawn up.	– Requiring suppliers to commit to a near term target and for carbon intensive sectors to a long-term net zero target. – Introduce carbon intensity criteria in supplier selection process. – Replacing carbon intensive material by low carbon alternatives. – Encourage employees to switch to electric vehicles and public transportation.

The base year for Scope 1 and Scope 2 emissions is 2021. The base year for Scope 3 is 2023. All values and targets are based on absolute figures.

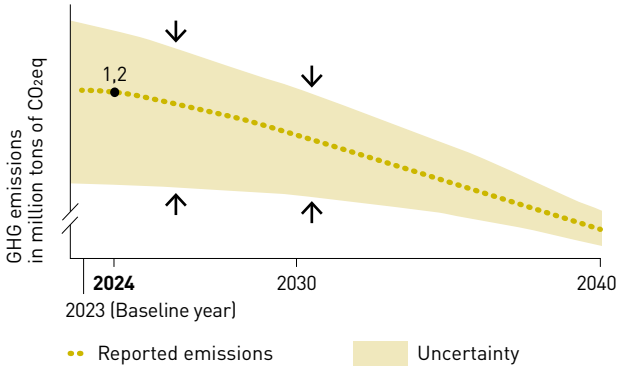
Roadmap for reducing Scope 3 emissions

A roadmap for reducing Scope 3 emissions is currently in development. Work in connection with Scope 3 currently has two main focuses. First, data quality will be improved in order to better determine the priorities, and second, emissions will be continuously reduced through specific projects and measures. Swatch Group is also aiming for the actual elimination of emissions in the case of Scope 3 emissions.

Further extensive analyses were carried out in 2024 in order to improve the measurement of Scope 3 emissions, particularly category 1, which has the greatest impact on the carbon footprint. For example, the Group analyzed the sourcing of materials, components and services by Group companies in order to create calculation models, taking account of emission factors on the basis of activity data in all areas where this makes sense. As a result, the Group can determine its 2025 emissions more precisely and, above all, develop and implement plans for measurable actions and define the path to achieving the reduction targets more precisely.

Reduce emissions and increase data quality

(Scope 3, schematic illustration)



Energy consumption

A variety of sources are used to meet Swatch Group's energy requirements. A small part of the Group's energy is generated from its own solar and hydroelectric production. The Group's total energy consumption of 2024 was around 373 GWh.

Heat demand

Heat consumption per square meter of floor space was further reduced in 2024. Swatch Group continuously invests in insulating its buildings in order to reduce heating energy consumption. The Group also invests in fair treatment systems that make up around three-fourths of the heat demand in Swatch Group's industrial buildings by equipping them with the latest generation of energy recovery systems.

Swatch Group is undertaking the large-scale replacement of fossil heating systems such as oil and gas heating systems with heat pumps using electricity from renewable sources or ambient energy, for example from process water, air, the ground or ice. This will allow the previous consumption of fossil energy to be reduced by more than four times.

Energy from self-generated renewable solar energy and hydropower production

Swatch Group has been investing in its own solar and hydroelectric power plants for decades. In the year under review, the company's various power generation facilities generated 7355 MWh in renewable electricity (around 2.8% of consumption), the majority of which was used by the Group's companies. When the Group's own electricity demand is low, such as during the weekend, the electricity is fed into the grid. This was 1317 MWh in the year under review.

HIGHLIGHT

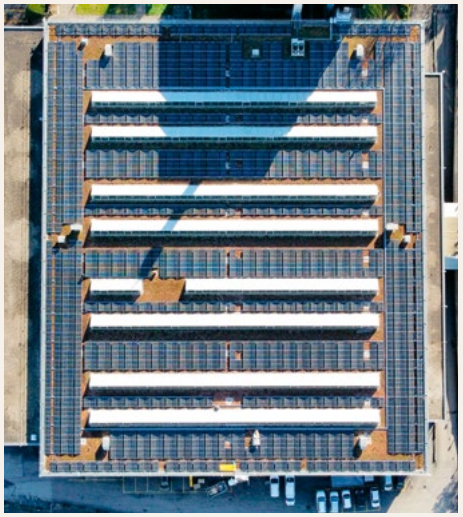
Successful doubling of self-generated electricity in less than two years

Swatch Group maintained its momentum on the installation of photovoltaic panels at various locations in 2024. For example, photovoltaic panels were put into operation at ETA, Breguet, Rado, Tissot, Universo, Swatch Group Services and Ruedin as well as on the roof of Swatch Group Spain's office building. This increased the total self-generated energy from 2.7 GWh in 2022 to 7.4 GWh in 2024. While self-generated energy still represented less than 1% of our total power consumption in 2022, this rose to 2.8% in 2024, reflecting our continued commitment to renewable energy.

In 2024, we pushed ahead with several projects for the use of renewable energy, some of which are close to completion and will shortly be able to commence operation. For future projects, in addition to roof installations, the Group is also considering PV installations on covered parking lots and the integration of solar panels in building facades. Furthermore, land adjacent to our factories could also be used. We estimate that 10–15% of Swatch Group's power consumption could be covered by self-generated renewable energy, as there is significant potential to further expand existing installations.

Photovoltaic installation at Universo

In May 2024, after 11 months of construction, Universo successfully put a large photovoltaic installation on the company's own campus in La Chaux-de-Fonds in Switzerland into operation. The installation comprises 3506 modules with a maximum output of 425 Wp each, which equates to a total output of 1490 kWp on a surface of 6386 square meters – which is equivalent to 15 basketball courts or nearly one soccer pitch. It should generate approximately 1500 MWh of electricity per year, which will cover around 10% of the site's electricity consumption.



Photovoltaic installation at Swatch Group Services

In January 2024, Swatch Group Services put a large photovoltaic installation at one of the Swatch Group distribution centers in Biel/Bienne in Switzerland into operation. The installation comprises 1359 modules with a maximum output of 425 Wp each, which equates to a total output of 577 kWp on a surface of 2650 square meters – which is equivalent to six basketball courts. It should generate approximately 600 MWh of electricity per year, which represents around twice the site's annual electricity consumption (2024: 310 MWh).

HIGHLIGHT

Swiss electricity mix

Fossil-free energy sources account for more than 98% of the electricity consumed in Switzerland. With its commitment to locating its production sites in Switzerland, Swatch Group indirectly benefits from the low-carbon electricity mix of the Swiss grid.

In 2023, renewable energy accounted for 78.1% of final electricity consumption in Switzerland, with 65.7% coming from large hydropower plants and 12.4% from photovoltaic systems, wind power, small hydropower plants and biomass plants. Nuclear power plants contributed 20.5%, while fossil fuels accounted for 1.4%.

Through the purchase of guarantee of origin certificates and selecting power suppliers that only use renewables, the Swatch Group headquarters and some Group companies now use electricity from 100% renewable sources.

Swatch Group is committed to reducing emissions from electricity to zero by 2050 and is actively seeking opportunities to invest in new renewable electricity production capacity.

Source: pronovo.ch, Cockpit Stromkennzeichnung 2023 (Electricity labeling cockpit 2023)

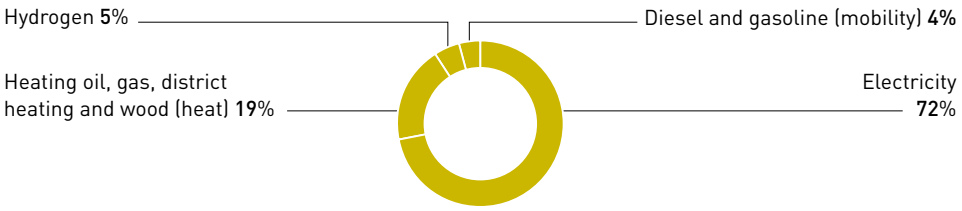
GRI 302–1, 302–3, 302–4

Energy consumption [1]

(in GWh)		2024	2023	2013 (base year)	Change to base year
Power grid		260.4	289.4	–	–
Self-generated		7.4	5.3	–	–
Fed into the grid		–1.3	–0.7	–	–
Total electricity consumption	✓	**266.4**	**294.0**	**216.2**	**23.2%**
of which renewable		53.1%	33.1%	–	–
of which non-fossil		81.9%	–	–	–
Heating oil		10.3	12.8	20.6	-50.0%
Natural gas		51.4	52.5	80.4	-36.1%
of which biogas (admixed)		12.5%	11.9%	–	–
District heating		9.6	6.6	–	–
Wood		1.2	1.4[1]	–	–
Total heat consumption [2]	✓	**72.5**	**73.3**	**103.9**	**-30.2%**
Electricity from external charging stations		0.1	0.0	–	–
Diesel		9.1[3]	8.2	–	–
Gasoline		5.1[3]	2.9	–	–
Total mobility	✓	**14.3**	**11.3**	**–**	**–**
Hydrogen	✓	20.1	18.8	–	–
Total energy consumption	✓	**373.3**	**397.3**	**–**	**–**

1. Restatement: wood-based energy consumption for 2023 was corrected from 1.8 GWh to 1.4 GWh. The totals were adjusted accordingly.
2. Includes heat consumption of buildings and processes.
3. Increase compared to 2023 due to more exhaustive data collection.

✓ Assurance conducted by PwC



Key figures on energy intensity[1]

(in kWh per m²)	2024	2023	2013 (base year)	Change to base year
Floor space in m²	1 065 081	1 025 363	859 589	23.9%
Electricity intensity	250.1	286.7	251.5	–0.6%
Heat intensity[2]	68.0	71.9	120.9	–43.8%
Total energy intensity	**350.5**	**387.9**	**–**	**–**

1. Without floor space and energy consumption of rented boutiques and shop-in-shops. GHG emissions from rented boutiques and shop-in-shops are reported in scope 3, category 8.
2. Includes heat consumption of buildings and processes.

GRI 305–1, 305–5

Scope 1 emissions

(in t CO_2eq)	2024	2021 (base year)	Change to base year
Heating oil	2 636	2 985	–
Gas	8 298	11 900	–
Wood	14	25	–
Emissions from stationary combustion	**10 948**	**14 910**	**–26.6%**
Diesel	2 177	2 092	–
Gasoline	1 127	562	–
Emissions from mobile combustion	**3 304**	**2 655**	**24.4%**
Emissions from processes	1 321	–	–
Emissions from refrigerants	1 429	–	–
Emissions from processes and refrigerants	**2 750**	**2 858**	**–3.8%**
Total Scope 1[1] ✓	**17 002**	**20 422**	**–16.7%**

Details about process emissions:

Methane (CH_4)	0.68 metric tons	Perfluorocarbons (PFCs)	0.06 metric tons
Nitrous oxide (N_2O)	0.02 metric tons	Sulfur hexafluoride (SF_6)	0.02 metric tons
Hydrofluorocarbons (HFCs)	1.29 metric tons	Nitrogen trifluoride (NF_3)	0.05 metric tons

✓ Assurance conducted by PwC

GRI 305–2, 305–5

Scope 2 emissions

(in t CO_2eq)	2024 Location based[2]	2024 Market based[3]	2021 (base year)	Change to base year
Power grid	42 770	24 355	34 239	
District heating	1 717	1 697	724	
Total Scope 2 ✓	**44 487** ✓	**26 052**	**34 963**	**–25.5%**
Total Scopes 1 + 2 ✓	**61 489** ✓	**43 054**	**55 385**	**–22.3%**

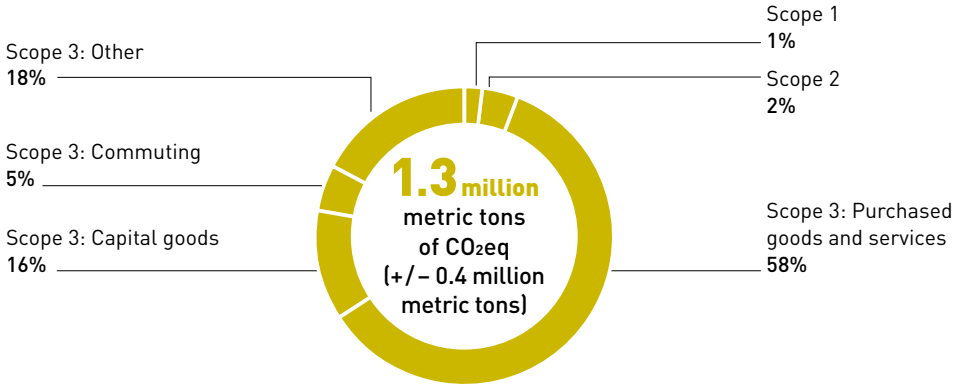
GRI 305–3, 305–5

Scope 3 emissions

(in t CO_2eq)	2024 Location based[2]	2024 Market based[3]	2023 (base year)	Change to base year
Total Scope 3	1 218 000	1 218 000	1 333 000	–9%
Total Scopes 1 + 2 + 3	**1 279 489**	**1 261 054**	**1 384 978**	**–9%**

1. Emissions from fossil fuels are cited. Biogenic emissions amount to 1715 t CO_2eq.
2. Location based: based on average emission factors for a particular geographical region.
3. Market based: based on emission factors for the purchased electricity mix (based on contracts).

GHG Emissions (Scopes 1, 2 and 3)



Emissions

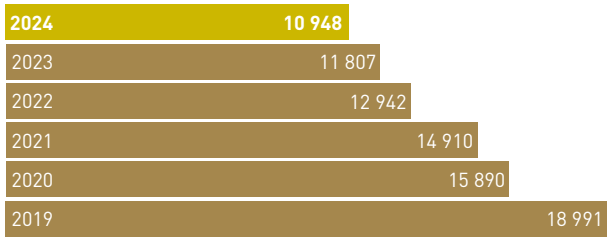
GRI 305-1

Scope 1 emissions

CO_2 emissions and other greenhouse gases generated by the Group's companies consist of emissions from heat generation, loss of refrigerants, production processes and fuel consumption. These are all Scope 1 emissions.

Emissions from stationary combustion[1]

(in metric tons of CO_2eq)



1. Emissions from the combustion of heating oil, gas and wood.

In 2024, Scope 1 emissions totaled 17 002 metric tons of CO_2eq. Compared with the base year of 2021, Scope 1 emissions were reduced by 16.7%, which is attributable to factors including increased use of district heating, a switch to heat pumps and efficiency improvement measures.

HIGHLIGHT

Use of biogas at Omega

As part of its sustainability strategy, Omega is implementing optimization projects to improve its Scope 1 carbon footprint by using local biogas for heating purposes. For heating purposes, Omega only uses biogas from a wastewater treatment plant located less than 3 km from its headquarters.

Biogas is considered to be carbon-neutral in Switzerland thanks to its production process. Sewage sludge is broken down into various components, including biogas, by microorganisms. The remaining sludge is dried and used as a fuel for cement works in the region.

GRI 305–2

Scope 2 emissions

In 2024, Scope 2 emissions totaled 26 052 metric tons of CO_2eq (market based). For the most part, these emissions came from the production of the electricity purchased. The "About this report" chapter includes details about the methodology used.

The Scope 2 emissions were reduced by 25.5% compared with the base year of 2021.

Achieving the aim of reducing Scope 1 and 2 greenhouse gas emissions to 50% by 2030 (compared with the base year of 2021) will require an average annual reduction of 3000 metric tons of CO_2eq.

In the last three years, Swatch Group reduced its Scope 1 and 2 emissions by a total of 12 331 metric tons of CO_2eq, putting it on track to achieve the targets defined for 2030.

GRI 305–4

Emission intensity for Scopes 1 and 2 (market based)

	2024	2023	2022
Net sales (in CHF million)	6 735	7 888	7 499
Change in inventories, excluding raw materials (in CHF million)	362	355	367
Production volume (in CHF million)	7 097	8 243	7 866
Emission intensity (t CO_2eq per CHF million production volume)	6.1	6.3	6.6

GRI 305–3

Scope 3 emissions

As in the previous year, Swatch Group has estimated its total Scope 3 emissions: indirect GHG emissions not associated with the purchase of electricity, steam, heat or cooling. Scope 3 emissions encompass emissions that are not produced by the company itself and are not the result of activities from assets owned or controlled by Swatch Group, but by those for which it is indirectly responsible throughout its value chain. As with Scope 1 and Scope 2, Swatch Group follows calculation methodologies established by the GHG Protocol. However, since some supply chain-specific emission factors and/or actual emission data is missing, our data include a margin for error. The main assumptions can be found in the appendix of this report. Swatch Group is committed to continuously enhancing

HIGHLIGHT

District heating at Rado

In October 2024, the Rado head office in Lengnau was connected to the municipality's district heating network. This mainly uses wood chips from the local forest as fuel, which enables maximum regional energy production. The waste heat from the production processes of Lengnau industrial plants is also fed into the district heating network.

The elimination of gas heating and the use of a more sustainable energy source allows Rado's Scope 1 emissions to be significantly reduced.

the reliability and precision of its emissions data and to reducing its emissions. In 2024, Scope 3 emissions of 1.2 million metric tons of CO_2eq were recorded, with an uncertainty range between 0.8 million metric tons CO_2eq and 1.6 million metric tons CO_2eq. The reduction in categories 1 and 2 can be attributed largely to lower spending in material, services and capital goods, particularly precious metals, which represent a significant source of Swatch Group emissions. The reduction in category 15 can be attributed to a large extent to the sale of a participation in a GHG-intensive company.

Category		Definition	2024 (in t CO_2eq)	2023 (in t CO_2eq)
1	Purchased goods and services	Emissions from the production of products purchased or acquired. Products include both goods (tangible products) and services (intangible products).	728 000	816 000
2	Capital goods	Emissions from the production of capital goods purchased or acquired. Examples of capital goods include equipment, machinery, buildings, facilities and vehicles.	201 000	207 000
3	Fuel- and energy-related activities	Emissions related to the production of fuels and energy purchased and consumed that are not included in Scope 1 or Scope 2. This category includes emissions from three activities: upstream emissions of purchased fuels, upstream emissions of purchased electricity, and transmission and distribution losses.	14 000	15 000
4	Upstream transportation and distribution	Emissions from transportation and distribution of products purchased between Swatch Group's tier 1 suppliers and its own operations in vehicles not owned or operated by Swatch Group and other third-party transportation and distribution services purchased by Swatch Group.	107 000	108 000
5	Waste generated in operations	Emissions from transportation and distribution of products purchased between Swatch Group's tier 1 suppliers and its own operations in vehicles not owned or operated by Swatch Group and other third-party transportation and distribution services purchased by Swatch Group.	6 000	6 000
6	Business travel	Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses and passenger cars.	50 000	49 000
7	Employee commuting	Emissions from the transportation of employees between their homes and their worksites.	57 000	57 000
8	Upstream leased assets	Emissions from the operation of assets that are leased by Swatch Group and not already included in the reporting of Swatch Group's Scope 1 or Scope 2 inventories.	17 000	17 000
9	Downstream transportation and distribution	Emissions that occur from transportation and distribution of sold products in vehicles and facilities not owned or controlled by Swatch Group.	1 000	1 000

10	Processing of sold products	Emissions from processing of intermediate products by third parties (e.g., manufacturers) subsequent to sale by Swatch Group. Intermediate products are products that require further processing, transformation or inclusion in another product before use.	15 000	15 000
11	Use of sold products	Emissions from the use of goods and services.	2 000	2 000
12	End-of-life treatment of sold products	Emissions from the waste disposal and treatment of products sold by Swatch Group at the end of their life.	4 000	4 000
13	Downstream leased assets	Emissions from the operation of assets that are owned by Swatch Group (acting as lessor) and leased to third parties.	1 000	1 000
14	Franchises	Emissions from the operation of franchises not included in Scope 1 or Scope 2.	not relevant	not relevant
15	Investments	Emissions associated with the Swatch Group's investments.	15 000	35 000
Total Scope 3			**1 218 000**	**1 333 000**

GRI 305-7

VOC (volatile organic compound) emissions

At Swatch Group, VOCs arise primarily through the use of acetone, alcohol and gasoline as cleaning agents for the components produced. In the year under review, 58% of VOCs were recovered and recycled thanks to the recovery systems for gasoline and other volatile solvents. A reduction in VOC emissions is achieved by substituting volatile substances with a process that does not contain solvents or that contains fewer volatile substances.

