

SWAROVSKI



SWAROVSKI UK
GENDER PAY GAP REPORT 2019

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1. FOREWORD



At Swarovski we are committed to supporting gender equality and ensuring greater parity in our people and business decisions.

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.

As you will see from the results in this report, we remunerate and reward our people based on performance and contribution. This is the reason we have global schemes and guidelines in place to ensure all our employees are offered a package that is both fair and competitive.

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

In this report we present our second year of measuring our UK gender pay gap and acknowledge that compared with last year's data our gap has increased.

We wish to be transparent in this report about the mitigating factors that have affected this gap. We recognise that there is work to do to narrow the gap and we remain fully committed to ensuring gender parity across our 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 men in senior roles than women.

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 and head offices.

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) . To calculate, we arranged the hourly rates for both men and women respectively from low to high, and identified 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 identified the bonus figure which is in the middle of the scale.

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:

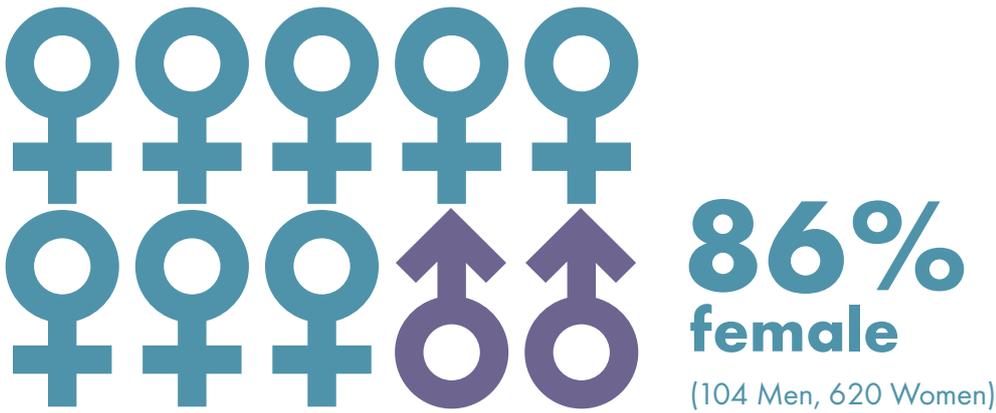
- a. Lower
- b. Middle Lower
- c. Upper Middle
- d. Upper

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

3. THE STATISTICS

ORGANISATIONAL STRUCTURE

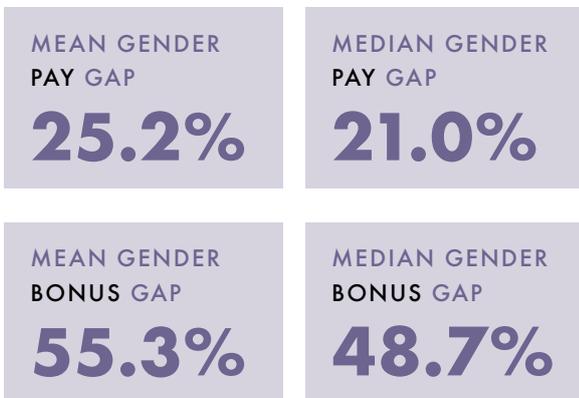
Our report is based on employee data effective from April 1, 2018, relating to the 724 Swarovski employees based in the United Kingdom. As shown below, 86% of our workforce is female.



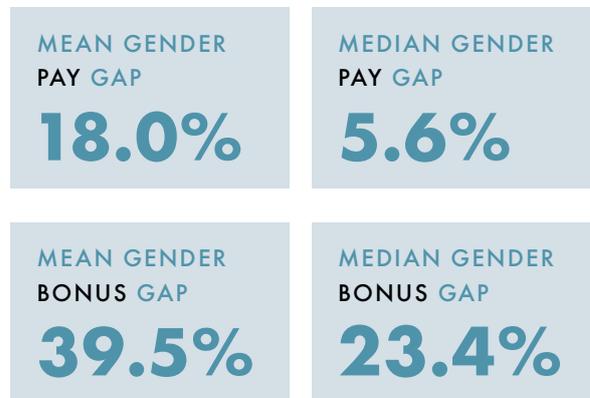
Unlike many retail-based organisations, our workforce is comprised of a wide range of business units, including Corporate Branding and Communication; Swarovski Optik; Swarovski Professional; Corporate Sustainability; and The Swarovski Foundation, as well as retail and support functions such as human resources, legal and finance. These employees are based in 71 retail stores and three head offices nationwide.

