

# **GRI DISCLOSURES & INDEX**

IWC Schaffhausen has reported the information cited in this GRI content index for the period 1 April 2020 – 31 March 2022 with reference to the GRI Standards.

## GOVERNANCE

The Sustainability Committee reports directly to the CEO and manages IWC's sustainability activities and decisions. The Sustainability Committee consists of six executive and three non-executive members with a tenure of five years. IWC's Sustainability Committee members represent key departments within IWC such as: Research & Innovation, Finance, Operations, Human Resources, Corporate Sustainability, Sales, Corporate Communications, Marketing, and Supply Chain. The members own the targets for their area and are responsible for integrating sustainability throughout IWC. The Committee ensures the right governance for their strategy and topics, meeting quarterly to work on their roadmap and report on progress.

## RESPONSIBLE PROCUREMENT

Key principles of IWC's supply chain management are primarily based on the Procurement Policy developed by the Richemont Group. This policy regulates risk management, due diligence, supplier selection and supplier engagement. All legal entities of Richemont Group must formalise these principles in all their sourcing and procurement activities. Suppliers must familiarise themselves with the Group's Supplier Code of Conduct and Due Diligence Standard. IWC is also certified under the RJC's Code-of-Practices (CoP) and Chain-of-Custody (CoC) certifications. These certifications set the requirements for all IWC's suppliers and regulate their social and environmental impact management.

Suppliers must also adhere to the numerous policies outlining social and environmental impact assessment included in the Procurement Policy and Supplier Code of Conduct. These include social assessment criteria such as: General Laws, Regulations and Performance; Human Rights; Indigenous People; Discrimination; Discipline and Harassment; Forced Labour; Wages and Benefits; Work Hours; Freedom of Association; Health and Safety. Additional criteria evaluated by the RJC standards must also be complied with and include: Partnerships, Due Diligence, Sourcing, Community Development, Provenance Claims, Employments Terms, Harassment, Discipline, Grievance Procedures and Non-retaliation.

These policies as well as an alignment with the RJC standards help IWC to adhere to strong management systems addressing human rights compliance, respect of working hours, appropriate wages and benefits, positive community impact, freedom of associations and collective bargaining agreements, freely chosen employment, safe and healthy

working environment, employees and contractors well-being without any signs of harsh or inhuman treatment, any discrimination, any child or forced labour, etc.

Environmental assessment criteria include Environmental management and compliance; Resource reduction and pollution prevention; Energy usage and GHG emissions; Water; Waste; Chemicals; Biodiversity. The following criteria are also evaluated through RJC standards compliance: environmental management system, hazardous substances management, responsible use of natural resources and raw materials, responsible mining.

RJC's CoC accreditation ensures that relevant material, whether mined or recycled, is fully traceable and responsibly sourced through strict management systems and rigorous third-party audits.

IWC audits its suppliers together with a third party. Key suppliers with a turnover of more than 1,000,000 CHF are audited at least once every three years. Due to travel restrictions from Covid-19 some scheduled visits were put on hold, but they are being rescheduled for later in 2022. IWC remained in close virtual contact with key suppliers during the pandemic.

## PLANET

### MATERIALS USED

All IWC suppliers of precious metal components are at least RJC CoP-certified, and all suppliers of fine gold are RJC-CoC certified. Circular economy principles are already practiced at IWC for gold and precious metals, with the materials left over from production processes collected and returned to their refiner for re-use.

	MEASURE	FY18/19	FY19/20	FY20/21
Steel	Kg	6'143.00	7'273.00	8'158.12
Gold	Kg	600.45	830.15	399.84
Platinum	Kg	18.70	20.50	15.78
Bronze	Kg	1'068.00	2'423.00	1'050.28
Titanium	Kg	737.00	1'749.00	807.14
Diamonds	In carats	1'720.00	1'212.00	1'210.00
<b>TOTAL</b>	<b>Kg</b>	<b>8'567.15</b>	<b>12'295.65</b>	<b>10'431.16</b>
(without diamonds)				

## ENERGY CONSUMPTION

	CY 2019	CY 2020	CY 2021
<b>Total energy consumption (KWH)</b>	5'936'795	5'475'524	8'274'111
Direct energy consumption (KWH)	312'321	319'373	1'516'954
Indirect energy consumption (KWH)	5'624'474	5'156'151	6'757'157
Total consumption from non-renewable sources	132'638	122'346	98'536
Total consumption from renewable sources	5'804'157	5'353'178	8'175'575
<b>Electricity</b>	5'804'157	5'353'178	5'904'071
Green electricity	5'491'836	5'033'805	5'612'878
Solar (KWH)	312'321	319'373	291'193
<b>Heat</b>	132'638	122'346	2'370'040
Heating oil (L)	8'567	180	310
Natural gas	124'071	122'166	98'226
<b>Geothermal (KWH)</b> newly reported since 2021	-	-	1'225'761
<b>Bio gas (KWH)</b> newly reported since 2021	-	-	1'045'743

Calendar year (CY) is used for energy consumption data collection.

All Schaffhausen buildings (headquarters and manufacturing centre) are cooled and heated using groundwater, otherwise with biogas. IWC sources 90% of biogas from the European Union with the rest coming from Switzerland.

Over the next two to three years, it is planned to replace old oil boilers with heat pumps. IWC also recovers 60-75% of heat from its' machinery, compressors and ventilation system.

## GREENHOUSE GAS (GHG) EMISSIONS

Tons	CY 2019	CY 2020	CY 2021	CY21-20 difference, tones	CY21-20 difference, %
<b>Scope 1</b>	<b>365</b>	<b>263</b>	<b>95</b>	<b>-169</b>	<b>-64%</b>
Fuel	22	0	1	1	N.A.
Natural gas	252	247	18	-229	-93%
Own vehicles	91	16	76	60	+375%
<b>Scope 2*</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Electricity	23	0	0	0	0
<b>Scope 3</b>	<b>1'192</b>	<b>316</b>	<b>628</b>	<b>312</b>	<b>+99%</b>
Business travel (air, road, rail)	1'009	115	91	-24	-21%
Logistics	111	110	117	7	+6%
Waste generated in operations	72	91	420	329	+362%

Calendar year (CY) is used for GHG emissions data collection.

For GHG emissions calculation the data collection format was changed from FY to CY in the current report and updated calculation approach used.

\*Electricity comes from 100% renewable sources. In current report new calculation approach was implemented allowing to use emission conversion factor equal to '0' for renewable energy.

## WASTE MANAGEMENT

metric tons	CY 2020	CY 2021	DIFFERENCE*
<b>General waste</b>	<b>83</b>	<b>103</b>	<b>+24%</b>
Incineration	49	67	+37%
Recycling	34	36	+6%
<b>Special waste</b>	<b>194</b>	<b>316</b>	<b>+63%</b>

Calendar year (CY) is used for waste generation and management data collection.

\*The increase in waste generation in 2021 is caused by post-pandemic return to office as well as increasing levels of production.

Hazardous waste includes the disposal of all chemical waste from our production. This also includes wastewater, e.g. from electroplating, which is collected in storage tanks and transported away. In CY 2021 IWC disposed of 273,223 m<sup>3</sup> of chemical wastewater.

## WATER MANAGEMENT

	CY 2020	CY 2021	DIFFERENCE
<b>Water use in cubic meters</b>	<b>187'035</b>	<b>332'926</b>	<b>+78%</b>
Municipal water	10'757	12'087	+12%
Groundwater (for cooling)	75'375	55'444	-26%
Groundwater (for heating)	100'903	265'395	+163%*

Calendar year (CY) is used for water management data collection.

\*The increase of groundwater in 2021 took place due to the optimisation of the ground water usage (switch to groundwater from gas).

The chemical wastewaters from production, mainly from electroplating and vibratory grinding, are captured and stored safely in dedicated tanks. The contaminated wastewater is collected regularly by a specialised disposal company. It also advises on the handling of hazardous waste, including hazardous wastewater. It provides IWC with a yearly certificate specifying the amount of waste disposed of from IWC facilities.

IWC does not draw or consume water from areas with water stress.

# PEOPLE

## TOTAL NUMBER OF EMPLOYEES

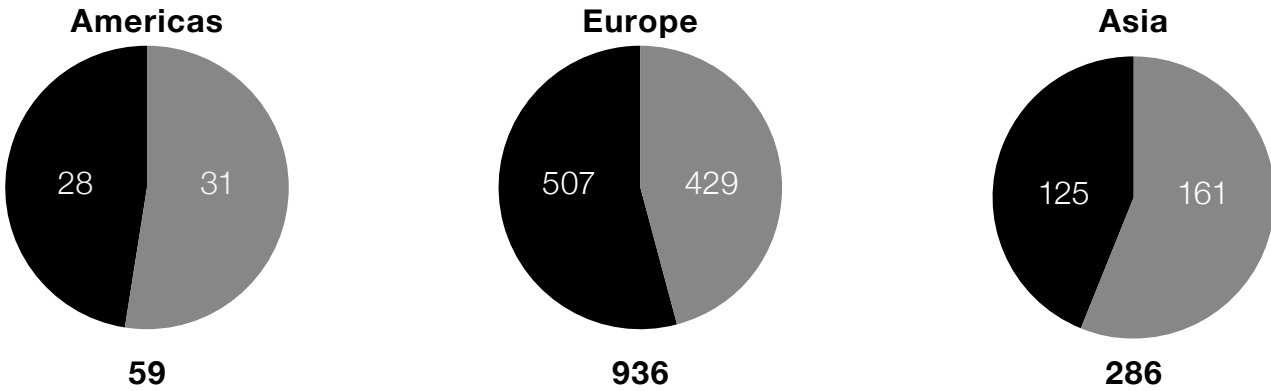
IWC ensured high employment security especially during the Covid crisis, no employees were laid off during the pandemic. The measures put in place during Covid included hiring delays for non-business critical replacement and new positions.

All figures reported are a total headcount as of the end of the fiscal year.