VOC emissions

(in metric tons)	2024	2023	2022	2021
VOC generated	535.6	661.1	600.7	490.6
VOCs recovered	311.4	364.4	349.5	326.9
VOC emitted	224.2	296.7	251.2	163.7
Recovered	**58%**	**55%**	**58%**	**67%**

Product design and the circular economy

GRI 3–3, 306–1, 306–2

Swatch Group uses a few tens of thousands of metric tons of raw materials and packaging materials every year. The materials can come from both sustainable and non-renewable raw materials. Both renewable and nonrenewable materials can be made from new or recycled sources. The circular economy is an approach that aims to extend the lifespan of products and materials by maximizing their value, reducing waste and minimizing the use of new resources.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
The use of raw materials such as wood, leather, precious metals and diamonds, as well as the generation of waste, can have negative consequences for the environment (e.g. availability of raw materials and emissions from incinerating waste). A circular economy can help to reduce waste and environmental pollution. Resources are kept in the materials cycle for as long as possible, so fewer primary raw materials are consumed.	The use of some materials is subject to legal restrictions. New materials provide new opportunities for product design and more sustainable products. By using materials and products for as long as possible, and then reusing and recycling them, greater independence from primary raw materials can be achieved (circular economy).	Negative consequences can be reduced by selecting sustainable, non-hazardous materials, ensuring products are durable and can be repaired, establishing a circular economy and recycling. LCAs can help to identify priorities and implement effective measures. Swatch Group promotes the use of recycled, recyclable and reusable materials. If this is not possible, Swatch Group companies are encouraged to prioritize bio-based materials.	– Waste, including details of disposal (see p. 70) – Input materials (volume, % recycled, % with certification)	Indicators only

The availability of resources and raw materials, and the impact of their production on the environment, are fundamental issues for the Group because the related risks can be material. Swatch Group has therefore introduced a sourcing strategy that gives preference to renewable materials or materials that can be used in a circular economy. The aim is to minimize waste in order to upgrade the relevant materials and reintroduce them into the production process, therefore contributing to and boosting the circular economy. Swatch Group is also extending the life of its products with the help of the latest technologies, impeccable quality and the customer service offered in all sales countries.

Materials used

Each year, Swatch Group uses a few tens of thousands of metric tons of raw materials, such as steel, brass, gold, leather, diamonds and the materials used for packaging. The individual companies are responsible for recording and optimizing the materials that are used. A detailed, group-wide data collection system for the materials used is either available or currently in development, depending on the substance and material. This system will mean that information on individual material categories can also be reported on a consolidated basis and used to further develop the sourcing strategy.

Swatch Group promotes the use of recycled, recyclable and reusable materials. If this is not possible, Swatch Group companies are encouraged to prioritize bio-based materials.

Swatch Group Quality Management supports brands and production units in the selection of materials and determines their relevance for the planned application. Swatch Group Quality Management also ensures that environmental designations (recycled, recyclable or bio-based) are evidenced by appropriate documentation or certification.

Swatch Group Quality Management also provides Swatch Group companies with guidance on implementing ecodesign and on the carbon footprint of the materials most frequently used in the industry. Finally, it offers the opportunity to measure the environmental impact of a product by means of a life cycle assessment in accordance with the ISO 14040 and ISO 14044 standards.

To ensure compliance with the legal requirements in relation to the actual composition of the relevant materials, the authorized laboratories, Swatch Group companies and their suppliers are provided with a Restricted Substances List (RSL) (e.g., list of mixed synthetic textiles for leather alternatives).

Vegan certification

Swatch Group brands that wish to offer their customers a vegan alternative for certain components, such as watch straps, must have them certified by the independent testing organization BLC Leather (Eurofins | Chem-MAP). This certification comprises an assessment of materials and raw materials by means of physical and chemical tests:

- A DNA test for chemicals (e.g., dyes, adhesives, paints) to ensure that no DNA of animal origin is present.
- A microscopic test (for textiles) to ensure that no animal fibers are present.
- An FTIR test for polymers, to ensure that no animal proteins are present.

GRI 301-2

Recycled input materials used

Production processes generate residues and waste, most of which can be recycled and reused.

Recyclable materials such as metals, cardboard and paper are collected and fed into an external recycling loop. The Group also aims to further increase the proportion of recycled raw materials.

GRI 301–3

Recycling loops

Stainless steel

The proportion of recycled raw materials is around 75% for steel (official data from the steel supplier)[1]. Swatch Group receives weekly deliveries of watchmaking-quality stainless steel. The same truck collects the full recycling boxes. In the watchmaking industry, the preferred steel supplier appointed by Swatch Group has around 200 recycling boxes in circulation, of which approximately 50% are being used by Swatch Group companies. The collected chips are returned to the European factories for stainless steel production.

Batteries

The European Union defined detailed criteria for handling, recovering, and disposing of battery waste material within the framework of the new EU battery regulation. The EUBR outlines sustainability requirements for environmental safety, emphasizing the reduction of battery waste by setting guidelines for the efficient recovery of critical materials through battery recycling. This includes but is not limited to metals, namely silver, cobalt, nickel and lithium, as well as the chemicals present in the batteries known for their toxic effects on the ecosystem.

As Swatch Group's in-house battery producer, Renata operates its own button cell battery recycling facility (silver recycling). Used batteries are crushed in a crusher and their basic materials separated from each other. The silver oxide is then recovered in a special treatment process. The silver oxide is either used for the production of new batteries or handed over to certified specialist companies. The chemical solutions used are processed in a fully closed materials processing loop and returned to the reactors.

Sapphire

Sapphire, with a value of nine on the Mohs scale, is surpassed only by diamond (ten on the Mohs scale) in terms of hardness and scratch resistance and has a melting point of over 2000°C; despite these challenges, Comadur has been able to develop a sapphire recycling process.

INFOBOX

EFG process for sapphire production

Compared with the Verneuil method, which uses hydrogen and oxygen as process energy, the EFG process uses mainly electricity, 30% of which is of photovoltaic origin, which significantly reduces emissions. Greenhouse gas emissions are over 13 times lower in the EFG process than in the conventional Verneuil process, which significantly reduces the carbon footprint of sapphire crystals. In addition, the scrap from both the Verneuil and EFG methods can be recycled. First, collected scrap material from manufacturing errors goes through a multi-step crushing and grinding process in order to achieve the required shape and stone size of around 1 mm.

In the EFG production process, molten alumina in a crucible is applied to the upper side of a mold via capillary forces. A seed crystal is immersed in the melt above this mold and then slowly pulled upwards. The molten alumina then solidifies into sapphire and takes on the shape of the mold.

1. This is the average figure for steel that Swatch Group sources as a raw material (stainless steel plates). The proportion of recycled materials may be lower or higher for externally sourced stainless steel components.

Two processes are used in sapphire production in Bad Zurzach. In the Verneuil method, sapphire crystals are produced from aluminum oxide powder. During the production of sapphire as well as in the processing of sapphire crystals, production residues occur, for example due to air pockets during crystallization. The edge-defined film-fed growth (EFG) process also creates production residues – such as cutting residues during the laser process – which are then also collected. Almost all production residues are fed into the internal recycling process.

Depending on the process, it is possible to use up to 50% recycled material. The quality of the materials is not affected by the recycling process.

Polymers
Sprues and injection molding residues are immediately recycled as long as this does not impact quality. The sprues and residues are crushed by an auxiliary mill and can be added to the new granules.

Gold
Nivarox-FAR has its own gold processing facility, which enables Swatch Group to reuse the gold residues generated internally. Environmental issues were a key consideration when constructing the foundry. Since flue gases can be generated by impurities during the remelting of precious metals, flue gas purification systems were installed. The foundry also has a heat exchanger to recover waste heat from the melting furnaces. This ensures compliance with strict Swiss regulations on environment and clean air while saving energy.

For more information, see the chapter "Precious metal sourcing", p. 106

GRI 301–3

Environmental issues related to packaging

Swatch Group brands and production units are continuously working to reduce the weight and emissions of packaging and packaging materials while ensuring functionality, as non-functional packaging provides inadequate protection for the products it contains and results in additional waste throughout the value chain. Packaging and packaging materials must therefore be as compact and lightweight as possible, while ensuring optimal functionality.

HIGHLIGHT

Tissot watch boxes

Tissot has halved the carbon footprint of the watch boxes. This was primarily achieved by significantly reducing their weight, meaning less material is needed for their manufacture and less needs to be disposed of at the end of the life cycle. The sustainable boxes are made of 100% recycled paper and are padded with 100% recycled PET.

New packaging solutions that are developed in house improve recyclability, and not just in theory – the Group checks that recycling routes exist or are being developed in the countries in which the products are distributed.

In the event that packaging consists of several materials for technical reasons, these are selected to ensure that they do not affect the recyclability of the primary material. Whenever possible, Swatch Group also promotes the use of recycled materials in order to contribute to a circular economy. Swatch Group is working to remove non-recyclable polymers from its supply chain, in particular polyurethane foams and polyvinyl chloride (PVC) disposables.

Waste

In 2024, a total of 8111 metric tons of waste was generated. Overall, 48% of waste was recycled, either in the company's internal recycling processes or by specialist third-party companies. Waste levels were slightly lower than in the previous year, partly due to lower production figures. The proportion of recycling differs from the previous year. This is mainly due to stricter internal data collection requirements.

Around one third of the waste is hazardous waste, which is disposed of by specialist third-party companies. Swatch Group complies with strict safety and environmental regulations when handling hazardous materials and provides regular training on the topic for its employees.

GRI 306-3, 306-4, 306-5

Waste

(in metric tons)	Recycling	Incineration		Landfill	Other	Total 2024	2023	Change to previous year
		with energy generation	without energy generation					
Hazardous waste	1013	448	268	92	344	2165	3421	–37%
Non-hazardous waste	1265	617	419	296	1677	4274	3910	9%
Total of non-metallic waste	**2278**	**1065**	**687**	**388**	**2021**	**6439**	**7331**	**–12%**
Metals	1631	0	0	0	41	1672	1900	–12%
Total waste	**3909**	**1065**	**687**	**388**	**2062**	**8111**	**9231**	**–12%**
Proportion	48%	13%	9%	5%	25%	100%	–	–

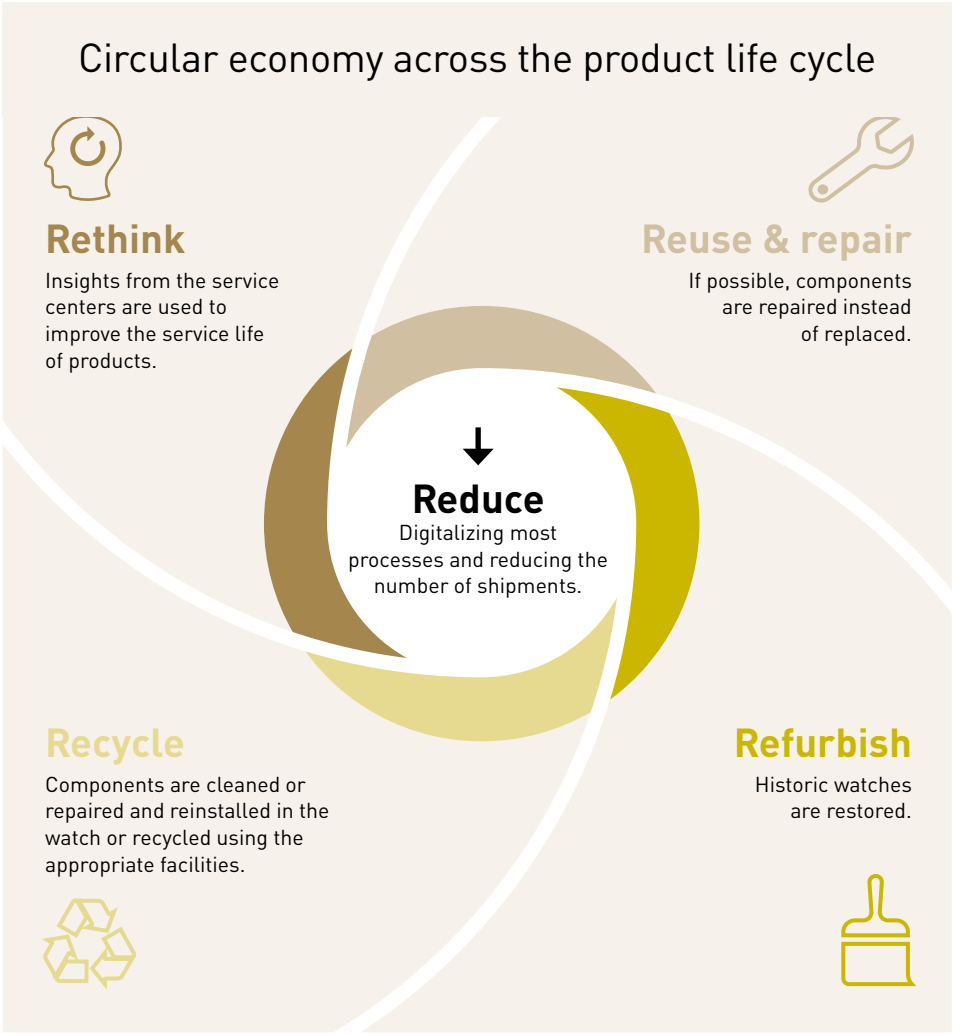
Customer Service

Customer satisfaction is top priority at Swatch Group. Our service center specialists provide effective, custom solutions for both current models and historic watches. Swatch Group is close to customers thanks to its global customer service offering in around 50 locations, meaning most services can be performed on-site. As a result, customers receive their watches back more quickly, saving on transport. In addition, customers are kept updated about the progress of the work on their watches.

Swatch Group watches are designed to be an accessory for life. Regular watch maintenance is required to guarantee such a long service life. The recommended interval between services varies depending on the watch type or model, how much it is used and the environment in which it is worn.

Swatch Group's service centers perform maintenance on around one million watches every year.

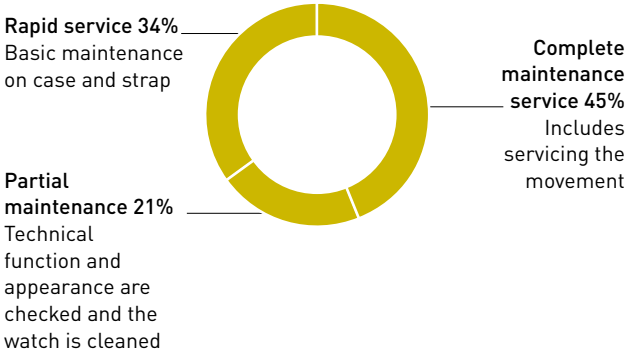
Around 2000 people work at the Group's service centers worldwide, ensuring quick, flawless repairs and services. A phased in-house training program teaches employees about Swatch Group's different watch models.



Some Swatch Group brands guarantee that watches can be repaired and their parts replaced for the lifetime of the watch. However, if there are no replacement parts available for an older model, they can usually be reproduced by specialists.

Service centers are a core component of Swatch Group's business model. They serve as a point of direct contact with customers throughout a watch's life cycle. In addition, insights from the service centers feed back into product development to continually improve watch durability and repairability.

The following services are carried out:



HIGHLIGHT

Made in 1782 and still ticking

Our products have a long service life. Many watches manufactured by Breguet over 200 years ago still work perfectly.

The oldest exhibit in the Breguet Museum is the self-winding Breguet no. 1/8/82 watch, called the Perpétuelle, with an oscillating platinum weight. It features a 60-hour power reserve indicator and is on display at the Breguet Boutique and Museum in Place Vendôme in Paris.

As its name suggests, the piece was finished in August 1782, and it still works perfectly over 240 years later.

Water

GRI 3–3, 303–1, 303–2

Water plays its most essential role in Swatch Group's production facilities. There are various water-related risks along the value chain. For example, the extraction of mineral resources is often associated with a risk of water pollution.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Water quality and the amount of water used may have an impact on people and the environment (e.g., water scarcity or water pollution). Reducing water withdrawals is essential, especially in countries affected by water scarcity.	Access to water may be restricted in certain regions or at particular times. Depending on the production process, this may result in operational disruption.	Swatch Group is analyzing and reducing water consumption at its sites. It reduces consumption by using more recycled water, having water treatment plants and making use of rainwater. Swatch Group also analyzes the impact on water as a resource in the supply chain.	– Water withdrawal – Water consumption – Water stress	Indicators only

Swatch Group's production facilities contribute significantly to its water consumption. Each production site is controlled and optimized through its own water management system. Of particular note is the increased use of closed-loop water circulation systems, increased efficiency of water treatment plants and the use of rainwater recovery systems for cooling and sanitary installations.

In order to ensure watch components in the production process are perfectly cleaned, polished, galvanized and rinsed to a stain-free finish, the production facilities use ultrapure water. Ultrapure water is mainly produced using reverse osmosis, but also with the aid of ion exchangers. Ion exchangers can be regenerated in a specialist internal department.

In newly installed reverse osmosis systems for the production of ultrapure water, the ultrapure water (permeate = ⅔ volume) is used for rinsing processes. Water concentrated with ions and foreign substances (retentate = ⅓ volume) is used in the factories for the sanitary facilities (toilet flushes) instead of sending it directly to the sewers.

Treating wastewater

One hundred percent of industrial wastewater goes through a treatment process. Each location with a department for surface treatment has a wastewater pretreatment plant. The surface treatment departments that use process water are specifically electroplating departments, polishing departments and aqueous washing systems.

In the wastewater treatment process, heavy metals are removed and then properly disposed of.

The heavy metals are precipitated as hydroxide sludge, filtered and pressed on filter presses, and collected in containers. These metal-containing sludges are then recycled externally and returned to industry as raw material for metals.

The pretreated heavy-metal-free wastewater passes through a control filter to remove the last heavy-metal ions. After neutralization, the water can be fed into the sewers without any issues.

In accordance with the Swiss Waters Protection Ordinance (WPO), Swatch Group ensures wastewater is monitored on a daily basis. In addition, it produces a report each year that includes the volume of treated water and the volume of collected heavy metals.

Swatch Group maintains transparent and good collaboration with the cantonal authorities.

Water scarcity

Water stress arises if the freshwater resources available cannot sufficiently cover water demand.

The Group tracks how much freshwater is withdrawn by all economic activities compared to the total available renewable freshwater resources. The following categorization is used here (water withdrawal in relation to the available renewable water resources):

<10%	No to low water stress
10%–20%	Low to medium water stress
20%–40%	Medium to high water stress
40%–80%	High water stress
>80%	Extremely high water stress

Reducing water withdrawals is essential, especially in regions with high or extremely high water stress.

Swatch Group has analyzed the global water footprint of its locations to assess its impact on water scarcity. In 2024, local analyses were conducted for the first time to better reflect differences within individual countries. To this end, the Group improved its assessment in 2024 and the water stress category is determined for each location using the Aqueduct tools created by the WRI (World Resources Institute).

Water stress [1]

(in m³)	Water withdrawal	Proportion
No to low	1 440 203	81.34%
Low to medium	188 191	10.63%
Medium to high	130 635	7.38%
High	5 544	0.31%
Extremely high	6 008	0.34%

1. Note: categorization of sites according to Aqueduct (https://www.wri.org/aqueduct). Rented boutiques are generally not included in this table; however, they represent a very small part (estimated at less than 1%) of Swatch Group's water withdrawal.

Less than 1% of Swatch Group's water withdrawal takes place in regions with high to extremely high water stress. Around 7% of the water withdrawal takes place in regions with medium to high water stress.
Owing to the production site in Switzerland, more than 90% of water withdrawal takes place in regions with no to medium water stress.