GENDER PAY GAP AND BONUS GAP

Swarovski UK



UK Retail & Wholesale Industry Standard*



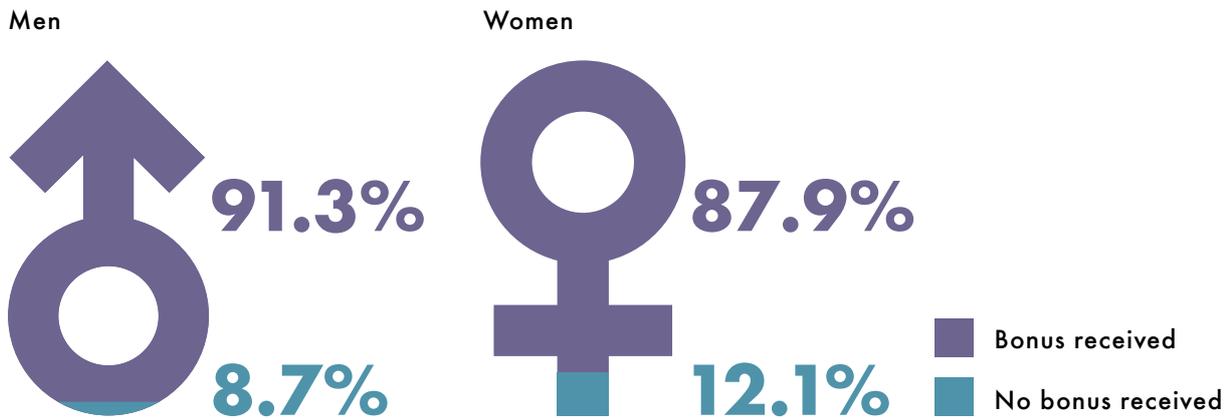
*Industry average calculated using retail and wholesale data submitted by organisations in the same industry, and collated by XpertHR.

At Swarovski, we are proud that we attract such a high level of female talent, which reflects our customer base and the wider jewellery industry. We have a large number of women working in retail stores and a relatively small number of men. Whilst we understand that the flexibility of retail is attractive to many women, it heavily influences our headline numbers. Our UK business operations cover both part time and full-time positions and both retail and corporate offices, the latter of which have a more diverse gender mix in comparison to retail.

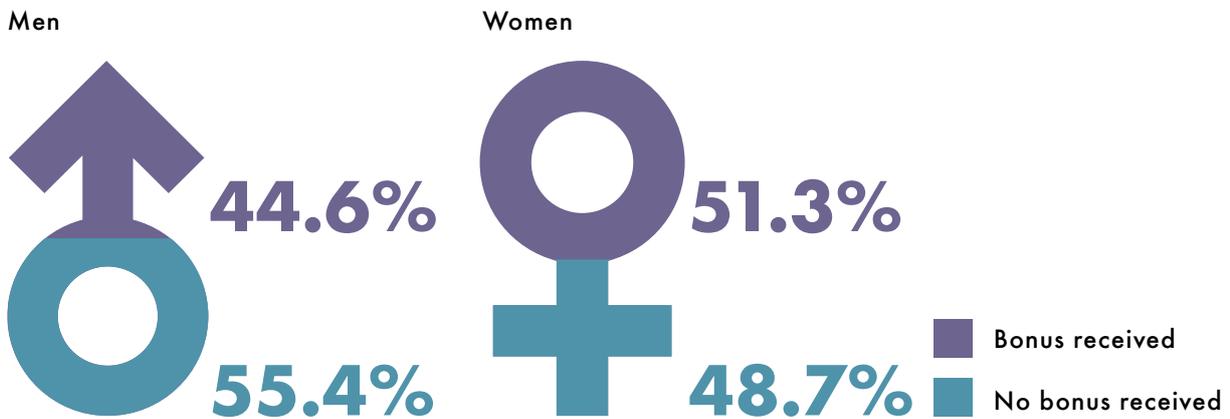
PROPORTION OF EMPLOYEES RECEIVING A BONUS

(Based on 2018 bonus payments)

Swarovski UK:



Retail and Industry standard:

