Version: 04
January 2020

CONFLICT MINERALS STATEMENT

On July 21, 2010, the United States Congress enacted the Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"). Section 1502 of the Dodd-Frank Act imposes reporting requirements upon all Securities and Exchange Commission ("SEC") issuers that manufacture or contract to manufacture products containing tin or tin alloy, tantalum or tantalum alloy, tungsten or tungsten alloy, and gold or gold alloy, as well as their derivatives and other materials that the U.S. Secretary of State may designate in the future ("3TG Minerals").

While none of the companies within the SWAROVSKI crystal business ("Swarovski") are SEC reporting companies, we have committed not to use 3TG Minerals from the Democratic Republic of the Congo, Angola, Burundi, Central African Republic, the Republic of the Congo, Rwanda, South Sudan, Tanzania, Uganda and Zambia ("Covered Countries"). We see it as our responsibility to act upon the legislation with the aim to state that our products are "DRC Conflict-Free," in other words that they do not contain 3TG Minerals that directly or indirectly finance or benefit armed groups in the Covered Countries.

In addition to actively mapping our suppliers to confirm their smelter sources, appropriate measures have been set along Swarovski's supply chain to oblige all of our suppliers to ensure sustainable and DRC Conflict Free sourcing of 3TG Minerals. Further, our suppliers are required to adhere to our Supplier Code of Conduct which includes conflict-free sourcing requirements. As part of our responsible sourcing program, Swarovski has the right to monitor its suppliers through audits and, in the event a violation is identified, we will take appropriate action to remedy the situation which may include changes in supplier relationships. To learn more about Swarovski's commitment to responsible sourcing throughout our business operations, please visit www.swarovskigroup.com and download the Swarovski Sustainability Report from the Corporate Responsibility section.

At this time, Swarovski is not aware of the use of 3TG Minerals sourced from the Covered Countries in its supply chain and, to the best of our knowledge, Swarovski products are DRC Conflict-Free.

A list of frequently asked questions follows this statement.

Please find more information on <u>WWW.SWAROVSKI.COM/PROFESSIONAL</u>.

For specific questions please contact corporate.responsibility@swarovski.com.

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Frequently Asked Questions

1) Are any of the 3TG Minerals necessary to the functionality or production of Swarovski products that it manufactures or contracts to manufacture?

Swarovski designs, manufactures, and globally markets jewelry and high-quality crystal, genuine gemstones, created stones, and finished products such as accessories and lighting solutions. 3TG Minerals may be used in the production of Swarovski products for jewelry settings and to enhance the clarity and sparkle of crystal. Specifically, tin may be used in the jewelry production process and tin alloys may be used for certain loose stones. Gold may be used for particular settings, and gold plating may be used for select jewelry pieces and certain loose stones. Tantalum and Tungsten are not necessary to the functionality or production of Swarovski products at this time.

2) Do the 3TG Minerals which are necessary to the functionality or production of Swarovski products originate from the DRC or an adjoining country?

Swarovski has conducted a thorough country of origin analysis for 3TG Minerals used in its supply chain across product categories, and, to the best of Swarovski's knowledge, none of the 3TG Minerals originate from the Covered Countries. Information regarding country of origin was requested from Swarovski's suppliers. At this time, Swarovski is not aware of any of its suppliers sourcing 3TG Minerals from the Covered Countries.

3) Do the 3TG Minerals which are necessary to the functionality or production of Swarovski products come from a recycler or scrap supplier?

At this time, Swarovski is not aware of any of its suppliers sourcing 3TG Minerals from a recycler or scrap supplier, although there may be recycled metals included in products as available gold and tin sometimes can contain some recycled content.

4) Does Swarovski require its suppliers to complete the EICC GeSI Conflict Minerals Reporting Templates?

Moving forward as part of the regular supplier management process, current and future suppliers will be required to complete a survey based on the EICC's reporting templates and future suppliers will be required to complete this survey as part of the on-boarding process. Initial 3TG Mineral supplier data was collected by requesting country of origin information.

