Nathan Wyburn (United Kingdom)

THANK YOU

Pictures of National Health Service (NHS) workers collected on social media and put together to create an image of a nurse wearing a protective mask, with the words "thank you". To show respect to the true NHS heroes.
CORPORATE RESPONSIBILITY

OUR APPROACH TO CORPORATE RESPONSIBILITY

Taking responsibility for the protection of life, quality of life, safety and health, and the protection of our environment are fundamental concerns of Swatch Group. We endeavor to do the best we can in all areas and at all levels of the company to live up to this responsibility. We always strive to create value for our stakeholders, the environment and society as a whole. Environmental, ethical and social criteria have therefore always been an integral part of our corporate culture and our sourcing policy. The Executive Group Management Board, the Extended Group Management Board and the management of the various units ensure on a daily basis that this culture of responsibility is implemented and sustained at all levels. We strive to ensure that resources are used efficiently and sparingly to ensure that our products are manufactured and marketed in a sustainable and environmentally friendly manner, and thereby secure our long-term success. The use of recyclable materials and substances and environmentally friendly production methods is taken into consideration as early as the planning and development phase of each new product. Sustainability is therefore in our DNA, so to speak. In 2001, Swatch Group began to set clear environmental and efficiency targets and implement effective measures throughout the Group in order to play its part in preserving the environment. We are also committed to protecting international human rights and fighting all forms of corruption in connection with our business activities.

SUSTAINABILITY GOVERNANCE

The Executive Group Management Board is responsible for ensuring compliance with our high standards in the area of sustainability. It anchors our ESG principles in our corporate strategy and defines concrete targets and measures to achieve them. Implementation is coordinated and steered by our Sustainability Steering Committee, which consists of representatives from the executive management and various departments. Our approach to corporate responsibility is approved by the Board of Directors, which has ultimate responsibility.

In its decisions, Swatch Group respects all national and international legal systems. We refer and comply as a minimum to European standards since they go beyond many local regulations. We observe a zero-tolerance policy to violations of human rights, e.g., child and forced labor, and corruption and other criminal acts. Our Code of Conduct, which sets forth these principles for our business practices, has been in place since 2005. In relation to sustainable production methods and products, environmental protection and health and safety, Swatch Group complies with the applicable EU directives, such as the restriction of hazardous substances (RoHS), the registration, evaluation, authorization, and restriction of hazardous chemicals (REACH), and the disposal of electrical and electronic equipment (WEEE). We always base our policies on the strictest regulations as the minimum benchmark. With internal directives, we commit ourselves to standards that go beyond the legal standards. Swatch Group Quality Management (SGQM) is responsible for quality assurance, product safety and reliability, and compliance with regulatory requirements by all Group companies. This includes regular courses and training for our employees. Our Group companies are currently subject to various directives and technical specifications, e.g., substances that we exclude from our watch components and packaging materials, marketing and labeling requirements, the use of sustainable materials and guidelines for the disposal of products. Compliance with external standards (ISO, EN, IEC, SN, etc.) is verified. These relate to chemical test methods, compliance, environment, marketing, test process approvals, test and audit laboratories and packaging materials. SGQM defines the criteria for the approval of new materials and components and reviews the test procedures. It is also responsible for the inspection of internal and external chemical laboratories. Swatch Group Quality Management plays a key role in the continuous improvement of our products, production processes and sustainability.

Our high standards of quality, safety and sustainability are also required of our partners and suppliers. This includes, in particular, responsible sourcing, i.e. full compliance with our Code of Conduct, the principles of our business practices and zero-tolerance policy to human rights violations. As a company with a special responsibility for the extraction and sourcing of raw materials and the procurement of biological raw materials from endangered species, we apply international guidelines and standards as a minimum benchmark (including the OECD’s Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas and its Supplement on Gold; SA 8000: Social Accountability International, CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora; SA 8000: Social Accountability International). SGQM also supports compliance with the requirements in our supply chain (see chapter Sourcing, p. 36).
RISK MANAGEMENT

The Corporate Risk Management System is an integral part of the environmental protection and safety policy. This system ensures that crucial risks are regularly identified, analyzed and recorded for early detection of environmental, safety and health risks, in order to develop and implement targeted prevention measures. Assignment is a significant topic in Business Continuity Management. Experts determine which operating entities, and which interconnectivities are important for the Group, identify the main risks (e.g., cyber-risk, fire, water, chemical substances, interruption of operations) and define measures to ensure the greatest possible business continuity. Prevention and emergency procedures are the focal point. A significant element of Swatch Group risk management is its policy of independence. Consequently, the company is reducing any dependence on single suppliers, distribution partners, and financial service providers. This also includes sufficient inventory, expansion and modernization of production capacities, consideration of alternative supply solutions, strategically important acquisitions, and a high level of equity.

For an explanation of financial risks, see the section on financial performance (p. 80).

PRODUCTION SITES OF THE SWATCH GROUP

Swatch Group is a fully verticalized company with a global sales network and service centers, and a wide range of operating and production sites in the fields of watchmaking, fine jewelry and electronic components (see chapter Organization, pages 4-5). In its approximately 150 sites in Switzerland, Swatch Group produces its own watch movements, cases, crystals, hands and other watch components, thus largely fulfilling the criteria for marketing watchcases manufactured in Switzerland in accordance with Swissness requirements (Swiss Made, in accordance with Art. 48 Trademark Protection Act, TmPA).

