

**SUSTAINABILITY
REPORT 2020**

IWC
SCHAFFHAUSEN

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IWC Manufacturing Center, main entrance.

MAKING A SUSTAINABLE PRODUCT, RESPONSIBLY.

At IWC Schaffhausen we combine precision engineering with exclusive design to produce finely crafted watches that last for generations. Our watches are made with a combination of centuries-old skills and innovative technology, bringing new possibilities to a craftsmanship that is part of the cultural heritage of Switzerland. If treated well, a mechanical watch might tick forever – some of our watches are still keeping time after 150 years. The long life of our products is matched by our long-term thinking. By managing our social and environmental impacts responsibly, we aim to ensure that our watches and our business practices add value to society.

We drafted this report to describe how we work for a more sustainable future. 2020 has shown how necessary this is, and how much more can be done. The new coronavirus has raised the challenge to 'build back better', and to re-examine how we can balance our business activities and environmental impact. Recent events have also highlighted the responsibility we have as a brand and as an employer to ensure our organization promotes diversity and inclusion. Good intentions alone are not enough, and we will take a structured approach to enable meaningful change in our communications and in our processes.

Two years ago, in our industry's first sustainability report drafted to Global Reporting Initiative standards, we provided a window into our world never before offered by a luxury Swiss watch company. Our transparency contributed to our ranking in a 2018 report by WWF Switzerland on the environmental impact of the Swiss watch and jewellery



sector: IWC Schaffhausen was rated as the best performing of all 15 brands assessed, and the only company to place above the mid-way point of the WWF's six-tier rating system. In our 2020 Sustainability report, we describe how we strive to have a positive social impact through community investment and our way of working, nurturing creativity and craftsmanship through our apprenticeship program, and building a workplace culture

that has earned us the first "Great Place to Work"™ certification in our sector. We secure our supply chain through trusted suppliers, and have been independently audited to the Responsible Jewellery Council's stringent new Code of Practices. And we are continuously adapting how we manage our environmental impact, increasingly sourcing renewable energy, seeking alternatives to single-use plastics, and working to mitigate the impact of our events and love of engineering and adventure by offsetting related emissions.

As dialogue and innovations lead us to further opportunities to have a positive impact, we will continue to be first in line to introduce improvements that fit with our goal of making a sustainable product, responsibly.

A handwritten signature in black ink, appearing to read 'Christoph Grainger-Herr'.

CHRISTOPH GRAINGER-HERR
CEO IWC SCHAFFHAUSEN

STATUS AND OUTLOOK: A SUMMARY BY THE SUSTAINABILITY COMMITTEE MEMBERS



FRANZISKA GSELL
*CMO and Sustainability
Committee Chair*

"I'm honoured to Chair the sustainability committee at IWC Schaffhausen.

When people ask me what drives the committee, the answer is simple: we care.

We care about our impacts - the effect our business has on our communities and our planet.

We make a wonderful product, our watches have an inherent sustainability in that they're designed to last for generations. It's vital that we take care to honour this by making sure that our sourcing, production processes, supporting business activities and our role as an employer all add value to society too.

Our sustainability committee is the driving force for this, and we set targets that serve as markers along our journey.

We develop these as a team and although each target has an owner, responsibility for reaching these sits with us all.

Recognition for our efforts is very rewarding. We were named sustainability leaders in 2018 by the Business Intelligence Group, were awarded "Gold" for sustainability leadership in the 2019 International CSR Excellence awards, and we've been named a Positive Luxury "Brand to trust" every year since

2014. The engagement and commitment of our committee members and our teams inspire me.

We are grateful to colleagues and customers who share ideas and feedback to navigate our journey of positive impact."



CHRISTIAN KNOOP
Director Creative Center

"The way we approach design has a major impact on our product.

Working on a product that is designed to last for generations, long term thinking and conscious decisions about the aesthetics and the materials involved are essential.

We applied this thinking not only to our watches but to our packaging, designing our watch boxes with customer needs at the center.

We developed a small, high quality travel pouch that protects watches and is also a desirable product in its own right, and can be accompanied by a larger box for gift-givers or watch collectors.

Luxury needn't be synonymous with waste or excess, and it's immensely gratifying to be able to design with sustainability in mind while still meeting our highest standards of quality and craftsmanship."

A SUMMARY BY THE SUSTAINABILITY COMMITTEE MEMBERS



MARC MICHEL-AMADRY
*International Sales
Director*

“Through our Boutiques we can highlight not just our watches but IWC’s story:

our history, craftsmanship, and passion for

fine design and precision engineering.

Increasingly, we can also live our sustainability values, from managing impacts as boutiques are built or renovated, to ensuring that materials used carry trusted certifications showing their own sustainable origins.

Our Boutique colleagues are now more familiar with the steps we take to manage our social and environmental impacts, and our growing network of sustainability ambassadors ensures dialogue flows between our customers, colleagues and sustainability committee members.”



RENÉ BEHR
*Director
Human Resources*

“IWC is both a global employer and deeply rooted in the close-knit Swiss town of Schaffhausen. By being an employer of choice, we

have a positive social impact on our communities. Through apprenticeships, internships and training we invest in people at all stages of their working life, and our corporate volunteering program strengthens both employee relationships and community ties.

Our sustainability targets highlight our ambitions as an employer: to promote wellbeing, a culture of trust, and a workplace in which all have the same opportunities to reach their full potential.”



LORENZ BAERLOCHER
CFO

“From production to supply chain to employee commuting, choices made in every area of IWC’s business contribute to our environmental impact.

We met our 2020 target to reduce greenhouse gas emissions by 10 per cent compared to a 2017 baseline, and now commit to sourcing renewable energy globally by 2022.

Additionally, by implementing a Green I.T. strategy we’ll reduce energy use and emissions, and better leverage technology to manage energy consumption and reduce waste.

With Richemont Group, we’ll carry out increased measurement of our impacts, providing the opportunity to identify and set further targets.”

A SUMMARY BY THE SUSTAINABILITY COMMITTEE MEMBERS



ANDREAS VOLL
COO

“IWC is proud to have a long history of managing the impact of our watchmaking in a responsible way.

The shift to a circular economy offers a new, systemic way to manage our impacts. IWC’s production processes are lean, and include techniques such as collecting and recycling metal scraps, reusing heat from our machinery, and maintaining a closed loop system for water use. By examining our production processes through a “circular” lens, we hope to identify more opportunities to reduce waste and improve our environmental performance.”



ALEXANDER WELTE
*Associate Director
Supply Chain*

“IWC values working with suppliers that share our goal of having a positive social and environmental impact.

Our strong Supplier Code of Conduct helps bring this certainty, as do supplier certifications such as those offered by the Responsible Jewellery Council, Forest Stewardship Council and the International Crocodilian Farmers Association.

Our strong relationships and regular contact with our suppliers are an important part of our approach to sustainability and undisputed responsible sourcing.”



VINZENT BECH
*Supply Manager Raw
Materials & Corporate
Sustainability*

“Precious metals and diamonds can present some of the most glaring contradictions: beautiful materials can have a background of great social and environmental harm.

At IWC, we want to be sure we haven’t contributed to such damage, and so we ensure our supply chain is traceable, safe and certified. We met our 2020 goal of Responsible Jewellery Council Code of Practices recertification, and now aim to achieve the more stringent Chain of Custody certification for eligible watch components.”



LORENZ BRUNNER
*Department Manager
Research & Innovation*

“Innovation is part of IWC’s heritage, and one focus of this strength is developing new materials.

Today this includes researching and testing

A SUMMARY BY THE SUSTAINABILITY COMMITTEE MEMBERS

those that will offer alternatives to products sourced from animals or crude oil. Meeting our high standards of luxury and durability is the biggest challenge. Also, to truly assess the environmental impact of a material, an analysis of its entire life cycle is needed - this takes time.”



RICCARDO SOLIANI BRIVIO
*Associate Director
Corporate Communications*

“At IWC, “engineering dreams” means not just crafting precision time-pieces but also creating unique and memorable experiences for our customers.

Increasingly we are taking opportunities to manage our social and environment impacts through the

choices made in our events, and we drafted and implemented sustainable events guidelines in 2019. One of our new targets is to measure the impacts of events, to identify ways to improve further”.



SARAH VOWLES
*Sustainability Manager
and Sustainability
Committee Secretary*

“Working to have a positive social and environmental impact is a long-term undertaking.

The ambitions of our CEO and Sustainability Committee members reflect and complement the feedback from our colleagues and our customers: sustainability has never been more important – now is truly the time for impact.”

In 2018, IWC Schaffhausen set eight sustainability targets, to reach by 2020.

Targets are useful, because they provide a traceable, measurable roadmap of our actions. We work to a two-year cycle, while also recognizing that ensuring a positive social and environmental impact is a long-term undertaking.

In this report, we describe our progress towards our targets and set out eight new goals to reach by 2022.

We also describe our activities on *iwc.com*, and will soon report on our progress towards our targets on an ongoing basis, between these biennial reports.

The background of the page features a photograph of a multi-story building with large windows and a balcony, situated next to a body of water. Bare trees are visible in the foreground and background, and their reflections are clearly visible in the water. The overall scene is captured in a soft, natural light, possibly during the 'blue hour' or early morning.

INTRODUCING IWC SCHAFFHAUSEN

In 1868, American watchmaker Florentine Ariosto Jones founded the International Watch Company in Schaffhausen, with the vision of combining traditional Swiss craftsmanship with the latest American production methods and technologies to produce the finest quality high-precision pocket watches.

Harnessing energy from the powerful River Rhine, F.A. Jones built a company unique in Swiss watchmaking, and his legacy of innovation, luxury and sustainability continues today. This report sets out how conscious management of IWC's social and environmental impact is integrated into day-to-day business, ensuring that the creation of IWC's watches is as sustainable as the watches themselves – some of which have now been ticking for 150 years.





IWC Manufacturing Center, reception.

IWC SCHAFFHAUSEN. ENGINEERING DREAMS SINCE 1868.

IWC Schaffhausen operates from a 145-year-old heritage building constructed in the style of a 19th-century North American watch factory, just meters from the River Rhine in the historic town of Schaffhausen, population 36,000.

Here, we dream, design, assemble and test our watches. In 2018, IWC opened a new manufacturing center on the town boundary, bringing the production of movement components, manufacture movements and cases under one roof. With deep roots in Schaffhausen, we take care to honour our

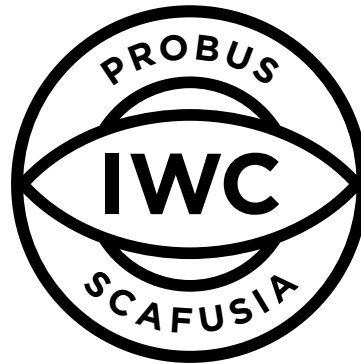
responsibilities as an employer and member of the community. IWC employs 554 people at the Schaffhausen headquarters, 232 in the Manufacturing Center, and 557 in Boutiques and supporting offices around the world. IWC has a global network of 170 Boutiques and in total 900 external points of sale.