5) For each of the 3TG Minerals which are necessary to the functionality or production of Swarovski products, have you identified all the smelters Swarovski and its suppliers use for its products?

Not at this time; information was collected for the country of origin of the 3TG Minerals. While not all smelters have been identified, some have been noted that are from suppliers that are using Conflict-Free Smelters as listed on the Compliant Smelter List, In the future, we intend to set up a process requiring smelter information as per EICC's survey in the on-boarding of new suppliers and management process of existing suppliers.

6) Have all the smelters used by Swarovski and its suppliers been validated as compliant in accordance with the Conflict-Free Smelter (CFS) Program and listed on the Compliant Smelter List for the following metals?

As per our analysis, Swarovski does not source any 3TG Minerals from the Covered Countries. While not all smelters have been identified, some are recognized as being from suppliers that are using Conflict-Free Smelters as listed on the Compliant Smelter List.

- 7) Do you have a policy in place that includes DRC conflict-free sourcing? Yes. The policy is available upon request.
- 8) Is this policy publicly available on your website? Not at this time but is available upon request.
- 9) Do you require your direct suppliers to be DRC conflict-free?

Yes. Swarovski suppliers are required to adhere to our Supplier Code of Conduct which includes conflict-free sourcing requirements. As part of our responsible sourcing program, Swarovski has the right to monitor its suppliers through audits and, in the event a violation is identified, we will take appropriate action to remedy the situation which may include changes in supplier relationships.

10) Do you require your direct suppliers to source from smelters validated as compliant to a CFS protocol using the CFS Compliant Smelter List?

If Swarovski were affected by 3TG Minerals sourced from the Covered Countries, we would require our suppliers to look for alternative suppliers in line with the CFS compliant smelter list.

11) Have you implemented due diligence measures for conflict-free sourcing?

In addition to actively mapping our suppliers to confirm their smelter sources, appropriate measures have been set along Swarovski's supply chain to oblige all of our suppliers to ensure sustainable and DRC Conflict Free sourcing of 3TG Minerals. As we have determined that our 3TG Minerals are not sourced from the Covered Countries, no due diligence has been conducted in the conflict affected regions in Africa, but we will undertake appropriate due diligence measures if any 3TG Minerals from the Covered Countries are identified in the future.

12) Do you request smelter names from your suppliers?

Not at this time but moving forward as part of the regular supplier management process, current and future suppliers will be required to complete a survey based on the EICC's reporting template that includes listing the names of smelters.

13) Do you verify due diligence information received from your suppliers?

Yes. As part of our responsible sourcing program, in the event information is flagged and needs to be verified independently Swarovski has the right to monitor its suppliers through audits.

14) Does your verification process include corrective action management?

Yes. In the event a violation is identified, we will take appropriate action to remedy the situation which may include changes in supplier relationships and take corrective actions as needed.

15) Are you subject to the SEC Conflict Minerals disclosure requirement rule?

No. Ever since our inception, Daniel Swarovski insisted that his company apply the strongest business ethics in all its dealings – and this sits at the heart of our corporate culture. Swarovski is committed to be a good corporate citizen with a priority to care for people throughout our supply chain. We see it as our responsibility to act upon the SEC disclosure requirement rule with the aim to support responsible sourcing and state that our products are "DRC Conflict-Free," in other words that they do not contain 3TG Minerals that directly or indirectly finance or benefit armed groups in the Covered Countries.

Swarovski reserves the right to modify products and articles to which referred to in this Product Information regarding dimensions, shape, composition and concentration of components. Furthermore, mentioned and applicable laws and regulations are subject to changes. Therefore, Swarovski publishes regularly an updated version of this Product Information containing information, (application) instruction and current legal situation valid at the date of publication. References to compliance with such regulations stated above are based on their requirements as of current date. Anyone seeking an in-depth understanding of the provisions should read the various laws in its entirety and/or seek advice from a legal counsel.

The customer shall be obliged to request and observe the valid version of the Product Information before (re)ordering and using the products.