Its companies in the electronics segment also have their production sites in Switzerland. Swatch Group has only a few production sites abroad, namely Glashütte Original's manufacturing in Glashütte, Germany, and Harry Winston's jewelry manufacturing in New York, US. However, watches of the Harry Winston brand are produced in accordance with Swissness requirements in the manufacturing in Plan-les-Usines (BE), near Geneva. Four other production facilities in Italy, France and Germany manufacture components for watch straps or specific precision parts. Swatch Group operates two production sites in Thailand and Malaysia: for the assembly of electronic components and in the field of surface treatment.

These production companies are highly specialized in their fields and accordingly each has its own specific profile for the building and facility technology in terms of safety, health, and environmental protection. Each site is equipped with its own facility management system in order to achieve further optimization. The most important parameters are those of the environmentally relevant areas with an influence on energy consumption, in particular electrical, thermal and refrigeration energy consumption and the associated CO2 emissions, and key figures on water consumption, material consumption, waste management, battery recycling and emissions of Volatile Organic Compounds (VOCs). These indicators are recorded and analyzed in all Swatch Group entities.

ENVIRONMENT

Environmental protection is firmly anchored in all Swatch Group divisions and companies, and represents a core priority that is respected, promoted, and implemented daily by every employee in the company. We apply this conviction along the entire value chain, from product design and production processes to the recycling of our long-lasting and sustainable products. Our brands develop new products using recycled or recyclable, organic and compostable materials. The selected materials are certified by independent organizations or meet international standards. In order to efficiently implement our strategy for sustainable product design, we have begun conducting Life Cycle Assessments (LCA) to better identify and minimize environmental impacts.

Moreover, measures to reduce energy and resource consumption are implemented, whether through manufacturing facilities with intelligent energy control systems or through energy-efficient and heat-insulated infrastructures. To achieve the best possible ecological and energy balance, ultra-modern technologies and building materials are used for new production and other buildings and renovations; this practice also led to a further positive contribution in the year under review.

Every year, all values relevant to operational ecology at all company locations are consolidated into a comprehensive data collection. This data is evaluated and serves as a measurement of results achieved and as a basis for further goal setting. For data collection reasons, the data for the Group in this report relates to the period from October 1st to September 30. As a result of the decline in production due to the Covid-19 pandemic, this year’s results achieved and as a basis for further goal setting. For data collection reasons, the data for the Group in this report relates to the period from October 1st to September 30. As a result of the decline in production due to the Covid-19 pandemic, this year’s results achieved and as a basis for further goal setting. For data collection reasons, the data for the Group in this report relates to the period from October 1st to September 30. 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SWATCH PRODUCTION SITES
ENVIRONMENTAL PROGRAM,
CO2 EMISSIONS AND ENERGY EFFICIENCY

Together with the Swiss Federal Office for the Environment (FOEN), Swatch Group has agreed voluntary economic and environmental measures for the reduction of energy consumption and the associated CO2 emissions at all Swiss production sites, with contractually defined targets. The aim of this agreement is to achieve a 27% reduction in CO2 emissions as measured and evaluated at the Swiss production sites in the period from 2013 to 2020, with a simultaneous boost in energy efficiency of 8%, in order to achieve the targets of 2030 and 2050 (see above). In association with the Energy Agency of the Swiss Private Sector (EnAW), energy audits have been carried out annually by specialists in all locations since 2013 and additional opportunities to reduce CO2 emissions identified. A corresponding optimized action plan to achieve the goal was developed. The action plan is regularly reviewed and updated, so that a significant contribution to climate protection can continue to be made. Achievement of the annual objectives is monitored and audited by FOEN and the Swiss Federal Office of Environment (FOEN). When the audit is completed, EnAW issues an annual certificate reflecting the extent to which the objectives have been met. All our production plants in Switzerland fall under this program and are certified accordingly.

Diagram 1
Development of the reduction of CO2 emissions with objective 2030

The audited figures 2020 will be available mid 2021.

Diagram 2
Energy efficiency with objective 2030

The audited figures 2020 will be available mid 2021.

Diagram 3
Share of energy sources

Energy consumption

The defined measures have been consistently implemented, resulting in a 12.1% reduction in CO2 and a 6.6% increase in energy efficiency at Swiss production sites since 2013 as of the end of 2019 (see diagrams 1 and 2). As of the end of 2019, CO2 emissions were slightly above the CO2 reduction target path. This is due to operations-related postponements of individual investments, which of course cannot be implemented on a linear basis in line with a target path. However, achievement of the target values at the end of the assessment period is still feasible with the measures taken. The targets for increased energy efficiency, on the other hand, have already been achieved. We will build on this and further intensify our efforts.

As the contractual data collection period with FOEN is the calendar year, the data for production facilities in Switzerland cover the period from January 1 to December 31, 2019. The figures for 2020 will be available in mid-2021.