HIGHLIGHT

Voluntary work

ETA took part in Clean-Up Day for the third time. Almost 440 employees volunteered to clean up litter from the areas around the ETA sites throughout Switzerland.

The IG Saubere Umwelt (Interest Group for a Clean Environment, IGSU), a center of excellence against littering, asks companies and private individuals to take part in clean-up operations. ETA threw its weight behind the initiative for the third year running, offering employees the opportunity to participate in a clean-up campaign during working hours. In just one hour, 347 kg of all kinds of waste was collected around the company's 15 sites in German-speaking, French-speaking and Italian-speaking Switzerland.

All the waste collected in the community initiative was then sorted before being added to the applicable local authority's disposal cycle.

GRI 303–3, 303–4, 303–5

Water withdrawal and discharge

(in m³)	2024	2023	2022	2021
Drinking water	861 052	838 321	765 658	540 999
Non-potable water	909 528	941 754	862 2801	881 1221
Total water withdrawal	**1 770 580**	**1 780 075**	**1 627 9381**	**1 422 1211**
Total water discharge	1 378 846	1 487 601	1 398 9721	–
Water consumption	391 734	292 474	228 966	–
Water reused[1]	**95 193**	**–**	**–**	**–**
Water reused (% water withdrawal)	5.4%	–	–	–

1. The m³ of reused water is now specified. The value is determined on the basis of the annual water consumption saved thanks to water treatment and reuse.

Water consumption has increased compared to the previous year. The causes of this will be analyzed in detail over the next few months and appropriate measures will be introduced.

Water withdrawal is unchanged compared with the previous year. The installations for water treatment and reuse saved around 100 000 m³ of water.

Biodiversity

GRI 3–3, 304–2

Swatch Group uses bio-based raw materials for some products and packaging, including leather and wood. Protecting biodiversity is vital for genetic diversity, natural ecosystems and the survival of plants and animal species. Natural ecosystems provide clean air and water, support human health and play a key role in food security.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Manufacturing usually involves generating emissions and pollutants (effluent, waste, greenhouse gases, noise, etc.), which can be detrimental to biodiversity, depending on where the company is located and how it uses materials. In addition, some production sites are located near or in areas with high biodiversity.	The use of some materials and substances may be subject to legal restrictions or questionable from a reputational standpoint. If regulations are extended or tightened for sites in close proximity to nature reserves, there is a production risk.	Swatch Group voluntarily avoids using materials that are classified as critical by its specialists and ensures that it only uses authorized wood from tree species that are not endangered and are sustainably grown with the corresponding certification. Swatch Group also assesses how its production sites affect biodiversity and develops stricter measures if it identifies a negative impact. The Code of Conduct commits Swatch Group companies and their suppliers to protecting biodiversity and fragile habitats. It also helps increase biodiversity by greening land belonging to Swatch Group.	– Sites in close proximity to areas with high levels of biodiversity or to nature reserves – % of certified bio-based input materials – Number of supplier audits – Number of suppliers with A or B rating	Indicators and qualitative analyses only

GRI 304–1

The Supplier Code of Conduct commits Swatch Group companies and their suppliers to protecting biodiversity and fragile habitats. The business activity of Swatch Group companies and its suppliers must not result in a decline in (no net loss of) threatened species or have a negative impact on their habitats.

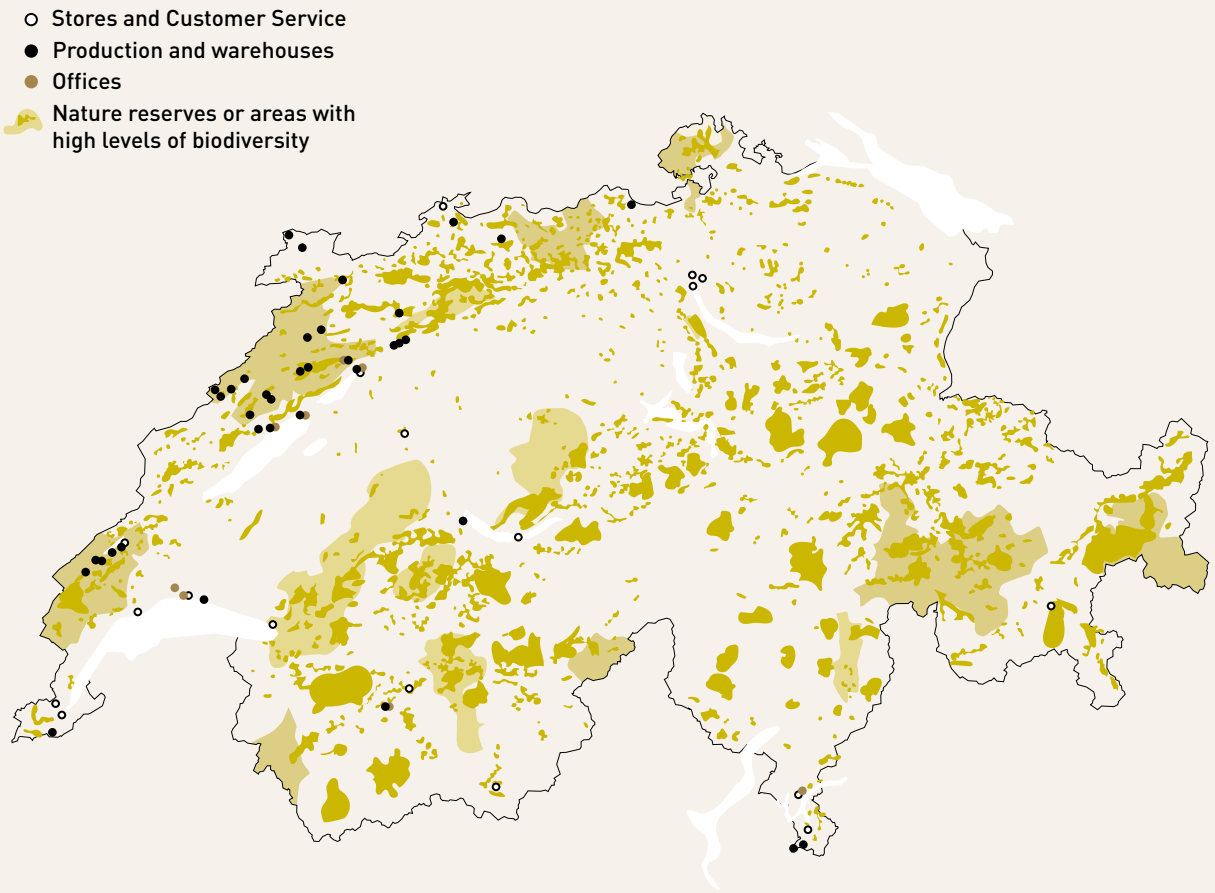
An analysis is carried out each year to determine whether Swatch Group sites are located in or near areas with high levels of biodiversity or nature reserves. In Switzerland, this analysis is carried out using tools including the Federal Geoportal (geo.admin.ch), which contains maps and details of different types of nature reserve. Some of the sites are located near forest reserves, dry grasslands and wildlife reserves.
In addition, some sites are also located in regional nature parks:

- Chasseral Nature Park
- Jura Vaudois Nature Park.

www.parcchasseral.ch
www.parcjuravaudois.ch

The listed nature parks are populated, rural areas that are particularly rich in natural, scenic and cultural assets. They preserve the quality of nature and landscape and also promote sustainable growth in the regional economy.

Swatch Group sites



Source: Swiss Federal Geoportal. The analysis includes nature parks, dry grasslands, forest reserves and wildlife reserves.

Swatch Group minimizes and avoids any harmful impact and, if necessary, takes steps to reestablish biodiversity.

No significant nature reserves in the direct vicinity of operating sites have been identified abroad. Nevertheless, the local environment is taken into account and efforts are made to promote biodiversity in the area.

GRI 304-3

The company grounds should be as close to nature as possible. The measures vary depending on the location. In particular, the aim is to achieve species-rich green spaces planted with native species, not to use herbicides, biocides or fertilizers and for roof water and rainwater to be absorbed by the surface as far as possible. Some examples from recent years:

- Renaturalization of the Suze River at the Longines site in Saint-Imier
- Biodiversity park at Omega in Biel/Bienne
- Semi-natural riverbank design at Ruedin in Bassecourt
- Green roof at CHH Microtechnique in Le Brassus.

Swatch Group is not aware of any unplanned significant emissions of harmful substances in the period under review. In addition, no negative impact on biodiversity resulting from the introduction of invasive species, or changes to habitats or ecological processes has been observed.

HIGHLIGHT

3600 m² of green roofs at CHH Microtechnique

Green roofs play an environmental role. The minimum substrate thickness of 10 cm and a height of up to 30 cm promotes the diversity of native plants from local seeding. It also creates a suitable habitat for numerous animal and plant species.

Environmental diversification steps such as gravel zones, piles of wood or rocks and even small temporary ponds additionally enrich this unique ecosystem. This makes the roof a sanctuary for insects, birds and other animal species, which thus contributes to the preservation and promotion of local biodiversity.

In addition to their direct impact on flora and fauna, green roofs also indirectly play a key role in protecting the environment:

- **Rainwater retention:** by absorbing precipitation, the roof reduces run-off and flood risks. At the same time, the green roof alleviates the burden of wastewater systems.
- **Thermal insulation and soundproofing:** greening and substrate coverage ensure natural protection against temperature fluctuations and noise pollution.
- **Air quality improvement:** plants help to filter fine dust particles and reduce the level of pollutants in the atmosphere, which ensures a better quality of life.
- **Roof protection:** by reducing UV exposure and offsetting temperature shocks, the greening extends the roof's life.

Green roofs and photovoltaic panels complement each other perfectly, which shows that there is no contradiction between sustainability and energy generation.

HIGHLIGHT

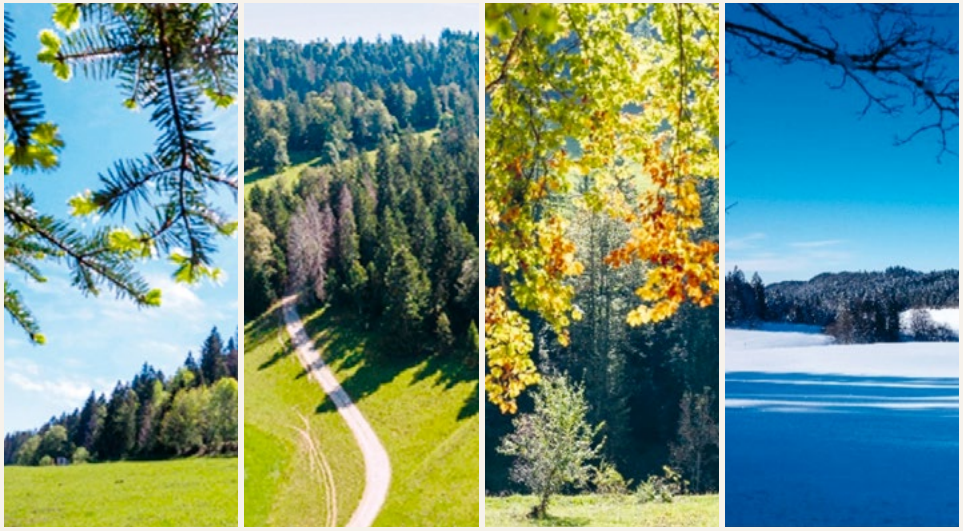
Forest management in harmony with biodiversity and climate action

In the 1940s, the Fondation d'Ebauches SA, which is closely affiliated with Swatch Group, purchased several forests in the Neuchâtel Jura. Today, almost 216 hectares of dense forest is owned by this foundation. In addition, there are around nine hectares of pastured woodlands, which are areas that are only very lightly covered with trees. They are defined as forested areas according to Swiss law, but their main purpose is pasturing. Pastured woodland is a traditional form of land use that is continued as part of cultural heritage, particularly in the Jura. The majority of pastured woodland that was previously owned by the foundation has been sold to the former tenants, who are continuing the traditional form of cultivation.

The foundation's forests are situated between 820 and 1280 meters above sea level, in the upper montane altitude. Silver firs and beeches are the most naturally prevalent species here, along with spruces, oaks and other deciduous trees. Due to the applied forest management techniques, the proportion of spruces is higher in the foundation's forests compared to unmanaged, pristine forests. Despite this, the forests grow in harmony with nature, are diverse and structurally rich, and provide shelter and habitats for rare animal and plant species.

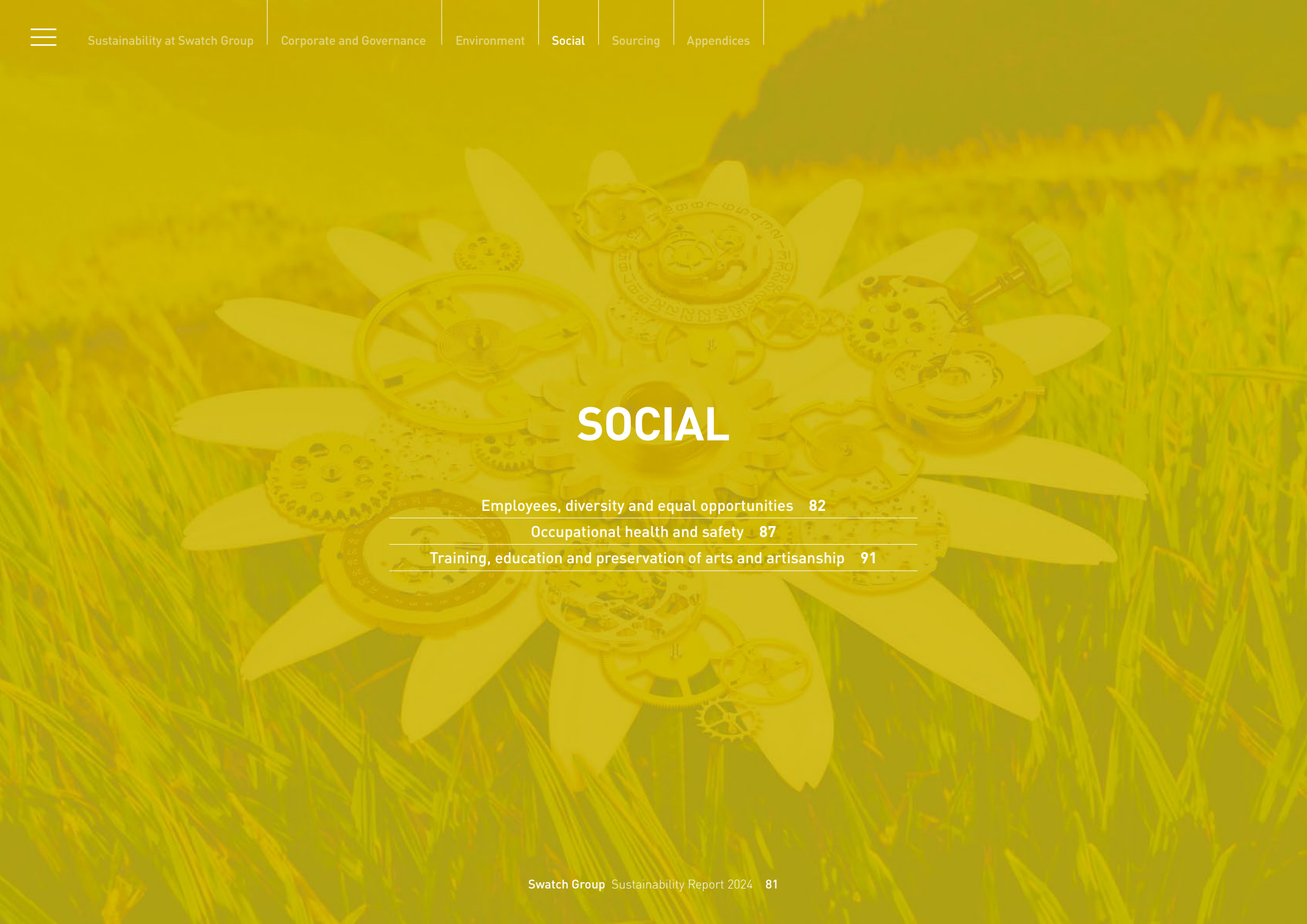
The foundation safeguards and maintains the biodiversity of its forests by leaving old trees with holes and dead trees in place, upgrading connecting elements such as forest edges and repairing and maintaining dry walls. These measures benefit endangered species such as grouse, bats, cavity-nesting birds, reptiles and insects that live in dead wood.

Safeguarding biodiversity does not prevent the use of wood from the forests of the Fondation d'Ebauches SA. High-quality wood can be used for construction and carpentry, while lower-quality logs can be used as wood fuel, replacing fossil fuels. No more trees are felled than grow back and trees are also felled from species that do not have the same market value as softwoods. This ensures that the economic and ecological value of the foundation's forests will be preserved over the long term.



Management of the forests is also important for another reason: The forests owned by the foundation remove around 2000 metric tons of CO_2eq from the atmosphere each year through their growth. However, since the volume of bound carbon is released again when old leaves, needles and dead wood rot, the forest would be CO_2-neutral over the long term without management and the use of wood. By using wood, the carbon is bound in buildings and other long-lasting wooden products over the long term, and the forest therefore remains a carbon sink.

With its sustainable approach to forest management, striving to achieve natural development and biodiversity targets, the foundation is showing its strong commitment to SDG 15 and is also contributing to the achievement of SDG 13.



SOCIAL

Employees, diversity and equal opportunities

GRI 3–3

Swatch Group is a multinational company with around 32 500 employees worldwide and its own subsidiaries in over 30 countries. It also has a global customer base and sells its products in more than 160 countries.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
As a major employer, Swatch Group is aware of its responsibility to promote diversity and equal opportunities. Swatch Group sees diversity as an asset and an opportunity, and its corporate culture reflects this, which in turn helps to enhance diversity and equal opportunities.	Legal requirements and society's expectations regarding diversity may affect the way in which the managing bodies are organized. Swatch Group can position itself as an attractive and responsible employer to help counteract the skills shortage.	The aim is to establish diversity of genders, age groups, levels of education and people from both Switzerland and abroad. In an effort to promote diversity, jobs postings in some countries explicitly include people with severe disabilities. The company records any discrimination incidents and introduces measures where there are issues. Efforts need to be made to increase the number of women in management roles. Equal pay analyses are performed regularly to ensure equal pay between men and women. Trade unions are important partners to the company and regulate issues such as working hours, minimum wages, compensation for absences, regulated retirement, protection against dismissal and employee benefits in collective labor agreements (CLAs).	– % of women in management – % of employees with disabilities	Indicators only

Swatch Group's employees come from a broad range of countries, belong to different ethnic groups and religions and have different sexual orientations and social statuses. Each subsidiary contains an intercultural mix of people with a wide variety of backgrounds, education levels, skills and talents. Embracing this diversity and integrating it into the wider Swatch Group family is essential to the company's success.

Respect, fairness and equal treatment are the fundamental principles within the workforce and are key factors in the success of Swatch Group's matrix organization. Openness and transparency of information are also encouraged throughout the Group. Employees and stakeholders know that the Group invests in job security and employee health and well-being, even in times of crisis.

Diversity

Swatch Group is committed to promoting diversity among its employees and, in particular, to increasing the proportion of women in management positions. At the end of 2024, the proportion of women in the total workforce was 49% and 36% in management positions, with a disproportionately high number in lower management. As management positions are primarily recruited internally, the conditions are set to sustainably increase the proportion of women in senior management positions in the long term.

GRI 405–2

Equal pay and pay reviews

To ensure compliance with the Gender Equality Act and the Ordinance on the Evaluation of the Wage Equality Analysis in Switzerland, Swatch Group is proceeding yearly with a wage equality analysis. The wage equality is carried out using a scientific and legally compliant method.

As of 2024, this analysis will also be mandatory for companies with a workforce of under 100 employees in certain Swiss cantons. Thanks to our proactive approach, the relevant results are already available.

