

SWAROVSKI



SWAROVSKI UK GENDER PAY GAP REPORT

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1. FOREWORD



At Swarovski, we believe that achieving gender balance is the right thing to do. As well as having a positive impact on society, it also enables individual employees and our business as a whole to perform better. Swarovski seeks to maintain an engaged and diverse workforce and create an inclusive working environment.

We have a long-term commitment to gender equality, both in the UK and globally.

As you'll see from the results in this report, we remunerate and reward our people based on performance and contribution.

We've worked hard to ensure decisions are made based on talent and role performance, and endeavour to be transparent with employees with regard to pay decisions.

We are pleased with our results: by national and industry standards we have a relatively small gender pay gap. However, we recognise that there is still work to do to narrow the gap in bonus payments. We remain fully committed to ensuring gender parity across our UK business.

A handwritten signature in black ink, appearing to read 'Hayley Quinn'.

HAYLEY QUINN

*Managing Director Consumer Goods Business,
UK, Ireland and Nordics*

2. INTRODUCTION

WHAT IS THE GENDER PAY GAP REPORT?

From April 2018, all UK companies with more than 250 employees are required to publish calculations showing the pay gap between their male and female employees.

WHAT IS PURPOSE OF THE REPORT?

The report allows companies to understand the size and cause of their gender pay gap and to address any concerns.

A gender pay gap can be present for many reasons, for example if an organisation has more males in senior roles than females.

WHAT CALCULATIONS WILL SWAROVSKI PUBLISH?

We are publishing data based on six calculations:

1. Mean gender pay gap (hourly pay) The 'mean' means average. The calculation shows the difference in the average hourly pay of men and women working at Swarovski UK.

2. Median gender pay gap (hourly pay) The 'median' is the middle figure. To calculate, we arranged the hourly rates for both men and women respectively from low to high, and identify the hourly rate which is in the middle of the scale.

3. Mean bonus gender pay gap The 'mean' means average. The calculation shows the difference between the average bonus of men and women working at Swarovski UK.

4. Median bonus gender pay gap The 'median' is the middle figure. To calculate, we arranged the bonuses paid to both men and women respectively from low to high, and identify the bonus figure which is in the middle of the scale.

WHAT IS THE DIFFERENCE BETWEEN 'EQUAL PAY' AND 'GENDER PAY GAP'?

Equal pay means paying men and women the same salary for completing equal or similar work. For example, in our retail organisation we use retail pay bandings to ensure that everyone starting with us is paid the same rate, regardless of gender.

The Gender Pay Gap Report shows the difference between what men and women earn within our UK organisation. We examined the hourly salary and annual bonus payments for men and women, and analysed the 'gap' between these. This report includes data from our UK divisions, including our retail stores, warehouse, head offices and Swarovski Professional.

5. Proportion of males and females receiving a bonus payment This is the percentage of men and women who received a bonus within the last 12 months.

6. Proportion of males and females in each pay quartile To complete this calculation, we arranged the hourly rates of all employees from low to high, and then split all employees into four different quartiles:

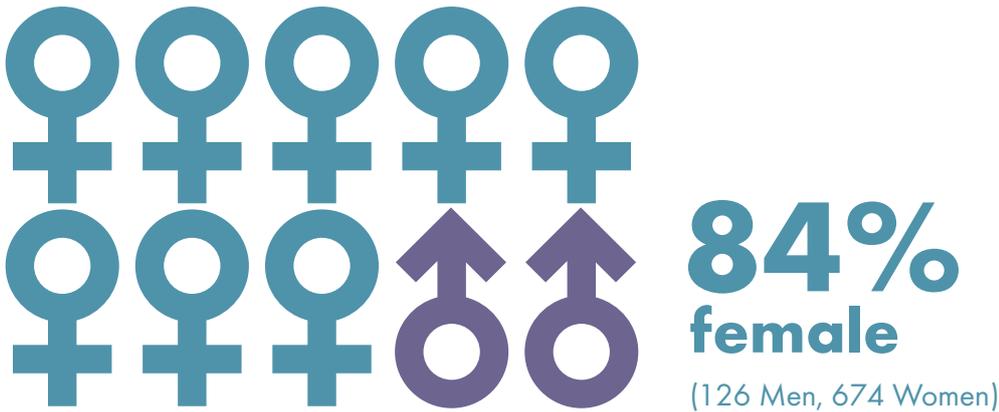
- a. Lower
- b. Middle Lower
- c. Upper Middle
- d. Upper

We then calculated the number of men and women in each quartile.