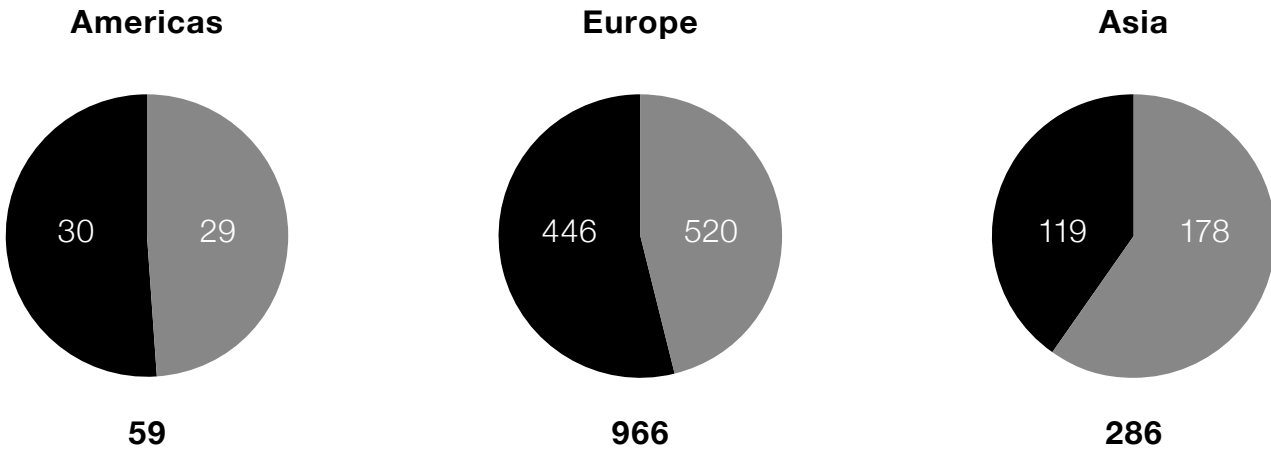
■ Male    ■ Female

### BY REGION

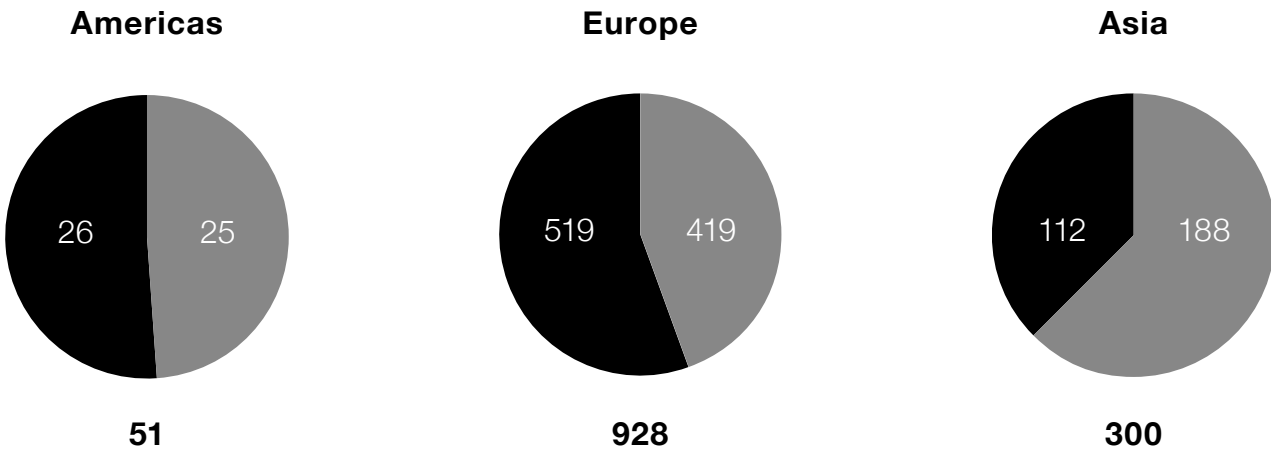
FY 2019



FY 2020

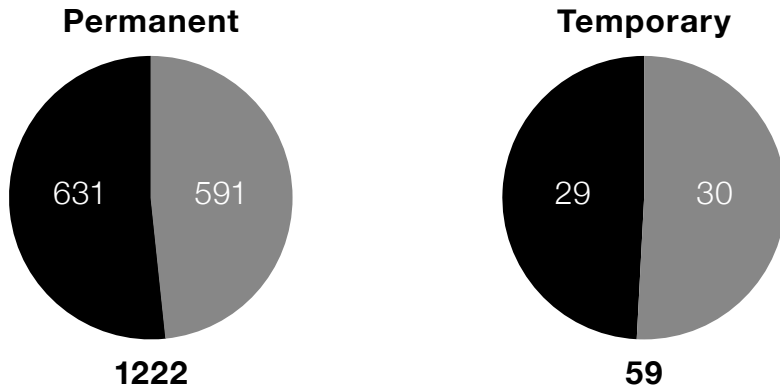


FY 2021

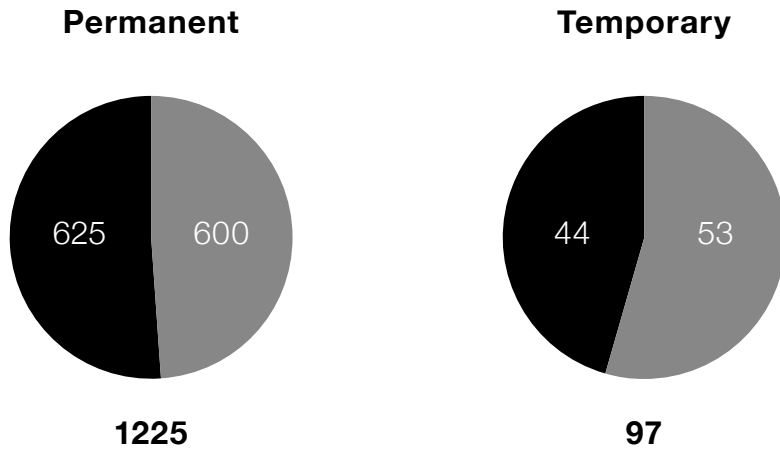


### BY EMPLOYMENT CONTRACT

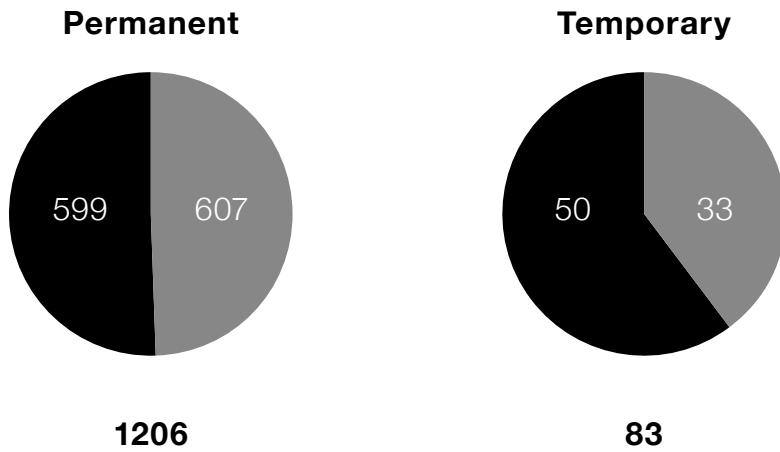
FY 2019



FY 2020

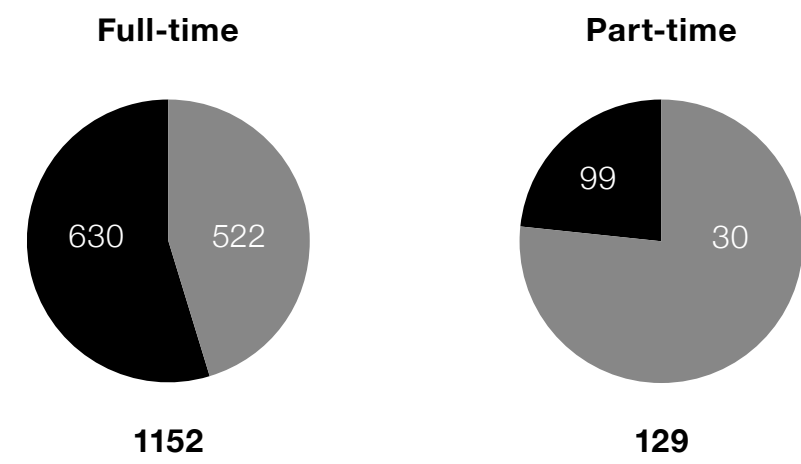


FY 2021

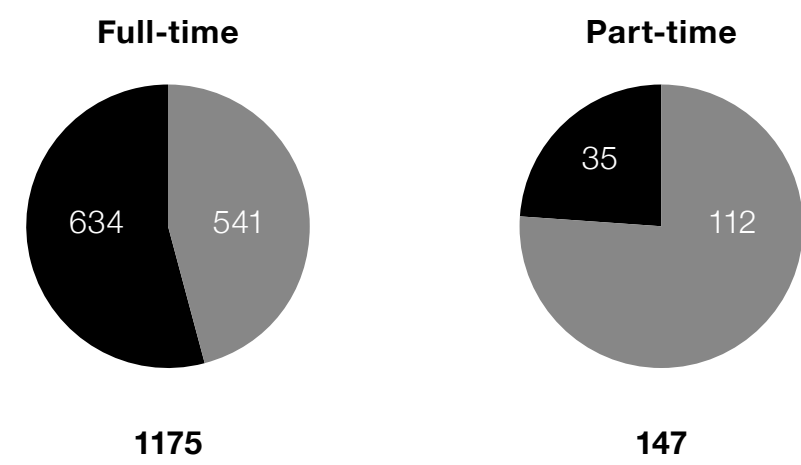


## BY EMPLOYMENT TYPE

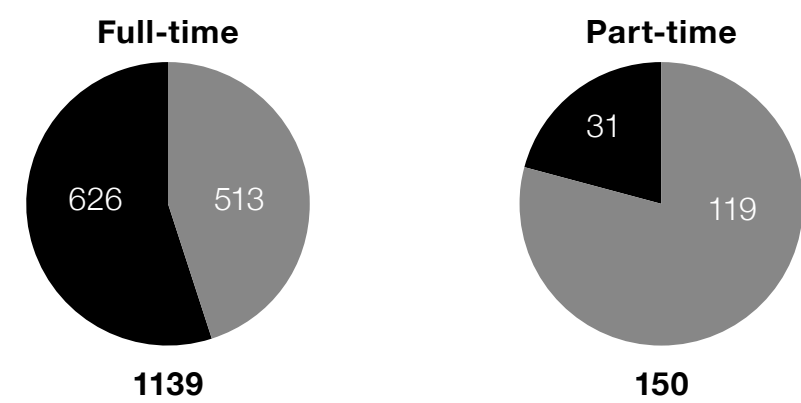
FY 2019



FY 2020



FY 2021



IWC also employs temporary external staff and service providers hired through specialised agencies. This includes:

- External temporary staff: 64 (primarily working in manufacturing/production)
- Service provider: 98 (primarily providing building and office services in security or cleaning)

## EMPLOYEE BENEFITS

In addition to standard benefits such as health, pension and life insurance contributions (lower for employees with less than 50% workload), and disability coverage, IWC also provides subsidised lunches and public transportation (only full-time employees), paid maternity (16-18 weeks) and paternity (2 weeks) leave, fully covered sick leave, electric vehicle benefits (only full-time employees), and discounts for health clubs, watches and Richemont Group brands. As they head towards retirement, employees can reduce their working hours to 80% or 60% while keeping a salary level of 90% or 80% respectively.