Swatch Group uses the Logib standard analysis tool, which is methodologically based on a semi-logarithmic OLS regression analysis and has been approved for use by the Federal Office for Gender Equality. This analysis checks, via a direct comparison of all employees of different genders, whether a difference in wage cannot be explained by objective, wage-relevant, non-discriminatory factors (education and training, length of service, work experience, performance level and professional status), and if it cannot, what proportion of the wage difference this relates to.

To carry out the analysis, the monthly salary is standardized for all employees so that this corresponds to a full-time role with weekly working hours that are standard for the company.

HIGHLIGHT

Étrive: a non-profit foundation

For decades, Omega ran an internal sheltered workshop for people with mental and physical disabilities to help them integrate into work and society. In 1983, this internal solution was replaced by the Fondation Atelier Protégé Omega, later renamed Fondation Étrive. This foundation offers a wide range of subcontracting solutions, including for several Swatch Group companies. Even today, Omega is still proudly committed to supporting the foundation, entrusting it with production orders and integrating some employees directly into the company.

www.etrive.ch/de/unsere-stiftung

If the null hypothesis is not rejected with a statistical significance of 5% (or accepted at 95%), there can be no assumption of wage discrimination. Otherwise, a check is carried out to determine whether there is a wage difference of over 5%, which would exceed the tolerance threshold for wage discrimination.

In accordance with the legal requirements, Swatch Group used the Logib analysis to review all 31 Swiss companies with over 100 employees for the reference month of December 2023.

There were no indications that one of the 31 companies would exceed the tolerance threshold for wage discrimination.

Swatch Group carried out the same analysis and used the same method for 15 Swiss companies with a workforce of under 100 employees, even though this is not required by law. For these Swiss entities, there were no indications that one of the 15 companies evaluated would exceed the tolerance threshold for wage discrimination.

Results of wage analysis

Segment	Wage difference[1]
Watches & Jewelry	2%
Production	3%
Electronic Systems	2%
General Services	1%

Wage equality analyses were also carried out for companies abroad, to the extent that this is provided for by the legislation in place locally. For the foreign entities that were analyzed, there were no indications that the tolerance threshold for wage discrimination had been exceeded. Overall, the wage analyses cover 69% of the workforce (Switzerland: 100%; international: 36%).

GRI 406-1

Incidents of discrimination and corrective actions taken

In the period under review, 29 incidents of suspected discrimination were reported in the Group companies. Such suspected incidents included discrimination based on race, gender or age and cases of bullying. These suspected incidents are taken very seriously by management, and the individual companies have taken the necessary measures. Swatch Group treats these issues with the utmost priority in order to respect and protect the integrity of its employees, now and in the future.

GRI 406-1

Report incidents of discrimination and corrective measures taken

(values as at 12/31/2024)

		Status		Measures / remediation		
	Total incidents	Open	Closed	Under review	Defined	Implemented
TOTAL	**29**	**11**	**18**	**2**	**1**	**8**
of which in Switzerland	10	4	6	1	0	3
of which international	19	7	12	1	1	5

1. All figures are below the statistical significance level of 5%.

GRI 2–7

Information on the workforce by gender and employment type

Headcounts	Women	Man	Total
TOTAL 2024	**15 906**	**16 571**	**32 477**
	49%	51%	
Number of full-time	13 108	15 590	28 698
	46%	54%	
Number of part-time	2 798	981	3 779
	74%	26%	
Number of permanent	14 334	15 137	29 471
	49%	51%	
Number of fixed term	1 350	1 030	2 380
	57%	43%	
Number of trainees	222	404	626
	35%	65%	

GRI 401–1

Information on the workforce by age, gender and turnover rate

Headcounts	< 30 years	30–50 years	> 50 years	Women	Men	Total
TOTAL 2024	**5 331**	**19 858**	**7 258**	**15 906**	**16 571**	**32 477**
	17%	61%	22%	49%	51%	
New entrants	2 218	1 952	248	2 118	2 300	4 418
	50%	44%	6%	48%	52%	
Persons having left	1 935	2 765	915	2 850	2 765	5 615
	35%	49%	16%	51%	49%	
Turnover rate	**36%**	**14%**	**13%**	**18%**	**17%**	**17%**

GRI 2–7

Information on the workforce by region

Headcounts	Switzerland	International	Total
TOTAL 2024	**16 441**	**16 036**	**32 477**
	51%	49%	100%
Number of full-time	13 679	15 019	28 698
Number of part-time	2 762	1 017	3 779
Number of permanent	15 410	14 061	29 471
Number of fixed term	511	1 869	2 380
Number of trainees	520	106	626

GRI 405–1

Diversity in controlling bodies and the workforce

Headcounts	< 30 years	30–50 years	> 50 years	Women	Men	Total
Board of Directors	0	1	6	2	5	7
	0%	14%	86%	29%	71%	
Executive Group	0	1	8	1	8	9
	0%	0%	100%	11%	89%	
Senior management[1]	0	309	276	167	418	585
	0%	53%	47%	29%	71%	
Middle management[2]	37	1 045	448	555	975	1 530
	3%	68%	29%	36%	64%	
Lower management[3]	114	2 034	753	1 109	1 792	2 901
	4%	70%	26%	38%	62%	
Total management	**151**	**3 390**	**1 491**	**1 834**	**3 198**	**5 032**
	3%	**67%**	**30%**	**36%**	**64%**	
Without management role	**5 210**	**16 468**	**5 767**	**14 072**	**13 373**	**27 445**
	19%	60%	21%	51%	49%	

1. Country manager, executive management of the subsidiaries.
2. All management staff reporting directly to senior management.
3. All other management staff (with at least one reporting employee).

GRI 407-1

Freedom of association and collective bargaining

At most of its Swiss companies, Swatch Group applies the CLA for the Swiss watch and microtechnology industry, which was concluded with the Employers' Association of the Swiss watch industry and the Unia and Syna trade unions. This collective labor agreement was introduced for the first time in July 1937 and was concluded in May 2024 for the 16th time for the period from July 1, 2024, to December 31, 2029. The CLA regulates working hours, minimum wages, compensation for absences, modulated retirement and protection against dismissal. The CLA applies to approximately 15 000 employees of the Group.

Companies operating outside the CLA and abroad are encouraged to fully comply with the labor laws of the country and region concerned, and in particular to guarantee freedom of association, the right to collective bargaining and minimum wages. All subsidiaries have committed to such measures, and the risk of violation of freedom of association is considered to be low.

GRI 2-30

Collective bargaining agreements

Headcounts	Total	Employees covered	Proportion
TOTAL	32 477	21 633	67%
of which in Switzerland	16 441	15 791	96%
of which international	16 036	5 842	36%

HIGHLIGHT

New collective labor agreement

A new collective labor agreement (CLA) for the Swiss watch and microtechnology industries was signed on May 3, 2024. The conclusion of this 16th CLA, which will remain in place from July 1, 2024, to December 31, 2029, confirms the social partnership that has existed between employees and employers for over 87 years. Following the negotiation process, which was delayed due to the COVID-19 pandemic, the parties agreed on the following main points:

Extension of parental leave

- Maternity leave of 17 weeks – previously 16 weeks
- Maternity leave of 19 weeks if the employee agrees in writing that she will not end her employment within 12 months of the end of the maternity leave – currently 18 weeks
- Birth leave of three weeks for the other parent, irrespective of the number of children; this leave must be taken within six months of the birth – previously two weeks.

Employer health insurance contribution

- CHF 195 per month from January 1, 2025 – previously CHF 175.

Increase in bridge benefit

- During the year preceding the regular OASI retirement age, the employee has the right to an OASI bridge benefit of CHF 30 000 for one year – previously CHF 24 000.

Changes to protection periods for illness or accidents after notice of termination of the employment relationship

- During the first year of employment: 30 days
- From the second to the fifth year of employment: 90 days
- From the sixth to the ninth year of employment: 180 days
- From the tenth year of employment: 720 days (360 days for employees aged under 55).

Protection for employees over the age of 55 with more than ten years of service at the company

- Before the termination of the contract of an employee over the age of 55 with at least ten years of service, the employer, together with the employee, examines whether an internal transfer or other measures are possible.

Occupational health and safety

GRI 3–3, 403–1

Employees are at the heart of Swatch Group's success. Creating a healthy and safe working environment is a central concern of the company. Safe and healthy working conditions are considered a human right and are one of the targets in the SDGs. Safe and healthy working conditions include promoting health and preventing physical and psychological harm.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Occupational accidents, and their negative impacts on physical, mental and emotional health, can be largely prevented through specific measures and established processes that are clearly communicated. By taking preventive measures, Swatch Group has a positive impact on the health of its employees, and therefore of the organization as a whole.	Mishandling materials and substances or not completing specific processes properly at the production sites may cause injuries or accidents. As one of the largest manufacturing companies in Switzerland, Swatch Group is aware of its responsibility to protect its employees. Implementing legal requirements relating to occupational safety may lead to increased costs or to alternative processes, materials and substances being considered.	The manufacture of the Group's products involves a variety of different processes; each Group company therefore has its own occupational health and safety officer to ensure that hazards are managed and minimized for the health and safety of its employees. Suppliers are also obliged to guarantee the occupational health and safety of their employees, which is checked with regular audits. The Group also issues internal directives and organizes training for occupational health and safety officers.	– Number of fatalities – Number of accidents	Indicators only

The health and safety of the Group's employees and customers worldwide receive the fullest attention. The Group's guidelines for both direct and indirect sourcing, production, distribution and use of its products comply not only with the strictest international laws and guidelines (including guidelines of the International Labour Organization, SA 8000, local labor laws, etc.), but also with the Group's own more stringent standards, which are continuously expanded and improved.

GRI 403-2

Hazard identification

Software for managing safety data sheets

In 2022, a shared software for managing safety data sheets was introduced at most of the 26 affected production companies. This software allows service providers to record and update safety data sheets, digitize their contents and make them available via the software.

By digitizing the relevant information, documents can be produced automatically on the basis of the current safety data sheets. These documents might include labels to identify chemicals in factories, or summaries of safety data sheets for the workplace in question. The software can also be used to produce inventories of used products and a conformity assessment for these products.

This collaborative approach avoids duplication of work between companies that use the same products and standardizes operations.

Following its introduction, the database managers appointed for each company received training and were given access to the user documentation.

As at the end of 2024, the database includes 6200 chemicals that contain over 1600 different chemical substances.

GRI 403-4

Involvement of employees

Employees are required to report all safety issues within the company that come to their attention. This conduct is supported by Swatch Group and is part of its safety culture. The Employers' Association of the Swiss watch industry (Convention patronale de l'industrie horlogère suisse, CP) provides guidance and support to companies in the area of health and safety in the workplace. The collective labor agreement of the Swiss watch and microtechnology industry also underpins health and safety in the workplace.

GRI 403-5

Employee training

Regular training courses and seminars are organized and held on topics such as quality, workplace safety, handling critical substances, fire protection, protection against non-occupational accidents and protection against harassment. The safety officers in the individual Group companies and other relevant persons in the Group receive regular training, which also involves external private and governmental specialist organizations. There is also an exchange of best practices between Swatch Group companies. Two to three additional safety days are held annually under the direction of the Group's Occupational Health and Safety (OHS) Manager and the safety officers in order to provide training and education for employees.

GRI 403-6

Promotion of employee health

Across the Group, Swatch Group engages in various activities designed to promote the health and well-being of its employees. One key element of this is ensuring that workplaces are designed ergonomically, especially for production staff. Swatch Group companies also offer incentives such as health and nutritional advice, free seasonal fruit snacks, discounts for sports club memberships and sports activities on site. For example, ETA has a tennis club with three outside courts, which Swatch Group employees can use at discounted prices.

www.tceta.ch

Mental health is also important and is promoted through various programs and initiatives. For example, one subsidiary employs mental health first aiders, i.e. employees who are trained to recognize signs and symptoms of mental illness at an early stage and promote access to appropriate professional support or self-help strategies.

GRI 403-7

Occupational safety of suppliers and craftspeople

The health and safety of all suppliers and craftspeople who provide services on-site at Swatch Group is also a top priority. In order to avoid risks, they are instructed to read the relevant safety regulations before starting their work and to provide written consent that they will comply with these regulations. Spot checks and audits are conducted in order to ensure compliance. Failure to comply with the regulations results in a termination of the cooperation.

HIGHLIGHT

Visual engineering and Light Lab

In order to support the well-being of employees who perform demanding visual quality control tasks, Swatch Group has defined several best practices in partnership with the Institute of Optometry at the University of Applied Sciences and Arts Northwestern Switzerland (FHNW). At the Swatch Group Light Lab, a unique laboratory in Switzerland, examiners can learn more about visual ergonomics and discover the latest findings in this field. As a result, employees' working conditions can be improved and they can perform more consistently and for longer periods at a time.

Owing to the ban on fluorescent tubes in the European Union and Switzerland (RoHS Directive), Swatch Group has developed the exclusive EXCELSKY® workplace lighting solution. Working in partnership with a sustainability-focused company, it has been able to reduce energy consumption by 50%, avoid mercury, flickering and UV rays, and provide a light spectrum with the same quality as natural light in the visible band of the electromagnetic spectrum.

There are now several thousand EXCELSKY® systems in use across Swatch Group, offering employees such good visibility that they can no longer imagine working without the solution. Direct suppliers to Swatch Group can also acquire EXCELSKY® on request.

Swatch Group has registered 19 patents in total since 2019 thanks to the expertise gained in the visibility field.

With the objective of providing standardized lighting quality, staff working in quality assurance have access to occupational eyewear that is adapted to the increased requirements of their working environment and ensures long-term visual comfort.

The LIGHT LAB concept has been introduced at almost all Swatch Group companies via the LIGHT ROOM and LIGHT CABIN, and an internal Light Lab certification is granted if all requirements are met.

By ensuring that the different locations are working according to Light Lab principles, Swatch Group is increasing customer satisfaction and improving product quality management.

GRI 403–9

Work-related injuries

Accidents primarily involved injuries to fingers, hands, legs and ankles, which were treated as outpatient cases. Of these accidents, most occurred on the way to or from the workplace and while operating machinery. There were no fatalities or serious occupational accidents in 2024.

	Total	International	Switzerland
Total hours lost to occupational accidents	45 220	9 352	35 868
Number of working hours lost per 1 000 hours worked	0.8	0.3	1.3
Lost Time Injury Frequency (LTIF) (number of cases per 200 000 hours worked)	1.6	0.8	2.5

HIGHLIGHT

Universo and Rubattel & Weyermann: active breaks and warm-up exercises for greater well-being at work

Universo and Rubattel & Weyermann have introduced a daily program of active breaks and warm-up exercises to enhance the comfort and well-being of their employees at work. The ErgoCoach program will be adapted to meet the different needs of each team. The objective of the three five-minute sessions, which are led by specially trained team members, is to relieve muscle tension, prevent musculoskeletal disorders and improve quality of life at work.

Ergo Coaches adapt the exercises to their teams' activities and help their colleagues to take active breaks three times a day, in order to:

- Relieve tension in the neck, back and shoulders, which can arise if an employee is not often physically active at work
- Strengthen the back and leg muscles of employees who carry out physically strenuous work with targeted warm-up exercises
- Boost circulation and prevent pain that results from physical inactivity and constant repetitive movements.

These active breaks are helping Universo and Rubattel & Weyermann to create a healthy, sustainable working environment. The initiative is a further step to promote well-being and reduce the risk of fatigue and injury, which benefits everyone.

Training, education and preservation of arts and artisanship

GRI 3-3

The Group's employees are its driving force, which is why training and education are paramount.

Positive and negative impacts (inside-out) GRI 3-3-a, 3-3-b	**Risks and opportunities (outside-in)**	**Measures** GRI 3-3-c, 3-3-d, 3-3-e, 3-3-f	**Indicators**	**Metrics and targets**
High-quality foundational, vocational and advanced training is pivotal to maintaining and improving the living standards of individuals, communities and society as a whole. Swatch Group plays a key role here by offering training and education for its employees worldwide.	New training and career opportunities could make traditional jobs in watchmaking seem less attractive and exacerbate the risk of a skills shortage.	Swatch Group offers a wide range of training opportunities, from basic training as part of an apprenticeship to education, retraining and specialist courses. Training is offered globally at the Nicolas G. Hayek Watchmaking School following the strict guidelines of the Watchmakers of Switzerland Training and Education program (WOSTEP). The company also actively promotes the recovery and preservation of artistic professions within the watch industry. Swatch Group also supports external training and education. The time allowed and/or financial support provided for longer training programs are set out in a training agreement. Efforts are made to counter the skills shortage by getting involved in schemes targeted at children, aimed at raising their awareness of careers in the watch industry at an early stage.	– Average hours of training per year per employee – Number of apprenticeship diplomas	Indicators only

Swatch Group offers the opportunity to build a career from scratch. Staff are employed in a wide range of professions, at all skill levels. For example, a career at Swatch Group might develop from an apprenticeship with in-service training all the way up to management level. There are also exciting opportunities to progress within a professional field. For example, the role of a watchmaker alone offers various job profiles, from watchmakers with a Swiss Federal Vocational Education and Training (VET) Diploma to specialized watchmakers for intricate work (highly complicated movements) or highly specialized restoration work.

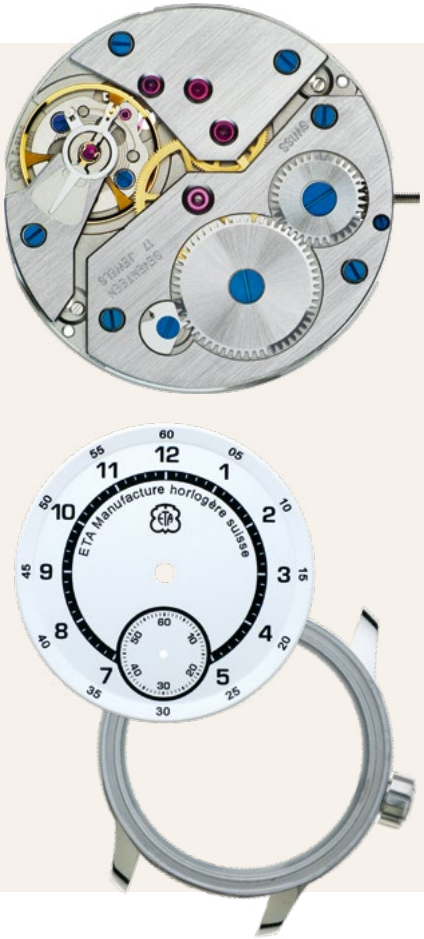
As a fully vertically integrated company, Swatch Group encompasses a wide range of skills and capabilities: product design and development; the manufacture of individual parts and movements that make up the finished watch; and marketing, customer support and after-sales service. In the area of manufacturing alone, a wide range of specialists are employed, such as mechanics, precision engineers, goldsmiths, rolling mill experts, polishers, engravers, assemblers, miniature painters, gemologists, metallurgists, process engineers, chemists, physicists, laboratory experts, surface coating experts, numerical simulation experts, microelectricians, electricians, engineers of all kinds, and even more. On the marketing side, there are not

HIGHLIGHT

Training materials

In-depth training requires appropriate training materials – a contribution to maintaining the watchmaking profession

It takes more than just theoretical knowledge to become a watchmaker. Students need extensive practice and training on a wide range of products in order to learn this traditional and highly complex craft. This is why ETA SA supplies training materials to accredited watchmaking schools and training centers. The components are used worldwide for training and testing purposes, enabling many graduates to qualify as specialists in the fascinating world of watchmaking. Certified non-profit organizations benefit from special rates when purchasing the materials. By offering this service, Swatch Group is helping to provide high-quality training for future professionals and ensure the art of watch maintenance continues over the long term.



only highly specialized sales and customer service staff, but also back-office staff, from marketing to logistics, finance, legal, controlling and IT specialists for all automated processes across industrial integration and all brands. From watchmakers to chefs in the employee restaurant, there are well over 200 different professions within the Group.