From time to time, IWC also creates temporary exhibitions in locations such as airports, hotels and resorts; during 2019, we had 21 of these in place worldwide. E-commerce services are also available to clients in 15 countries.

PROBUS SCAFUSIA

Since 1903, the “Probus Scafusia” seal has embodied IWC’s uncompromising standards for the quality and longevity of its products.

Over our more than 150-year history, IWC has developed a reputation for creating functional complications, especially chronographs and calendars, which are ingenious, robust, and easy for customers to use.



journey through life. If given the necessary care, a mechanical watch can tick forever.

In our Schaffhausen Headquarters, our dedicated quality control team ensures only products of the highest quality reach our customers. Our watchmakers also carry out maintenance and repairs, restoring watches belonging to customers from all over the world.

A pioneer in the use of titanium and ceramics, IWC today specializes in highly engineered technical watch cases manufactured from advanced materials, such as titaniumaluminide and Ceratanium®.

As a promise of excellence, quality and longevity IWC introduced the “My IWC” program in 2019, which includes an extension of the International Limited Warranty from two to eight years.

Preferring the principle of “form follows function” over decoration, our timeless creations embody their owners’ dreams and ambitions as they

This embodies our commitment to product design, creativity, quality and growing craftsmanship.

IWC'S WATCH FAMILIES

IWC manufactures watches that are timeless in design and intended to last for generations. IWC's range of products extends from sporty timepieces with innovative materials to classic haute horlogerie complications:



PORTUGIESER



PILOT'S WATCHES



PORTOFINO



AQUATIMER



DA VINCI



INGENIEUR

PORTUGIESER

The Portugieser is IWC's most prestigious watch family, first introduced in 1939, and much appreciated by watch-lovers around the world. This collection brings together many iconic designs like the Portugieser Chronograph, impressive Haute Horlogerie complications and more sporty timepieces such as the Chronograph Yacht Club. True to its original purpose as a deck watch, the Portugieser is rooted in the universe of sailing.

PILOT'S WATCHES

IWC Schaffhausen has over 80 years of experience in the manufacture of Pilot's Watches. The current collection consists of classic Pilot's Watches, TOP GUN Pilot's Watches - which feature cases made of innovative materials like Ceratanium® and coloured ceramics - and the Spitfire collection.

PORTOFINO

For more than 30 years, the Portofino collection has been an expression of understatement and good taste thanks to its puristic, timeless design. Since 2015, the Portofino also features a beautiful collection of watches incorporating diamonds.

AQUATIMER

In 1967, IWC Schaffhausen unveiled the Aquatimer, the company's first diver's watch, thus founding a watch family whose success has continued unabated to this day. This watch family comprises dynamic sports watches that are puristic in design and feature a sophisticated rotating bezel system.

DA VINCI

In 1969, IWC produced the Da Vinci watch which was equipped with the first Swiss-made quartz movement, a joint effort of several renowned Swiss watch manufacturers. Today, the collection embodies harmonious forms, round cases and crowns with a clear link to the heritage of the iconic Da Vinci from the 1980s.

INGENIEUR

The Ingenieur watch family was developed in the 1950s. Rugged and functional on the outside, these watches contain impressively sophisticated technology and stand for precision, reliability and resilience.



Our IWC boutique in Geneva has an attractive layout with sales and lounge areas on different levels, a welcoming space and the chance to explore the IWC universe.

IWC'S BOUTIQUES: ASIA Beijing • Daegu • Hong Kong • Macau • Osaka • Seongnam • Seoul
Shanghai • Singapore • Taipei • Tokyo • **EUROPE** Geneva • London • Milan • Moscow
Munich • Paris • Rome • Schaffhausen • Zurich • **MEIA** Abu Dhabi • Dubai
NORTH AMERICA Beverly Hills • Costa Mesa • Miami • New York • Toronto • Vancouver

WHAT WE AIM FOR

INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

As a responsible luxury company, IWC Schaffhausen aims to preserve a strong heritage in quality, craftsmanship and innovation while creating long-term value for our business, and society. Through an integrated sustainability program, IWC goes beyond compliance with laws and regulations, actively seeking opportunities to improve environmental and social impact. In the context of our business activities, we view 'sustainability' as meaning careful management of our social and environmental impacts to the benefit of society and our planet, and we include these impacts in our decision-making.

REPORTING TO GLOBAL REPORTING INITIATIVE STANDARDS

IWC published the luxury watch sector's first Sustainability Report to GRI (Global Reporting initiative) Standards in 2018, describing our activities and setting eight targets to meet by 2020, against a 2017 baseline. This 2020 Report sets out our progress towards those targets, our current activities, and our 2022 sustainability goals. IWC Schaffhausen is a branch of Richemont International S.A. and we communicate our sustainability program using the same four focus areas as Richemont: Sourcing, Environment, IWC as an Employer, and Community Investment. IWC and Richemont also recognize three transversal areas vital to responsible business: Governance, Engagement and Innovation.

With the publication of this 2020 report, we meet our 2018 target to commit to biennial sustainability reporting, and we will maintain this standard in future.

Our 2018 report can be downloaded at iwc.com

MATERIALITY ASSESSMENT

IWC conducted a materiality assessment to determine material topics, in 2017. The resulting materiality matrix is set out in our 2018 Sustainability Report. These material topics were reviewed and adapted to reflect changing priorities, new opportunities and stakeholder feedback.

The topics 'circular economy' and 'stakeholder engagement' were determined to be material, reflecting increasing activity in these areas and anticipating further developments in future. Although still important to IWC, in response to stakeholder feedback 'positive economic contribution' and 'logistics' have been removed from the list of material topics, as the activities in these areas fall within one or more of the other topics. Stakeholder feedback was gathered through our stakeholder engagement channels, described further in the 'Stakeholder engagement' section of this report. When engaging with our stakeholders, we focus on specific areas of interest that are also reflected in our material topics. (GRI 102-46, GRI 102-49)

MATERIAL TOPICS HAVE BEEN IDENTIFIED AS: (GRI 102-47)

	MATERIAL TOPIC	DESCRIBED AT:
BUSINESS CONDUCT	Governance and ethics	24
	Product design, creativity, quality and growing craftsmanship	11
	Client satisfaction and service	25
	Data protection and information security	24
	Transparency	22
	Stakeholder engagement	22
SOURCING	Product integrity and sourcing	26
	Human rights and labour standards in the supply chain	27
	Trade in protected species and animal welfare	39
ENVIRONMENT	Climate change and energy use	42
	Water, packaging and waste	45
	Circular economy	47
IWC AS AN EMPLOYER	Employee recruitment, development and retention	56
	Diversity and inclusion	58
COMMUNITY INVESTMENT	Community Investment	56



ACHIEVEMENTS AND OBJECTIVES

2020 TARGETS, AGAINST A 2017 BASELINE:

- ✓ Publish a Sustainability Report biennially
- ✓ Achieve Responsible Jewellery Council (RJC) Code of Practices recertification
- ✓ Reduce greenhouse gas emissions by 10 per cent
- ✓ Reduce the average volume and weight of primary packaging by 30 per cent
- Double the share of women in management positions
- ✓ Achieve gender equality in training as measured by average hours per year
- ✓ Reduce the absence rate by 10 per cent by promoting health and well-being among employees
- ✓ Double IWC's annual corporate volunteering hours

IWC'S 2022 TARGETS ARE:

- Double the share of women in management positions compared to a 2017 baseline
- Achieve RJC Chain of Custody certification of watch components
- Purchase 100 per cent renewable energy globally
- Develop and implement a Green I.T. strategy
- Phase out purchase of non-FSC (Forest Stewardship Council)-certified forestry products
- Develop and pilot a blueprint for sustainable events
- Maintain "Great Place to Work" certification
- Achieve Equal Pay certification
- Double IWC's annual corporate volunteering hours compared to a 2020 baseline

HOW WE PROGRESS

IWC Schaffhausen manages social and environmental impacts through the oversight of our Sustainability Committee. This Committee, which meets quarterly, is made up of representatives who together manage every aspect of IWC's business. Committee members can ensure their areas carry out responsible business practices, evaluate sustainability risks and opportunities, and introduce new approaches when appropriate. Committee members are empowered to ensure that the Precautionary Principle is applied in operational planning and product development. Half of our Sustainability Committee members are also Executive Committee members, reporting directly to IWC's CEO. The Sustainability Committee Chair and IWC's Sustainability Manager meet with the CEO regularly and together, IWC's CEO and Sustainability Committee set the organization's sustainability targets and activities.



IWC'S SUSTAINABILITY COMMITTEE

Left to right: Lorenz Brunner, Department Manager Research & Innovation • Lorenz Baerlocher, Chief Financial Officer • Andreas Voll, Chief Operating Officer • René Behr, Director Human Resources • Sarah Vowles, Senior Corporate Sustainability Manager • Marc Michel-Amadry, International Sales Director • Riccardo Soliani Brivio, Associate Director Corporate Communications • Franziska Gsell, Chief Marketing Officer and Sustainability Committee Chair • Alexander Welte, Associate Director Supply Chain • Vinzent Bech, Supply Manager Raw Materials & Corporate Sustainability. (Not pictured: Christian Knoop, Director Creative Center).

STAKEHOLDER ENGAGEMENT AND TRANSPARENCY

Stakeholder engagement is an important part of IWC's commitment to transparency and trust-building: by being transparent, listening to stakeholders and engaging with experts, IWC can have a meaningful dialogue with engaged parties, continuously improve management of social and environmental impact, and meet stakeholder expectations. For this reason, 'stakeholder engagement' and 'transparency' are material topics for IWC, with impact throughout our value chain including our supply chain, our operations and in communications to customers and society. IWC addresses stakeholder topics and concerns by bringing them to the Sustainability Committee, which discusses the issues and takes appropriate action. IWC's stakeholders are our customers, employees, suppliers and business partners, the communities in which IWC operates, and civil society (organizations that have a particular focus on social and environmental impacts and industry practices). (GRI 102-42) See the table on the following page for each stakeholder group's specific interests. In 2018, the non-governmental organization WWF Schweiz conducted an assessment of the environmental

impact of the Swiss watch and jewellery sector. WWF Schweiz requested of IWC detailed information about our business practices in the areas of strategy and governance, environmental management, and company engagement. This information was provided, and in WWF Schweiz's subsequent report detailing its evaluation of the sector, WWF Schweiz rated IWC as the best-performing of the 15 brands evaluated, and the only brand above the midway point of its six-tier rating system.