In case of extraordinary financial circumstances, employees can ask their Personalstiftung (employee charity), headed by IWC's CFO, for subsidies for childcare.

IWC promotes a transparent working culture and has internal escalation procedures to handle whistleblowing. Concerns about wrongdoings can be submitted anonymously through a dedicated corporate email; these potential incidents are assessed and addressed by IWC's internal audit team. Employees can also address grievances or ethical issues to the HR Director, CEO, or employee committee (PeKo) representing IWC employees in negotiations with management and executive committee. PeKo, an employee committee, acting as point of contact for problems within the workforce, supports employees in all matters related to their working relationships with IWC such as:

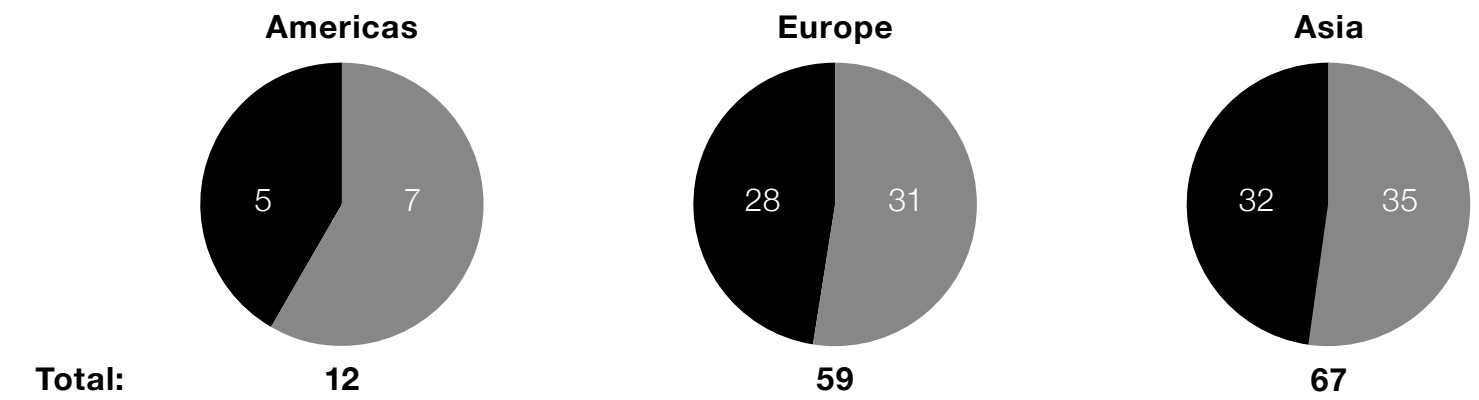
- Acceptance and review of proposals and requests of workforce
- Mediation between management and employees
- Wage negotiations
- Implementation of the collective agreement

All employees in Switzerland participate in the collective labour agreements of the Swiss-German association of watchmaking and the micro-technology industry.