ENERGY CONSUMPTION

Our energy consumption encompasses both fossil fuels and electricity. A small part of this is also covered by our own production of solar and hydroelectric energy. Our total energy consumption of 318.5 GWh in 2020 breaks down as follows:

Energy intensity across Swatch Group improved by -13.5% to 322.2 kWh/m² from 2013 to 2020. The share of renewable energy more than quadrupled over the same period. The consumption of heating oil and natural gas has been steadily reduced through the program of measures, as they are CO2 emissions drivers.

HEAT CONSUMPTION PER UNIT OF FLOOR SPACE (KWH/M² PER YEAR)

Measured in kWh per square meter of floor space, the annual consumption of fossil energy in the form of heating fuel, natural gas and district heating fell by 11.9% in the year under review compared with the previous year. Energy efficiency is constantly improving thanks to ongoing investment in production facilities and buildings. The measures include new buildings equipped with state-of-the-art heat pump technology, new thermal insulation and building renovation programs, the optimization or replacement of air-conditioning and water-cooling systems, renovation of heating installations and the commissioning of new heat recovery units. Due to investment to reduce heat consumption per unit of floor space, this consumption has been cut by more than half since the introduction of the program in 2001. A good example of this are the extensions to the Omega/Swatch site in Biel/Bienne (BIE), where heat consumption per m² of surface area was reduced by 48% and CO2 emissions by an impressive 55%.

ELECTRICITY CONSUMPTION PER UNIT OF FLOOR SPACE (KWH/M² PER YEAR)

Electricity consumption, measured in kilowatt hours (kWh) per unit area (m²) per year, was also reduced by 6.8% compared with the previous year. The commissioning of new, more energy-efficient machines and systems at the production sites, the installation of reactive power compensation equipment and investment in the upgrading of lighting systems led to a slight reduction in electricity consumption in 2020. The use of new LED lamps has resulted in optimal lighting and lower thermal load, thus reducing power consumption and air conditioning costs.
The La Suze and Le Bez hydroelectric power stations located in Corgémont (BE) were completely renovated and automated in 2010. Their installed power amounts to 160 kW. They produce an average of approximately 525,000 kWh per year, depending on the amount of precipitation.

**VOC (VOLATILE ORGANIC COMPOUNDS) EMISSIONS**

As a result of the decline in production, the consumption of VOCs decreased by 34.8% compared with the same period of the previous year. VOCs arise primarily through the use of acetone, alcohol and gasoline as cleaning agents for the components produced. However, in the year under review, 45% of consumed VOCs were recovered and/or recycled thanks to the recovery systems for gasoline and other volatile solvents (previous year: 42%). The objective is a continuous decrease in VOC emissions through increased substitution of volatile substances with an aqueous process that does not contain solvents or contains less volatile substances.

**WASTE**

In 2020, a total of 5,350 metric tons of waste was generated (previous year: 7,769 metric tons). Just over half of it is hazardous waste. We comply with strict safety regulations when handling hazardous materials and give our employees regular training. Overall, about 43% of waste was recycled, either in the company’s own recycling processes or by a third-party company. Paper consumption in the company decreased by 25% compared with the previous year.

**BATTERY RECYCLING**

As the in-house battery producer in Swatch Group, Renata operates its own button cell recycling facility (silver recovery). With an annual capacity of 258 million button cells and a production capacity of 2.6 metric tons of silver oxide, this facility demonstrates Renata’s unparalleled contribution to sustainable environmental practices as a button cell manufacturer. Used cells and batteries are crushed in a crusher and their basic materials and particles separated from each other. The silver oxide and other elements are then recovered in a special treatment process. The materials are either used for the production of new batteries or handed over to certified specialist companies. The chemical solutions used are processed in a fully-closed materials processing cycle and returned to the reactors. In the year under review, more than 6.3 metric tons of batteries were handed over to authorized specialist companies and the internal recycling process for reprocessing, adjusted for the disposal of expired batteries and the liquidation of end-of-series products at Renata.

**ENERGY FROM SELF-GENERATED RENEWABLE SOLAR ENERGY AND HYDROPOWER PRODUCTION**

For decades, Swatch Group has not only invested in the area of electronic systems in low-energy and energy-efficient components and integrated circuits (IC), but has also operated its own energy production plants using renewable energy sources, such as solar energy and hydropower production. Self-generated production of sustainable energy was quadrupled in the period from 2013 to 2020 due to new facilities. Although the amount of self-generated sustainable power production is fairly modest, it nonetheless contributes to climatic and environmental protection. In the year under review, as in the previous year, the various energy production plants again generated approximately 1,600,000 kWh. Total hydropower production is not constant, as it is highly dependent on the average level of precipitation. Similarly, solar energy production depends on the average amount of sunlight captured by photovoltaic installations.

The photovoltaic installations at the Omega manufacture, Swatch Headquarters Distric in Biel/Bienne (BE), Longines in Saint-Imier (BE) and ETA in Boncourt (JU) have a total installed capacity of 1.42 MW. The energy produced by these plants in the year under review amounted to some 1,166,000 kWh (previous year: 1,131,000 kWh) with an area of more than 8,000 m². The photovoltaic installations are equipped with state-of-the-art technology, particularly at Omega and Swatch, and owe their patented micro-inverter to Belenos Clean Power.
WATER
Swatch Group’s greatest water consumption is in its production facilities. Each production site is controlled and optimized through its own water management system.