IWC later met with WWF Schweiz to hear their advice about how to further improve our environmental impact. This input contributed to the inclusion of 'circular economy' as a topic in our list of material topics. IWC's sustainability approach is outlined at iwc.com, and stakeholders can reach IWC's Sustainability Manager by email at: sustainability@iwc.com. Stakeholders also regularly engage with IWC via the client relations centers that receive queries by phone, email, social media and chat. Our team ensures a 100% response rate, with a minimum of 80% of queries responded to within 24 hours.

IWC'S SOCIAL AND ENVIRONMENTAL IMPACT COMMITMENTS

Through Richemont, IWC is a member of the Swiss Better Gold Association, as well as the Global Compact Network Switzerland. In addition to supporting the Network's ten principles, IWC recognizes the importance of the United Nations Sustainable Development Goals,

a blueprint for a better future, and aligns in particular to SDGs 5, 8, 12 and 13.

IWC also directly supports organizations working to achieve UN SDGs 4, 14 and 15.

- United Nations Global Compact Network Switzerland
- Responsible Jewellery Council
- Kimberley Process Certification Scheme
- System of Warranties
- Swiss Better Gold Association
- BSR's Responsible Luxury Initiative
- Ellen MacArthur Foundation New Plastics Economy Global Commitment
- Be My Eyes
- Forest Stewardship Council
- CEO4Climate
- Green I.T. Switzerland

OVERVIEW OF OUR STAKEHOLDER ENGAGEMENT

GRI 102-40, GRI 102-43, GRI 102-44

STAKEHOLDER	DEFINITION	KEY TOPICS AND AREAS OF INTEREST	STRATEGIES TO ADDRESS THESE TOPICS
CUSTOMERS	Recipients of our high-quality goods and services	Client satisfaction and service; product design, creativity, quality and growing craftsmanship; trade in protected species and animal welfare; transparency; climate change and energy use; human rights and labour standards in the supply chain; packaging and waste; product integrity and sourcing; data protection and information security, circular economy	Customer feedback before, during and after sales, training for boutique colleagues, sustainability ambassadors, client service center, videos and online communications
EMPLOYEES	The drivers of our business success	Health, safety and well-being; employee recruitment, development and retention; corporate volunteering; diversity and inclusion; governance and ethics; climate change and energy use	Surveys, newsletters, intranet articles, structured performance management processes, trainings (e.g. code of conduct), employee benefits
SUPPLIERS AND BUSINESS PARTNERS	The companies that help us deliver our high-quality products to our customers	Product integrity; sourcing; human rights and labour standards in the supply chain	Regular and ongoing communication and cooperation on these topics, distribution of codes of conduct and audits to ensure appropriate business practices
LOCAL COMMUNITIES	The location of our operations and the wider community we engage with through our activities	Community investments (C.I.); climate change and energy use	Contributions to our communities through corporate volunteering, financial and in-kind contributions
CIVIL SOCIETY	The industry associations, organizations (including NGOs) and media we engage with	Trade in protected species and animal welfare; transparency; climate change and energy use; human rights and labour standards in the supply chain; packaging and waste; product integrity and sourcing; governance and ethics; C.I., circular economy	Direct and ongoing engagement to align with and implement and share best practices, discuss arising topics, improve business practices and communicate progress

GOVERNANCE AND ETHICS

IWC Schaffhausen became a branch of Richemont International S.A. in 2000, and benefits from services provided by Richemont in areas such as I.T. Security, HR administration, Legal and Compliance, and logistics.

Richemont also provides IWC employees with mandatory training 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.

These trainings are reviewed and re-issued regularly, and are available in 10 languages.

In other areas, such as design, production, and marketing, IWC operates independently, governed by a nine-member Executive Committee. There were no significant changes to the structure of the company during the reporting period.

Ethical behaviour and responsible business conduct are the essential foundations of our business success. It is our goal to be a business that adds value to society, through our products, our role as an employer, and our business conduct. In addition to our responsibility to comply with applicable laws and regulations, the culture and philosophy of IWC is based on the beliefs of integrity, honesty and respect. These beliefs underpin our strategy and define the way in which we work with customers, business partners, and each other. For these reasons, 'governance and ethics' is a material topic for IWC.

Colleagues receive training on Richemont's Standards of Business Conduct when they join IWC.

Everyone is held accountable to this code of conduct through good business practices such as responsive management, open communications and channels through which concerns can be raised, including anonymously, as described in the "workplace culture" section of this report. Through regular performance reviews and open communications, IWC evaluates adherence to the Standards of Business conduct and appropriately addresses any concerns identified.

Responsible business conduct is demonstrated in areas such as data protection and information security, which is a material topic for IWC, as it is vital to honour the trust of our customers and employees by protecting their personal information.

Technical capabilities supported by effective training and a strong ethical culture ensure we meet our responsibilities in this regard. During the reporting period, we monitored our processes and met our goal of having no substantiated complaints concerning breaches of customer privacy or loss of customer data. IWC is committed to ethical, responsible, fair and transparent business management that ensures accountability and is in line with relevant laws, policies and regulations.

There were no incidences of non-compliance with laws and regulations in the environmental, social and economic area during the reporting period.

Our compliance with health and safety legislation as well as our legal obligations as an employer have been verified by external auditors SGS during the reporting period as part of our audit to the Responsible Jewellery Council's 2019 Code of Practices.

CUSTOMER ENGAGEMENT

We are in business to serve our customers, and client satisfaction is a prerequisite for business success, so 'client satisfaction and service' is a material topic for IWC. IWC takes steps to make it easy for customers to look after their watches, with short informational videos in 13 languages at iwc.com and on IWC's YouTube channel. Each IWC Boutique has highly trained staff ready to provide advice, and flagship Boutiques have a watchmaker onsite who can provide specialized services. To engage watch lovers further in appreciation of IWC's craftsmanship, participating in a watchmaking workshop is one of the many treasured customer experiences offered to loyal clients. IWC's sponsorships and community investment initiatives also provide opportunities to offer unique experiences to our customers, at sporting and cultural events worldwide.

Boutique staff receive training in person as well as online, keeping them up to date on all the steps IWC takes to manage its social and environmental impacts, as well as new topics and opportunities.

A network of Sustainability Ambassadors within IWC's Boutiques ensures a strong link and flow of information and ideas from the Boutique staff and customers to and from IWC's Sustainability Manager and Sustainability Committee.

Client satisfaction is measured regularly via surveys: on iwc.com, post-purchase, post-after sales service, after interactions with our five regional client relations centers or a visit to one of our boutiques. The surveys each measure the Net Promoter Score (NPS) and a text analytics software helps to quantify qualitative written feedback. Survey results are consolidated and from these, new opportunities to provide outstanding service are identified. Our client experience team, created in April 2019, is dedicated to working across departments to ensure omni-channel, high standard and high quality client experiences. Measurable targets linked to the NPS are included in the annual goals of IWC's executive leadership team as well as all client facing roles at our headquarters and in the boutiques.





093653

INTERNATIONAL WATCH CO.
8 DAYS POWER RESERVE

SWISS MADE

PROBUS
LWC
SCHAUSHA

THIRTY-SIX (36) JEWELS
ADJ. TO FIVE (5) POS.

700883

A close-up photograph of a watch movement, showing intricate metal gears and components. A wooden tool, possibly a tweezers or a small screwdriver, is positioned at the top left, interacting with the mechanism. The background is dark, highlighting the metallic parts.

SOURCING

IWC Schaffhausen operates in Switzerland, a country with high standards of environmental protection, social justice, and compliance with laws and regulations. It is through sourcing that IWC is most at risk of contributing to a negative impact. Reflecting this, 'product integrity and sourcing' and 'human rights and labour standards in the supply chain' are two of IWC's material topics. IWC manages these topics by working to establish traceability throughout the supply chain, and maintaining strong relationships with suppliers.

IWC'S SUPPLY CHAIN

The integrity of our supply chain is important to IWC not only for our business success and to meet the expectations of our stakeholders, but because we do not want to contribute in any way to practices that cause social or environmental harm.

IWC's supplier portfolio is diverse, with approximately 200 active suppliers. In addition to raw materials such as diamonds, gold and platinum group metals (PGM), or watch components such as crowns, dials and hands, IWC also purchases packaging, shopping

bags, boutique and trade fair displays, interior design elements and marketing materials. In the reporting period, the supplier base remained largely the same, and there were no significant changes to the structure of the supply chain.

IWC strives to develop long-term business relationships with suppliers and business partners to promote and exchange best practices throughout the supply chain.

UNDERSTANDING OUR BUSINESS PARTNERS

IWC's supply chain managers regularly meet with suppliers, alternately in Schaffhausen and at suppliers' premises. Key suppliers, providing the majority of our purchasing volume of strategic importance, meet with IWC monthly.

Other suppliers meet with IWC every two months, or at a minimum, quarterly. The majority of IWC's suppliers are based in Switzerland or elsewhere in Europe. We do not have operations or maintain supplier relationships in countries with significant risk of incidents of child labour or forced or compulsory labour. All relevant suppliers sign Richemont's Supplier Code of Conduct, which includes principles regarding labour practices, human rights, environmental impact, sustainable product development and compliance.

IWC's supplier screening process was independently audited in 2019, and was found to adequately screen suppliers' social and environmental practices. IWC also expects suppliers to encourage their own contractors and vendors to incorporate the principles

of the Supplier Code of Conduct into their business policies and practices. Every relevant supplier with a significant turnover is audited every three years against the Supplier Code of Conduct, by audits initiated by Richemont. Follow-up on these audits is carried out by the Richemont Maison with the highest turnover at the respective supplier. In 2018, IWC followed up on seven audits, and in 2019, on three. None of the supplier audits revealed findings requiring significant remediation.

Every year, IWC invites around 50 key suppliers to Schaffhausen to provide a deeper understanding of IWC's business and priorities. In 2019, IWC's sustainability approach was presented by the Sustainability Manager, and was also included in the presentations of IWC's CEO and COO. Through this and an interactive 'marketplace' which included a sustainability booth, IWC could have a dialogue with suppliers about sustainability goals, and explore their interest in, for example, avoiding fossil-fuel based single-use plastic, and using energy from renewable sources.



IWC Manufacturing Center, incoming goods inspection area.

SUPPLY CHAIN RISK MANAGEMENT

IWC's due diligence process for precious metals and diamonds has been developed with reference to international principles, recognizing that these materials have historically been associated with human rights abuses and the funding of conflict.