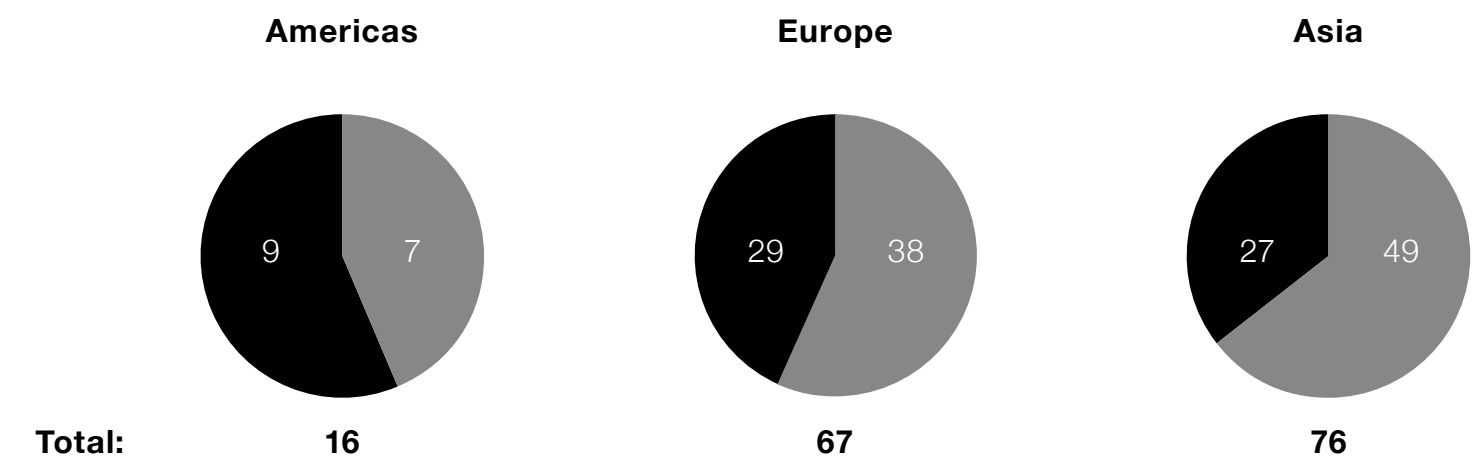
## NEW EMPLOYEE HIRES

BY REGION

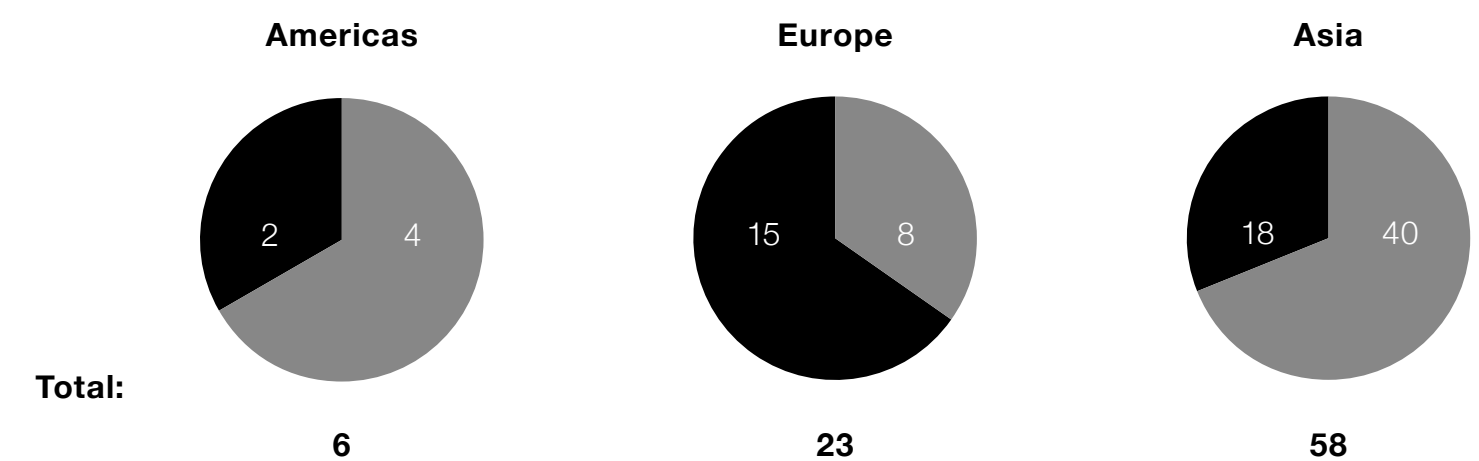
FY 2019



FY 2020

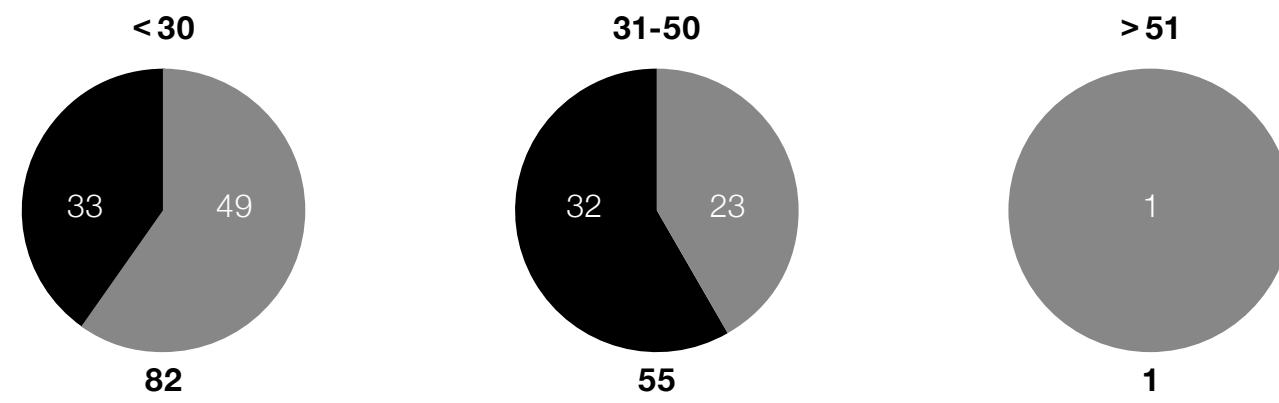


FY 2021



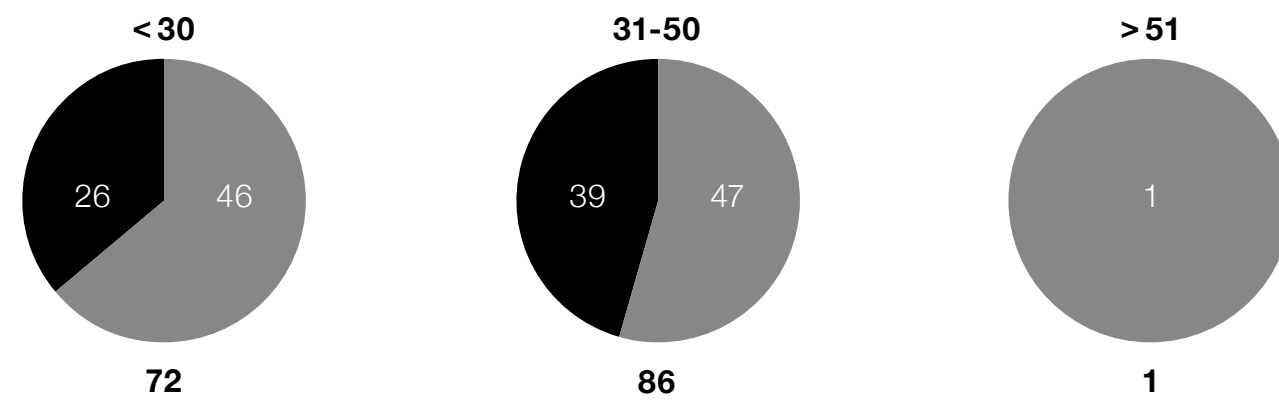
**BY AGE GROUP**

**FY 2019**



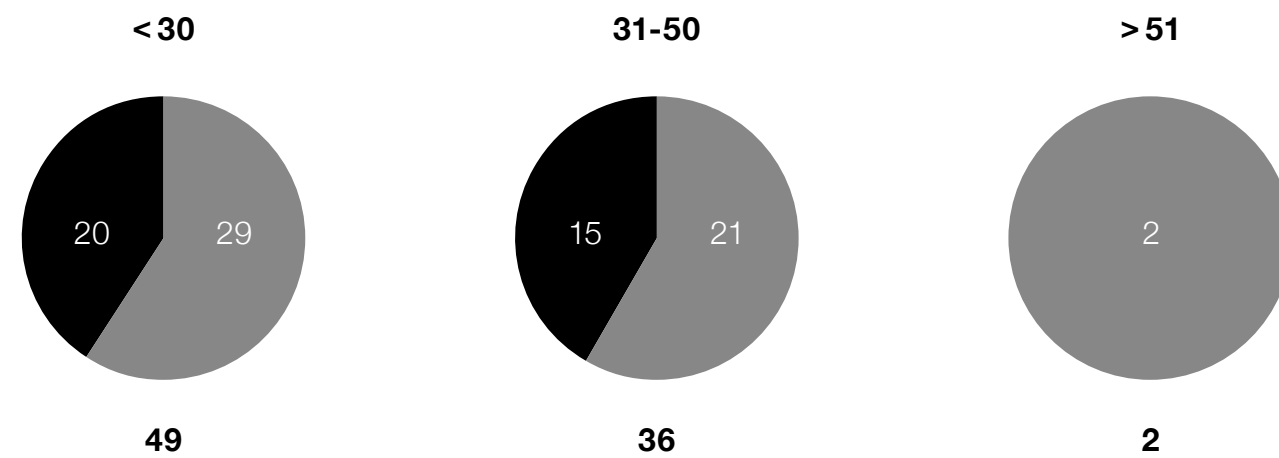
**Total:**

**FY 2020**



**Total:**

**FY 2021**



**Total:**

**EMPLOYEE TURNOVER**

**BY REGION**

**FY 2019**

	MALE	FEMALE	TOTAL
Americas	24.6%	30.2%	27.6%
Europe	9.9%	11.7%	10.7%
Asia	22.6%	21.1%	21.7%

**FY 2020**

	MALE	FEMALE	TOTAL
Americas	26.7%	22.8%	24.7%
Europe	5.9%	10.9%	8.2%
Asia	28.9%	23.5%	25.8%

**FY 2021**

	MALE	FEMALE	TOTAL
Americas	21.99%	29.3%	25.6%
Europe	6.3%	7.9%	7.0%
Asia	18.1%	15.4%	16.5%

**BY AGE GROUP**

**FY 2019**

	MALE	FEMALE	TOTAL
< 30	14.7%	22.3%	19.2%
31-50	14.2%	11.0%	12.7%
> 51	7.0%	13.5%	9.1%

**FY 2020**

	MALE	FEMALE	TOTAL
< 30	17.6%	18.8%	18.3%
31-50	9.7%	14.2%	11.8%
> 51	10.0%	5.7%	8.6%

**FY 2021**

	MALE	FEMALE	TOTAL
< 30	10.2%	14.8%	13.0%
31-50	9.7%	10.7%	10.2%
> 51	6.3%	3.2%	5.2%

## TRAINING HOURS

As part of Richemont, IWC has mandatory onboarding and compliance trainings on vital governance and ethics rules such as the Standards of Business Conduct, Group Security Policy, Global Health and Safety Directive and Policy, and the Global Data Privacy Policy. Compulsory trainings also include topics such as brand and heritage, sexual harassment, and anti-bias.

### BY GENDER

	MALE	FEMALE	AVERAGE
<b>FY 2019</b>	13.7	12.4	<b>13.05</b>
<b>FY 2020</b>	5.9	4.1	<b>5</b>
<b>FY 2021</b>	5.9	6.4	<b>6.15</b>

### BY EMPLOYEE CATEGORY

	MIDDLE MANAGEMENT	SENIOR MANAGEMENT
<b>FY 2019</b>	30.3	27.1
<b>FY 2020</b>	15.6	3.9
<b>FY 2021</b>	18.8	4.3

Due to Covid-19, the training budget decreased in 2020 and 2021. Many trainings had to be cancelled and the short-term work policies in many countries resulted in even less trainings taking place. Though many trainings could quickly be adapted to virtual formats, they were often shorter in duration compared to physical trainings (e.g. two half days instead of two full days). The training hours per headcount increased again in 2021.

## DIVERSITY & INCLUSION

### BY GENDER, 2021

	MALE	FEMALE
<b>Total global employees</b>	51%	49%
<b>Executive Committee (EXCO)</b>	88%	13%
<b>Management<sup>1</sup></b>	84%	16%
<b>Headquarters<sup>2</sup></b>	55%	45%

<sup>1</sup>Richemont Job Ranking Management-level ex EXCO

<sup>2</sup>Richemont Job Ranking Specialist / Non-exempt / No ranking

### BY AGE GROUP, 2021

	<30	31-50	>51
<b>Total global employees</b>	25%	61%	14%
<b>Executive Committee (EXCO)</b>	0%	100%	0%
<b>Management</b>	0%	77%	23%
<b>Headquarters</b>	29%	53%	18%

From FY21 to FY22, they increased the number of women in top management positions by four percentage points (26% increase) and in management positions overall by six percentage points (18% increase).

## PAY GAP

At their headquarters, there is an average gender pay gap of 4% with a 96% degree of accuracy. They will implement further measures in 2022 to reduce this gap.

## FUTURE GENERATIONS

Each year IWC welcomes approximately 50-60 interns, with 30-40% hired after their internship period (normally six months) ends.

IWC works closely with the CEMS network, a global alliance of leading business schools, as well as University of St. Gallen, École hôtelière de Lausanne (EHL) and ESCP Business School for its recruiting purposes. IWC also supports Creative Academy, Richemont's design school in Milan. Creative Academy offers specialised degrees focused on jewellery, watches and accessories and each year IWC welcomes one intern for their watch design team.

There is also an 18-month corporate trainee programme in place for young graduates who are hired upon successful completion. This programme includes department rotations and a three-month stay abroad.

## HEALTH & SAFETY

IWC's Handbook Security outlines the comprehensive policy and procedures for health and safety management. IWC is fully compliant with all international, national and industry-specific standards, and certain Richemont policies they adhere to even go beyond the legal requirements. All employees (full and part-time) as well as external persons are covered by the occupational health and safety management system.

IWC provides a wide range of Workplace Health Management (WHM) activities to increase employees' health and wellbeing. IWC also takes preventive measures to reduce the probability of non-occupational accidents. WHM committee ensures any potential issues. The company is also required to report on health and safety at the workplace to Convention Patronale de l'industrie horlogère Suisse and is subjected to third-party audits on a regular basis or on demand.

Reporting processes to report work-related hazards or potentially hazardous situations are in place to mitigate potential risks. Work-related incidents are collected in a dedicated database, this includes occupational accidents as well as absences due to sickness, including every positive Covid-19 case.

Alarm systems, escape and rescue plans and annual evacuation drills ensure all IWC employees are prepared in case of an accident or emergency.

## STAKEHOLDER ENGAGEMENT

Stakeholders are defined as groups or individuals that are significantly affected by the company's activities and products, or whose actions can affect the implementation of a company's strategy. IWC identifies the following relevant groups of internal and external stakeholders:

- Management / Board
- Employees
- Potential employees
- Clients / Customers
- Suppliers
- Regulators / Legislators
- Peers
- Society (including NGOs, media, international organisations, local communities, academia, etc.)
- Business / Financial partners (including investors, rating agencies, insurance companies, etc.)

To maintain valuable relationships and gather critical feedback and insights, IWC regularly engages with its stakeholders. These efforts include personal contact with customers, employees and business partners as well as written communication, including sustainability newsletters, social media and traditional and online media forums such as blogs and online publications. IWC interacts with its customers, employees, suppliers, business partners and the media daily; and they interact with local communities, industry organisations and non-governmental organisations on a daily to monthly basis. When engaging with these stakeholders, they focus on specific areas of interest that reflect IWC's material topics. IWC addresses stakeholder topics and concerns by bringing them to the Sustainability Committee. This is the first step for each sustainability initiative at IWC, thus fostering a transparent and inclusive approach to sustainability governance at IWC.