3. THE STATISTICS

ORGANISATIONAL STRUCTURE

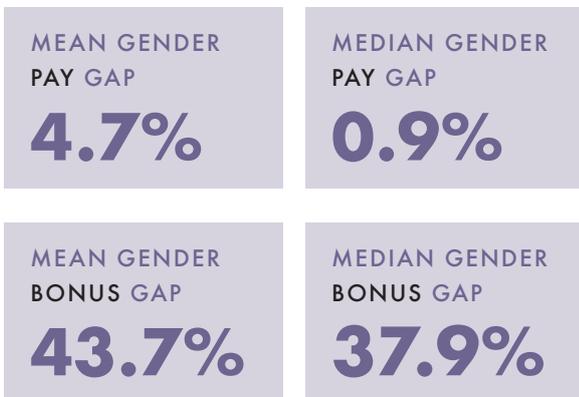
Our report is based on employee data effective from April 1, 2017, relating to the 800 Swarovski employees based in the United Kingdom. As shown below, the sample demonstrated that 84% of our workforce is female.



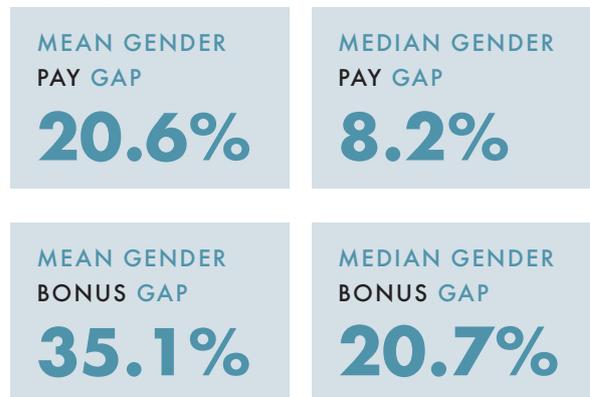
Unlike many retail-based organisations, our workforce comprises of a wide range of business units, including Corporate Branding and Communication; Swarovski Optik; Swarovski Professional; Corporate Sustainability; and The Swarovski Foundation, as well as retail and support functions such as human resources, legal and finance. These employees are based in 70 retail stores and three head offices nationwide.

GENDER PAY GAP AND BONUS GAP

Swarovski UK



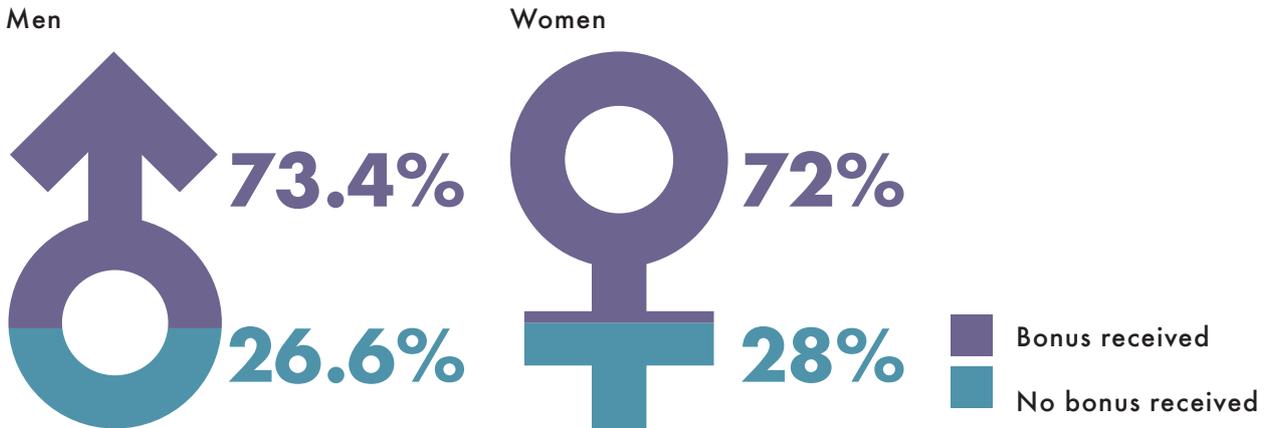
UK Retail & Wholesale Industry Standard*



* Industry average calculated using retail and wholesale data submitted by organisations in the same industry, and collated by XpertHR HR.