The consumption of drinking water decreased by 29.7% to 613,248 m³ compared with the previous year, whereas the consumption of non-potable water increased by 23.9% to 659,231 m³. Overall, this resulted in a 13.7% decrease in water consumption. Of particular note is the increased use of closed water circulation systems, the increased efficiency of water treatment plants and the use of rainwater recovery systems for cooling and sanitary installations.

SUSTAINABLE INVESTMENTS IN NEW BUILDINGS AND RENOVATIONS

The Swatch brand’s new “home” is not only one of the largest wooden buildings in the world, it is also a unique place for work and innovation. It sets new benchmarks in terms of sustainable development and energy efficiency. The majority of the building was constructed from wood, a natural raw material. The 1997 m³ of spruce timber come from Swiss forests, where this quantity of wood grows in less than two hours. During its growth phase, the timber emits CO₂ and absorbs it in the form of carbon. The intelligent geothermal use of ground water to heat or cool the building during its operation, makes a significant contribution to achieving an optimal CO₂ balance. This use of geothermal energy is in association with the building, and the solar energy produced by the photovoltaic system, which means that industrial water does not need to be drawn from the normal water supply. Instead, the recovered rainwater is purified and treated as industrial water in the company’s water treatment plant, stored in a 100 m³ reservoir and from there piped to the production facilities. The industrial wastewater is then recovered again at the end of the production cycle and returned to the treatment plant. The industrial water is thus treated and reprocessed again and again in a closed cycle. The project carried out for the industrial building of Universo and Rubattel et Weyermann in La Chaux-de-Fonds (NE) deserves special mention. Originally, this industrial area was bought with a view to renovation from a foreign company that had abandoned its production sites in Switzerland. The site was completely dismantled, followed by a remediation of the polluted site, prior to erecting a new energy-efficient industrial building in line with Swatch Group’s philosophy. In addition, this new industrial area has its own high-tech and fully automated water treatment plant. Wastewater is conveyed from the collection tank to a reactor, where the different liquids and substances are separated. Each solution and substance thus isolated is then reprocessed, tested for quality and purity, and then returned to production in a closed cycle. The Swiss authorities have described this plant as the best industrial example in existence and a flagship project. The total renovation of this industrial area has contributed to the improvement of the urban landscape, and has been welcomed by both the local authorities and the population.

At Longines in Saint-Imier (BE), insulation work has been carried out on the roof and façade over the past three years, resulting in a 60% reduction in gas heating consumption. In addition, photovoltaic systems covering 35% of Longines’ electricity requirements have been installed, along with six charging stations for electric cars.
SOURCING

GENERAL RAW MATERIAL SOURCING

Environmental, ethical, and social criteria are an integral part of our sourcing policy, which is why only suppliers and sub-suppliers that fully comply with our clearly defined and contractually documented criteria on safety, environmental and socio-political aspects can be considered. This involves not only compliance with national and international laws, but also encompasses the OECD guidelines for raw material and component sourcing (OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas and its Supplement on Gold) and Standard SA 8000 (Social Accountability International) on responsible and ethical sourcing of material. These standards require sourcing under the premise of ethical and fair working conditions, health protection and occupational safety, respect for human rights – including the above-mentioned zero-tolerance policy with regard to forced or child labor – and dealings with business partners, including the supply chain, local development and other socially and environmentally relevant factors. Only non-endangered and ethnically sound materials are used. All other materials are excluded, even if they are classified as legally compliant.

In addition, suppliers must, at a minimum, fulfill the internal guidelines of Swatch Group Quality Management, any ecological and legal regulations, and ensure legal compliance in terms of products, particularly REACH (Regulation on Registration, Evaluation, Authorisation and Restriction of Chemicals), RoHS (Restriction of Hazardous Substances) and WEEE (Waste Electrical and Electronic Equipment). To ensure this, every supplier receives direct and secure access to the Swatch Group Quality Management conformity specifications for raw materials and substances. These specifications are continuously updated in a comprehensive database. SGQM is currently implementing a new IT tool to collect and digitize Material Safety Data Sheets (MSDS) from more than 900 raw material suppliers, with instructions on use and protection of health and the environment. The database will contain information on more than 8000 chemical substances used in Swatch Group companies, and ensure safe handling, storage and disposal.

Swatch Group FEPS (Far East Procurement Service) and SGQM continually verify that suppliers are effectively fulfilling the conditions. The supplier review process is clearly defined and covers the following elements: Swatch Group supplier contract, compliance with SA 8000 conditions, compliance with all local laws and directives relating to labor law, safety and environmental protection, compliance with ISO 9000, and compliance with EU laws and directives, in particular REACH and ROHS. The audit procedures are divided into the following six subject areas: compliance with labor law and control of working conditions, health and safety at work (Occupational Health & Safety, OH&S), environmental protection, legal product conformity, verification of compliance with the supply contract and the quality of planning, and verification of the quality management system. FEPS determines which suppliers will be audited during a financial year, commissions an auditing company to carry out an audit in accordance with the requirements and then analyses the report. The cycle ensures that all suppliers are audited within three years. New suppliers are checked immediately.