Employees at all levels are the driving force of Swatch Group; employee development is therefore key to the Group's success. The Group offers a wide range of courses, including basic vocational training (apprenticeship) further training and retraining, and a variety of specialist courses depending on the profession, level of qualification and expertise. The Group also operates the Nicolas G. Hayek Watchmaking School.

Basic vocational training at Swatch Group

With its production site in Switzerland, Swatch Group requires the abilities of many highly qualified specialists in a wide range of roles. The Swiss vocational training system and its apprenticeships offers over 245 different, government-recognized basic training courses. Swatch Group provides training to young people in around 40 professions and is the largest training institution in the Swiss watch industry. It offers more than 500 apprenticeship positions in over 30 companies and enables young people to learn a trade from scratch.

HIGHLIGHT

New training course to launch in 2025

Swatch Group's apprenticeship programs will include a new four-year training course, Digital Business Developer (Federal VET Diploma), from 2025. This profession, which was introduced in 2023, acts as a bridge between IT and business, which is increasingly important in view of ongoing digitalization.

By launching this training course, Swatch Group is clearly signaling its plans to continue investing in training young talent and help counteract the skills shortage in the IT sector. It is also promoting the introduction and development of digital solutions that help the company to work more efficiently and innovatively. Graduates can work in various areas, including IT and project management. The training teaches specialist knowledge that will help the company in the digital transformation process. With their broad understanding of how to analyze company activities, processes and digital products, digital business developers are able to lead complex projects and develop innovative solutions.

In summary, the Digital Business Developer apprenticeship offers exciting prospects for young people with an interest in technology and business. It opens up a wide range of career opportunities and provides a challenging learning environment with varied digital areas of application.

In Germany, which has a similar system to Switzerland, around 60 apprentices are being trained.

Across Swatch Group, approximately the same number of training places were offered as in the previous year.

Depending on the apprenticeship, training lasts between two and four years. The apprenticeship is a dual training program, during which apprentices work in a Swatch Group company in the specialist areas. They also attend one to two days of theory lessons at the government-run vocational schools. In order to offer optimal basic vocational training in the areas of watch technology and mechanics, Swatch Group operates seven of its own apprenticeship workshops in Switzerland.

In the period under review, 136 apprentices (previous year: 140) completed their training in Switzerland. Of all graduates, 75% were offered an employment contract within Swatch Group (previous year: 76%). The remainder chose to undertake further education courses or to pursue other personal projects.

Nicolas G. Hayek Watchmaking School

The Nicolas G. Hayek Watchmaking School is the leading institution for supporting specialist training for watchmakers worldwide. The school provides students with the training necessary for a successful career in customer service. The curriculum strictly adheres to the strict guidelines of the Watchmakers of Switzerland Training and Educational Program (WOSTEP, founded in 1966).

The training center was founded in 1999 by the former CEO of Swatch Group, Nicolas G. Hayek, and today it operates across five sites in Shanghai, Glashütte, Pforzheim, Miami and Grenchen. Nicolas G. Hayek was determined to create an institution that would not only honor a timeless profession, but also provide support to those who want to enter this field of work and help to expand their knowledge and skills.

The five training centers work with WOSTEP, which is recognized as the industry's leading training and certification program. In general, the training costs at all five locations are covered by Swatch Group, making the school an affordable option for aspiring students who want to pursue a career in watchmaking.

Two different training programs are offered. The first is a one-year, 1800-hour program that leads to a Customer Service Watchmaker qualification. It is currently offered in Switzerland, China and the United States. The second is a 3000-hour WOSTEP program offered in Germany and at Shanghai University, which leads to a Watchmaker qualification. As the German course is also government-approved, it lasts for three years, while the Shanghai course lasts for two.

Graduates work mainly in Swatch Group customer service centers around the world. They undertake demanding work in the maintenance and repair of various brand watches. If graduates choose to undergo further education, positions in the revision of historical clocks or in management are then also open to them. Watchmaking remains a key role in production, but it is now also an essential role in watch maintenance – this promises young professionals a stable career.

Thanks to the network of Nicolas G. Hayek Watchmaking School, more than 1000 watchmakers have joined the global talent pool. This achievement is the result of Swatch Group's considerable investment at various levels, and the graduates are sought-after professionals throughout the industry. Nevertheless, the aim is to integrate all newly graduated watchmakers into the Group structures.

At the Nicolas G. Hayek Watchmaking School, the focus is on the quality of the training rather than the quantity of people trained. The number of students is therefore limited to an average class size per year.

In 2024, 108 students were enrolled across the five schools, and 31 students graduated. Of these graduates, 26 were offered a position within Swatch Group. The remaining graduates chose to pursue other personal projects (further training, travel, etc).

Further training concept

Employees also have the opportunity to complete specific training programs within the companies. The program for customer service watchmakers in different countries is one of the key training programs. The brands therefore invite participants to annual training sessions at their headquarter to expand their knowledge of the more complicated watches or new products being introduced to the markets. Sales staff are also trained in these areas to ensure that they have the highest level of product knowledge. The Group offers education not only in production, watchmaking and marketing but also in almost every sector-specific area, such as finance and controlling, HR, IT and logistics. There are also many e-learning modules available for employees who are not able to attend in-person programs. The courses cover both technical and personal skills.

HIGHLIGHT

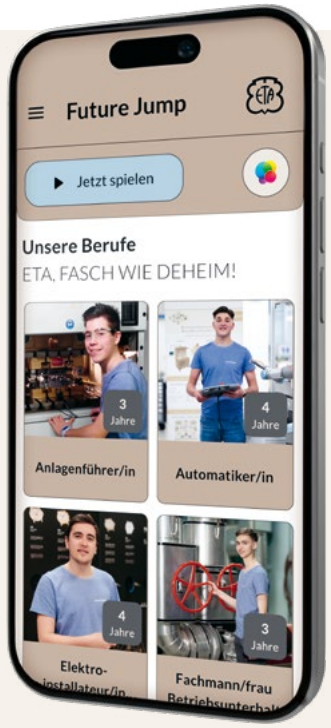
Future Jump

The Future Jump app developed by ETA is breaking new ground in apprentice recruitment.

It enables interested students to obtain extensive information about the apprenticeships that ETA offers and to apply directly. They can also use the app to find out about, and register for, information events and career exploration days.

The integrated game is a particular highlight, making Future Jump a modern, attractive digital tool that directly targets young people who are deciding on their future career path.

A team of three apprentices developed the app over the course of a year, pooling their professional expertise and implementing the Future Jump project together with their vocational trainers. Future Jump has been available for download from the Google Play Store and Apple App Store since May 2024.



Play a game to discover your dream apprenticeship – with the Future Jump app!

In Switzerland, Swatch Group offers employees at all management levels further training at the internal Leadership Campus. Training content includes self-management, employee appraisals and in-depth studies of team management.

The Group also supports and promotes external education at all levels and in all professions, and so employees are given a special employment or training contract that allows them to attend certain programs at universities or other institutions alongside their work.

GRI 404-1

Average hours of training per year per employee (2024)

Headcounts	Women	Men	Total
Total employees	15 906	16 571	32 477
Total training hours	118 195	176 580	294 775
	40%	60%	100%
Average training hours per employee – internal	4.5	6.3	5.5
Average training hours per employee – external	2.9	4.4	3.6
Average training hours per employee – total	**7.4**	**10.7**	**9.1**

Recovery and preservation of arts and artisanship

There are many artistic professions in the watch and jewelry industry, such as micro-art painting of dials and hands, art engraving, ornamental ironwork and guillochage.

A guillochage machine is a linear or circular manually operated engraving machine powered by a foot pedal and is used, for example, for artistic engraving of steel or gold dials and flywheels. All kinds of geometric patterns can be engraved with these machines; there are no limits to the creativity of the guillocheur, the artist who creates these works of art. The machines and the art of guillochage almost died out in the 1990s. In 2005, after lengthy and difficult negotiations, the luxury brands of Swatch Group acquired 12 historic machines from a private maître guillocheur with the aim of saving the art of guillochage. Not only were the historic machines restored, but a team of specialists began to design and rebuild additional machines for the luxury brands. In addition, the luxury brands launched a special training program for guillocheurs and maîtres guillocheurs. The recovery and preservation of the art of guillochage were the result of efforts made over the course of a decade (continuous development of machinery, training of employees, investment in manufacturing) to achieve a sustainable level of guilloché and preserve it for the future. Without these efforts, this profession would have been lost to future generations.

Of course, the craftspeople also include watchmaking specialists trained in the preservation and restoration of 18th-century clock artifacts. For example, they restore historic clocks that are on display in museums such as the Louvre in Paris or that are part of private collections.

Training offered by Swatch Group Quality Management

Swatch Group Quality Management regularly offers training to Swatch Group brands and companies, giving employees an opportunity to expand their knowledge and skills on a range of topics.

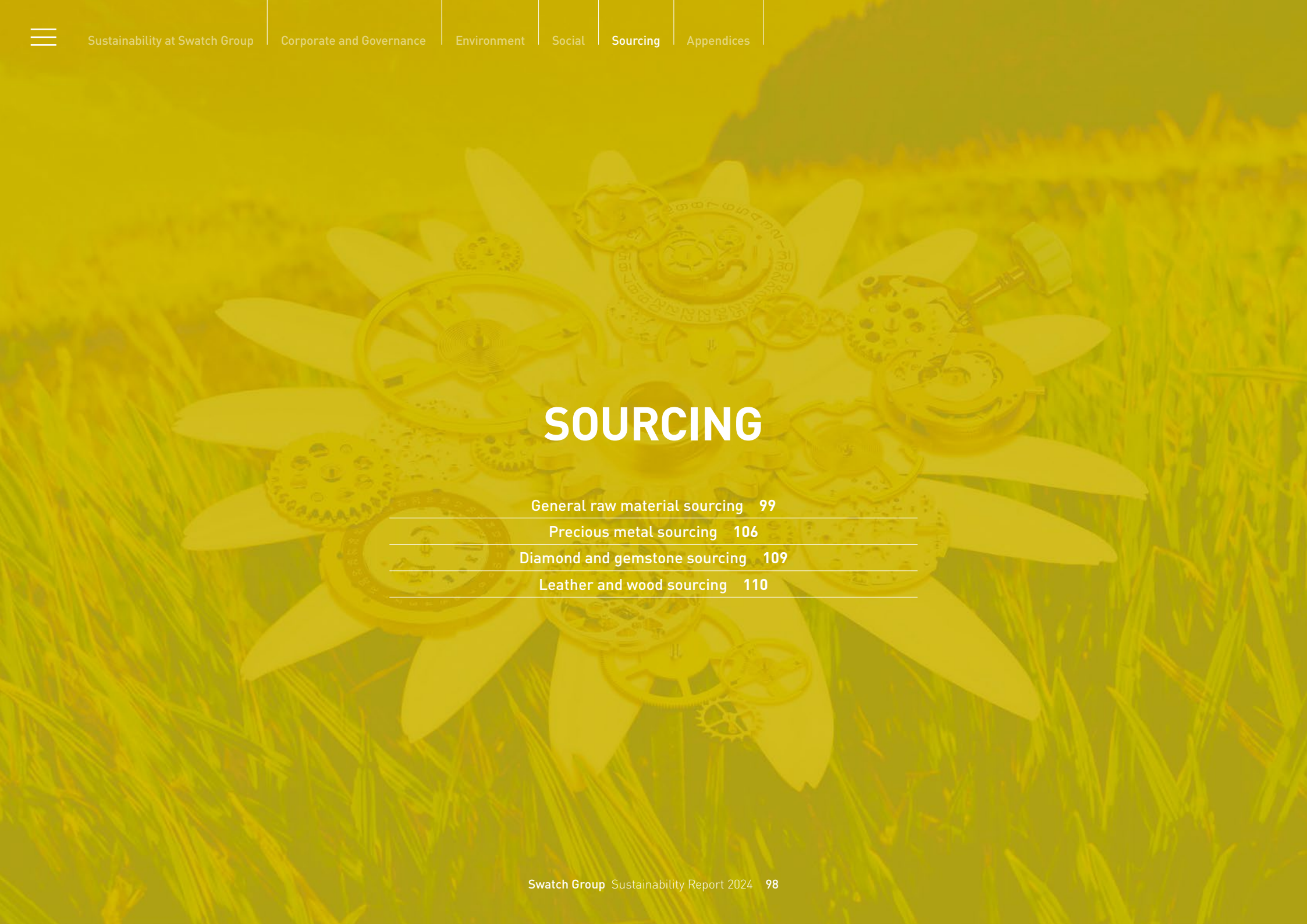
Training on watch casing at Swatch Group

This Swatch Group training enables participants to share knowledge about the latest technological developments relating to watch casing and components such as the housing, dials, hands and strap. It provides a better understanding of limitations in the development and manufacture of casing components, interaction with customers and suppliers and mutual expectations. By applying the skills acquired in the training, our products can be developed more efficiently and continuously improved.

In 2024, Swatch Group Quality Management ran three training sessions of this kind, which were attended by around 40 employees from various Swatch Group entities. During the 80 hours of training, the speakers explained the most important elements of watch casing. The course covered five modules: basics, components, interfaces, processes and materials. All participants were able to expand their knowledge in order to produce even more reliable and high-quality products, while consuming as few resources as possible.

Aside from this general training, more in-depth specialist courses were also offered on topics such as precious metals and their challenges, stainless steel, and screw threads and fittings.

Equipped with this extensive knowledge, employees have the tools they need to tackle their work in the most effective way possible – after all, quality and sustainability require careful planning.



SOURCING

General raw material sourcing

GRI 3–3

As a result of verticalized production and the Swissness requirements, most of the value creation takes place within the company and within Switzerland. Raw materials, some components and services are obtained from third parties. Purchased materials that have a high ESG risk in the supply chain include precious metals, diamonds and gemstones, and certain bio-based materials.

Positive and negative impacts (inside-out) GRI 3–3–a, 3–3–b	**Risks and opportunities (outside-in)**	**Measures** GRI 3–3–c, 3–3–d, 3–3–e, 3–3–f	**Indicators**	**Metrics and targets**
Depending on the material, the country of origin or the country of production, Swatch Group faces environmental and social challenges. The adverse impacts need to be avoided or minimized across the entire supply chain.	There may be restrictions on sourcing materials from certain countries for political reasons. There are reputational risks involved in sourcing materials from certain countries, too.	Awareness of potential risks in the selection of suppliers has been raised in all Swatch Group companies. Sustainability specialists in Swatch Group companies worldwide have been trained. A thorough risk analysis and independent supplier audit have been conducted. The continuous incorporation of internal directives and codes of conduct (including the Swatch Group Code of Conduct) into the sourcing process has been thoroughly audited and, when necessary, corrective actions have been taken.	– Number of supplier audits – Number of suppliers with A or B rating – Number of sustainability specialists at Swatch Group	Indicators only

GRI 2–6

Supply chain

Switzerland is a country with few natural resources and high production costs. Nevertheless, Swatch Group manages to carry out most of the value creation within the company and within Switzerland. In the few cases where this is not possible, the Group has strict selection criteria to ensure the avoidance or minimization of adverse environmental and social impacts in the supply chain.

Responsibilities in the company are clearly defined. Swatch Group has appointed a sustainability specialist with direct access to management for each company worldwide. The specialists have been trained to recognize potential risks. Swatch Group has also set up and continuously expanded its own office for sustainability with a focus on human rights in Asia.

Compliance with internal directives and with codes of conduct in the sourcing process has been independently audited. The Code is based on internationally recognized human rights and on the United Nations Guiding Principles on Business and Human Rights (UNGPs).

For more information about the Supplier Code of Conduct, see the "Corporate and governance" chapter on p. 25

In the reporting period, a thorough risk analysis of sourcing and independent inspections of direct suppliers in high-risk countries were conducted.

Another detailed review of the supply chain was carried out for the 2024 financial year, based on the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.[1]

Details of the review are available in the next section.

GRI 301–1

Minerals and metals from conflict-affected areas

With regard to minerals and metals from conflict-affected and high-risk areas, the imported and processed amounts of the materials defined by the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO)[1] have been recorded and analyzed. Swatch Group does not source many of these specified minerals and metals, and only in small quantities where it does. The threshold is only exceeded in the case of tungsten and gold. However, a traceability and documentation process is implemented to demonstrate that these materials do not come from conflict-affected or high-risk areas.

- Gold is sourced in its raw state according to the tariff number 7108. We source traceable gold from official and certified industrial mines in the US, Canada or Australia. All of the gold sourced in 2024 under tariff number 7108 comes from Australian mines. Carbon footprint was also taken into account when selecting mines.

- The tungsten used is sourced in powder form (tariff number 8101 10 00) via European suppliers and is produced from fully recycled base material.

Alongside Swiss legislation (DDTrO[2] and Art. 964 CO[3]), the following international guidelines and standards were used as a basis:

- OECD Due Diligence Guidance for Responsible Business Conduct[4].

- OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas[5].

- Practical actions for companies to identify and address the worst forms of child labor in mineral supply chains[6].

1. DDTrO: www.fedlex.admin.ch
2. DDTrO: www.fedlex.admin.ch/eli/cc/2021/847/en
3. Art. 964 CO: www.fedlex.admin.ch/eli/cc/27/317_321_377/en
4. https://mneguidelines.oecd.org/due-diligence-guidance-for-responsible-business-conduct.htm
5. mneguidelines.oecd.org/mining.htm
6. mneguidelines.oecd.org/child-labour-risks-in-the-minerals-supply-chain.htm

GRI 408–1

Child labor

Swatch Group has a zero-tolerance policy when it comes to child labor.

Policies and management system

Swatch Group has a zero-tolerance policy regarding human rights violations. This implicitly includes child labor.

From the Swatch Group Code of Conduct, paragraph 14: "Swatch Group has zero tolerance for the use of child labor or labor involving minors who are under the age of 15 or the applicable statutory minimum employment age (whichever is higher). Suppliers are obliged to comply with International Labour Organization (ILO) standards and the applicable legal regulations."

The Swatch Group Code of Conduct is based on internationally recognized human rights, such as those in the United Nations International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. Our approach is based on the United Nations Guiding Principles for Business and Human Rights (UNGPs). In line with the UNGPs, we follow the higher standard whenever national law and international human rights standards differ. In addition, we follow the stricter standard whenever national legislation differs from the Group's high environmental and health and safety

Supply chain review

Raw materials		Tariff number	Description	Checked / threshold	Checked / origin	Increased due diligence
Minerals		2609 00 00	Tin ores and concentrates	✓	–	No
		2611 00 00	Tungsten ores and concentrates	✓	–	No
		ex 2615 90 00	Tantalum or niobium ores and concentrates	✓	–	No
		ex 2615 90 00	Gold ores and concentrates	✓	–	No
Metals	*Tin*	ex 2615 90 00	Tin oxides and hydroxides	✓	–	No
		ex 827 39 00	Tin chloride	✓	–	No
		8001	Tin, in unwrought form	✓	–	No
		8003	Tin, as rods, profiles and wire	✓	–	No
		8007	Tin, other goods	✓	–	No
	Tungsten	ex 2825 90 00	Tungsten oxides and hydroxides	✓	–	No
		2841 80 00	Tungstates	✓	–	No
		ex 2849 90 00	Tungsten carbides	✓	–	No
		7202 80 00	Ferro-tungsten and ferro-silico-tungsten	✓	–	No
		8101 10 00	Tungsten in powder form	> 2 500 kg / year	Produced from 100% recycled material	No
		8101 94 00	Tungsten unwrought, including only sintered bars and rods	✓	–	No
		8101 96 00	Tungsten, as wire	✓	–	No
		8101 99 00	Other semi-manufactures and articles of tungsten	✓	–	No
	Tantalum	ex 2841 90 90	Tantalates	✓	–	No
		ex 2849 90 00	Tantalum carbides	✓	–	No
		8103 20 00	Tantalum unwrought, including only sintered bars and rods and in powder form	✓	–	No
		8103 91 00 8103 99 00	Other semi-manufactures and articles of tantalum	✓	–	No
	Gold	7108	Gold, in unwrought, semi-manufactured or powder form	>100 kg / year	Australia and reused gold	No

Assurance conducted by PwC

standards. Where national law and Swatch Group's high standards conflict, we respect national law while striving for the higher standard.