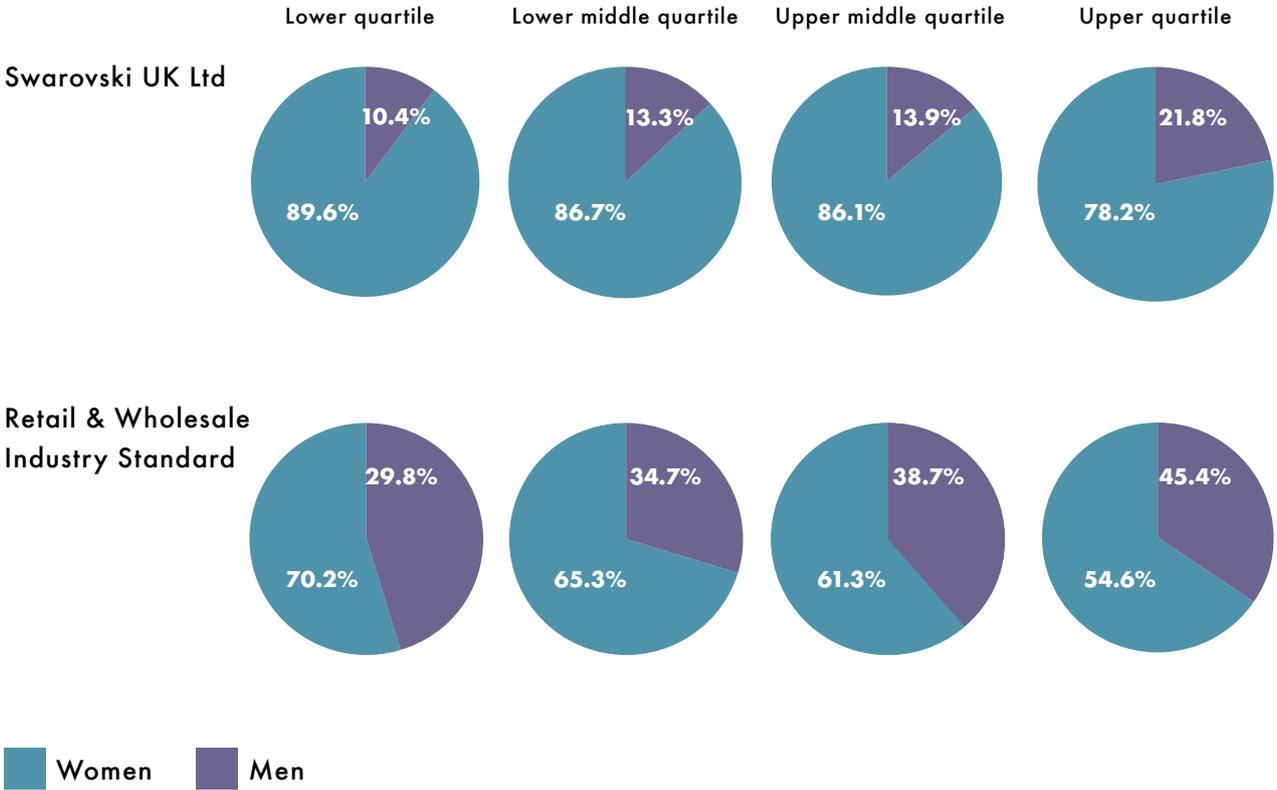


At Swarovski we are proud that 98% of our employees are eligible to earn a bonus based on both personal and company objectives. This includes all our retail teams from sales consultants through to management roles.

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 higher percentage of men holding senior sales roles within the top two quartiles than the bottom two, which directly influenced the results. A moderate improvement in our labour turnover accounts for the increased percentage of colleagues eligible for bonus in 2018 compared with 2017.

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

Proportion of men and women in each pay quartile



As shown in our data we have a fairly consistent representation of men and women across the four quartiles. Compared to last year we have seen a fall in the total number of people in the upper quartile due to internal restructuring and relocating to other Swarovski businesses globally.

The majority of those leaving the organisation and not being replaced due to business restructuring were female (with comparatively fewer men leaving), which has changed the balance in the upper quartile.

5. CONTINUING WITH PROGRESS

Inclusion and diversity are at the heart of who we are. Our employees and customers are hugely diverse and we are proud to embrace diversity within our business practices. We strive to create a work environment where people feel respected, 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

As a brand with a largely female consumer base and workforce, we are well placed to champion greater gender equality. We look to encourage greater gender balance throughout our organisation through our HR processes, as well as our social responsibility to advocate for advancing gender equality in our communities and wider society. Here are some ways we are continuing to progress:

- Swarovski encourages career progression for all colleagues and promotes a healthy work-life balance and flexible working, where possible.
- To accelerate change, Swarovski has introduced mentoring and leadership programmes to create a more diverse and inclusive leadership, enabling our people to reach their full potential.
- We are committed to removing bias from our recruitment processes and are actively trialling ways to better achieve this. Recently our efforts included piloting a 'Breaking Bias' e-learning project to help us address unconscious bias across our business and help employees understand how to stop bias from impacting their decisions, creating a more inclusive and diverse environment for all.
- Our new recruitment guidelines include understanding potential bias in recruitment and the importance of diversity and inclusion.
- 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.

Beyond our business operations, the Swarovski Foundation aims to support women around the world through education and healthcare projects which ensure access to job markets and decision-making. These philanthropic initiatives have included support for charities such as NEST, Mothers2Mothers, and Women for Women International, all of which champion equality and empowerment through their programmes.