International normative frameworks and global standards such as the universal declaration of human rights are the most important reference points for the UN Guiding Principles on Business and Human Rights, and OECD guidelines.

In order to help multinational companies to implement responsible sourcing principles the OECD developed

“OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas” (OECD Guidance). Legally binding regulations such as the Dodd-Frank Act Section 1502-1504 and the EU conflict minerals legislation as well as many sustainability standards are based on or are derived from this OECD framework.

IWC used the OECD framework as a guideline to implement the concrete due diligence process set out below in order to manage material topics such as “human rights and labour standards in the supply chain” and “product integrity and sourcing”.

GOVERNANCE FRAMEWORK FOR ASSESSING SUPPLIER RISK

INTERNATIONAL NORMATIVE FRAMEWORKS AND NORMATIVE GLOBAL STANDARDS

1. Example: UN Guiding Principles on Business and Human Rights

IMPLEMENTATION GUIDELINES AND PRINCIPLES

2. Example: OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-affected and High-risk Areas

SUSTAINABILITY STANDARDS SYSTEMS

3. Example: Responsible Jewellery Council Certifications

**STEP 1: ESTABLISH STRONG
MANAGEMENT SYSTEMS**

This is achieved through IWC's Supply Chain policy, available at iwc.com, and Supplier Code of Conduct, available at richemont.com. The Supply Chain policy is applicable to all our suppliers of gold, silver and platinum group metals (platinum, palladium and rhodium) and diamonds. This policy confirms IWC's commitment to respect human rights, avoid contributing to the finance of conflict and comply with all relevant UN sanctions, resolutions and laws according to the OECD Guidance.

**STEP 2: IDENTIFY AND ASSESS RISK
IN THE SUPPLY CHAIN**

IWC's Supply Chain Manager for Raw Materials conducts a five-level (N1-N5) risk assessment and classification process for suppliers of precious metals and diamonds. High- and low-risk sources are defined based on the presence or absence of 'red flags' that indicate a potential risk of adverse impacts in our supply chain (for example, serious human rights abuses or financing, fueling or facilitating conflict).

**STEP 3: DESIGN AND IMPLEMENT A
STRATEGY TO RESPOND
TO IDENTIFIED RISKS**

Any findings identified during the risk assessment may be escalated to IWC's Associate Director Supply Chain, and are followed up with suppliers as appropriate.

**STEP 4: CARRY OUT INDEPENDENT
THIRD-PARTY AUDIT OF SUPPLY CHAIN
DUE DILIGENCE**

IWC is able to request Richemont's support with independent third-party audits of suppliers and subcontractors, at identified points in the supply chain, to ensure practices meet the Supplier Code of Conduct. Richemont's Audit Program is administered by a global provider of auditing services, inspection, certification, and testing, covering the areas of: Company ethics, social performance, environmental performance, other laws and regulations. IWC's alignment with the OECD Guidance is verified by third party auditors during the RJC recertification process.

**STEP 5: REPORT ON SUPPLY CHAIN
DUE DILIGENCE**

Transparency on iwc.com is supplemented by IWC's biennial Sustainability Reports.



RESPONSIBLE
JEWELLERY
COUNCIL

CERTIFIED MEMBER

0000 1919

RESPONSIBLE JEWELLERY COUNCIL

The Responsible Jewellery Council (RJC) is a non-profit industry association for the watch and jewellery sector. RJC members must be certified by independent auditors to the RJC's Code of Practices (COP), demonstrating that they manage their social and environmental impacts appropriately.

Members may also be audited to the more stringent Chain of Custody (CoC) standard, which proves traceability of their supply chain from mine through to retail.

By purchasing gold, platinum group metals (PGM) and diamonds only from RJC CoC-certified suppliers, IWC can be assured of not sourcing products tainted by conflict, human rights abuses, child labour, or significant environmental damage. RJC certification is recognized by other important standards such as Fairmined or the Responsible Minerals Initiative.

In 2019, the RJC released a new, more demanding COP standard. IWC has been an RJC member since

2014, and was due for recertification by early 2020. IWC could choose to be re-certified to the old or new COP, and opted to be audited to the new standard – the first luxury watch brand to do so.

In doing so, IWC presented every aspect of the business to independent auditors.

The auditors reviewed not just compliance with all applicable laws and regulations, but also the adoption of good practices beyond what is legally required, including in sourcing, our responsibilities as an employer, and in our interactions with our customers. The RJC audit showed IWC's business practices to be fully compliant with the new CoP standard, and the 2020 goal of recertification has been achieved.

IWC has now set the goal of attaining CoC certification of gold watch components by 2022, and is on track to achieve that goal.

MATERIALS

			FY18/19	FY19/20
MATERIALS USED BY WEIGHT	STEEL	Kg	6,143	7,273
	GOLD	Kg	600.45	830.15
	PLATINUM	Kg	18.70	20.50
	BRONZE	Kg	1,068	2,423
	TITANIUM	Kg	737	1,749
	DIAMONDS	in carats	1,720	1,212
	TOTAL (WITHOUT DIAMONDS)	KG	8,567.15	12,295.65



IW590303 IWC Big Pilot's Watch Constant-Force Tourbillon Edition "Le Petit Prince"

PRECIOUS METALS

Since the last report in 2018, IWC Schaffhausen has further improved its precious metal sourcing strategy. All of the fine gold and platinum used in fiscal years 2019 and 2020 is from RJC-certified sources. All our 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 our production processes being collected and returned to our refiner for re-use. This is undetectable in our products, having a positive environmental impact but making no difference to the high quality of our materials. For gold, 59% of our needs in fiscal year 2019 and 44% in fiscal year

2020 have been covered by the recycling of scrap. For platinum, 89% have been covered in fiscal year 2019 and 32% in fiscal year 2020 with this process. Due to some additional material inflows the figures in fiscal year 2019 are relatively high, however IWC Schaffhausen will consistently achieve on average in-situ recycling rates of 35-50% for precious metals reclaimed from our own production process.

The rest of IWC's demand is covered by externally sourced recycled material, therefore currently 100% of our gold is recycled content – this might fluctuate in future due to availability of recycled gold from certified sources, but we do not expect this to drop below 80%.

STEEL

Steel suppliers are not eligible for RJC certification, but IWC strives to ensure this supply chain also reflects our sustainability values. IWC's main supplier of steel is a member of the 'ResponsibleSteel' initiative, a multi-stakeholder standard and certification not-for-profit organization for the steel supply chain that

has the aim of improving responsible sourcing and reducing risk in the steel supply chain. In addition to this membership, this supplier is developing CO2-neutral technologies for steel production, and optimizing existing processes in order to use raw materials and energy more efficiently.

DIAMONDS

IWC purchases diamonds only from two RJC CoP-certified suppliers, and uses no other gemstones. All diamond suppliers must to adhere to the Kimberly Process Certification scheme, which applies to raw diamonds, and the System of Warranties, which applies to cut and polished diamonds. Our suppliers are so called "sightholders" (™ De Beers) of the De Beers Group of companies and are therefore required to operate according to the De Beers Best

Practices Principles Assurance Program. De Beers is a London-based subsidiary of Anglo American and operates in 35 countries; mining takes place in Botswana, Namibia, South Africa, Canada and Australia. In accordance with step 4 of IWC's supply chain due diligence a multi-Maison audit program makes sure that IWC's diamond suppliers are audited on a regular basis with the next audit in 2020.



IW344001 Portugieser Yacht Club Moon & Tide, 18-carat 5N gold case, blue dial, gold-plated hands, 18-carat gold appliques, blue rubber strap with textile inlay.



IWC Ceratanium® furnace.

LEATHER

IWC uses leather for watch straps and in packaging, sourcing calf leather from EU countries only, and alligator leather from farms in the United States. No other animal products are used by IWC.

As well as meeting all legal requirements, such as the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), IWC's business partners must meet the animal welfare criteria in our Supplier Code of Conduct. This includes our commitment to the Responsible Luxury Initiative's Animal Sourcing Principles, which are based on the "five freedoms" aiming to protect animals from cruelty and discomfort.

'Trade in protected species and animal welfare' is a material topic for IWC, as it is important to make sure there are no bad practices in this area of our supply chain. In 2019, IWC's supply chain managers visited all of our suppliers of alligator leather. With Richemont Group and other industry partners, IWC has encouraged the development

of a standard-setting and certification program for alligator farming, run by the International Crocodilian Farmers Association (ICFA). Such visits, and in other years, audits, demonstrate that the management of this material topic is effective. In September 2016, twelve representatives from crocodilian farms, representing a major share of the world's production, located around the globe founded the International Crocodilian Farmers Association (ICFA). The aim of ICFA is to develop and improve crocodilian farming practices with respect to animal welfare, the environment, people and local communities. An international Standard (ICFA 1001:2019 Crocodilian Farming – Requirements) has been put in place and a certification program launched.

Several farms supplying IWC with alligator skins have either already been certified or are planning to do so. ICFA is supported by major luxury brands, as well as by tanneries, manufacturers and business associations. The goal of IWC is to source only from ICFA-certified suppliers in the next 1-2 years.

INNOVATION

Developing new materials is part of IWC's brand heritage, with titanium, ceramics, Ceratanium® and 18ct ArmorGold® among the innovations noted as IWC "firsts". Research into new materials for watch straps is ongoing, and testing is carried out onsite in Schaffhausen as well as at external laboratories.

Watchstraps made of materials including paper, banana and apple by-products have been developed and are virtually indistinguishable from leather straps, but so far none have passed our stringent

tests including durability, and resistance to humidity. Research continues, and work is also ongoing to include recycled content in our rubber straps.

Overall environmental impact is a key factor in identifying promising new materials, with a life cycle assessment approach being adopted so far as possible. This means evaluating impacts at every stage of a material's lifespan to ensure that solving a problem in one area doesn't create an adverse impact in another.





ENVIRONMENT

At IWC Schaffhausen we work to manage the environmental impact not only of our own operations, but also of our sourcing decisions, community investment, and the choices made in our role as an employer. Increasingly, environmental impact is also factored into planning marketing and events, client experience opportunities, and sponsorships. Our environmental management will continue to evolve, as new technologies offer increasing opportunities to have a positive impact.

IWC'S ENVIRONMENTAL PERFORMANCE

In 2018, IWC opened a new Manufacturing Center, almost three times the size of previous facilities, bringing production of movement components, manufacture movements and cases under one roof.

The Manufacturing Center was designed with social and environmental impact in mind, providing a vast workspace filled with abundant daylight and including green building features such as LED lighting, automatic sunshades, and re-use of heat generated in production.