PROPORTION OF EMPLOYEES RECEIVING A BONUS

(Based on 2016 bonus payments)

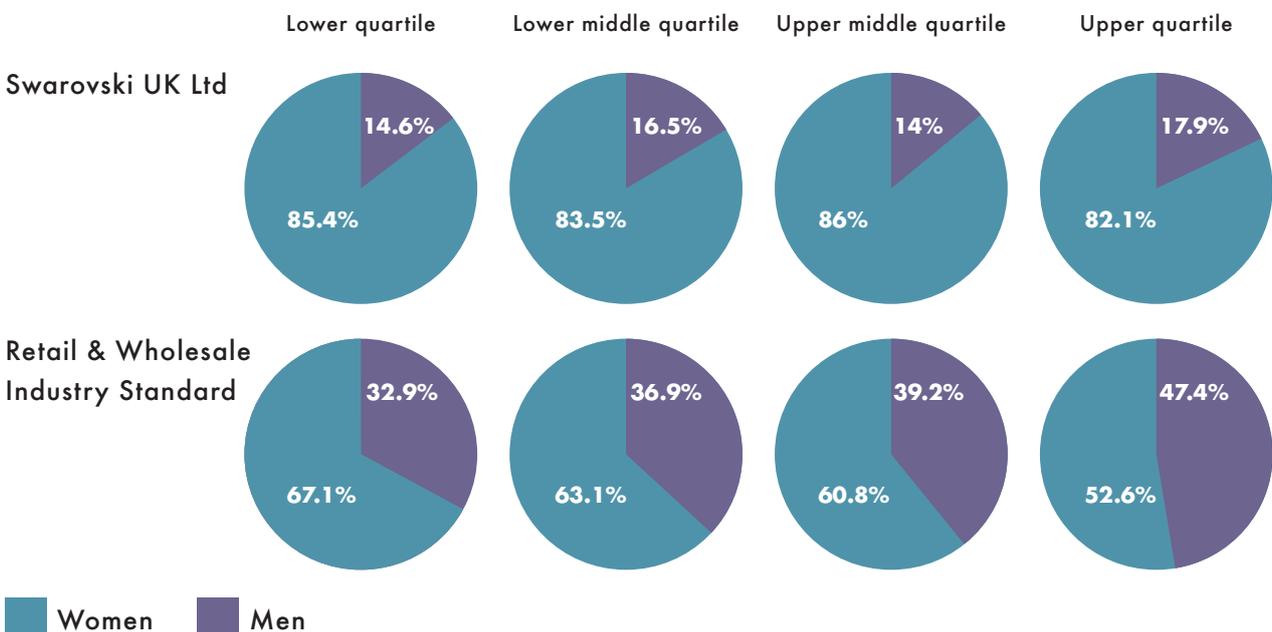


At Swarovski we are proud that 98% of our employees are eligible to earn a bonus based on both personal and company objectives. This includes all of our retail teams from sales consultants through to management roles, regardless of length of service.

Those employees in sales roles are able to earn a higher bonus than employees working in administration and support functions. This is due to their direct impact on the company’s revenue and overall profitability. At the time of compiling the data for our report, we had a high percentage of men holding senior sales roles within the top two quartiles, which directly influenced the results above. Since compiling the data for the gender pay gap report in April 2017, the landscape of the business has already changed, with an increase in females holding senior, higher-earning roles.

4. PAY QUANTILES AND HOW WE COMPARE TO THE INDUSTRY STANDARD

Proportion of men and women in each pay quartile



5. CONTINUING WITH PROGRESS

Inclusion and diversity are at the heart of who we are. Our employees and customers are hugely diverse, and so we are proud to embrace diversity within our business practices. We strive to create a work environment where people feel respected and valued, and where they are free to be themselves. We remain committed to attracting and retaining the very best talent and ensuring that gender is never a factor in decisions, including pay.

OUR CONTINUED COMMITMENT

We look to encourage better gender balance throughout our organisation through our HR processes, as well as our social responsibility to advocate for greater gender equality in our marketplaces and wider society. Swarovski recognises the positive impact of taking proactive steps to supporting greater gender balance throughout our operations and the communities where we operate. Here are some ways we are continuing to progress:

- Across our business, we strive for a healthy work-life balance, equal access to career advancement and development opportunities, and the option of flexible working arrangements where appropriate.
- Global leadership programmes at Swarovski are creating a more diverse and inclusive leadership, enabling our people to reach their full potential and help with future progression.
- We offer a formal mentorship programme to encourage ambition, empower confidence, and achieve goals.
- We are using internationally recognised standards (EDGE diagnostics and WEPs Gender Assessment Tool) to assess the internal landscape of employees.
- Swarovski became a Lean In partner in May 2017 to advance gender equality and help drive positive change across our workforce, since when we have established employee networks focused on tackling gender inequalities. The purpose of our Lean In Circles is to foster connections across our workplaces, encourage the exchange of ideas and inspire confidence.
- Gender equality is a key theme of Swarovski's Sustainability strategy, along with our focus on water stewardship, conscious design, sustainable innovation and fair partnerships. We will keep working through partnerships, our own operations and our communities to advocate and take action to accelerate equality.

Externally, via the Swarovski Foundation, we will continue to champion equality through our philanthropic initiatives, including supporting charities such as NEST and Women for Women International, which support female entrepreneurship and strengthen the employability of women.