# MATERIAL TOPICS MANAGEMENT APPROACH

#	MATERIAL TOPICS	MANAGEMENT APPROACH	POLICIES	POTENTIAL IMPACTS	STAKEHOLDERS* (d - direct, i - indirect)	IWC SUSTAINABILITY REPORT REFERENCE
<b>1</b>	<b>Business ethics &amp; governance</b>					
<b>1.1</b>	<b>Corporate governance</b>	<p>IWC's impacts on the economy, environment and people are controlled by different Committees:</p> <ul style="list-style-type: none"> <li>· Executive Committee</li> <li>· Sustainability Committee</li> </ul> <p>All global sustainability-related decisions are made by Sustainability Committee in a collaboration with IWC's CEO and Executive Committee members.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> </ul>	<ul style="list-style-type: none"> <li>· Non-compliance with regulations and laws</li> <li>· Human rights violations</li> <li>· Effective decision-making and business continuity</li> <li>· Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Clients (i)</li> <li>· Suppliers (i)</li> <li>· Regulators (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	GRI Disclosures & Index, Governance, p. 2 In the cockpit, p. 20
<b>1.2</b>	<b>Business ethics &amp; integrity</b>	<p>IWC's ethical values are outlined in the Business Code of Conduct established by Richemont Group.</p> <p>Standards of Business Conduct act as a foundation for the Group's culture that not only respects the legal standards to which IWC is subject, but also helps to make ethical and sustainable decisions in all countries where IWC operates.</p> <p>IWC's key business ethics values are:</p> <ul style="list-style-type: none"> <li>· collegiality</li> <li>· freedom</li> <li>· solidarity</li> <li>· loyalty</li> </ul>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> </ul>	<ul style="list-style-type: none"> <li>· Non-compliance with regulations and laws</li> <li>· Human rights violations</li> <li>· Brand damage due to negative media exposure associated with business ethics offenses</li> <li>· Employees' working conditions and comfort</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Clients (i)</li> <li>· Suppliers (i)</li> <li>· Regulators (i)</li> <li>· Peers (i)</li> <li>· Business/Financial Partners</li> </ul>	If you want to go farther go together, p. 21 Straight from the source, p. 31
<b>1.3</b>	<b>Compliance</b>	<p>IWC aims to comply with all applicable ESG laws. Compliance is not centralised within the legal team but with the respective stakeholders (from HR to product compliance, health and safety and they may vary by region, etc).</p> <p>The Legal department is centralised at the Richemont Group level and is responsible for escalations and cases management. Regular internal audits are performed to monitor company's compliance and identify potential gaps and areas for improvement. All potential cases of non-compliance are investigated and mitigated.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>· Non-compliance with regulations and laws resulting in fines, penalties and other</li> <li>· Business disruption</li> <li>· Productivity loss</li> <li>· Reputation damage due to non-compliance cases and negative media coverage</li> <li>· Negative influence on social, economic and environmental aspects of local communities because of non-compliance with ESG regulations</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Regulators (d)</li> <li>· Society (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	If you want to go farther go together, p. 21 Straight from the source, p. 31 Know-your-supplier, p. 33 Never stop learning, p. 45
<b>1.4</b>	<b>Transparency</b>	<p>IWC discloses its ESG performance on a regular basis and as transparently as possible by publishing a sustainability report that is prepared with reference to the GRI Standards. IWC also engages internal and external stakeholders and conducts materiality assessment to identify which topics are important for all stakeholders and be transparent on those issues.</p> <p>Transparency is integrated into company's decision-making process to achieve and sustain ethical and fair decisions at all levels. Thus, any conflicts of interest will be declared in line with IWCs core values, which include honesty, truthfulness, and authenticity.</p> <p>Being audited to the RJC's Chain-of-Custody certification demonstrates IWC's commitment to transparency across the whole value chain.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> </ul> <p>Responsible Jewellery Council Code-of-Practices (RJC's CoP)</p> <p>Responsible Jewellery Council Chain-of-Custody (RJC's CoC)</p>	<ul style="list-style-type: none"> <li>· Stakeholders' trust</li> <li>· Customer demand</li> <li>· Financial performance</li> <li>· Investment attractiveness</li> <li>· Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Business/Financial Partners (d)</li> <li>· Employees (i)</li> <li>· Clients (i)</li> <li>· Suppliers (i)</li> <li>· Peers (i)</li> <li>· Society (i)</li> </ul>	Why we do what we do, p. 9 Piloting the transformation, p. 10 Engineering beyond time, p. 11 Forging ahead step by step, p. 14

#	MATERIAL TOPICS	MANAGEMENT APPROACH	POLICIES	POTENTIAL IMPACTS	STAKEHOLDERS* (d - direct, i - indirect)	IWC SUSTAINABILITY REPORT REFERENCE
<b>2</b>	<b>Product management</b>					
<b>2.1</b>	<b>Product portfolio</b>	IWC engineers watches that are made to last, sustainable – and circular by nature. IWC offers lifelong service of its products which supports the idea of responsible production and consumption via high-quality product and careful consumption.	–	<ul style="list-style-type: none"> <li>· Financial performance</li> <li>· Reputation and brand damage</li> <li>· Environmental pollution</li> <li>· Poor quality of materials, products, and services</li> <li>· Clients' satisfaction and further demand</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Clients (d)</li> <li>· Employees (i)</li> <li>· Suppliers and Vendors (i)</li> <li>· Local Communities (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>We are family, p. 26</p> <p>Pleasure to be of service, p. 27</p>
<b>2.2</b>	<b>Innovation management</b>	IWC's R&D team constantly works on improving products by introducing and developing unique sustainable materials such as TimberTex™ and MiraTex™ watch straps, etc., and through technological innovation of its watch production. With support from the Group, IWC engages in research and introduces innovative approaches to modify and optimise products in a sustainable way by making them more durable and/or recyclable.	–	<ul style="list-style-type: none"> <li>· Financial performance</li> <li>· Customer demand and satisfaction</li> <li>· Reputation and brand image</li> <li>· Environmental pollution</li> <li>· Quality of materials, products, and services</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Clients (d)</li> <li>· Suppliers (i)</li> <li>· Business/Financial Partners (i)</li> <li>· Society (i)</li> </ul>	<p>N.A.</p> <p>We are family, p. 26</p> <p>IWC MiraTex™ in partnership with Natural Fiber Welding, p. 29</p>
<b>2.3</b>	<b>Digitalisation</b>	Data privacy guidance is determined by Richemont and implemented across Maisons. Continuous testing process for data privacy is in place, while the safety of IT systems is managed on the group-level. There were no significant incidents regarding data privacy breaches identified in the reporting period. To prevent risks, an onboarding training path for data privacy is mandatory for employees involved in IT and data management. IWC has assessed the scope of its Green IT strategy, explored different approaches, and investigated solutions such as a possible and future implementation of Cloud Computing.	<ul style="list-style-type: none"> <li>· Security Policy</li> <li>· Global data privacy policy</li> </ul>	<ul style="list-style-type: none"> <li>· Breaches on data</li> <li>· Lack of accurate and reliable data</li> <li>· Environmental pollution through waste disposal</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Suppliers (i)</li> <li>· Services/ IT (i)</li> </ul>	Cyberloupe. 2.0 – The next generation, p. 30
<b>2.4</b>	<b>Responsible marketing</b>	IWC is transparent in its marketing activities. Sales team receive specific trainings on brand, heritage, products and selling ceremony to educate them how to communicate truthful and honest information about the product. IWC has a centralised marketing approach; decisions are made centrally with the participation of Sustainability Committee. There is a Code of Conduct in place to produce responsible advertising and marketing materials – all suppliers adhere to the Supplier Code of Conduct. In the past two years no significant complaints regarding improper or untrue product labelling or marketing communication were received. For quality control, IWC has a mystery shopping programme to manage both products and services, and a dedicated process in place to handle feedback. Customers can submit complaints directly to individual stakeholders at IWC either via email or call centre, or indirectly through our IWC Forum. They monitor their Forum together with a third-party to ensure any feedback is addressed swiftly and escalated to the responsible person. Their client relations centres regularly engage with and answer questions from our clients by phone, email, social media and chat.	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> </ul> <p>Guidelines on</p> <ul style="list-style-type: none"> <li>· Brand</li> <li>· Heritage</li> <li>· Selling</li> </ul> <p>Guidelines on</p> <p>Material and Point of Sales production for suppliers</p>	<ul style="list-style-type: none"> <li>· Customer satisfaction and demand</li> <li>· Stakeholders' trust</li> <li>· Brand reputation</li> <li>· Financial results</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Suppliers (i)</li> <li>· Business/Financial Partners (i)</li> <li>· Society (i)</li> </ul>	N.A.

#	MATERIAL TOPICS	MANAGEMENT APPROACH	POLICIES	POTENTIAL IMPACTS	STAKEHOLDERS* (d - direct, i - indirect)	IWC SUSTAINABILITY REPORT REFERENCE
<b>2</b>	<b>Product management</b>					
<b>2.5</b>	<b>Circular economy</b>	<p>IWC watches are crafted to last for an eternity. IWC has a special department of watchmakers and service technicians dedicated to the restoration and repair of every IWC vintage watch built since the company was founded. Thus, products' lifespan is prolonged to ensure sustainability.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Environmental Code of Conduct</li> </ul>	<ul style="list-style-type: none"> <li>· Environmental pollution: release of greenhouse gases and hazardous substances, the pollution of air, land, and water, structural waste</li> <li>· Economic barriers and access to financing</li> <li>· Consumer demand</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Society (d)</li> <li>· Employees (i)</li> <li>· Clients (i)</li> <li>· Suppliers (i)</li> <li>· Peers (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>N.A.</p> <p>Why we do what we do, p. 9</p> <p>Piloting the transformation, p. 10</p> <p>Engineering beyond time, p. 11</p> <p>Forging ahead step by step, p. 14</p> <p>The future is circular, p. 42</p> <p>The whole is greater than the sum of its parts, p. 21</p> <p>IWC MiraTex™ in partnership with Natural Fiber Welding, p. 29</p> <p>Keep the energy flowing, p. 37</p>
<b>3</b>	<b>Procurement management</b>					
<b>3.1</b>	<b>Responsible procurement</b>	<p>Procurement management department oversees all procurement activities, including purchasing materials, planning, supply chain development, supplier compliance, etc. Key principles of IWC's supplier management are detailed in the Procurement Policy. This policy, in addition to the OECD's five step framework regulates supply chain risk management, due diligence, supplier selection and supplier engagement. These policies establish full transparency across the value chain and requires suppliers to report on their environmental and social information to IWC.</p> <p>IWC has been also a member of the Responsible Jewellery Council (RJC) since 2014, and in 2020 became the first luxury watch brand to be audited to the RJC's rigorous 2019 COP standard (its mandatory Code-of-Practices). All suppliers must sign the Supplier Code of Conduct and regular audits are performed to make sure that suppliers are compliant. IWC were audited to the stringent Chain-of-Custody (CoC) standard by the Responsible Jewellery Council, which confirmed that IWC only sources its materials from suppliers who have achieved the same certification.</p> <p>Key pillars of procurement in IWC are:</p> <ul style="list-style-type: none"> <li>· act with integrity</li> <li>· work with reputable, secure, and responsible suppliers and supply chains</li> <li>· act with responsibility</li> <li>· strive for the best total value and terms</li> </ul>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Procurement Policy</li> <li>· Raw materials sourcing Policy</li> <li>· UN Guiding Principles on Business and Human Rights</li> <li>· OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas</li> <li>· Responsible Jewellery Council Code-of-Practices</li> </ul>	<ul style="list-style-type: none"> <li>· Environmental and social impacts of the supply chain resulting in reputational risks for IWC</li> <li>· Supply chain disruptions</li> <li>· Human rights violation in the supply chain</li> <li>· Water scarcity</li> <li>· Imprudent spending</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Suppliers (d)</li> <li>· Society (i)</li> <li>· Services/ IT (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>In the cockpit, p. 20</p> <p>If you want to go farther go together, p. 21</p> <p>Straight from the source, p. 31</p> <p>Know-your-supplier, p. 33</p> <p>GRI Disclosures &amp; Index, Responsible procurement, p. 2</p> <p>GRI Disclosures &amp; Index, Stakeholder engagement, p. 8</p>