To promote lower impact commuting, the Manufacturing Center has its own bus stop, with service timed to IWC production shifts.

Both our Manufacturing Center and Headquarters in Schaffhausen are powered by renewable energy and generate energy via rooftop solar panels.

Employees can view real-time solar power generation data on IWC's intranet; the energy from our solar panels covers approximately 4% of our global electricity consumption.

We all have a role to play in addressing the climate crisis and managing our impacts responsibly, because of the environmental, social and economic disruptions caused by climate change. For this reason 'climate change and energy use', 'water, packaging and waste,' and 'circular economy' are material topics for IWC and steps are taken to measure and manage impacts.

In 2019, IWC developed an Environmental Management System (EMS) Manual combining the environmental practices and policies relating to our operations in Schaffhausen in one document.

Our infrastructure team owns the EMS, and is responsible for improving energy efficiency in our buildings as well as managing water usage and environmentally friendly waste disposal and recycling processes.

Also in 2019, our CEO joined peers in signing the CEO4Climate letter to the Swiss parliament, asking that a legislative framework be drafted enabling Switzerland to meet its Paris Agreement commitments.

IWC measures CO2 emissions generated by its buildings, business travel, and logistics. Richemont Group reports these emissions as part of its disclosure to the CDP (formerly 'Carbon Disclosure Project') and Richemont organizes the offsetting of these emissions in collaboration with South Pole Group.

IWC is working with Richemont to measure more emissions in future, ideally to be able to set science-based targets for emissions reduction.

Meanwhile, we continue to implement solutions known to have a positive environmental impact, and have set goals for 2022 to:

- purchase only renewable energy globally;
- to phase out purchase of forestry products that are not FSC (Forest Stewardship Council) certified;
- to develop and implements Green I.T. strategy, and;
- to develop and pilot a blueprint for sustainable events, measuring the resulting reductions in waste and emissions.

FACTS AND FIGURES

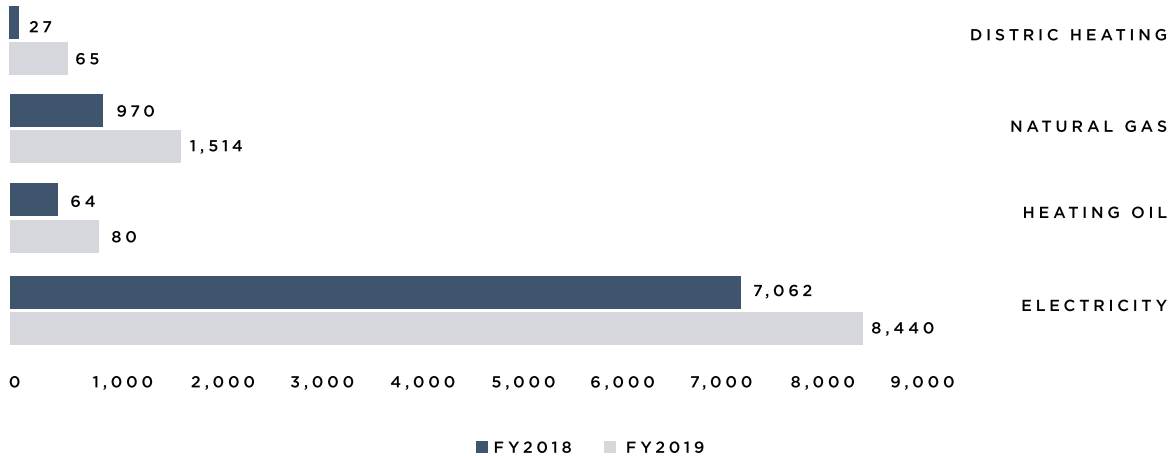
During the reporting period, there were no incidences of non-compliance with environmental laws and regulations. IWC's infrastructure team works with the Swiss private sector energy agency (EnAW) to monitor environmental performance and identify opportunities for improvement. In 2018, IWC set the goal of reducing greenhouse gas emissions by 10% compared to a 2017 baseline.

This target was achieved, largely due to reductions in emissions generated by business travel. Reductions from emissions in travel follow an emphasis on reducing travel, preferring train travel where possible, and flying in premium economy rather than business class. The new, much larger Manufacturing Center is more energy efficient than previous premises. However, in 2018 (FY19), oil stored for emergency purposes had to be burned, generating emissions

not typically part of our operations, and due to exceptionally dry weather, the groundwater used for heating and cooling the new Manufacturing Center could not meet energy needs and was supplemented with natural gas.

Emissions generated were offset, and from 2020 any energy shortfall at the Manufacturing Center will be met with biogas. Reductions from emissions in travel follow an emphasis on reducing travel, preferring train travel where possible, and flying in premium economy rather than business class. In collaboration with Richemont, in 2020 we started to measure more of our Greenhouse Gas Protocol scope 3 emissions, for example those generated by employee commuting. This will give a clearer view of our impacts and opportunities for further emissions reduction.

ENERGY CONSUMPTION IN MWH 2-YEAR COMPARISON



	FY2019	FY2018	Difference
ENERGY CONSUMPTION IN MWh	10,099	8,123	24%
ELECTRICITY	8,440	7,062	20%
Standard electricity	2,333	2,484	-6%
Green electricity	5,787	4,557	27%
Own generation (photovoltaics)	320	21	1,424%
HEAT	1,659	1,061	56%
Heating oil	80	64	25%
Natural gas	1,514	970	56%
District heating	65	27	141%
ENERGY CONSUMPTION PER EMPLOYEE IN KWh/FTE	8,086	6,658	21%
GREENHOUSE GAS EMISSIONS IN T CO₂e^{1,2}	5,586	5,897	-5%
SCOPE 1	444	344	29%
Heating oil	20	16	25%
Natural gas	289	185	56%
Own vehicles	135	143	-6%
SCOPE 2	1,312	1,219	8%
Electricity	1,299	1,213	7%
District heating	13	5	160%
SCOPE 3	3,830	4,333	-12%
Business travel (air, road, rail)	1,879	2,542	-26%
Logistics	1,951	1,791	9%
GREENHOUSE GAS EMISSIONS PER EMPLOYEE IN KG CO₂e/FTE	4,472	4,834	-7%
WATER USE IN CUBIC METRES³	114,436	114,005	0.4%
Municipal water	5,317	5,300	0.3%
Groundwater (cooling purposes)	109,119	108,705	0.4%
WASTE IN METRIC TONS³	539	487	11%
GENERAL WASTE	203	177	15%
Incineration	139	119	17%
Recycling	64	58	10%
SPECIAL WASTE	336	310	8%

1. Metric tons of CO2 equivalents.

Calculated in accordance with the WRI/WBCSD Greenhouse Gas Protocol.

2. Emission factor sources:

Defra www.defra.gov.uk/environment/climate/
EA ©OECD/IEA 2017 (<http://www.iea.org>)

Environmental Protection Agency EPA, eGRID2016 Subregion file (SRL16)

3. Water and waste data only available for IWC Schaffhausen/Merishausen, where main impacts occur.

WATER USE

IWC strives to use water resources as efficiently as possible. At our Headquarters, water consumption was reduced by 13% from FY2017 to FY2018 through installation of more efficient fixtures, and rainwater is captured and diverted to the plumbing system, saving 255,000 litres of drinking water every year. In FY2019, water use remained largely stable. At the Manufacturing Center, groundwater is used without loss of volume as an energy source for

cooling or heating the building. Due to closed cycles in production and building services engineering, every litre used is returned to groundwater or a receiving water stream.

The wastewater from the processes is controlled by an external company. Special wastewater from electroplating and purification plants is collected and treated by a specialized company.

WASTE MANAGEMENT AND PLASTIC

To manage impacts responsibly, IWC collects waste materials for re-use by our own and other businesses. Our waste management practices were reviewed and approved by independent auditors during our 2019 audit to the Responsible Jewellery Council's new Code of Practices. The amount of waste generated by IWC reduced by approximately 3% from FY2017 to FY2018, but increased FY2018 to FY2019 because of decommissioning activities connected to the building of the new Manufacturing Center.

Waste collection for recycling increased significantly in 2019 with the installation of many more collection points at Headquarters and in the Manufacturing Center for non-PET plastic. Facilities for collection of PET, batteries, PVC folios, toner cartridges, paper and cardboard were given new prominence when floorplans showing their location were made accessible from the landing page of IWC's intranet. From 2020, IWC will collect more detailed data on the amount of each type of waste generated and recycled. Efforts to avoid generating plastic waste were rolled out in 2019, with single-use food and drinks containers in our canteens replaced with

re-usable glass or metal, and a deposit system introduced for reusable glass take-out containers. Remaining plastic was replaced with bio-plastic, and efforts made to raise awareness of the issue of plastic pollution and encourage employees to choose reusable options. The avoidance of single-use plastic was embraced also by IWC's Sports Club, which now runs plastic-free events, and the organizers of events such as our annual holiday party also take steps to avoid waste, creating innovative upcycled or reusable table decorations. Research is ongoing to find improved alternatives to plastic containers used in our operations.

Plastic waste received from suppliers has been addressed, and our main supplier of visual merchandise has switched from plastic packaging to using silkpaper and cardboard. IWC also worked with Canada's Pela cases to introduce branded phone cases for all employee phones. These are made in Canada from Pela's proprietary blend of biopolymers and Canadian Prairie flax-harvest waste, and can be put in the household greenbox if they are no longer usable.



Our new high-quality 'travel pouch' is significantly smaller and lighter than our previous watch boxes and represents a step change in luxury packaging.

PACKAGING

In 2018, we redesigned our watch boxes to meet our 2020 target “reduce the average volume and weight of primary packaging by 30 percent compared to 2017”. This has the benefit of reducing emissions from shipping and logistics, but also represents a change in approach to our packaging. By designing smaller, higher quality packaging with customer needs in mind, IWC has created a new product, intended to be kept for generations. Designing for the customer profiles of ‘traveller’, ‘gift giver’ and ‘collector’ IWC’s new, smaller watch boxes also break new ground by showing that ‘luxury’ does not have to mean ‘excess.’ The new boxes contain 90%

less plastic than previously, and 80% of the plastic remaining is recycled plastic. We aim to increase this figure to 100% in future. IWC has signed the Ellen MacArthur Foundation New Plastics Economy Global Commitment, undertaking to eliminate unnecessary plastic, and ensure that all plastic in our packaging is 100% reusable, recyclable or compostable by 2025. Research is ongoing to find an alternative to the current plastic protective wrap used on parts of our watches when they are shipped and sold. In future we will explore ‘take back’ options, with the aim of further reducing the impact of our packaging.