Suppliers receive an A rating (very good) if over 90% of the test points are fulfilled overall and more than 75% of the test points are fulfilled in the various subject areas, and a B rating (qualified) if at least 75% of the test points are fulfilled overall and 75% of the test points are fulfilled in the three subject areas of labor law, OH&S and environmental protection. With 60% to 75% of the points, the result is a C rating (insufficient). In this case, a three-month period is granted to implement the necessary corrective measures and qualify for a follow-up audit. The supplier then either achieves a B rating or is relegated to a D rating (disqualified). Suppliers who achieve less than 60% of the required test points receive a direct D rating and are disqualified and excluded. For some inspection points, such as non-compliance with local laws, human rights, forced or child labor, the above-mentioned zero-tolerance policy applies.

As of the end of 2020, approximately 170 suppliers had been certified. Approximately 50 certifications were carried out by SA 8000 and BSCI in 2020. FEPS carried out 20 audits in the year under review. Certain deficiencies were identified that needed to be addressed. No disqualifications were declared. Roughly 90% of our sourcing volume is accounted for by 24 of the 170 suppliers certified by FEPS.

ORGANIC RAW MATERIAL SOURCING

In relation to organic raw material such as cotton, leather, wood, etc., not only are the various national and international laws and agreements respected (EU 1995/2010 and EC 3388/97, Lacey Act, CITES Convention on International Trade in Endangered Species of Wild Fauna and Flora, IUCN International Union for Conservation of Nature, FSC Forest Stewardship Council, PEFC Programme for the Endorsement of Forest Certification, EU Timber Regulation, etc.), but also legal and non-endangered materials classified by our specialists as ethically critical are voluntarily avoided. In this way, we ensure that only legal wood from non-endangered or potentially endangered tree species from sustainable cultivation is used and is declared and certified in terms of origin, forestry provisions and CITES.

The same applies to exotic leather materials, which are not used unless produced in a sustainable and ethical manner, even if no legal obstacles exist. As a result, demand is fulfilled by a very small number of clearly identified, controlled and sustainable breeding farms. Since 2010, for example, we have only used alligator leather from the US, which can guarantee the very strict US Fish and Wildlife Service regulations and the above-mentioned CITES regulations.

PRESIOUS METAL SOURCING

Swatch Group also has a clear sourcing policy in regard to precious metals. They are only purchased from individual established long-term suppliers that can demonstrate not only legal compliance according to all the provisions of the financial market supervisory authority, but also certified membership in the Responsible Jewellery Council (RJC) or the London Bullion Market Association (LBMA), and can guarantee through recognized certification that the precious metals delivered originate from ethically sound sources and conflict-free regions. The RJC norm is specifically aimed at the fine jewelry and jewelry industries, and includes the OECD guidelines for precious metal sourcing (OECD Due Diligence Guidance for Responsible Supply Chains from Conflict-Affected and High-Risk Areas and its Supplement on Gold and Standard SA 8000 (Social Accountability International)). Members of the RJC are usually audited by an independent body for compliance with these guidelines.

Gold is sourced exclusively from traceable industrial mines and only in the US, Canada or Australia, where the highest legal standards apply and where the mines are operated under extremely strict conditions set by the authorities and continuously monitored by them. The supply chain, which is kept as short as possible, is delivered directly from the mine to the refinery and then to in-house gold processing by Swatch Group. Sourcing gold from artisanal mines or other regions, where lower standards apply or where there are residual risks that non-traceable gold could enter the supply chain, is not an option for Swatch Group. This clear and simple sourcing policy is proving to be very effective.
In addition, the investments made in recent years in the Group’s foundry and refining facilities have enabled fully internalized processes and precious metals processing, which ensure that the transformation of precious metals inventories, the production of alloys and their recycling are carried out in-house. After the preparation of alloys, extruded profiles and raw ingots are manufactured and then turned into semi-finished or finished products, again using in-house production processes. Thus, Swatch Group controls the complete gold processing chain internally according to a clearly defined process. Nivarox-FAR plays a key role in this respect, as it processes all Swatch Group’s gold production stocks in a closed and controlled cycle. Nivarox-FAR has the necessary federal authorization both as a foundry and as a commercial assayer (sworn assayer), and is certified according to the Responsible Jewellery Council Code of Practice and Chain of Custody (RJC CoP and CoC).

Precious metal sourcing processes have been continuously optimized for several years. There is still room for improvement, particularly in terms of ensuring full traceability of the supply chain, e.g., for sub-suppliers. We are also in the process of implementing equally strict sourcing guidelines for other precious materials, such as silver and platinum.

DIAMOND AND GEMSTONE SOURCING

Diamonds are only purchased from the few suppliers that completely respect and implement the Kimberley Process certification system. Again, the supply chain is direct and only a small number of known and qualified suppliers are selected. Certification guarantees that diamonds can be proven to originate from conflict-free regions and from legal trade. Countries, companies, and merchants that do not use this certification system in its entirety are excluded from trade with Swatch Group. In addition, only long-term partners that comply with the CIBJO (Confédération Internationale de la Bijouterie, Joaillerie, Orfèvrerie des diamants, perles et pierres) guidelines and the Kimberley Process are used, in order to exclude any quality and sourcing risks. Individual suppliers must submit a written declaration to the contract and ensure that, in addition to the Kimberley Process, they fully respect and comply with the Swatch Group Code of Conduct, disclose the ownership of the supplier and/or manufacturing company with full transparency, and respect the provisions of the RJC and SA 8000. In the event of non-compliance with these regulations or if doubts arise, the supplier in question is immediately disqualified and no longer retained.