#	MATERIAL TOPICS	MANAGEMENT APPROACH	POLICIES	POTENTIAL IMPACTS	STAKEHOLDERS* (d - direct, i - indirect)	IWC SUSTAINABILITY REPORT REFERENCE
<b>3</b>	<b>Procurement management</b>					
<b>3.2</b>	<b>Environmental Impact on Supply Chain</b>	<p>Environmental impact within IWC is monitored by Responsible Jewellery Council Code-of-Practices. Key principles are also integrated into Supplier Code of Conduct that all suppliers must commit to during their onboarding process. Criteria of social and environmental impact assessment are identified by the Group, with which all suppliers must be aligned. These criteria help IWC to outline, evaluate and influence suppliers on environmental and social processes within the Group. Environmental assessment criteria include</p> <ul style="list-style-type: none"> <li>· Environmental management and compliance</li> <li>· Resource reduction and pollution prevention</li> <li>· Energy usage and GHG emissions</li> <li>· Water</li> <li>· Waste</li> <li>· Chemicals</li> <li>· Biodiversity</li> </ul> <p>IWC also evaluates its environmental impacts via RJC's standards (COP24-42): environmental management system, hazardous substances management, responsible use of natural resources and raw materials, responsible mining.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Environmental Code of Conduct</li> <li>· Science based target guide</li> </ul> <p>IWC's Procurement Policy</p> <p>Responsible Jewellery Council Code-of-Practices</p>	<ul style="list-style-type: none"> <li>· Environmental impacts of the supply chain resulting in the reputational risks for IWC</li> <li>· Supply chain disruptions</li> <li>· Water scarcity</li> <li>· Waste pollution</li> <li>· Climate change</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Suppliers (d)</li> <li>· Society (i)</li> <li>· Services/ IT (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>Introducing IWC Schaffhausen, p. 6</p> <p>If you want to go farther go together, p. 21</p> <p>GRI Disclosures &amp; Index, Responsible procurement, p. 2</p>
<b>4</b>	<b>Environmental management</b>					
<b>4.1</b>	<b>Climate change</b>	<p>IWC is committed to the Environmental Code of Conduct developed by Richemont and undertake the necessary steps to achieve targets set by the Group.</p> <p>IWC is currently setting their own science based targets with a strong focus on its Scope 3 value chain. The company is as well committed to further go beyond and invest into its own carbon credit projects.</p> <p>SBTi Supplier Engagement target tool developed by Richemont is used to analyse and track suppliers' GHG performance and their submission of SBT Guide.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Environmental Code of Conduct</li> <li>· Science Based target guide</li> </ul> <p>Responsible Jewellery Council Code-of-Practices</p>	<ul style="list-style-type: none"> <li>· Environmental pollution</li> <li>· Supply chain disruptions due to physical impacts of climate change (e.g. fires, floods, droughts, etc.)</li> <li>· Financial losses due to business disruptions</li> <li>· Manufacturing efficiency</li> <li>· Non-compliance with legislation</li> <li>· Additional expenditures due to carbon taxes and pricing</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Society (d)</li> <li>· Employees (i)</li> <li>· Clients (i)</li> <li>· Suppliers (i)</li> <li>· Regulators (i)</li> <li>· Peers (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>Introducing IWC Schaffhausen, p. 6</p> <p>Why we do what we do, p. 9</p> <p>Piloting the transformation, p. 10</p> <p>Engineering beyond time, p. 11</p> <p>Forging ahead step by step, p. 14</p> <p>Holding ourselves accountable, p. 18</p> <p>If you want to go farther go together, p.21</p> <p>GRI Disclosures &amp; Index, Responsible procurement, p. 2</p>
<b>4.2</b>	<b>Biodiversity &amp; nature</b>	<p>In order to contribute to biodiversity efforts IWC is partnering with (R)Forest Projects to support different initiatives taken throughout the year regarding vital coastal and marine recovery.</p> <p>By purchasing FSC-certified forestry products, IWC ensures they are not contributing to deforestation or illegal logging practices.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Environmental Code of Conduct</li> <li>· Science Based target guide</li> </ul> <p>Responsible Jewellery Council Code-of-Practices</p>	<ul style="list-style-type: none"> <li>· Environmental pollution</li> <li>· Reputation and brand image</li> <li>· Compliance with environmental legislation</li> <li>· Scarce or unavailable raw materials</li> <li>· Loss of investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Business/Financial Partners (i)</li> <li>· Environmental Regulators (i)</li> <li>· Suppliers (i)</li> <li>· Society (i)</li> <li>· Clients (i)</li> </ul>	<p>Why we do what we do, p. 9</p> <p>Piloting the transformation, p. 10</p> <p>Engineering beyond time, p. 11</p> <p>Forging ahead step by step, p. 14</p> <p>Holding ourselves accountable, p. 18</p>
<b>4.3</b>	<b>Energy management</b>	<p>IWC monitors its energy consumption and regularly reports on it. Environmental data collection is subject to internal checks and audit.</p> <p>IWC aims to purchase only renewable energy to drive its energy management initiatives.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Environmental Code of Conduct</li> <li>· Science Based target guide</li> </ul> <p>IWC's</p> <ul style="list-style-type: none"> <li>· The Real Estate Handbook</li> <li>· Energy Monitoring guideline</li> <li>· The Lighting Handbook</li> </ul> <p>Responsible Jewellery Council Code-of-Practices</p>	<ul style="list-style-type: none"> <li>· Environmental pollution</li> <li>· Reputation and brand image</li> <li>· Compliance with environmental legislation</li> <li>· Lack of electricity</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Business/Financial Partners (i)</li> <li>· Environmental Regulators (i)</li> <li>· Suppliers (i)</li> <li>· Society (i)</li> <li>· Clients (i)</li> <li>· Employees (i)</li> </ul>	<p>Introducing IWC Schaffhausen, p. 6</p> <p>Holding ourselves accountable, p. 18</p> <p>The company you keep, p.23</p> <p>Keep the energy flowing, p. 37</p> <p>GRI Disclosures &amp; Index, Planet: Materials used, p. 2</p>

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<b>4</b>	<b>Environmental management</b>					
<b>4.4</b>	<b>Water management</b>	IWC strives to use water resources as efficiently as possible. Due to closed cycles in production and building services engineering, every litre used is returned to groundwater or a receiving water stream in an equal amount. In case of a chemical accident, IWC has installed a safety system including alarms.	Richemont Group's: · Corporate Social Responsibility (CSR) Policy · Environmental Code of Conduct  IWC's Real Estate Handbook  Responsible Jewellery Council Code-of-Practices	· Environmental pollution (via chemicals in a wastewater from production) · Compliance with environmental legislation · Reputation and brand image · Water scarcity	· Management/Board (d) · Business/Financial Partners (i) · Environmental Regulators (i) · Suppliers (i) · Society (i) · Employees (i)	Keep the energy flowing, p. 37 Down to the last drop, p. 37 GRI Disclosures & Index, Planet: Water consumption, p. 3
<b>4.5</b>	<b>Waste management</b>	Waste Management within IWC is monitored by Responsible Jewellery Council Code-of-Practices. IWC collects waste materials for re-use by its and other businesses. The wastewater from the processes is also controlled and treated by an external company.	Richemont Group's: · Corporate Social Responsibility (CSR) Policy · Environmental Code of Conduct  IWC's Real Estate Handbook  Responsible Jewellery Council Code-of-Practices	· Environmental pollution · Compliance with environmental legislation · Reputation and brand image	· Management/Board (d) · Business/Financial Partners (i) · Environmental Regulators (i) · Suppliers (i) · Society (i)	Keep the energy flowing, p. 37 Down to the last drop, p. 37 GRI Disclosures & Index, Planet: Water consumption, p. 3 Holding ourselves accountable, p. 18
<b>5</b>	<b>Employee satisfaction, retention, and well-being</b>					
<b>5.1</b>	<b>Human capital development</b>	IWC maintains their position as an employee-focused company, with a strong culture of trust and one that is committed to constant improvement. The Chief People Officer has the global responsibility of human resources and leads the team that is responsible for people services, global learning, HR controlling, diversity, equity and inclusion. HR Policy covers all key principles regarding human resources and is included in each work contract that is signed by new employees during their onboarding process. IWC has mandatory onboarding and compliance trainings in place, and compliance with trainings is overseen internally by Richemont. Mandatory performance reviews and feedback sessions for personal development are designed for all employees.	Richemont Group's: · Standards of Business Conduct · Corporate Social Responsibility (CSR) Policy  IWC's · HR Policy · Personal development Regulations · My performance Journey	· Financial performance · Reputation and brand image · Employee retention · Company attractiveness for talent · Business productivity	· Management/Board (d) · Employees (d) · Potential employees (d) · Business/Financial Partners (i) · Society (i) · Peers (i)	Holding ourselves accountable, p. 18 If you want to go farther go together, p. 21 The company you keep, p. 23 Fair share, p. 45 Seal of approval, p. 45 All-inclusive every step of the way, p. 47 Never stop learning, p. 45 Safe pair of hands, p. 47
<b>5.2</b>	<b>Talent attraction &amp; retention</b>	IWC maintains a healthy work environment conducive to high performance through collegial and collaborative working and a positive and inclusive work culture. All employment relationship aspects including employee management, work assignments, hiring, recruitment, training, promotion, compensation, benefits, transfers, layoffs, and leaves of absence – are free from any form of discrimination. IWC takes appropriate action against anyone inflicting awkward and uncomfortable working relationships, or any action that undermines performance levels, results and the wellbeing of others. IWC provides its employees such benefits as: · Life Insurance · Health care · Disability and invalidity coverage · Parental leave · Retirement provision · Stock ownership All incidents regarding whistleblowing are collected and analysed via a hotline and corporate email address and controlled by internal audit team.	Richemont Group's: · Standards of Business Conduct · Corporate Social Responsibility (CSR) Policy  IWC's · Personal development Regulations · My performance Journey	· Financial performance · Reputation and brand image · Employee retention · Company attractiveness for talent · Business productivity	· Management/Board (d) · Employees (d) · Potential employees (d) · Business/Financial Partners (i) · Society (i) · Peers (i)	Fair share, p. 45 Seal of approval, p. 45 All-inclusive every step of the way, p. 47