CIRCULAR ECONOMY

IWC recognizes the value of shifting from a ‘take-make-dispose’ linear economy to a circular approach in which waste is avoided or re-used. For this reason ‘circular economy’ has been identified as a material topic, and we will increasingly evaluate ways to adapt our practices to meet this model in order to minimize the environmental impact of our operations. As described above and in the ‘Sourcing’ section of this report, some steps have already been taken, and will

be pursued further. Additional opportunities include pioneering a ‘take back’ approach to watches: a pilot project in our Hong Kong, London, Munich and Paris Boutiques in 2019 enabled customers to ‘trade in’ any luxury watch – even brands outside the Richemont Group – to receive credit towards a new IWC. Traded-in watches were then forwarded for re-sale on Richemont’s watchfinder platform; the program has been very well-received by customers.

FIGHTING DEFORESTATION

Forests play a critical role in maintaining the health of our planet. Older trees absorb more CO2 than newly planted trees, and forests are crucial environments supporting biodiversity. To avoid contributing to the social and environmental harm caused by illegal logging and deforestation, IWC aims to ultimately source only FSC (Forest Stewardship Council)-certified forestry products. Our office paper products have been FSC-certified for many years, and choices

of new products and new suppliers take this goal into account. In 2018, we changed our logo on our shopping bags from silver to black, so that the bags could be recycled by customers after use – these bags are also made from FSC-certified, 100% post-consumer waste. We have shared with many peers and business partners the online global database of FSC-certified suppliers maintained by the Forest Stewardship Council.



MARKETING AND EVENTS

IWC hosts, participates in and sponsors a variety of events worldwide. In 2019, IWC developed sustainable events guidelines to promote use of materials and processes that have a more positive social and environmental impact. We increasingly strive to ensure materials are reused, either by sourcing items via rental, or with simple steps such as choosing to decorate a 2019 Zurich Film Festival gala with our own collection of artwork. We have reduced the number of high-impact galas held, and impacts of events will increasingly be monitored, measured and addressed. In 2019, we supported the restoration and world-first round-the-globe flight of an original Mark IX Spitfire, celebrating the engineering triumph and craftsmanship embodied by this unique 'Silver Spitfire'. Emissions from the 'Longest Flight' were offset through South Pole Carbon, via a UK-based reforestation project.

GREEN I.T.

I.T. generates a vast and growing proportion of global greenhouse gas emissions, and we all can improve our environmental impact via our I.T. choices. Decisions regarding the purchase, use and disposal of I.T. equipment have an environmental impact, and I.T. can also be used to measure and reduce energy use and related emissions. Ensuring I.T. choices benefit or minimize harm to the environment is 'Green I.T.' In 2019, IWC conducted an assessment of its I.T. and joined the peer network Green I.T. Switzerland.



SPOTLIGHT ON OUR LONDON BOUTIQUE

IWC's flagship boutique in London has made a number of small but effective changes to improve its environmental and social impact. With an emphasis on sourcing from local artisans – where possible, with delivery by bicycle – the Boutique now has William Curley (winner of the Britain's best chocolatier) handmade chocolates, Notting Hill based Richard Brendon crystal glasses and crockery, tea, coffee, rosé, whiskey and champagne from providers that emphasize their own sustainable practices.

The team has established new partnerships with Birchall, owner of the UK's first solar-powered tea factory, and Union Coffee. This London-based company, which places a strong emphasis on ethical sourcing, recycles coffee residue into coffee logs for wood burners and stoves, reducing carbon emissions and waste sent to landfill. The

new coffee machine avoids the waste that comes with coffee pod packaging.

Additional gains have been made through switching to a renewable energy supplier, and investing in a new glasswasher which uses just two litres of water per cycle (around 80% less than the average dishwasher). Other initiatives include adapting the back office space to create more room for recycling, and setting up an employee volunteering scheme with a local charity.

Further improvements are planned for 2020, such as switching to refillable soap dispensers to reduce plastic waste. In light of the success of this project, we are aiming to roll out these changes in other IWC boutiques in 2020, through our network of Sustainability Ambassadors.



IWC AS AN EMPLOYER

As an employer, IWC Schaffhausen seizes the opportunity to go beyond its legal duties to provide a workplace that is safe and respectful, and provides a range of benefits large and small to optimize the experience of working at IWC. IWC recognizes that its choices as an employer provide the chance to have a positive impact on the environment, and local communities.

WORKPLACE CULTURE

“Employee recruitment, development and retention” is a material topic to IWC, because of the positive social impact on individuals and communities that results from providing high quality employment, and because motivated, engaged employees enable us to achieve the highest consistency and quality in the products and services we provide our customers.

“Diversity and inclusion” is also a material topic, as it is important that we ensure all our employees have an equal chance to thrive. As an employer, IWC has the opportunity to mitigate and not repeat inequalities rooted in the past. IWC’s employment framework, “We at IWC: guidelines how to work together”, guides employees in cultivating collaborative, successful working relationships, while the Richemont ‘Standards of Business Conduct’ outlines effective business and employment practices.

Richemont and IWC implement mandatory training for all employees on this Standard and other policies such as the Group Security Policy, Global Health and Safety Directive and Policy, Data Privacy, Data Security, anti-discrimination and harassment, and for employees in specific areas, anti-bribery and corruption, and competition law. Through the training provided, employees are aware of their rights and obligations, as well as avenues for addressing grievances or ethical issues, such as by filing a formal report for investigation to the HR Director or

CEO, contacting the Partner Organization, which represents IWC employees in negotiations with management and the Executive Committee, or using the anonymous whistleblowing channels.

IWC’s employment practices were thoroughly reviewed in the 2019 Responsible Jewellery Council audit, as the RJC holds its members to high standards, set out in its new Code of Practices, available online. IWC’s Executive Committee seeks feedback from all employees about their experiences at IWC via the employee survey conducted every two years, and improvement actions follow these surveys.

In addition, IWC recently launched the employee net promoter score (eNPS) globally, a measurement of the likelihood that employees will recommend their employer to others, enabling us to identify successes as well as follow up on areas for improvement. Through diligent, participatory follow-up to the employee surveys, IWC became the first luxury watchmaker to be awarded “Great Place to Work”™ certification in Switzerland, in 2019.

Retaining this certification is one of IWC’s 2022 targets, as it demonstrates the creation of a culture of trust, and an outstanding workplace always interested in improving further.

BRIGHT IDEAS

Employees receive an overview of IWC’s sustainability approach on joining the company, and can further engage through the intra-preneurial “Bright Ideas” program. Now in its 25th year, “Bright Ideas”, evaluates and implements employee suggestions

for improvements across all areas of IWC. Ideas implemented successfully earn employees cash rewards, and the employee suggesting the idea voted best by the Ideas Panel and Executive Committee receives a watch with a personalized engraving.

FACTS AND FIGURES

EMPLOYEES BY EMPLOYMENT CONTRACT

● FEMALE ● MALE



TOTAL: PERMANENT 1,235

TEMPORARY 108

EMPLOYEES BY EMPLOYMENT TYPE



TOTAL: FULL-TIME 1,171

PART-TIME 172

EMPLOYEES BY REGION*



TOTAL: AMERICAS 68

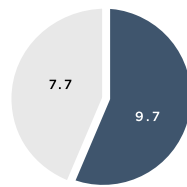
EUROPE 982

FAR EAST 293

* All employees in Switzerland participate in the collective labour agreements of the Swiss-German association of watchmaking and the micro-technology industry (GRI 102-41). As of December 31, 2019, IWC employed 1,343 people globally, plus an additional 155 apprentices, interns and contract workers.

AVERAGE EMPLOYEE RETENTION AT IWC IN YEARS

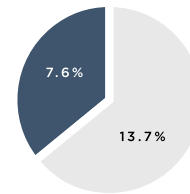
FIGURES BASED ON PERIOD FROM 1.1.2019 TO 31.12.2019



● IWC HEADQUARTERS ● IWC GLOBAL

EMPLOYEE TURNOVER AT IWC

FIGURES BASED ON PERIOD FROM 1.1.2019 TO 31.12.2019



DIVERSITY AND INCLUSION

In 2018, IWC set the target to double the percentage of women in management by 2020 compared to a 2017 baseline, from 11% to 22%. By the end of 2019, an increase to 18% had been achieved, so this target is carried on into 2020, to be reached as soon as possible. As of December 31, 2019, we had 14 female and 64 male managers. IWC defines 'management' in this context not simply as "heading a team" but as "holding a key role within the organisation with respect to taking decisions having impact on IWC's success". This might, but does not necessarily, include managing a team. To reach the 2020 target, IWC took steps to promote peer networking among women, and ensured gender-balanced talent pools were presented to senior management.

Recognizing that women often carry more responsibility outside of work for care of children or elderly family members, IWC is convinced that the introduction during the reporting period of flexible working hours / time and remote working will contribute to strengthening the female talent pipeline. Part-time work is also supported, and a financial contribution to early childcare costs is

provided to women. In future, emphasis will be placed on supporting families, encouraging fathers to take on parenting responsibilities and other family care.

To identify why the 2020 target regarding women in management was missed, data on internal moves will be collected, to learn what percentage of women apply for senior roles and how they move through the hiring process. Recognizing that good intentions alone aren't enough to bring meaningful change, we will implement a structured long-term program to increase all aspects of diversity in our organization.

IWC has also set a 2022 target to achieve Equal Pay certification. We have already taken steps to work towards equal pay, such as industry benchmarking, and excluding questions about previous salaries during the hiring process. IWC is supportive of the legislation making pay equity analysis mandatory in Switzerland, and certification draws attention to the importance of achieving equality.

TRAINING AND DEVELOPMENT

The lower percentage of women than men in management impacted our 2020 target to provide an equal number of training hours to men and women, as managers receive more training than other colleagues. In 2019, IWC employees each averaged 13.2 hours of training.

Middle management engaged in 30.3 hours of training per person, and the senior management accrued 27.1 hours each.

Aiming for parity, we were able to achieve an average training hours split of 48% - 52%, or 12.4 hours per year for women compared to 13.7 hours for men. We are confident that this will be 50-50 in the near future.