Identify and assess adverse impacts

The supplier network management process at Swatch Group includes strict criteria for selecting and qualifying our partners. Beginning with the qualification of new suppliers, we consider and assess possible human rights risks, using these criteria preventively and proactively.

At Swatch Group, human rights due diligence in the supply chain is supported by the holistic approach of "prevent – detect – react". More than 70 sustainability specialists in Swatch Group companies worldwide ensure that awareness of potential risks is raised continuously.

However, according to the due diligence response ratings by UNICEF in its Children's Rights in the Workplace Index, there is a higher child labor risk in, among other places, many Asian countries.

The risk analysis, which is assessed depending on materials and services, the country of origin or production country, the order volume and/or the duration of the supplier relationship, is conducted on a risk-based basis.

The risk of child labor among Swatch Group companies and suppliers based in Switzerland and neighboring countries is classed as very low.

In the few cases where, following careful evaluation, Swatch Group has decided to use a supplier from high-risk countries, it has independent supplier audits and inspections carried out. Swatch Group has had its own office in Asia with sustainability specialists for many years. These sustainability specialists are continuously trained and assessed (see further below).

In the reporting period, no human rights violations were identified at direct suppliers.

Cease, prevent or mitigate adverse impacts

The Swatch Group child labor due diligence process allows the Group to quickly identify high-risk and critical suppliers and to react immediately. Independent inspections and audits ensure that our direct suppliers implement the globally recognized guidelines that have been reproduced and expanded in our codes of conduct (including the Swatch Group Supplier Code of Conduct). In cases where this is not possible, we terminate the relationship.

Swatch Group operates a Group-wide, transparent, independent grievance and reporting procedure that is available to the public and accessible to all. All complaints and reports by employees or third parties are treated equally – to the extent permitted by law. The grievance and reporting procedure is available to everyone.

Individuals and organizations outside Swatch Group or employees can report complaints and information – including anonymously if they so choose. These reports are treated confidentially.

Track implementation and results

When direct suppliers do not live up to our audits' high requirements but have not committed any human rights violations, we work hand-in-hand with them to remedy the existing issues. The suppliers are then audited again.

Communication

The analysis relating to child labor is updated every year. Reporting on child labor is included in this sustainability report.

- SR 221.433 – Swiss Ordinance of December 3, 2021 on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor (DDTrO): www.fedlex.admin.ch
- Art. 964b CO, SR 220 – Swiss Federal Act of March 30, 1911 on the Amendment of the Swiss Civil Code (part five: Code of Obligations), www.fedlex.admin.ch
- Children's Rights in the Workplace Index, www.unicef.ch

GRI 204-1

Local suppliers

"Go Switzerland" was one motto of the founder of Swatch Group. Nicolas G. Hayek was always committed to Swissness throughout the Swiss watch industry and pursued the goal of being 100% Swiss Made from the launch of the Swatch brand in 1983.

This dedicated commitment to a production site in Switzerland and local sourcing has an enormous positive impact on managing the sustainable supply network. Swatch Group has no reason to change this – today or in the distant future. For watches, the percentage of local value creation, based on the applicable regulation on Swissness, is between 60% and 100%.

Basic supplier network management

In addition to the commitment to Swissness, strict selection criteria and the prioritization of reaction time, suppliers must also fulfill the internal guidelines of Swatch Group Quality Management and any ecological and legal regulations, and ensure legal compliance in terms of products, particularly REACH (Regulation on Registration, Evaluation, Authorization and Restriction of Chemicals), RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment).

To ensure this, every supplier receives direct and secure access to the Swatch Group Quality Management conformity specifications for raw materials and substances. These specifications are continuously updated in a comprehensive database.

Two types of audits are carried out to check compliance with these requirements: one type focuses on responsible sourcing, while the other looks at quality assurance.

GRI 308-1, 308-2, 414-1, 414-2

Supplier audits

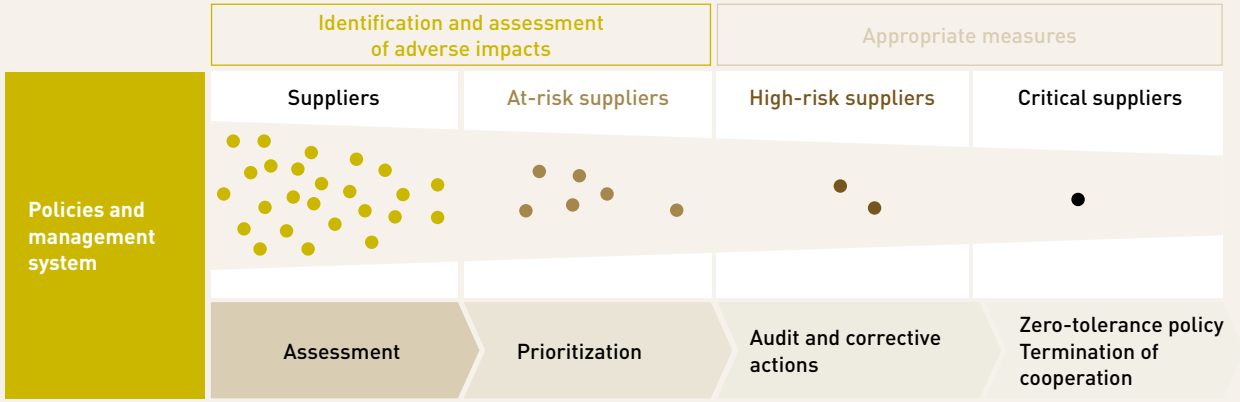
Swatch Group FEPS (Far East Procurement Services) continuously verifies that direct suppliers and their facilities adhere to the Swatch Group Supplier Code of Conduct and applicable laws and regulations. All production facilities of direct suppliers and designated tier-2 suppliers are required to undergo two independent audits: responsible sourcing (RS audit) audit focus on assessing performance of labor and human rights, health and safety, environmental protection, and business ethics; quality assurance (QA audit) audit focus on verifying quality management system and facilities' quality assurance processes.

FEPS determines which supplier facilities are audited in the relevant financial year, appoints independent third-party auditing firms to conduct the audits in compliance with our requirements, subsequently analyses the audit reports, and supports improvements in supplier facilities. All supplier facilities are audited regularly, at least once every two years. New supplier facilities cannot join the supply chain until they have been audited and qualified.

Swatch Group measures the performance of supplier facilities based on audit results through our internal rating system. Supplier facilities would be assigned one of the ratings listed in the below table. The rating system determines the supplier approval status and the period for which the approval is valid as well as the next planned audit.

Supplier facilities must be rated as A or B to be considered qualified. Should a supplier facility be rated C, a six-month period is provided to implement the necessary corrective measures and qualify for a follow-up audit. For supplier facilities that have received a D rating, there will be no collaboration if they are new facilities. For existing facilities, a three-month period is granted to implement the necessary corrective measures and qualify for a follow-up audit. If a supplier facility demonstrates no intention to remediate after our engagement, we terminate our relationship and cease future orders.

Supplier risk assessment



Audit rating

Rating	Definition	Course of actions
A	Excellent (overall Score ≥90%)	Periodical audit in 24 months [1]
B	Pass (overall score of between 75% and 90%)	Periodical audit in 12 months
C	On trial (overall score of between 60% and 75% or score in an individual area of <75% [2])	– Follow-up audit in 6 months – If this is the result of the 2nd follow-up audit, the supplier relationship is terminated
D	Conditional/disqualified (overall score <60% or any zero-tolerance violation)	– Follow-up audit in 3 months – If this is the result of the 2nd follow-up audit, the supplier relationship is terminated

1. Both RS and QA audit must be rated A in order to have a 24-month audit interval.
2. Individual section score <75% leads to a C rating; applies to RS audit only.

There is a zero-tolerance policy on audit points such as harassment and abuse, forced labor and human trafficking, employment of minors, criminal mismanagement, infringement of intellectual property rights, unauthorized subcontractors or refusal of access for audits.

After each audit, an action plan is drawn up together with the supplier so that any necessary improvements can be made. Ongoing dialogue with suppliers includes facility visits and meetings, training courses, and provision of tools and support measures that to help suppliers meet the requirements.

By the end of 2024 reporting period (September 30, 2024), a total of 140 Asian facilities of 125 suppliers had been qualified in audits or through the submission of equivalent audit reports. In the reporting period (October 1, 2023 to September 30, 2024), independent audit firms appointed by Swatch Group assessed 113 supplier facilities. Twenty-nine of these facilities were audited for the first time. A total of 134 audits were carried out in the year under review.

The non-compliance findings identified in the supplier audits mainly involved exceeding legal requirements for overtime working hours, improper use of personal protection equipment, mishandling of chemicals, inappropriate storage of hazardous waste and no GHG inventory setup, among other issues.

A total of 93 supplier facilities achieved an A or B rating[1] in the reporting period. Eighteen facilities with a C or D rating are currently in the processes of improving their rating, as Swatch Group allows suppliers three or six months for corrective actions. Additionally, two facilities were phased out due to their poor performance noted from the supplier audits.

Audit results[1]

Audit rating	Audit type	Number of audits 2024	Number of audits 2023	Number of audits 2022
A	First-time	0	2	0
	Periodic audit	18	9	2
	Follow-up	9	1	5
	Ad-hoc audit	0	1	0
	Total	**27**	**13**	**7**
B	First-time	8	3	9
	Periodic audit	34	37	34
	Follow-up	24	32	36
	Ad-hoc audit	0	1	1
	Total	**66**	**73**	**80**
C	First-time	9	9	20
	Periodic audit	11	22	24
	Follow-up	6	6	7
	Total	**26**	**37**	**51**
D	First-time	12	3	4
	Periodic audit	3	2	2
	Follow-up	0	0	2
	Total	**15**	**5**	**8**
Total		**134**	**128**	**146**

1. Reporting period: October 1 to September 30

Precious metal sourcing

GRI 301–2, 3–3

Swatch Group uses different precious metals, primarily gold, silver, palladium and platinum, with gold accounting for the largest proportion by far. Primary gold is sourced exclusively from official and certified industrial mines in the US, Canada and Australia.

A low amount of gold is also purchased as components from suppliers. For further details see the "Gold in purchased components" section.

In addition, the Group has an in-house closed-loop gold processing system with a Group-owned foundry to reuse production residues internally. A relatively small part of the gold used is refined by certified Swiss gold foundries.

Recycled gold from external sources is avoided as traceability back to the mine is not achievable. Full traceability can be achieved with the Swatch Group sourcing strategy, which involves direct delivery from the mine to the refinery and on to the Group's own gold processing facility, as well as the use of gold from internal processes.

A detailed review of the supply chain was carried out once again for the 2024 financial year, based on the Swiss Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labor.

For further details, see chapter "Minerals and metals from conflict-affected areas" on p. 100

Primary gold

Traceable primary gold is sourced exclusively from official and certified industrial mines in the US, Canada and Australia, where the highest legal standards apply and where the mines are operated under extremely strict conditions set by the authorities and regularly monitored by them. The supply chain is kept as short as possible, through direct delivery from the mine to the refinery and then on to the in-house gold processing by Swatch Group. Sourcing gold from other regions and/or small-scale and artisanal mines where lower standards apply or where there are residual risks that non-traceable gold could enter the supply chain is not an option for Swatch Group. This clear and simple sourcing policy has proved to be very effective.

Countries of origin for primary gold in the year under review

Sourcing period: October 1–September 30	✓ 2024	2023	2022
Australia	100%	100%	100%
US	0%	0%	0%
Canada	0%	0%	0%

✓ Assurance conducted by PwC

Gold in purchased components

Wherever possible, suppliers of components use semi-finished products sourced from Swatch Group. If this is not possible, the supplier is required to be RJC-certified.

In the year under review, 99.7% of the gold used was sourced in accordance with Swatch Group's strict requirements. The remaining 0.3% was primarily sourced from Swiss and some European and Japanese suppliers that are not RJC-certified (with Japanese suppliers used for electronic systems only). The aim is to ensure that, in the future, this remaining proportion will also be sourced in accordance with Group's strict guidelines.

Swatch Group gold processing

The investments made in recent years in the Group's foundry and refining facilities have fully internalized gold processing.

After their manufacture, alloys are turned into semi-finished products or finished components, and production residues from these processes are reused internally. Swatch Group thus controls the entire gold processing chain through internal and clearly defined processes.

Nivarox-FAR plays a key role in this respect, as it processes Swatch Group's gold production stocks in a closed and controlled cycle. Production residues can therefore be reused in the Group's own foundry. Nivarox-FAR has the necessary federal authorization both as a foundry and as a commercial assayer (sworn assayer) and is certified according to the Responsible Jewellery Council Code of Practice and Chain of Custody (RJC CoP and CoC).

A small portion of gold chips and scrap is refined by a few external processors, depending on internal capacity.

To this end, Swatch Group only works with selected, established, long-term foundries that can demonstrate not only legal compliance according to all the provisions of the financial market supervisory authority, but also certified membership in the Responsible Jewellery Council (RJC) and/or the London Bullion Market Association (LBMA), and can guarantee through recognized certification that the precious metals delivered originate from ethically sound sources and conflict-free regions.

HIGHLIGHT

Analyzing gold origins

Traceability of raw materials and precious metals and the possibility of detecting any manipulations are key to validating the origins of gold.

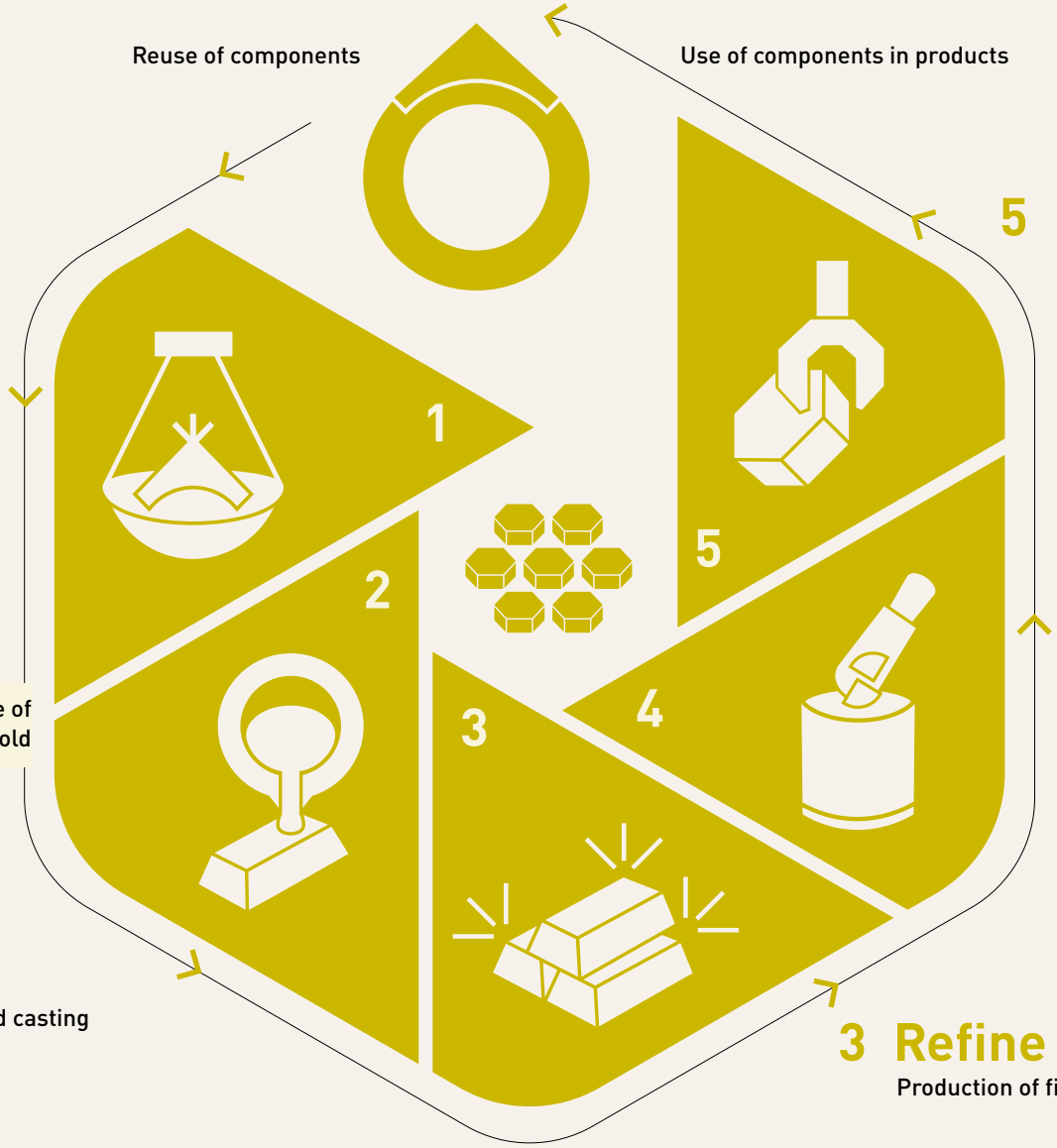
Since 2013, Swatch Group's most important primary gold supplier has been using a method that enables impurities in the obtained mined gold to be analyzed on the basis of 15 elements and their interactions. This method allows the concentrations of the individual elements to be recorded and over the years a database has been established. The refinery in Switzerland carries out an WD-XRF analysis before the material is melted. The analysis results are saved in a database and the levels of elements and their reciprocal interactions are checked.

This method enables the origins of gold to be tested, since some chemical elements are only present in certain regions while others are always present. By this analysis, raw materials from various regions can be identified.

Each delivery of mined gold that will be used to produce primary fine gold for Swatch Group is analyzed to verify whether the country of origin is the US, Canada or Australia. No irregularities have been observed to date.

HIGHLIGHT

Nivarox processing cycle



1 Recover
Collection of production residues and redundant gold parts from own products (e.g., from customer service)

Purchase of primary gold

2 Melt
Melting of gold and casting

3 Refine
Production of fine gold (content of 99.99%)

4 Create alloy
Production of the alloy, processing into semi-finished products by continuous casting and laminating

5 Manufacture
Manufacturing of components

Diamond and gemstone sourcing

GRI 3–3

Diamonds and gemstones represent the universal values of commitment, love and trust – which are also the core values of the company brands – as well as emotional and financial security. They are also known for their rarity, high quality and uniqueness. Within Swatch Group, responsible sourcing of the diamonds and gemstones used in watches and jewelry is therefore taken very seriously.

Swatch Group takes great care to ensure that its suppliers are carefully selected before purchasing from them, and it requires a high level of ethical conduct, as well as strict compliance with applicable laws and the Swatch Group Supplier Code of Conduct. The Group's suppliers are strongly encouraged to join independent organizations that certify their good practices, such as the Responsible Jewellery Council (RJC), which several subsidiaries of Swatch Group joined between 2008 and 2022. In 2022, practically all Swatch Group suppliers of diamonds and gemstones were RJC CoP-certified.

Regular auditing of partners enables risks to be limited and appropriate improvement measures to be taken. If suppliers fail to comply with these guidelines or if there is any doubt about their compliance, they are immediately disqualified and no longer retained.

Full compliance with the Kimberley Process Certification Scheme (KPCS) applies to the suppliers of diamonds. Certification guarantees that diamonds originate from legal trade. Countries, companies and merchants that do not use this certification system in its entirety are excluded from trade with Swatch Group. In the case of rubies from Myanmar (formerly known as Burma), Swatch Group has always been able to ensure that they comply with the applicable regulations and sanctions. However, due to the change in the country's political situation, the Group has decided to no longer purchase rubies originating from Myanmar.