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<b>5</b>	<b>Employee satisfaction, retention, and well-being</b>					
<b>5.3</b>	<b>Diversity &amp; inclusion</b>	<p>Equality and Diversity are at the heart of the Richemont Group mission and values. All related values are disclosed in the Business Code of Conduct.</p> <p>IWC is committed to ensuring all employees have an equal chance to thrive and to not perpetuating inequalities from the past. For that purpose, IWC achieved Equal Pay Certification. IWC supports women in management by increasing their percentage in managerial roles.</p> <p>All resources regarding diversity and inclusion are provided via Diversity Intranet webpage of IWC. There are anonymous channels to submit complaints that are categorised and sent to the respective departments to provide a response and handle. No significant complaints for diversity and inclusion have been identified in the reporting period.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> <li>· Diversity Intranet webpage</li> </ul>	<ul style="list-style-type: none"> <li>· Financial performance</li> <li>· Reputation and brand image</li> <li>· Employee retention</li> <li>· Company attractiveness for talent</li> <li>· Investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Potential employees (i)</li> <li>· Business/Financial Partners (i)</li> <li>· Society (i)</li> <li>· Peers (i)</li> </ul>	<p>Fair share, p. 45</p> <p>Seal of approval, p. 45</p> <p>All-inclusive every step of the way, p. 47</p> <p>Growth opportunities, p. 47</p>
<b>5.4</b>	<b>Health &amp; safety</b>	<p>A comprehensive overview of H&amp;S management system and its relevant regulations can be found in the "Handbook Security". All employees (full and part-time) and external persons are covered by the occupational health and safety management system.</p> <p>IWC applies the "STOP principle" as a hierarchy of controls to eliminate hazards and minimise risks: substitution, technical measures, organisational measures, personal measures.</p> <p>IWC has a risk management process in place. Potential risks are identified by each department based on a hazards list. The outcome of the risk management process is reported to the management at least once per year. Moreover, IWC has a risk cockpit installed, which reports the identified risks to the steering committee (such as Internal Workplace Health Management Committee) and IWC's executive management</p> <p>Work-related hazards or (potentially) hazardous situations should be reported directly to the Physical Security &amp; HSE department personally or via phone or E-Mail. As a requirement by Richemont, every occupational accident needs to be reported by employees and further investigated by the Physical Security &amp; HSE department. Work-related incidents are collected in the "One Incident" database. This database includes occupational accidents as well as absences due to sickness. During the COVID-19 pandemic, every positive case has been reported to the "One Incident" database.</p> <p>IWC provides a wide range of Workplace Health Management activities to increase employees' health and wellbeing. IWC also takes preventive measures to reduce the probability of non-occupational accidents.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> </ul> <p>IWC's:</p> <ul style="list-style-type: none"> <li>· Handbook Security</li> <li>· Evacuation Concept</li> <li>· Responsible Jewellery Council Code-of-Practices</li> </ul>	<ul style="list-style-type: none"> <li>· Health, safety and wellbeing of employees</li> <li>· Reputation</li> <li>· Financial performance</li> <li>· Compliance with legislation and resulting financial penalties</li> <li>· Company attractiveness for talent and investment</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Clients (i)</li> <li>· Regulators (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>Safe pair of hands, p. 47</p>

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<b>6</b>	<b>Social engagement and responsibility</b>					
<b>6.1</b>	<b>Customer relationship management</b>	IWC engages with clients in their boutiques, online and through events. IWC offers mandatory training and coaching for its boutique employees to provide its customers a high-level standard of products and services. There are quality control mechanisms in place that ensure continuous improvement of customers experience (including reduction of negative effects and increasing positive effects). Customer satisfaction is monitored through the NPS (net-promoter score), which is the main KPI to track client feedback. This feedback is gathered through surveys, proactively on the website and in the boutiques. Feedback is collected constantly; the specialised platform calculates the KPI measure in real time.	Richemont Group's: <ul style="list-style-type: none"> <li>Standards of Business Conduct</li> <li>Corporate Social Responsibility (CSR) Policy</li> </ul> IWC guidelines on <ul style="list-style-type: none"> <li>Brand</li> <li>Heritage</li> <li>Selling ceremony</li> </ul>	<ul style="list-style-type: none"> <li>Fragmented customer relationship management</li> <li>Customer satisfaction and demand</li> <li>Reputation and brand image</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Clients / Customers (d)</li> <li>Key Project Managers / Key Account Managers (i)</li> <li>Distributors (i)</li> <li>Retailers (i)</li> <li>Business/Financial Partners (i)</li> </ul>	Customer satisfaction, p. 47
<b>6.2</b>	<b>Stakeholder engagement</b>	IWC engages stakeholders via the website, reports, and online portals. This year, IWC also conducted a materiality assessment which enabled the company to get stakeholders opinion and input on IWC's sustainability strategy and material topics. IWC can be contacted by external stakeholders through the email address sustainability@iwc.com	Richemont Group's Standards of Business Conduct	<ul style="list-style-type: none"> <li>Reputation and brand image</li> <li>Customer satisfaction and demand</li> <li>Business relationships and trust</li> <li>Investment opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Management/Board (d)</li> <li>Employees (d)</li> <li>Clients/Customers (d)</li> <li>Suppliers (d)</li> <li>Regulators (d)</li> <li>Peers (d)</li> <li>Society (d)</li> <li>Business/Financial Partners (d)</li> </ul>	Driving societal change through our promise to the future, p. 50 Customer satisfaction, p. 47 What matters most, p. 17 What's in scope, p. 38 GRI Disclosures & Index, Stakeholder engagement, p. 8
<b>6.3</b>	<b>Community relations</b>	The Group sets the following objectives to all the Maisons to support community relations: <ul style="list-style-type: none"> <li>Provide support to communities in ways that align with its Maisons' values and support</li> <li>Collaborate with partners and measuring the impact of its programmes</li> <li>Support its people to volunteer in local communities</li> </ul> IWC community investment includes: <ul style="list-style-type: none"> <li>Strategic Philanthropy</li> <li>Charitable Donations</li> <li>Charitable (non-commercial) sponsorship</li> <li>Employee Volunteering</li> </ul>	Richemont Group's: <ul style="list-style-type: none"> <li>Standards of Business Conduct</li> <li>Corporate Social Responsibility (CSR) Policy</li> <li>Communities Policy</li> <li>Volunteering policy</li> </ul>	<ul style="list-style-type: none"> <li>Communities' wellbeing</li> <li>Reputation and brand image</li> <li>Potential employee attraction</li> <li>Financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Society (d)</li> <li>Clients (i)</li> <li>Business / Financial Partners (i)</li> <li>Employees (i)</li> </ul>	Driving societal change through our promise to the future, p. 50 What's in scope, p. 38
<b>6.4</b>	<b>Future generations</b>	They believe that investing in future generations allows to shape a better world full of inspirational and innovative individuals. To nurture future generations IWC introduced a corporate trainee programme that hires young graduates. This programme includes different departmental rotations including in a market abroad. IWC also works closely with the CEMS network, Hochschule HSG, EHL Lausanne and ESCP, and supports the Creative Academy for Luxury Design in Milan.		<ul style="list-style-type: none"> <li>Reputation and brand image</li> <li>Potential employee attraction</li> <li>Talent development</li> <li>Financial performance and business productivity</li> </ul>	<ul style="list-style-type: none"> <li>Potential employees (d)</li> <li>Employees (d)</li> <li>Society (i)</li> <li>Clients (i)</li> <li>Business / Financial Partners (i)</li> </ul>	Engineering opportunities, p. 45 Fair share, p. 45 Seal of approval, p. 45 All-inclusive every step of the way, p. 47

#	MATERIAL TOPICS	MANAGEMENT APPROACH	POLICIES	POTENTIAL IMPACTS	STAKEHOLDERS* (d - direct, i - indirect)	IWC SUSTAINABILITY REPORT REFERENCE
7	Human rights					
7.1	Human rights in the entire value chain	<p>IWC commits to respecting and promoting human rights as described in the Universal Declaration of Human Rights (UDHR), the United Nations Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance to Responsible Business Conduct.</p> <p>IWC ensures human rights and the environmental due diligence processes in the supply chains. According to Supplier Code of Conduct all suppliers shall respect international human rights norms and commit to implementing the requirements contained in the United Nations Guiding Principles on Business and Human Rights.</p> <p>Currently, an overarching human rights management framework and system are being developed by the Group. The internal policies are being updated to ensure respect for human rights and additional due diligence mechanisms are being designed. IWC adheres to these advancements and aims at implementing these changes in the next years.</p>	<p>Richemont Group's:</p> <ul style="list-style-type: none"> <li>· Standards of Business Conduct</li> <li>· Supplier Code of Conduct</li> <li>· Corporate Social Responsibility (CSR) Policy</li> </ul> <p>OECD Due Diligence Guidance for Responsible Business Conduct</p> <p>Responsible Jewellery Council Code-of-Practices</p>	<ul style="list-style-type: none"> <li>· Human rights violations and abuses</li> <li>· Financial performance</li> <li>· Reputation and brand image</li> <li>· Talent attraction</li> <li>· Compliance with regulatory requirements</li> </ul>	<ul style="list-style-type: none"> <li>· Management/Board (d)</li> <li>· Employees (d)</li> <li>· Suppliers (d)</li> <li>· Clients (i)</li> <li>· Regulators (i)</li> <li>· Peers (i)</li> <li>· Society (i)</li> <li>· Business/Financial Partners (i)</li> </ul>	<p>The whole is greater than the sum of its parts, p. 21</p> <p>Straight from the source, p. 31</p> <p>Know-your-supplier, p. 33</p>

\* Column "Stakeholders" presents key groups of interests which might be affected by economic, social and/or environmental impacts of company's activities.



# GRI AND SDG CONTENT INDEX

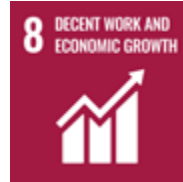




There are 60 elements comprising the Global Reporting Initiative (GRI) Standards which are the reporting guidelines that IWC aligns with.


## Statement of use:




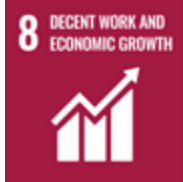


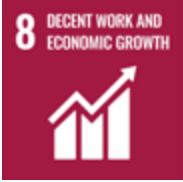

























IWC Schaffhausen has reported the information cited in this GRI context index for the period (1 April 2020 to 31 March 2022) with reference to the GRI Standards.










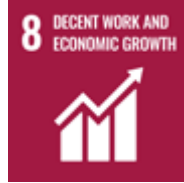
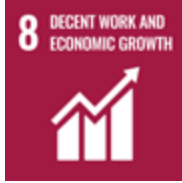
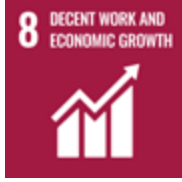

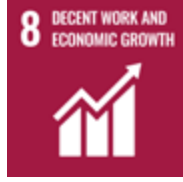

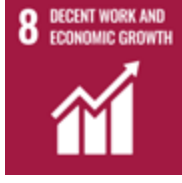

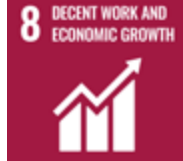

## GRI 1 used:


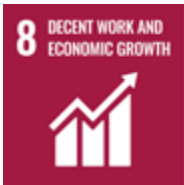
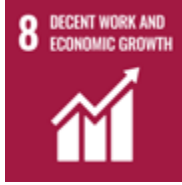


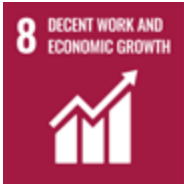

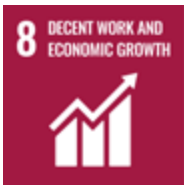





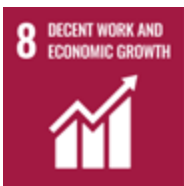




GRI 1: Foundation 2021



GRI STANDARD: NN	GRI STANDARD: DESCRIPTION	LOCATION (specific page number and link)	COMMENTS	SDGS
<b>1. The organisation and its reporting practices</b>				
2-1	Organisational details	· GRI Index	IWC Schaffhausen is a branch of Richemont International SA. Headquarters location: Baumgartenstrasse 15, 8200 Schaffhausen, Switzerland Company operates in Switzerland and manages boutiques across 97 countries and territories.	
2-2	Entities included in the organization's sustainability reporting	· GRI Index	Not applicable as IWC Schaffhausen does not own any entities.	
2-3	Reporting period, frequency, and contact point	· Approach to the report, p. 55		
2-4	Restatements of information	· GRI Index	Current report was developed with the reference to newly published GRI Universal Standards 2021. No significant restatements of information took place.	
2-5	External assurance	· GRI Index	No external assurance of the sustainability report performed in 2022	
<b>2. Activities and workers</b>				
2-6	Activities, value chain and other business relationships	· Introducing IWC Schaffhausen, p. 6 · We are family, p. 26 · Show us what you're made of, p. 29 · The company you keep, p. 23	No significant changes took place during reporting period.	
2-7	Employees	· GRI Disclosures & Index - Total number of employees		 
2-8	Workers who are not employees	· GRI Disclosures & Index - Total number of employees		
<b>3. Governance</b>				
2-9	Governance structure and composition	· In the cockpit, p. 20		 
2-20	Process to determine remuneration	· Fair share, p. 45 · GRI Disclosures & Index - People	IWC follows the principles of Swiss certification EQUAL-SALARY. No remuneration consultants are involved in the process of remuneration determination.	