CORPORATE RESPONSIBILITY

The safety and health of our employees and our customers worldwide, along with the environment, receive our fullest attention. Our guidelines for both direct and indirect sourcing, production, distribution and use of our products comply not only with the strictest international laws and directives (including directives of the ILO International Labor Organization, SA 8000, local labor laws, etc.), but also with our own more stringent standards, which we continuously expand and improve. The continuous learning process associated with this contributes significantly to the innovative strength of the company and to new investments.

Regular training courses and seminars are organized and held on topics such as quality, safety in the workplace, handling hazardous substances, fire protection, protection against non-occupational accidents and protection against harassment. Safety officers and other relevant persons in the company are regularly trained, including with the involvement of external specialists. There is also an exchange of best practices between Swatch Group companies.

Special protective measures for Covid-19

The year under review was dominated by the global Covid-19 pandemic. This required a wide range of measures to combat its spread and to protect our employees, the customers in our shops and our business partners, with whom we are in constant contact, in all areas and all countries. The protective measures therefore went beyond the minimum requirements of the individual countries.

From the outset, a protection concept was implemented based on the following three pillars:

Protection on the premises: Human resources managers worked with safety officers to protect employees from the Covid-19 pandemic in the workplace. Relevant protective measures were introduced with employee rotation schedules in the workplaces. Where possible, working from home was mandated. This ensured that each department was able to operate under the given situation.

Contact and communication with employees: The Human Resources department introduced an internal newsletter, a hotline and a weekly conference call to keep in touch with all employees and answer their questions.

One of the goals was to ensure that any employee on reduced hours or working from home would continue to be connected to the company through the Human Resources department.

Assisting staff in the resumption of work: The HR departments of the individual companies coordinated the return of employees who were absent due to reduced hours or working from home. The Human Resources department provided them with the applicable protections and new work regulations at their workplace, and instructed them on how to behave on site.

OCCUPATIONAL HEALTH AND SAFETY

Early experience was gained in China, where we have our own sales entity and retail stores. We were able to apply these early findings to other affected countries in good time as the pandemic spread from east to west. In various countries and divisions, a regional or national lockdown was imposed by the authorities. Nevertheless, it was ensured that all basic functions, such as production and sales, were able to continue and that the requisite safety conditions were always guaranteed. It was possible to ensure that sufficient material was available in all plants and sales outlets, so there were no interruptions to operations at any time, apart from in the event of a lockdown. Additional investments were made; for example, plexiglass protective walls in the sales outlets, offices and production, disinfectant dispensers and UV equipment for surface treatment.

Following the start of the pandemic on March 13, 2020, a Covid-19 task force was set up in Switzerland, comprising all the HR departments of all Swiss companies, safety officers, several CEOs and members of the Swatch Group management. Initially, Skype meetings were held daily, then once a week. The agenda consisted of the new resolutions of the Federal Council and the Federal Office of Public Health, the trends in terms of case numbers and all issues concerning wages, compensation payments, changes in salary payments and allowances. The Human Resources departments of the various subsidiaries were thus closely involved in the frequent adjustments of the measures.

The critical situation caused by the pandemic, which developed differently from country to country and continent to continent, required an extremely proactive, solidarity-based and creative approach on the part of all those involved.

Despite the restrictions in mobility, within the workplace, in production and in the boutiques, we succeeded in continuing the training programs for our apprentices without any quality cut backs, as we had done in previous years.
In 2020, Human Resources departments at every Swatch Group entity excelled in their roles as entrepreneurs and initiators of solutions to assist each and every employee. This resulted in great open-mindedness and a constant focus on the future, with a medium- and long-term vision, particularly concerning skills acquisition. In fact, despite the difficulties of going to work to produce parts and sell watches in boutiques that had been closed for a very long time, and with sales well below expectations compared to 2019, Swatch Group continued to invest in the future through its apprentices.

In accordance with existing objectives, the number of apprentices hired at the start of the academic year in August 2020 was equal to the number who finished in July 2020. It should be noted that it takes four years to train an apprentice, followed by several years of experience needed to reach the level of skills required to maintain know-how in Swatch Group companies. Currently, young people are trained in 38 different disciplines with courses lasting two, three or four years.

A wide range of skills and professions is on offer, from truck drivers to jewelers, cooks, micro-mechanics, computer scientists, and chemical laboratory technicians, as well as watchmakers, production mechanics, microtechnological construction draftspersons and commercial employees (men and women). This professional diversity reflects the strength of Swatch Group, the only watchmaking group capable of producing all the components of a watch, an endeavor that requires a multitude of skills.

As a result of Covid-19, regular programs and events such as the annual graduation ceremony for apprentices, language exchanges with Paris and Berlin, or sending two watchmakers to Hong Kong couldn’t be undertaken. These programs have been postponed until things begin to normalize.