Despite the Group's achievements over many years, Swatch Group is highly confident that it can improve the situation even further by making its sourcing even more responsible and sustainable. This is because the Group wants to ensure that the procurement of gemstones benefits all those involved and affected by the supply chain and that it prevents negative social and environmental impacts.

Despite the emergence of some initiatives that deserve support, which the Group is following carefully, at present no market participant is yet in a position to guarantee full traceability of diamonds in the quantities and at the quality required by Swatch Group. Moreover, the few available studies on supply chain sustainability are contradictory to each other and open to question due to their lack of independence. The target level of transparency in the supply chain will enable the social and environmental impacts of diamond and gemstone sourcing to be quantified with reasonable certainty.

To this end, Swatch Group is working with its suppliers, various key industry players and experts on this topic in order to gain sufficient knowledge of the entire supply chain and to establish the necessary metrics.

Based on this objective and structured approach, Swatch Group aims to ensure that in the future its purchases make the best possible impact and a positive contribution for the benefit of all stakeholders and customers.

Leather and wood sourcing

GRI 3–3

Swatch Group sourcing strategy for leather and wood products

When sourcing leather and wood, Swatch Group complies with international and national laws and agreements such as the Lacey Act, the requirements of the US Fish and Wildlife Service, the EU Timber Regulation, the EU Deforestation Regulation and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). In addition, Swatch Group refuses to source leather and wood from endangered animal and plant species listed in Appendices I, II and III of CITES (except for American alligator skin pursuant to Appendix II of CITES) and avoids sourcing from animal and plant species classified as threatened by the International Union for Conservation of Nature (IUCN). Threatened species include those classified as critically endangered, endangered and vulnerable.

Swatch Group has sourcing principles for the use of wood and leather materials, which suppliers have to agree to comply with.

The **wood sourcing rules** have applied since 2012. In 2024, these regulations were comprehensively updated and expanded to include:

- All requirements of the EU Deforestation Regulation (EUDR, see following sections).

- A ban on the use of all plant species protected by CITES (now in addition to the species already previously banned in CITES Appendix I, also species from CITES Appendices II and III).

- The guidelines for the use of 100% recycled material for paper and cardboard products (unless technical requirements such as the protective effect of the item in question contradict this).

For wood products and materials, Swatch Group is also supported by well-known certifications to ensure that wood products and materials come from sustainable forestry. Overall, Swatch Group's wood sourcing principles ensure that only wood from non-endangered species and sustainable cultivation is used.

The **leather sourcing rules** were introduced at the end of 2024 and will be implemented during 2025. These are divided into three main points on sourcing leather products.

- Sourcing in accordance with the following criteria:
  - Only farmed species are permitted (hunting and fishing are prohibited)
  - Leather products and items from endangered species are banned, i.e. animals specified in CITES Appendices I and II (except for American alligators) and/or critically endangered species, endangered species or vulnerable species in accordance with the IUCN Red List of Threatened Species in the ranges covered by the IUCN (IUCN CR, IUCN EN and IUCN VU)
  - The use of any reptile skin that does not come from the American alligator is strictly prohibited
  - The American alligator skin comes from legal sources (declaration to the relevant US Fish & Wildlife Department and CITES approval).

- The following information is required for the leather to be fully traceable:
  - The country in which the species used for the leather was reared is systematically communicated to the relevant Swatch Group brand when leather products are ordered.

  - The use of leather from areas designated as high risk zones in the EU Deforestation Regulation (EUDR) is prohibited. Evidence of EUDR compliance is required (e.g. the reference number of the due diligence statement).

– The supplier must ensure animal welfare is respected for the leather used by Swatch Group by only sourcing leather from farms that guarantee species-appropriate husbandry. When animals are slaughtered, this must take place without suffering and in dignified conditions in accordance with the requirements of the World Organisation for Animal Health (WOAH, formerly OIE) and their national implementation laws. Particular attention is paid to the American alligator, which must come from certified farms (in accordance with the alligator industry's recognized standards) in order to guarantee good farming conditions for this species and preserve the wild population.

Swatch Group's leather directive and wood directive cover the requirements of Regulation 2023/1115 of the European Parliament and of the Council of May 31, 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR).

The main objectives of this regulation are to reduce the EU's contribution to the global deforestation and forest degradation, the release of greenhouse gas emissions and the loss of global biodiversity.

The EUDR supersedes the EU Timber Regulation (EUTR), which Swatch Group already complies with. However, because the EUDR's scope is broader than the EUTR and its requirements for due diligence are stricter, the new requirements were incorporated into Swatch Group's directives on sourcing wood and leather.

The regulation applies to products containing, fed with or made from the following raw materials: livestock, cocoa, coffee, palm oil, rubber, soy and wood. The regulation contains a comprehensive list of the products affected and only concerns certain products made from wood for Swatch Group. Leather items do not currently fall under the EUDR, but Swatch Group requires that leather must also be used in line with the regulation from the date of its entry into force.

INFOBOX

Exotic leather

In 2010, Swatch Group became the first luxury goods company to ban the use of exotic leather.

The only exception is made for leather from American alligators (*Alligator mississippiens*) from regulated and sustainable alligator breeders (e.g. Louisiana Alligator Management Program). There is a tightly regulated framework in place for breeding and using alligators from the Mississippi in the southeastern United States. Alligator management programs managed by the US federal authorities have proven beneficial to both the environment and society, and in this respect they serve as an example of sound management of natural resources and protecting biodiversity.

The breeding farms also spend a proportion of their income on protecting and conserving this alligator species in particular and the biodiversity of the region as a whole.

The leather from the *Alligator mississippiensis* species can be traced back to these breeding farms using the CITES identification system.

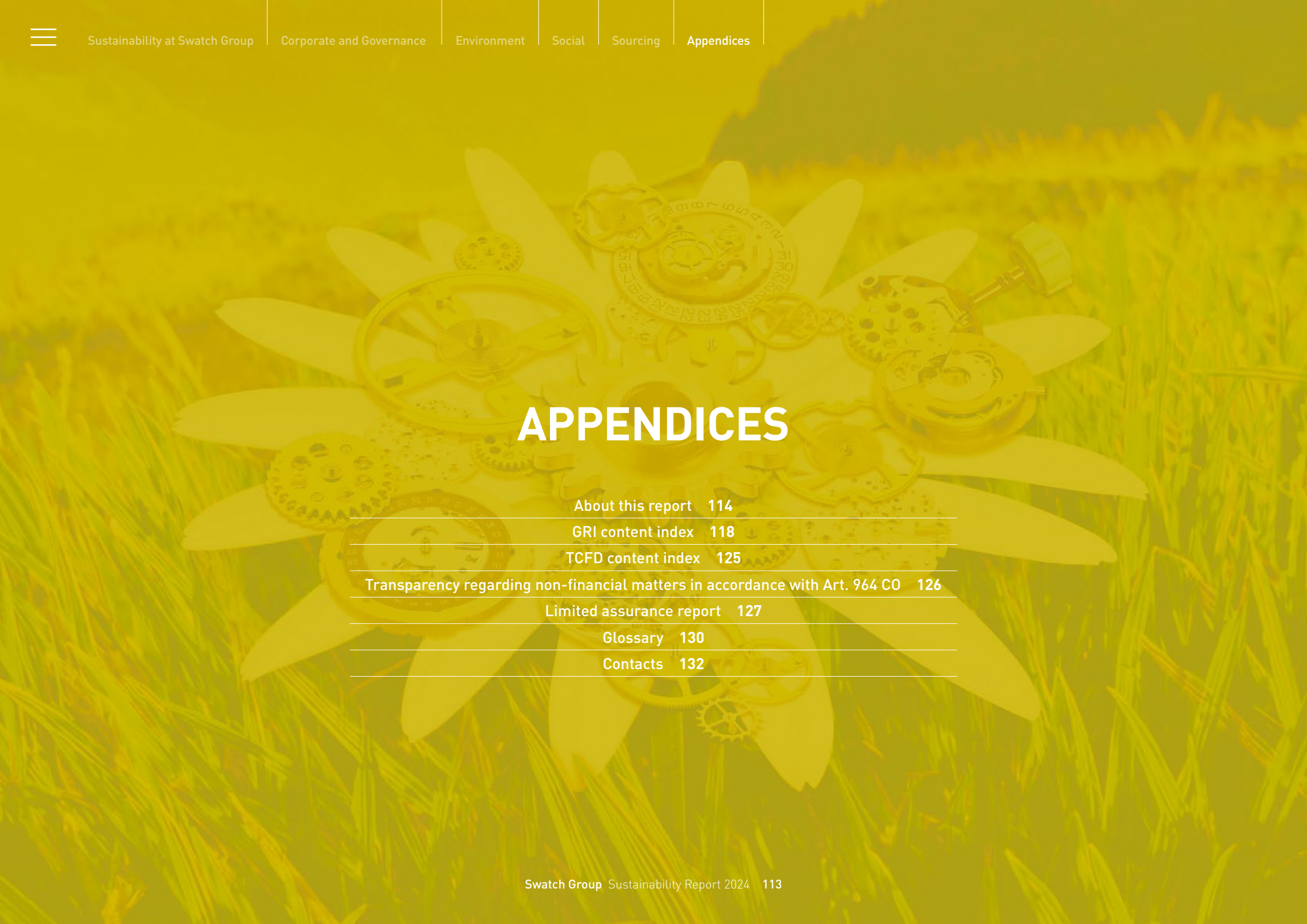
The Swatch Group products concerned are only offered on or exported from the EU market if all the requirements set out below have been met:

- The products are deforestation-free (based on areas affected by deforestation or forest degradation after December 31, 2020)[1].
- The products were produced in accordance with the laws applicable in the production countries.
- A due diligence statement that only indicates a negligible risk of noncompliance was issued for the products.

The due diligence statement requires collecting data on the products (e.g. the exact geolocation of the products' collection site) for full supply-chain traceability to ensure that the products have been produced on a deforestation-free basis; performing a risk assessment to confirm that the relevant products did not cause deforestation; and, if necessary, risk reduction until all causes of deforestation have been completely eliminated.

This process is registered with the relevant EU platform and applies to all imports, to placement on the market and to exports from the European Union.

1. "Deforestation-free" covers: a) relevant products that contain such raw materials that have been produced on land that has not been affected by deforestation or forest degradation after December 31, 2020, or products that have been produced using such products or from such products; and b) in the case of relevant wood products or products that contain wood, that the wood was felled from the forest without forest degradation taking place there after December 31, 2020; "forest degradation": structural conversion of forest land, i.e. of a) primary forests or naturally regenerated forests into plantation forests or other wooded land or b) primary forests into planted forests.



APPENDICES

About this report

GRI 2–2

Entities included in the consolidated financial statements

This report covers the entire Swatch Group with all its subsidiaries and includes the entire scope of Swatch Group entities included in the consolidated financial statements listed in the Annual Report 2024.

Direct environmental data is often not available for rented boutiques, especially shop-in-shops, where Swatch Group rents small retail spaces in third-party sales outlets. Consumption figures from boutiques and shop-in-shops are therefore generally not taken into account in the data reported. The greenhouse gas emissions from boutiques and shop-in-shops are reported in Scope 3, category 8. Other environmental data from boutiques and shop-in-shops is minimal compared to the overall consumption data for Swatch Group. The reported data in each case comprises at least 95% of the total values unless stated otherwise.

GRI 2–3

Periods

Due to data availability, all environmental data and key figures on sourcing relate in each case to the twelve-month period from October 1 of the previous year to September 30 of the reporting year. In the period from November to December 2024, the data was compiled by the individual business entities in a consistent and comparable manner. A validity check was used to check the database for incorrect entries. Employee key figures relate to the period from January 1, 2024 to December 31, 2024, with a reference date of December 31, 2024. Apprentices are recorded with a reference date of August 1 (start of training year).

GRI 305–1, 305–2, 305–3, 305–7

Greenhouse gas emissions

Method for calculating greenhouse gas emissions

The method for recording greenhouse gas emissions (Scope 1, Scope 2 and Scope 3) is based on the GHG Protocol[1].

Scope 2 emissions are calculated using the location-based and market-based method.

Scope 1

In order to calculate Scope 1 emissions from stationary and mobile combustion, the official UK emission factors[2] are applied.

All data is based on the gross calorific value (CV). The following table shows the key conversion and emission factors

	Conversions factor l to kWh	g CO_2eq / l	g CO_2eq / kWh
Heating oil	10.74	2 755.41	256.49
Diesel	10.51	2 512.79	239.02
Gasoline	9.47	2 084.40	220.13
Gas (kWh)	–	–	184.49

For diesel and gasoline, the values for "average biofuel blend" were taken. For gas, the values for "100% mineral" were used, as the biogas share is shown separately.

The recording of greenhouse gas emissions from refrigerants and processes includes carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorinated hydrocarbons (PFCs), sulfur hexafluoride (SF_6) and nitrogen trifluoride (NF_3) emissions. The emission factors are based on the IPCC Sixth Assessment Report (AR6).

1. ghgprotocol.org
2. www.gov.uk/government/collections/government-conversion-factors-for-company-reporting

Scope 2

The data used for electricity emission factors for location-based reporting is based on the IEA database[1]. The market-based calculation of emissions is based on the available data. The emission factor communicated by the supplier is used as the first priority. An emission factor calculated based on the electricity mix is used as the second priority. The Sphera MLC database residual mix electricity emission factors are used as the third priority.

The suppliers' emission factors are used for the market-based calculation of district heating. If these are not available, an average emission factor of 180 g CO_2eq / kWh is used, based on official UK emission factors. This value is also used for calculating emissions from district heating for location-based reporting.

Scope 3

To account for measurement uncertainties, the calculated emissions for each categories in which generic monetary emissions factors were used (categories 1, 2, 6, and 13), were increased by 25% and subsequently rounded up. To approximate the emissions, monetary and activity-based emission factors were taken from different databases including, but not limited to, Ecoinvent (v. 3.9.1), IEA (v. 6), MLC (v. 16.1), BEIS, Exiobase and EPA.

Category 1 – Purchased goods and services

Data taken into account

- Goods and services expenditures
- Activity data of precious metals, diamonds, and other goods when available.

Methodology changes in 2024

- Until 2023, we calculated emissions from precious metals and diamonds using monetary emission factors. In 2024, we used activity-based and supplier-specific emission factors for precious metals, diamonds, and other goods when available.

Category 2 – Capital goods

Data taken into account

- Capitalized expenditures.

Category 3 – Fuel- and energy-related activities

Data taken into account

- Energy (i.e. oil, gas, wood and electricity) consumption
- Grey hydrogen (Steam Methane Reformer process) consumption.

Category 4 – Upstream transportation and distribution

Data taken into account

- Transportation and distribution expenditures.

Methodology changes in 2024

- Until 2023, we calculated emissions based on imports to Swatch Group companies in Switzerland and extrapolated for the rest of the world. Exports paid by Swatch Group companies were not included.

Category 5 – Waste generated in operations

Data taken into account

- Weight and type of waste, including non-hazardous waste, hazardous waste, metals and batteries
- Waste disposal methods: recycled, incinerated with or without energy recovery, landfilled and others
- Discharged wastewater.

Methodology changes in 2024

- Adjustment in emission factors.

Category 6 – Business travel

Data taken into account

- Business travel expenditures.

Methodology changes in 2024

- Until 2023, we calculated emissions based on data provided by travel agencies managing Swatch Group companies and extrapolated where data was missing.

1. IEA: International Energy Agency.

Category 7 – Commuting

Data taken into account

- Data on employees' journeys to and from work were collected via a voluntary survey at some Swatch Group companies.

Assumption / extrapolation

- Emissions for the rest of Swatch Group were extrapolated based on the number of employees.

Category 8 – Upstream leased assets

Data taken into account

- Number of point of sales and average surface per brand
- Average electricity consumption per square meter.

Methodology changes in 2024

- Until 2023, emissions of points of sales with known energy consumption data were included in Scope 2. In 2024, these emissions are included in Scope 3 category 8.

Category 9 – Downstream transportation

Data taken into account

- Number of sold products.

Assumption / extrapolation

- Average distance between customer and point of sales.

Methodology changes in 2024

- Until 2023, we estimated emissions based on exports of Swatch Group companies. In 2024, exports paid by Swatch Group companies are included in Scope 3, category 4.

Category 10 – Processing of sold products

Data taken into account

- Energy consumed when assembling products of ETA, Renata and EM Microelectronic by third parties.

Assumption / extrapolation

- 15% was added to account for other products sold outside of the Swatch Group.

Category 11 – Use of sold products

Data taken into account

- Number of quartz watches sold by Swatch Group companies.

Assumption / extrapolation

- Number of battery replacements.

Category 12 – End-of-life treatment of sold products

Data taken into account

- Weight of products (incl. packaging) sold.

Category 13 – Downstream leased assets

Data taken into account

- Rent received from investment properties.

Category 14 – Franchises

Not applicable – Swatch Group does not operate franchises.

Category 15 – Investments

Data taken into account

- Scope 1 and Scope 2 emissions of companies in which Swatch Group holds shares.

Volatile organic compounds (VOCs)

The classification of volatile organic compounds is based on the Swiss Ordinance on the Incentive Tax on Volatile Organic Compounds SR 814.018[1].

Hazardous waste

The classification of hazardous waste is based on the Ordinance of the Swiss Federal Department of the Environment, Transport, Energy and Communications (DETEC) on lists for the movement of waste SR 814.610.1[2]. The ordinance is consistent with Annex III of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal.

Floor space

The usable floor space according to the building cadastre in m² was taken as the basis for buildings owned by the Group and those rented from third parties. Rooms open on one or more sides are not taken into consideration for this figure.

GRI 2-4

Restatement of information

Wood-based energy consumption was not correctly recorded in 2023. The value was corrected from 1.8 GWh to 1.4 GWh. The totals were adjusted accordingly.

For Scope 2, a new data basis was used for the emission factors for purchased electricity in 2024. The calculation method was also improved. In this case, figures for the previous year have not been corrected, because the electricity mix was not recorded in sufficient detail in the previous years to allow the new methodology to be applied retrospectively.

For Scope 3, the previous year's figures for individual categories have been partially corrected. Details are provided in "About this report" in the sub-sections on the individual Scope 3 categories.