<b>GRI STANDARD: NN</b>	<b>GRI STANDARD: DESCRIPTION</b>	<b>LOCATION</b> (specific page number and link)	<b>COMMENTS</b>	<b>SDGS</b>
<b>4. Strategy, policies, and practices</b>				
2-22	Statement on sustainable development strategy	· Setting the tone from the top, p. 7		
2-23	Policy commitments	· Why we do what we do, p. 9 · Forging ahead step by step, p. 14 · If you want to go farther go together, p. 21 · Straight from the source, p. 31	Standards of Business Conduct: <a href="https://www.richemont.com/media/xu2ledvg/our-standards-of-business-conduct-september-2021.pdf">https://www.richemont.com/media/xu2ledvg/our-standards-of-business-conduct-september-2021.pdf</a> Supplier Code of Conduct: <a href="https://www.richemont.com/media/smqbig55/richemont-supplier-code-of-conduct-01-2022-eng.pdf">https://www.richemont.com/media/smqbig55/richemont-supplier-code-of-conduct-01-2022-eng.pdf</a>	
2-27	Compliance with laws and regulations	· GRI Index	No significant instances of non-compliance with laws and regulations during the reporting period were identified.	
2-28	Membership associations	· The company you keep, p. 23 · GRI Index	Memberships list: · United Nations Global Compact Network Switzerland (through Richemont) · Responsible Jewellery Council (RJC) · Ellen MacArthur Foundation New Plastics · (R)FOREST · Be My Eyes · Forest Stewardship Council	
<b>5. Stakeholder engagement</b>				
2-29	Approach to stakeholder engagement	· What matters most, p. 17		
2-30	Collective bargaining agreements	· GRI Disclosures & Index – People – Employee benefits		
3-1	Process to determine material topics	· What matters most, p. 17		
3-2	List of material topics	· What matters most, p. 17		
3-3	Management of material topics:	· GRI Disclosures & Index - Material topics management approach		
	Employee satisfaction, retention, and well-being	· GRI Disclosures & Index - Material topics management approach		
	Business Ethics & Governance	· GRI Disclosures & Index - Material topics management approach		
	Community relations	· GRI Disclosures & Index - Material topics management approach		
	Customer relationship management	· GRI Disclosures & Index - Material topics management approach		
	Environmental management	· GRI Disclosures & Index - Material topics management approach		
	Financial management	· GRI Disclosures & Index - Material topics management approach		
	Supply chain management	· GRI Disclosures & Index - Material topics management approach		
	Human rights	· GRI Disclosures & Index - Material topics management approach		
	Innovation Management	· GRI Disclosures & Index - Material topics management approach		
	Health and safety	· GRI Disclosures & Index - Material topics management approach		
	Product Portfolio	· GRI Disclosures & Index - Material topics management approach		
	Circular economy	· GRI Disclosures & Index - Material topics management approach		
	Responsible Marketing	· GRI Disclosures & Index - Material topics management approach		

GRI STANDARD: NN	GRI STANDARD: DESCRIPTION	LOCATION (specific page number and link)	COMMENTS	SDGS
<b>203: Indirect Economic Impacts 2016</b>				
203-1	Infrastructure investments and services supported	· What's in scope, p. 38 · Driving societal change through our promise to the future, p. 50	Currently there is no tracking of infrastructure investments.	  
<b>301: Materials 2016</b>				
301-1	Materials used by weight or volume	· GRI Disclosures & Index - Planet - Materials used		 
<b>302: Energy 2016</b>				
302-1	Energy consumption within the organization	· GRI Disclosures & Index - Planet - Energy consumption		   
<b>303: Water and Effluents 2018</b>				
303-1	Interactions with water as a shared resource	· Down to the last drop, p. 37 · GRI Disclosures & Index – Planet – Water management	IWC does not contribute to local water stress. All manufacturing activities take place in Switzerland. At the moment, no specific policy on supplier and customer engagement regarding water-related impacts is in place, no water-related targets are set.	 
303-2	Management of water discharge-related impacts	· Down to the last drop, p. 37		
303-5	Water consumption	· GRI Disclosures & Index - Planet - Water management		
<b>305: Emissions 2016</b>				
305-1	Direct (Scope 1) GHG emissions	· GRI Disclosures & Index - Planet - Greenhouse Gas emissions		    
305-2	Energy indirect (Scope 2) GHG emissions	· GRI Disclosures & Index - Planet - Greenhouse Gas emissions		    
305-3	Other indirect (Scope 3) GHG emissions	· GRI Disclosures & Index - Planet - Greenhouse Gas emissions		    
305-5	Reduction of GHG emissions	· Keep the energy flowing, p. 37		   

GRI STANDARD: NN	GRI STANDARD: DESCRIPTION	LOCATION (specific page number and link)	COMMENTS	SDGS
<b>306: Waste 2020</b>				
306-3	Waste generated	· GRI Disclosures & Index - Planet - Waste management		    
<b>308: Supplier Environmental Assessment 2016</b>				
308-1	New suppliers that were screened using environmental criteria	· Straight from the source, p. 31 · Know-your-supplier, p. 33		
308-2	Negative environmental impacts in the supply chain and actions taken	· Straight from the source, p. 31 · Know-your-supplier, p.33 · GRI Disclosures & Index - Responsible procurement		
<b>401: Employment 2016</b>				
401-1	New employee hires and employee turnover	· GRI Disclosures & Index - People - New employee hires; Employee turnover		 
401-2	Benefits provided to full-time employees that are not provided to temporary or parttime employees	GRI Disclosures & Index - People – Employee benefits		  
<b>403: Occupational Health and Safety 2018</b>				
403-1	Occupational health and safety management system	· GRI Index · GRI Disclosures & Index – People – Health & Safety	An occupational health and safety management system is implemented based on the legal requirements; the details are discussed in the “Handbook Security”. All employees (full and part-time) as well as external persons are covered by the occupational health and safety management system.	
403-2	Hazard identification, risk assessment, and incident investigation	· Material topics management approach · GRI Disclosures & Index – People – Health & Safety		
<b>404: Training and education 2016</b>				
404-1	Average hours of training per year per employee	· GRI Disclosures & Index - People - Training hours		  
404-2	Programs for upgrading employee skills and transition assistance programs	· Never stop learning, p. 45 · GRI Disclosures & Index - People - Training hours		
404-3	Percentage of employees receiving regular performance and career development reviews	· GRI Index	Every permanent employee has a mandatory performance review where career aspirations and personal development is discussed.	  

GRI STANDARD: NN	GRI STANDARD: DESCRIPTION	LOCATION (specific page number and link)	COMMENTS	SDGS
<b>405: Diversity and Equal Opportunity 2016</b>				
405-1	Diversity of governance bodies and employees	· GRI Disclosures & Index - People - Diversity & Inclusion		 
405-2	Ratio of basic salary and remuneration of women to men	· Fair share, p. 45 · GRI Disclosures & Index - People - Diversity & Inclusion		 
<b>406: Non-discrimination 2016</b>				
406-1	Incidents of discrimination and corrective actions taken	· GRI Index	During reporting period no incidents of discrimination were reported.	 
<b>408: Child Labor 2016</b>				
408-1	Operations and suppliers at significant risk for incidents of child labour	· GRI Index	IWC doesn't have any operations or maintain supplier relationships in countries with significant risks of incidents of child labour, forced or compulsory labour.	  
<b>409: Forced or Compulsory Labour</b>				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	· GRI Index	IWC doesn't have any operations or maintain supplier relationships in countries with significant risks of incidents of child labour, forced or compulsory labour.	 
<b>410: Security Practices 2016</b>				
410-1	Security personnel trained in human rights policies or procedures	· If you want to go farther go together, p. 21 · GRI Index	Standards of Business Conduct outlines and governs IWC's commitment to human rights and labour practices. All new IWC employees the document to demonstrate their understanding of and compliance with these principles. There are also mandatory Group-wide trainings in areas such as business ethics.	
<b>413: Local Communities 2016</b>				
413-1	Operations with local community engagement, impact assessments, and development programs	· Driving societal change through our promise to the future, p.50	No social impact assessments were conducted in the reporting period.	
<b>414: Supplier Social Assessment 2016</b>				
414-1	New suppliers that were screened using social criteria	· Straight from the source, p. 31 · Know-your-supplier, p. 33		  
414-2	Negative social impacts in the supply chain and actions taken	· Straight from the source, p. 31 · Know-your-supplier, p.33 · GRI Disclosures & Index - Responsible procurement		  

GRI STANDARD: NN	GRI STANDARD: DESCRIPTION	LOCATION (specific page number and link)	COMMENTS	SDGS
<b>417: Marketing and Labelling 2016</b>				
417-1	Requirements for product and service information and labelling	<ul style="list-style-type: none"> <li>· GRI Disclosures &amp; Index – Responsible marketing</li> <li>· Material topics management approach</li> </ul>	The company ensures adherence to product labelling and safety requirements across jurisdictions.	
417-2	Incidents of non-compliance concerning product and service information and labelling	<ul style="list-style-type: none"> <li>· GRI Index</li> </ul>	During the reporting period, no substantial complaints concerning product and service information and labelling were identified.	
<b>418: Customer Privacy 2016</b>				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none"> <li>· GRI Index</li> </ul>	During the reporting period, no substantial complaints concerning breaches of customer privacy or loss of customer data were identified.	