IWC offers apprenticeships, internships, corporate training, and extra-occupational training. Human Resources, Health and Safety, Line Managers,

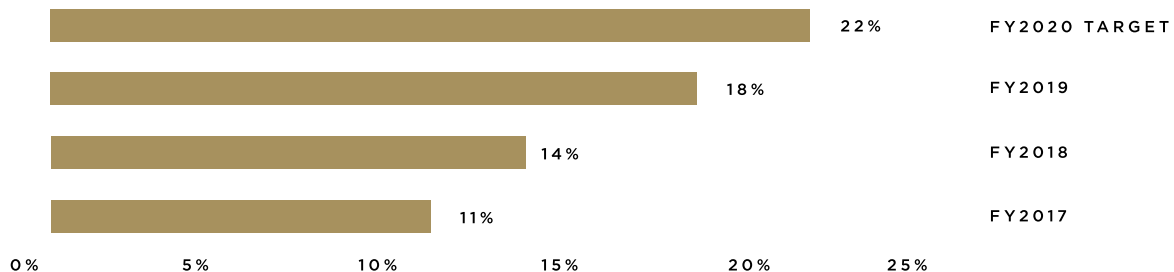
Customer Service, Client Experience and Retail all play a key role in the training and development programs and overall employment processes. All employees receive annual performance and career development reviews.

Topics for trainings include leadership development, soft skills, project management, foreign languages, digital and I.T. expertise, labour law training, health and safety, and retirement preparation.

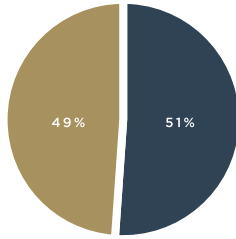
With its recent initiative “Never Stop Learning,” IWC has broadened its training offerings substantially with on-demand e-learning content, which can be accessed as needed.

In the reporting period, the number of languages in which training is offered was also increased, further increasing accessibility of training.

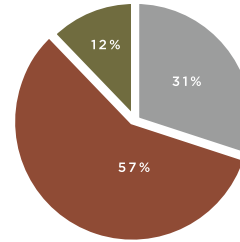
SHARE OF WOMEN IN MANAGEMENT POSITIONS



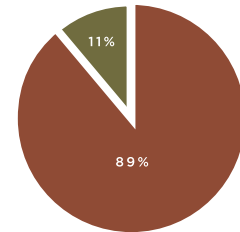
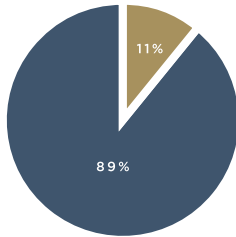
GLOBAL EMPLOYEES
BY GENDER



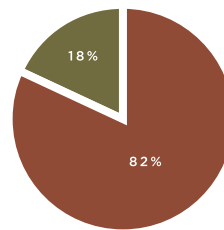
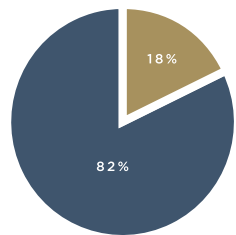
GLOBAL EMPLOYEES
BY AGE



EXECUTIVE COMMITTEE

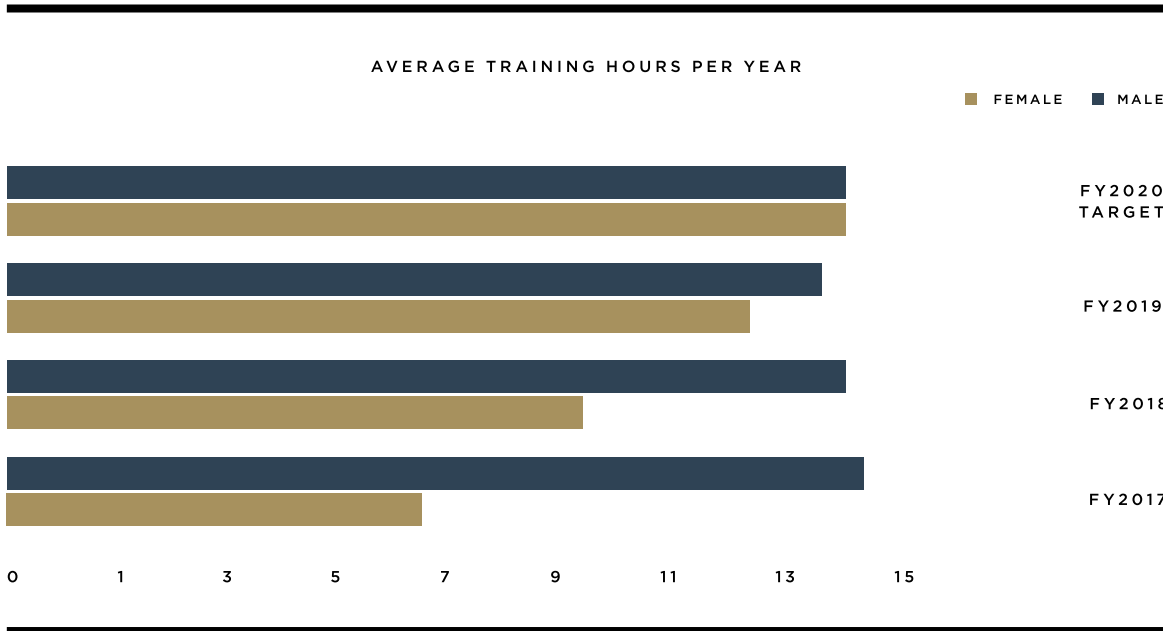


MANAGEMENT



● FEMALE ● MALE

● <30 YEARS ● 31-50 YEARS ● >51 YEARS



WORKING AT IWC SCHAFFHAUSEN

IWC recognizes that as an employer, there is the opportunity to provide a positive social impact, and so aims to create an ideal workplace. Employees' well-being, health, and safety are supported at every level of the company not only by implementation and regular audits of the related policies, but with provision of mental health support services and through the activities of our Workplace Health Management Committee. This Committee, formed in 2018, is made up of employees from a wide range of IWC departments, and has brought about such benefits as an annual fitness and health day allowing employees to try a variety of different sports, in-house chair massage, and promotion of healthy eating via "power food days". Good health is also supported with the offering of free fresh seasonal fruit daily, and internal ergonomics specialists who provide support to employees to set up their

workstations according to the latest ergonomic standards. The 2020 goal to reduce the absence rate by 10%, compared to a 2017 baseline, by promoting health and well-being has been achieved. During 2018, there was an absence rate of 2.49%, and 17 workplace accidents. In 2019, the absence rate was 1.73%, and there were 11 workplace accidents. In Schaffhausen, IWC offers employee benefits such as subsidized commuting, a subsidized canteen serving fresh, seasonal, local produce, a contribution towards health insurance costs, and innovative perks such as free bike tune-ups in spring, and the highly popular discounted sales to employees of retired I.T. hardware. Exceptionally, to celebrate IWC's 150th anniversary, all permanent employees in Schaffhausen were gifted a personalized Pilot's watch, as announced at the very memorable 2018 holiday season party by our CEO.

A FAMILY TRADITION

With IWC's deep roots in the local community, working with us has become a family tradition for some. Watchmaker Kenny Ruh follows in the footsteps of his great-grandfather, working as a watchmaker in the assembly of the in-house movement Calibre 89 at IWC's new Manufacturing Center.

When Kenny's great-grandfather began working at IWC, back in 1926, Ernst Homberger was the owner and CEO, and the watches were manufactured steps from our current Headquarters, where Kenny completed his apprenticeship as a watchmaker. Kenny's great-grandfather was working as a watchmaker when Albert Pellaton developed his groundbreaking automatic winding system in 1950, which enables IWC watches to be wound automatically with very little mechanical wear. Thirty-five years later the legendary Kurt Klaus, trained by Pellaton, invented the mechanism of IWC's renowned perpetual calendar. Kurt Klaus still makes regular trips into IWC today, and partied alongside Kenny at the 2018 holiday season celebration.

Kenny notes, "Our family has been associated with IWC for nearly 100 years. In our family's possession there are not only new watches but also IWC watches dating back to 1929. I am proud to maintain this connection, because good things from Schaffhausen stand the test of time."

When Katarina Kozjak's mother, Branka Kozjak, joined IWC in 1973, she had just arrived from the former Yugoslavia and did not speak any German.

Her employers took her under their wing, and ensured her smooth integration into Swiss life – and lifelong employment. Branka went through good and

challenging times with IWC, including the crisis in the 1970s caused by very high gold prices, and the advent of quartz watches.

Innovations were a company strength: in 1978, IWC began using anodized aluminum housings, and in 1981, IWC was the first manufacturer in the world to produce a complete chronograph in titanium. The Kozjaks' connection to IWC deepened when Katarina's father followed his wife to IWC in 1995, working as a lathe operator, and Katarina joined in 2005, in pre-assembly and then case assembly, before moving on to control small parts production. Branka was at IWC for the innovation of Zirconium dioxide for watch cases in 1986, and Katarina works in IWC's new Manufacturing Center and the birthplace of Ceratanium®. Although material innovations are part of IWC, being a responsible employer is even more important, and treasured by many. Katarina says, "I grew up with IWC - I have always felt connected to the company. My mother still collects everything that has to do with the company because she feels so close to the only employer she has ever been employed by in Switzerland."





Kurt Klaus, trained by Pellaton, invented the mechanism of IWC's renowned perpetual calendar.



Laureus

Sport Unites Us

Laureus

20

Sport Unites Us

Laureus

Laureus

The background of the page is a photograph of a community event. In the foreground, the back of a young girl's head with two braids is visible on the left. To the right, a person in a dark blue shirt is partially visible. In the background, a yellow banner features a green thought bubble on the left, the text 'AN DER' in the center, and three cartoon children on the right. The overall scene suggests a community gathering or school event.

COMMUNITY INVESTMENT

IWC Schaffhausen aims to have a positive social and environmental impact by investing in communities locally and globally. We do this through direct support of partner organizations, building on our long-standing relationships, as well as through our corporate volunteering activities, and by sponsoring a variety of initiatives in our hometown, Schaffhausen.

COMMUNITY INVESTMENT

IWC is a large employer in Schaffhausen, and a luxury company with global reach. Investing in communities supports our aim to add value to society, and so is a material topic for IWC. Many of our activities focus on education, as we believe that all children should have the chance to shape their own future. We also place a special emphasis on sporting initiatives and the arts – two domains that are closely tied to our brand heritage and values.

GLOBAL PARTNERSHIPS

We are proud to support inspirational organisations and projects that are helping to build a more sustainable future and make a real difference to people's lives. Here is a snapshot of our key partnerships.



ALESSANDRO DEL PIERO

LAUREUS SPORT FOR GOOD Since 2005, IWC has been one of the main sponsors of the Laureus Sport for Good Foundation, which uses the power of sport to work towards ending violence, discrimination and disadvantage in children's lives. To date, over 5.9 million young people have been involved in more than 200

projects worldwide. One of the ways that we raise funds and awareness for Laureus is through an annual drawing competition for children involved in Laureus programs. The winning artwork is engraved on the back of an IWC special edition watch, with a portion of the proceeds going to the Foundation.