1. fedlex.admin.ch/eli/cc/1997/2972_2972_2972/en
2. fedlex.data.admin.ch/eli/cc/2005/714

GRI content index

Swatch Group has reported in accordance with the GRI Standards for the period from January 1, 2024 to December 31, 2024.
AR = Annual Report 2024

GRI Standard (year)	Disclosure	Answer / omission
GRI 1 (2021)	**Foundation**	
GRI 2 (2021)	**General Disclosures**	
Disclosure 2–1	Organizational details	p. 4, AR p. 114
Disclosure 2–2	Entities included in the organization's sustainability reporting	p. 114
Disclosure 2–3	Reporting period, frequency and contact point	p. 114, 132
Disclosure 2–4	Restatements of information	p. 117
Disclosure 2–5	External assurance	p. 127
Disclosure 2–6	Activities, value chain and other business relationships	p. 5, 10, 100
Disclosure 2–7	Employees	p. 85
Disclosure 2–8	Workers who are not employees	Swatch Group has no workers who are not employees according to the definition of GRI 2–8.
Disclosure 2–9	Governance structure and composition	p. 27, AR p. 116–122, 191
Disclosure 2–10	Nomination and selection of the highest governance body	AR p. 118
Disclosure 2–11	Chair of the highest governance body	AR p. 117
Disclosure 2–12	Role of the highest governance body in overseeing the management of impacts	p. 12, 19, 27
Disclosure 2–13	Delegation of responsibility for managing impacts	p. 19, 27
Disclosure 2–14	Role of the highest governance body in sustainability reporting	p. 19, 27
Disclosure 2–15	Conflicts of interest	AR p. 114, 115, 118, 123, 195, 196
Disclosure 2–16	Communication of critical concerns	p. 27, 29

GRI Standard (year)	Disclosure	Answer / omission
Disclosure 2–17	Collective knowledge of the highest governance body	The Board of Directors is in contact with various stakeholders on economic, environmental, and social issues and is informed and involved in key decisions concerning sustainability. Accordingly, the Board of Directors is further developing its already solid and collective knowledge of the sustainability aspects relevant to Swatch Group.
Disclosure 2–18	Evaluation of the performance of the highest governance body	Information unavailable – the Board of Directors of Swatch Group does not yet carry out any self-evaluation regarding the sustainable development of the company.
Disclosure 2–19	Remuneration policies	AR p. 191–194
Disclosure 2–20	Process to determine remuneration	AR p. 191
Disclosure 2–21	Annual total compensation ratio	Confidentiality constraints – Swatch Group does not communicate disclosures on median compensation for confidentiality reasons.
Disclosure 2–22	Statement on sustainable development strategy	p. 3
Disclosure 2–23	Policy commitments	p. 33–35
Disclosure 2–24	Embedding policy commitments	p. 33–35
Disclosure 2–25	Processes to remediate negative impacts	p. 22
Disclosure 2–26	Mechanisms for seeking advice and raising concerns	p. 22, 33–35
Disclosure 2–27	Compliance with laws and regulations	p. 37
Disclosure 2–28	Membership associations	p. 22–24
Disclosure 2–29	Approach to stakeholder engagement	p. 22
Disclosure 2–30	Collective bargaining agreements	p. 86

GRI Standard (year)	Disclosure	Answer / omission
GRI 3 (2021)	**Material Topics**	
Disclosure 3–1	Process to determine material topics	p. 19
Disclosure 3–2	List of material topics	p. 19–20
CORPORATE AND GOVERNANCE		
Governance, ethics & compliance		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 26
GRI 205: Anti-corruption (2016)		
Disclosure 205–2	Communication and training about anti-corruption policies and procedures	p. 37
Disclosure 205–3	Confirmed incidents of corruption and actions taken	p. 37
GRI 408: Child Labor (2016)		
Disclosure 408–1	Operations and suppliers at significant risk for incidents of child labor	p. 33–35, 101–103
GRI 409: Forced or Compulsory Labor (2016)		
Disclosure 409–1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 33–35
Climate-related risks and opportunities		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 38
GRI 201: Economic Performance (2016)		
Disclosure 201–2	Financial implications and other risks and opportunities due to climate change	p. 38–43
Economic performance		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 44
GRI 201: Economic Performance (2016)		
Disclosure 201–1	Direct economic value generated and distributed	p. 45
GRI 207: Tax (2019)		
Disclosure 207–1	Approach to tax	p. 45–46
Disclosure 207–2	Tax governance, control, and risk management	p. 45–46
Disclosure 207–3	Stakeholder engagement and management of concerns related to tax	p. 45–46

GRI Standard (year)	Disclosure	Answer / omission
Innovation		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 47
GRI 203: Indirect Economic Impacts (2016)		
Disclosure 203–2	Significant indirect economic impacts	p. 47–49
ENVIRONMENT		
Energy and emissions		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 52
GRI 302: Energy (2016)		
Disclosure 302–1	Energy consumption within the organization	p. 60
Disclosure 302–3	Energy intensity	p. 60
Disclosure 302–4	Reduction of energy consumption	p. 60
GRI 305: Emissions (2016)		
Disclosure 305–1	Direct (Scope 1) GHG emissions	p. 61–62, 114
Disclosure 305–2	Energy indirect (Scope 2) GHG emissions	p. 61, 63, 115
Disclosure 305–3	Other indirect (Scope 3) GHG emissions	p. 61, 63–65, 114–116
Disclosure 305–4	GHG emissions intensity	p. 63
Disclosure 305–5	Reduction of GHG emissions	p. 61
Disclosure 305–7	Nitrogen oxides (NO_x), sulfur oxides (SO_x), and other significant air emissions	p. 65, 117
Product design and the circular economy		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 66
GRI 301: Materials (2016)		
Disclosure 301–2	Recycled input materials used	p. 67
Disclosure 301–3	Reclaimed products and their packaging materials	p. 68–69

GRI Standard (year)	Disclosure	Answer / omission
GRI 306: Waste (2020)		
Disclosure 306–1	Waste generation and significant waste-related impacts	p. 66
Disclosure 306–2	Management of significant waste-related impacts	p. 66
Disclosure 306–3	Waste generated	p. 70
Disclosure 306–4	Waste diverted from disposal	p. 70
Disclosure 306–5	Waste directed to disposal	p. 70
Water		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 73
GRI 303: Water and Effluents (2018)		
Disclosure 303–1	Interactions with water as a shared resource	p. 73
Disclosure 303–2	Management of water discharge-related impacts	p. 73
Disclosure 303–3	Water withdrawal	p. 76
Disclosure 303–4	Water discharge	p. 76
Disclosure 303–5	Water consumption	p. 76
Biodiversity		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 77
GRI 304: Biodiversity (2016)		
Disclosure 304–1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	p. 78–79
Disclosure 304–2	Significant impacts of activities, products and services on biodiversity	p. 77
Disclosure 304–3	Habitats protected or restored	p. 79

GRI Standard (year)	Disclosure	Answer / omission
SOCIAL		
Employees, diversity and equal opportunities		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 82
GRI 401: Employment (2016)		
Disclosure 401–1	New employee hires and employee turnover	p. 85
GRI 405: Diversity and Equal Opportunity (2016)		
Disclosure 405–1	Diversity of governance bodies and employees	p. 85
Disclosure 405–2	Ratio of basic salary and remuneration of women to men	p. 83–84
GRI 406: Non-discrimination (2016)		
Disclosure 406–1	Incidents of discrimination and corrective actions taken	p. 84
GRI 407: Freedom of Association and Collective Bargaining (2016)		
Disclosure 407–1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 86
Occupational health and safety		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 87
GRI 403: Occupational Health and Safety (2018)		
Disclosure 403–1	Occupational health and safety management system	p. 87
Disclosure 403–2	Hazard identification, risk assessment, and incident investigation	p. 88
Disclosure 403–4	Worker participation, consultation, and communication on occupational health and safety	p. 88
Disclosure 403–5	Worker training on occupational health and safety	p. 88
Disclosure 403–6	Promotion of worker health	p. 88–89
Disclosure 403–7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 89
Disclosure 403–9	Work-related injuries	p. 90
Training and education and preservation of arts and artisanship		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 91
GRI 404: Training and Education (2016)		
Disclosure 404–1	Average hours of training per year per employee	p. 96

GRI Standard (year)	Disclosure	Answer / omission
SOURCING		
GRI 3 (2021)	**Material Topics**	
Disclosure 3–3	Management of material topics	p. 99
GRI 204: Procurement Practices (2016)		
Disclosure 204–1	Proportion of spending on local suppliers	p. 103
GRI 301: Materials (2016)		
Disclosure 301–1	Materials used by weight or volume	p. 100
Disclosure 301–2	Recycled input materials used	p. 106–107
GRI 308: Supplier Environmental Assessment (2016)		
Disclosure 308–1	New suppliers that were screened using environmental criteria	p. 103–105
Disclosure 308–2	Negative environmental impacts in the supply chain and actions taken	p. 103–105
GRI 408: Child Labor (2016)		
Disclosure 408–1	Operations and suppliers at significant risk for incidents of child labor	p. 101–103
GRI 414: Supplier Social Assessment (2016)		
Disclosure 414–1	New suppliers that were screened using social criteria	p. 103–105
Disclosure 414–2	Negative social impacts in the supply chain and actions taken	p. 103–105

TCFD content index

(Swiss Climate Ordinance)

TCFD disclosure	Recommended disclosures	Disclosure location
Governance	a. Describe the board's oversight of climate-related risks and opportunities.	p. 27–29
	b. Management's role in assessing and managing climate-related risks and opportunities.	p. 39
Strategy	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	p. 41–42
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	p. 41–42
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	p. 39–40
Risk management	a. Describe the organization's processes for identifying and assessing climate-related risks.	p. 43
	b. Describe the organization's processes for managing climate-related risks.	p. 52
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	p. 19–20, 39–42
Metrics and targets	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	p. 38
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	p. 56, 58
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	p. 57, 60–65

Transparency regarding non-financial matters in accordance with Art. 964 CO

This sustainability report was produced in accordance with Art. 964a et seq. of the Swiss Code of Obligations (CO). The sustainability report was approved by the Swatch Group Board of Directors on March 5, 2025 and will be submitted to the Annual General Meeting for approval on May 21, 2025.

Non-financial matters	Content	Response
Business model		p. 5–6, 10–11
Environmental matters	Concepts and due diligence	p. 12–14, 53–54, 67–70, 74, 78–79
	Measures	p. 27–35, 38, 52–58, 66, 73, 77, 99, 110–112
	Risks	p. 20, 35, 38, 41–43, 52, 66, 73, 77
	Performance indicators	p. 56–57, 60–65, 70, 75–76, 77–79
Social matters	Concepts and due diligence	p. 13–14, 20, 21, 30–35, 100
	Measures	p. 22–24, 30–33, 103–105
	Risks	p. 21, 82, 87, 91
	Performance indicators	p. 26, 84–85, 90, 104
Employee matters	Concepts and due diligence	p. 13–14, 83–84, 86, 88–90
	Measures	p. 83, 86, 92–97
	Risks	p. 82, 87, 91
	Performance indicators	p. 84–85, 90, 96
Respect for human rights	Concepts and due diligence	p. 14, 21, 33–35, 100, 101–103
	Measures	p. 26, 99, 102–105
	Risks	p. 26, 99
	Performance indicators	p. 34, 101–102
Fighting corruption	Concepts and due diligence	p. 20, 26, 33, 37
	Measures	p. 26, 38
	Risks	p. 26
	Performance indicators	p. 37
Due diligence and transparency with regard to minerals and metals from conflict-affected areas and child labor	Minerals and metals	p. 100–101, 106–109
	Child labor	p. 101–105

Limited assurance report

GRI 2–5

Independent practitioner's limited assurance report

on selected indicators in the Sustainability Report 2024 to the Board of Directors of The Swatch Group AG, Neuchâtel

We have been engaged by Board of Directors to perform assurance procedures to provide limited assurance on selected indicators (including the GHG emissions) in the Sustainability report 2024 of The Swatch Group AG for the period ending at 31 December 2024.

The following selected indicators (including the GHG emissions) (hereafter the "selected indicators"), and marked with the green check mark ✔ in the Sustainability report 2024 of The Swatch Group AG (the "Company") were subject to our assurance engagement:

Greenhouse gas (GHG) emissions (metric tonnes CO_2eq):
- Total Scope 1 on page 61
- Total Scope 2 (market-based and location-based) on page 61

Total energy consumption on page 60 including the following selected indicators:
- Total electricity consumption on page 60
- Total heat consumption on page 60
- Total mobility on page 60
- Hydrogen on page 60

Minerals and metals from conflict affected areas:
- The table "Supply chain review" under the chapter "Minerals and metals from conflict affected areas" on page 101
- The overview "Countries of origin for primary gold in the year under review" under the "Precious metal sourcing" chapter on page 106

The selected indicators of the Company are based on the GRI Standards (newest version) published by the Global reporting Initiative, the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition) (the "suitable Criteria") as presented by the company as a basis of reporting in the section "About this Report" in the Sustainability Report 2024.

Inherent limitations

The accuracy and completeness of the indicators (including the GHG emissions) are subject to inherent limitations given their nature and methods for determining, calculating and estimating such data. In addition, the quantification of the indicators (including the GHG emissions) is subject to inherent uncertainty because of incomplete scientific knowledge used to

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determine factors related to the indicators (including the GHG emissions) and the values needed to combine e.g. emissions of different gases. Our assurance report will therefore have to be read in connection with the suitable Criteria used by the Company.

Board of Directors' responsibility

The Board of Directors of The Swatch Group AG is responsible for preparing and presenting the Sustainability report 2024 in accordance with the suitable Criteria. This responsibility includes the design, implementation and maintenance of the internal control system related to the preparation and presentation of the Sustainability report 2024 that are free from material misstatement, whether due to fraud or error. Furthermore, the Board of Directors is responsible for the selection and application of the suitable Criteria.

Independence and quality management

We are independent of The Swatch Group AG in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

PricewaterhouseCoopers AG applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Practitioner's responsibility

Our responsibility is to perform an assurance limited engagement and to express a conclusion on the selected indicators in the Sustainability Report 2024 (including the GHG emissions). We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information' and the International Standard on Assurance Engagements 3410, Assurance Engagements on Greenhouse Gas Emissions ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we plan and perform our procedures to obtain limited assurance whether anything has come to our attention that causes us to believe that the selected indicators in the Sustainability Report 2024 (including the GHG emissions), marked with the check mark ✔, were not prepared, in all material aspects, in accordance with the suitable Criteria.

Based on risk and materiality considerations, we performed our procedures to obtain sufficient and appropriate assurance evidence. The procedures selected depend on the assurance practitioner's judgement. A limited assurance engagement under ISAE 3000 (Revised) is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement.

We performed the following procedures, among others:

- Inquiries and detailed walkthroughs with relevant stakeholders for the selected KPIs of the Sustainability Report 2024;
- Inspection of process and control descriptions and other internal guidelines and relevant documents;
- Analytical procedures;
- Reperformance of relevant calculations for selected KPIs;
- Additional assurance procedures as deemed necessary (e.g., sample based source tracing); and

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- Local level procedures (site visits to inspect local processes and reconcile source evidence), where necessary and appropriate according to our assessment in accordance with the respective assurance standards.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the work we performed, nothing has come to our attention that causes us to believe that selected indicators in the Sustainability Report 2024 of The Swatch Group AG, marked with the check mark ✓, for the period ending 31 December 2024 are not prepared, in all material respects, in accordance with the suitable Criteria.

Intended users and purpose of the report

This report is prepared for, and only for, the Board of Directors of The Swatch Group AG, and solely for the purpose of reporting to them on selected indicators in the Sustainability Report 2024 and no other purpose. We do not, in giving our conclusion, accept or assume responsibility (legal or otherwise) or accept liability for, or in connection with, any other purpose for which our report including the conclusion may be used, or to any other person to whom our report is shown or into whose hands it may come, and no other persons shall be entitled to rely on our conclusion.

We permit the disclosure of our report, in full only and in combination with the suitable Criteria, to enable the Board of Directors to demonstrate that they have discharged their governance responsibilities by commissioning an independent assurance report over selected indicators in the Sustainability Report 2024, without assuming or accepting any responsibility or liability to any third parties on our part. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors of The Swatch Group AG for our work or this report.

PricewaterhouseCoopers AG

Thomas Brüderlin Petar Lesic

Basel, March 5, 2025

The maintenance and integrity of The Swatch Group AG's website and its content are the responsibility of the Board of Directors; the work carried out by us as the independent practitioner does not involve consideration of the maintenance and integrity of The Swatch Group AG's website, accordingly, we accept no responsibility for any changes that may have occurred to the selected indicators since they were initially presented on the website.

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Glossary

3TG
Tin, tungsten, tantalum and gold

AIMD
Active implantable medical device AIMD

BVO
Bewirtschaftungsverordnungen Elektrizität/Electricity Management Ordinances

CEN
European Committee for Standardization

Chem-MAP
Chemical management and verification system

CIBJO
Confédération Internationale de Bijouterie, Joaillerie, Orfèvrerie, des Diamants, Perles et Pierres/International Association for Jewelry, Silverware, Diamonds, Pearls and Stones

CITES
Convention on International Trade in Endangered Species of Wild Fauna and Flora (Washington Convention)

CLA
Collective labor agreement

CO
Swiss Code of Obligations

CO_2eq
CO_2 equivalents

CP
Convention patronale de l'industrie horlogère suisse/Employers' Association of the Swiss watch industry

CSEM
Centre suisse d'électronique et de microtechnique/Swiss Center for Electronics and Microtechnology, Swiss research and development center working in the fields of microfabrication, digitalization and renewable energy

DDTrO
Ordinance on Due Diligence and Transparency in relation to Minerals and Metals from Conflict-Affected Areas and Child Labour

DNA
Deoxyribonucleic acid

EFG
Edge-defined film-fed growth

EN
European Standards

EnAW
Energy Agency of the Swiss Private Sector

EPFL
Ecole Polytechnique Fédérale de Lausanne

ESG
Environmental, Social, Governance

ETA
ETA Manufacture Horlogère SA, subsidiary of Swatch Group

ETHZ
Swiss Federal Institute of Technology Zurich

EUBR
New European Union Batteries Regulation

EUDR
European Deforestation Regulation

EUTR
European Union Timber Regulation

FEPS
Far East Procurement Services of Swatch Group

FH
Fédération de l'industrie horlogère/Federation of the Swiss Watch Industry

FHNW
University of Applied Sciences Northwestern Switzerland

FOEN
Swiss Federal Office for the Environment

FTIR
Fourier transform infrared spectrometer

GHG
Greenhouse gases

GRI
Global Reporting Initiative – an NGO that produces the most widely used sustainability reporting standards (GRI Standards)

GWh
Gigawatt hours

IC
Integrated Circuit

ICB
Ingénieurs Conseils en Brevets P.A.

ICFA
International Crocodilian Farmers Association

IEA
International Energy Agency

IEC
International Electrotechnical Commission

IGSU
Interessengemeinschaft Saubere Umwelt/Swiss competence centre against littering

ILO
International Labour Organization

IoT
Internet of things

IPCC
Intergovernmental Panel on Climate Change

ISO
International Organization for Standardization

IUCN
International Union for Conservation of Nature.
IUCN CR: critically endangered species
IUCN EN: endangered species
IUCN VU: vulnerable species

KPCS
Kimberley Process Certification Scheme

kWh
Kilowatt hour

kWp
Kilowatt peak / A term used in the field of photovoltaics for calculating peak electrical power

LBMA
London Bullion Market Association

LCA
Life Cycle Assessment

LTIF
Lost time injury frequency

MWh
Megawatt hour

OASI
Old-age and survivors insurance

OCXO
Oven controlled crystal oscillator

OECD
Organisation for Economic Cooperation and Development

OHS
Occupational health and safety

OSTRAL
Organisation für Stromversorgung in Ausserordentlichen Lagen / Organization for Power Supply in Extraordinary Situations

PPA
Power purchase agreement

QA audit
Quality assurance audit

R&D
Research and development

REACH
EU Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals

RJC CoC
Responsible Jewellery Council Chain of Custody

RJC CoP
Responsible Jewellery Council Code of Practices

RoHS
Restriction of Hazardous Substances – EU directive

RS audit
Responsible sourcing audit

RSL
Restricted substances list

RTC
Real-time clock

SA 8000
International standard from Social Accountability International (SAI) for the improvement of working conditions

SAV
Schweizerischer Arbeitgeberverband / Swiss Employers' Association

SDGs
Sustainable Development Goals of the United Nations

SIS
Shop in shops

SMUV
Schweizerischer Metallarbeiter- und Uhrenarbeiterverband / Swiss Metalworkers' and Watchmakers' Union

SN
Abbreviations before standard numbers of the Swiss Standards Association (SNV)

SNV
Swiss Standards Association

SVHC
Substances of very high concern

TCFD
Task Force on Climate-Related Financial Disclosures

UNGP
United Nations Guiding Principles on Business and Human Rights

UV
Ultraviolet radiation

VET
Vocational Education and Training (vocational qualification is called the Federal VET Diploma)

VOC
Volatile organic compounds

VSE
Verband Schweizerischer Elektrizitäts-unternehmen / Association of Swiss Electricity Companies

WD-XRF analysis
Wavelength dispersive X-ray fluorescence spectrometer

WEEE
Waste from Electrical and Electronic Equipment (Directive 2012/19/EU).

WOAH
World Organisation for Animal Health

WOSTEP
Watchmakers of Switzerland Training and Educational Program

Wp
Watt peak / see kWp

WPO
Waters Protection Ordinance

WRI
World Resources Institute (environmental think tank and publisher of Aqueduct)

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