Social distancing makes it difficult to maintain a good corporate culture. However, confronted with the high risk of a pandemic and illness, teams remained united and supportive in getting through this difficult period, which we hope will be as short as possible.

Finally, each employee has appreciated Swatch Group’s motivational efforts, like compensating the loss of wages due to technical unemployment, over and above governmental support. The staff’s sense of belonging, a “family” value that is inherent to Swatch Group’s philosophy, has grown exponentially.
### 1. Group structure and shareholders

#### 1.1 Group structure

The Swatch Group is active worldwide and represented in all market and price segments in the watch sector with 18 brands and in the jewelry sector. In addition, it holds an outstanding industrial position with a high degree of verticalization in the Production sector as well as the strategically important sector of Electronic systems. In the Corporate sector, the operational units which provide services for the whole Group are centralized. The Swatch Group has lean and efficient management structures at all levels. While the Board of Directors deals with the overall management, strategic and supervisory tasks, the operative executive duties are incumbent on the Executive Group Management Board, which is supported by the Extended Group Management Board. An overview of the operational and the distribution organizations is given on pages 6 and 5. The fully consolidated companies, of which none but The Swatch Group Ltd is listed on the Stock Exchange, are given on pages 93 to 96 with each company’s name, domicile, share capital and the percentage of shares held. The shares of The Swatch Group Ltd are listed on the SIX Swiss Exchange AG and BX Swiss AG. The bearer shares are listed under the ISIN number CH0012255151 at the SMI, SPI as well as SLI indices. The registered shares are listed under the ISIN number CH0012255144 at the SPI, SPI Extra and SMIM indices.

<table>
<thead>
<tr>
<th>ISIN:</th>
<th>CH0012255144</th>
<th>registered shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reuters:</td>
<td>CH0012255151</td>
<td>registered shares</td>
</tr>
<tr>
<td>UHRN.S</td>
<td>UHRN.V,</td>
<td>bearer shares</td>
</tr>
<tr>
<td>UHR, 1</td>
<td>registered shares</td>
<td></td>
</tr>
<tr>
<td>UHR, 1</td>
<td>bearer shares</td>
<td></td>
</tr>
</tbody>
</table>

Further information concerning market capitalization and earnings per share is shown on page 117.

The corporation’s registered office is located in Neuchâtel, Faubourg de l’Hôpital 3. The administrative headquarters are in Biel/Bienne, Seeworstadt 6.

#### 1.2 Significant shareholders

As of 31 December 2020, the Hayek Pool, related parties, institutions and persons control 42 773 361 registered shares and 7 499 811 bearer shares, totalling 43.6% (previous year 42.3%) of all the votes.

The Hayek Pool comprises the following members per 31 December 2020:

<table>
<thead>
<tr>
<th>Name / Company</th>
<th>Location</th>
<th>Beneficial owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community of heirs of N. G. Hayek represented by Marianne Hayek</td>
<td>Meisterschwanden</td>
<td>Community of heirs of N. G. Hayek</td>
</tr>
<tr>
<td>Wat Holding AG</td>
<td>Meisterschwanden</td>
<td>Community of heirs of N. G. Hayek</td>
</tr>
<tr>
<td>Ammann Group Holding AG</td>
<td>c/o Walder Wyss AG, Bern</td>
<td>Descendants U. Ammann-Schellenberg sen.</td>
</tr>
<tr>
<td>Swatch Group Pension Fund</td>
<td>Neuchâtel</td>
<td></td>
</tr>
</tbody>
</table>

The companies and institutions close to the Hayek Pool but which do not formally belong to the Hayek Pool are:

<table>
<thead>
<tr>
<th>Name / Company</th>
<th>Location</th>
<th>Beneficial owners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hayek Holding AG</td>
<td>Meisterschwanden</td>
<td>Community of heirs of N. G. Hayek</td>
</tr>
<tr>
<td>Community of heirs of N. G. Hayek and family members</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personalversorgung der Hayek Engineering AG</td>
<td>Meisterschwanden</td>
<td>Community of heirs of N. G. Hayek</td>
</tr>
<tr>
<td>Ammann familles (pension funds, foundations and individuals, Madiska AG)</td>
<td>c/o Ammann Group Holding AG, Bern</td>
<td>Represented by Daniela Aeschlimann</td>
</tr>
<tr>
<td>Fondation d’Ébauches SA et des maisons affiliées</td>
<td>Neuchâtel</td>
<td></td>
</tr>
<tr>
<td>Various welfare foundations</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1) Wohlfahrtsstiftung der Renata AG, ETA Wohlfahrtsstiftung, Fonds de prévoyance d’Univers, Fondation Technocon, Fondation de prévoyance de The Swatch Group Les Boutiques SA, Fonds de prévoyance SSIH and CP Caisse cadre

#### 2. Capital structure

##### 2.1 Capital

On 31 December 2020, the capital structure of The Swatch Group Ltd was as follows:

<table>
<thead>
<tr>
<th>Share category</th>
<th>Quantity</th>
<th>Par value per share</th>
<th>Total par value in CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Registered shares</td>
<td>116 919 500</td>
<td>CHF 0.45</td>
<td>52 613 775.00</td>
</tr>
<tr>
<td>Bearer shares</td>
<td>28 936 000</td>
<td>CHF 2.25</td>
<td>65 106 900.00</td>
</tr>
</tbody>
</table>

Total share capital as at 31.12.2020:

117 719 775.00

##### 2.2 Authorized and conditional capital

No authorized and conditional capital existed as of 31 December 2020.