This provides a link between the 319,000+ children and young people supported by Laureus in 2019 and IWC, our staff and stakeholders. The funds raised play a crucial role in allowing Laureus to make a major difference in the lives of young people.

"With its multi-year programming Laureus is able to create the conditions for real impact. Seeing the energy and enthusiasm of young footballers in Berlin when they were able to enjoy a kickabout with football legends was truly inspiring, and it's Laureus that brings these possibilities to life."

CHRISTOPH GRAINGER-HERR
IWC CEO

IWC's ambassadors also play a key role in the partnership – for example in 2019, when kids from the 'I Challenge Myself' program in New York City had the opportunity to cycle with the renowned cyclist Fabian Cancellara and a group of clients and partners.

ANTOINE DE SAINT EXUPÉRY YOUTH FOUNDATION

Our long-standing partnership with the Antoine de Saint-Exupéry Youth Foundation reflects our shared belief that knowledge and education can give young people a better future. This charitable institution was founded by descendants of the French pilot and writer Antoine de Saint-Exupéry, author of the well-known children's book "The Little Prince". IWC contributes to the Foundation's social projects by auctioning off special edition Pilot's Watches. These include a unique Big Pilot's Watch Single Piece worn by IWC Ambassador Bradley Cooper to the 91st Academy Awards® in February 2019, which garnered a winning bid of USD 60,000. A Pilot's Watch Perpetual Calendar Chronograph Edition "Le Petit Prince" then went under the hammer in July 2019 to celebrate the Foundation's tenth anniversary. IWC donated the full proceeds from both auctions to the association Arrimage. Established by Dr Claude Garrandes, a blind French artist and teacher, Arrimage focuses on teaching visually impaired children how to 'read' and create drawings using their sense of touch. The association's unique teaching tools include the first ever tactile art book of embossed illustrations of "The Little Prince", which was created with the support of the Saint-Exupéry Foundation. Another key activity in 2019 was an exhibition at the IWC Boutique in New York to mark the 80th anniversary of Antoine de Saint Exupéry's historic trans-Atlantic flight. We also created a special timepiece, the Pilot's Watch Timezoner Chronograph Edition "80 Years Flight to New York", and donated the full proceeds from the

sale of the first piece (number one of 80 limited editions) to the Foundation.

"It was an honour to be a part of this incredibly meaningful initiative, and a privilege to support such a worthwhile organisation, together with IWC Schaffhausen & the Antoine de Saint-Exupéry Youth Foundation. By auctioning the watch I wore to the Oscars for A Star is Born for the Antoine de Saint-Exupéry Youth Foundation, together we were able to raise funds for the association Arrimage, which helps visually impaired children read drawings using their sense of touch. Given how important storytelling is to the art of filmmaking, I was thrilled to play a small part in helping two amazing charities continue their work."

BRADLEY COOPER



B.COOPER WEARING IWC AT THE 91ST ANNUAL ACADEMY AWARDS

COUSTEAU DIVERS Our long-term partnership with the Cousteau Society, founded by French conservationist Jacques Cousteau, reflects IWC's



Hayden Cox, Australian designer on his floating pop-up 'Remote' workshop in Sydney, working on Haydenshapes Surfboards.

dedication to ocean research and conservation. Proceeds from every sale of our Aquatimer Chronograph Edition “Expedition Jacques-Yves Cousteau” go directly to the Society’s work to set up marine conservation zones. In 2019, we extended our collaboration by supporting Cousteau Divers. This community of divers is studying the effects of climate change by measuring the temperature beneath the ocean’s surface, combining data from precision sensors with measurements taken by thousands of recreational divers. The goal is to help scientists map where changing sea temperatures are affecting biodiversity and climate.

LOCAL SPONSORSHIPS AND PHILANTHROPY

THE LAUREUS FOUNDATION SWITZERLAND

The Laureus Foundation Switzerland’s annual Charity Night takes place every November in Zurich, with over 600 guests. The event raised CHF 1,111,111 in 2018 and CHF 1,000,000 in 2019, helping to fund a wide range of sports projects for young people in Switzerland. On both occasions, the auction of a special edition “Laureus Sport for Good” IWC timepiece contributed significantly to the total donated.

SCHAFFHAUSEN AND BEYOND Inspired by the Laureus Foundation’s initiatives, we provide financial support to several local summer camps and sports events for children. We also support many other local organisations, including Krebsliga, the Swiss Cancer League, and Diheiplus, a charity offering accommodation and employment opportunities for people with disabilities. IWC supports more than 60 events and associations in the Schaffhausen region through sponsorships or donations, such as the Kadetten Schaffhausen Handball Club, which is among the best handball teams in Switzerland, and

Schaffhausen’s IWC Arena. Each year, up to 32 of Switzerland’s top curling teams compete for the “IWC Trophy” at the IWC Arena, which was renovated in 2010 with IWC’s support. Small scale, local sponsorships and fundraising events are also arranged by colleagues outside of Schaffhausen, such as support of the Miracle Foundation, an international non-profit organization supporting orphaned children, by our Boutique in Geneva; hosting the Emeralds & Ivy Ball in the UK to raise funds for cancer research and to support people who have cancer; support for the animal shelter Best Friends in the US, and in Australia, small one-off events as well as:

HAYDENSHPES SURFBOARDS Through his global bestselling surfboard business, Haydenshapes, IWC brand ambassador Hayden Cox is pioneering sustainability for the wider performance surfboard manufacturing industry by developing up-cycled materials created with waste. This ground-breaking idea was inspired by a visit to IWC’s factory, where the Australian designer saw watchmakers carefully gathering up ‘leftover’ materials to include in the creation of new watches. His floating pop-up ‘Remote’ workshop in Sydney recently was set up in partnership with IWC.

“Our partnership with IWC is absolutely vital to the ongoing success of our work. We are not just grateful to IWC for supporting us for the last 15 years, but for always trying to find more ways to grow the partnership and its ultimate impact improving the lives of children and young people all around the world. We reached the lives of more than 319,000 children and young people in 2019, and we are looking forward to having an even greater impact in the future, thanks to the support of our fantastic partners”

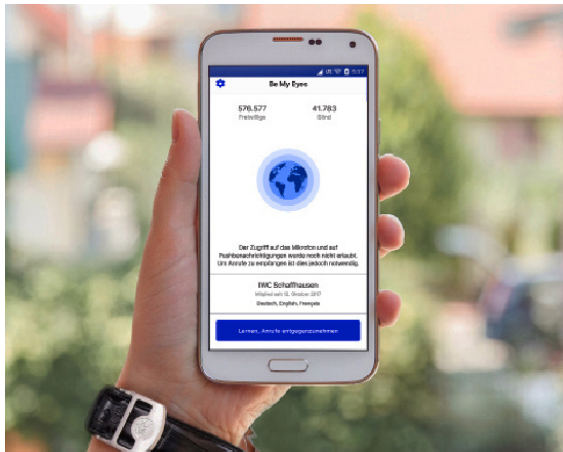
ADAM FRASER

Chief Executive, Laureus Sport for Good Global.

CORPORATE VOLUNTEERING

To have a positive impact in the communities in which we operate, and give employees the chance to work alongside colleagues from different areas or to deepen existing relationships, we encourage all of our employees to take part in corporate volunteering. Globally, we encourage employees to volunteer with Be My Eyes, and in Schaffhausen, we organize “Forest Days” with the Forest Stewardship Council.

Our colleagues around the world also organize their own local volunteering initiatives. In 2018, we set the target to double the annual number of employee corporate volunteering hours by 2020, compared to a 2017 baseline. This target was reached, and re-set: we now aim to double the annual number of corporate volunteering hours by 2022, compared to a 2020 baseline.



BE MY EYES Be My Eyes is a simple yet life-changing global platform that provides support to blind and partially sighted people by connecting them with volunteers who can see, via an app freely available globally. IWC’s partnership with Be My Eyes enables our employees to help visually impaired people worldwide: through a live video phone call, volunteers can assist with tasks.

In December 2019, we were honoured to receive a visit from Be My Eyes’ CEO and co-founder, Christian Erfurt, CCO Alexander Hauerstev Jensen and CSO Simon Salling. Employees at our Headquarters and

Manufacturing Center were able to hear first-hand the experience of launching the Be My Eyes app, the stories of people whom the app has helped, and additional services Be My Eyes is developing.

Beginning in 2020, we will work with Be My Eyes to make these stories more accessible to all colleagues and explore potential learnings from the “inclusive design” principles Be My Eyes are pioneering.

FOREST STEWARDSHIP COUNCIL IWC offers annual ‘Forest Days’ in collaboration with the Forest Stewardship Council (FSC) in the forests around Schaffhausen. On each of our Forest Days in 2018 and 2019, between 20 and 30 IWC colleagues worked together with the FSC and members of a local hunting organization to improve the forest environment by removing old fencing, building hides, clearing debris and planting trees. FSC is an international, non-governmental organisation dedicated to promoting responsible management of forests, and to fighting illegal logging and deforestation.

FSC’s database and certification system allows businesses and consumers to easily purchase wood, cardboard and paper made with materials from well-managed forests and/or recycled materials.

MOVING AHEAD

To reach our 2022 target, from 2020 we will offer a broader and more flexible range of volunteering opportunities, including half-day options and indoor activities.



ABOUT THIS REPORT

The Global Reporting Initiative (GRI) provides the world's most widely used framework for sustainability reporting offering a structured format to coherently and comprehensively share information about material issues, performance metrics and the management of sustainability- related issues.

IWC Schaffhausen utilized the GRI Standards to transparently report IWC's sustainability efforts and key performance indicators for the second time (It comprises headquarters and operations of IWC Schaffhausen in Switzerland and boutiques worldwide (GRI 102-45) This report has been prepared in accordance with the GRI Standards: Core option (GRI 102-54). The reporting period comprises the calendar years 2018 and 2019, except for the environmental data where the reporting period

follows IWCs Financial Years ranging from April 2017 to March 2019. (GRI 102-50). IWC commits to a biennial reporting process (GRI 102-52). The last report was published in 2018 (GRI 102-51). There were no restatements of information during the reporting period. (GRI 102-48) The reporting principles for defining report content and quality have been applied throughout the information collection and report development process (GRI 102-46). The contents of the sustainability report have not been externally assured (GRI 102-56).

The contact point for questions regarding the report is Sarah Vowles, Senior Corporate Sustainability Manager, IWC Schaffhausen.

E-mail: sarah.vowles@iwc.com

GRI CONTENT INDEX

For the Materiality Disclosures Service, the GRI Services team reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. The GRI Materiality Disclosures Service was performed on the English version of the report.

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