##### 2.3 Changes in capital

Over the past three years the share capital of The Swatch Group Ltd changed as follows:

<table>
<thead>
<tr>
<th>Balance sheet date</th>
<th>Registered shares at CHF 0.45</th>
<th>Bearer shares at CHF 2.25</th>
<th>Share capital in CHF</th>
</tr>
</thead>
<tbody>
<tr>
<td>31.12.2018</td>
<td>124 043 000</td>
<td>30 849 000</td>
<td>125 110 925.00</td>
</tr>
<tr>
<td>31.12.2019</td>
<td>116 919 500</td>
<td>28 936 000</td>
<td>117 719 775.00</td>
</tr>
</tbody>
</table>

The detailed evolution of equity, reviewed by the auditors for the consolidated financial statements for the years 2019 and 2020, is published on page 65. For The Swatch Group Ltd, it is published for the years 2019 and 2020 in note 9 on page 108. With regard to the previous years we refer to the annual reports 2017, 2018 and 2019.

##### 2.4 Shares and participation notes

The shares of the Company listed in point 2.1 are fully paid in. Each share carries one vote. Both categories of shares confer equal entitlement to dividends according to their nominal value. No participation notes have been issued.

##### 2.5 Benefit certificates

No benefit certificates exist.

##### 2.6 Limitations on transferability and nominee registrations

The Statutes of the Swatch Group stipulate that the Board of Directors shall refuse the registration of new shares, if the new shareholder fails to give an express written declaration to the effect that he or she acquired the shares in his/her own name and for his/her own account. Furthermore, the Board of Directors refuses a registration if the purchaser, either alone or in conjunction with related persons, already holds 5% or more of the registered share capital (either directly or indirectly) at his disposal, or would exceed this threshold with the new acquisition (Art. 9 para. 3 of the Statutes). The Board of Directors may approve exceptions to this rule in special cases. No such exceptions were requested in the period under review.

#### 2.7 Share transfer agreements

The community of heirs of N. G. Hayek controls directly, through related parties and institutions and in the context of the Pool 42.9% (previous year 41.8%) of all the votes; third party Pool members are represented therein, they comprise 3.6% of all the voting rights.

On 31 December 2020, no other individual shareholder or group of shareholders holding more than 5% is known to the Company. If a person subject to this obligation reaches, falls below or exceeds the threshold of voting rights according to Art. 120 FinMIA, this person is obliged to issue a corresponding notification. For the sake of simplicity, reference is made to the website of the Disclosure Office “https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html”, where the current and updated disclosures of significant shareholders can be found.

#### 1.3 Cross-shareholdings

The Swatch Group holds no cross-shareholdings.
Insofar as an individual or a legal entity was already entered in the share register before the reporting date of 31 May 1997 with 5% or more of the registered share capital, the Board of Directors must approve even though the percentage limits have been exceeded. The same exception applies for related persons (spouse, descendant, brother, sister), transfers due to inheritance or matrimonial property rights as well as certain transfers between legal entities or individuals subject to the exception (Art. 9 para. 4 and 7 of the Statutes).

Where a share purchaser presents an application for recognition as a shareholder of the company, he shall be regarded as a shareholder without voting rights until the company has acknowledged him as such in writing with voting rights. If the company fails to refuse the purchaser’s application for recognition within 20 days, he shall be acknowledged as a shareholder with voting rights. A shareholder who has no voting right may exercise neither the voting right nor the other associated rights.

2.7 Convertible bonds

The Swatch Group currently has no outstanding convertible bonds.

2.8 Options

In 2018, Swatch Group transferred shares from its share buyback program of 2008 into the share option plan. With regard to the content of this portfolio as of 31 December 2020, reference is made to Note 13 on page 77. In 2020, 212,429 registered shares were sold at a preferential price of CHF 4.– per registered share in accordance with the following details:

<table>
<thead>
<tr>
<th>Year of issue</th>
<th>Number of registered shares</th>
<th>Number of beneficiaries</th>
<th>Year of subscription/payup</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>64,671</td>
<td>282</td>
<td>2020</td>
</tr>
<tr>
<td>2019</td>
<td>72,271</td>
<td>282</td>
<td>2020</td>
</tr>
<tr>
<td>2020</td>
<td>75,267</td>
<td>282</td>
<td>2020</td>
</tr>
<tr>
<td>Total</td>
<td>212,429</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In addition, the Group gave participating managers the following options to subscribe in future to further registered shares at preferential prices as follows:

<table>
<thead>
<tr>
<th>Year of issue</th>
<th>Number of registered shares</th>
<th>Number of beneficiaries</th>
<th>Year of subscription/payup</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>60,702</td>
<td>199</td>
<td>2021</td>
</tr>
<tr>
<td>2020</td>
<td>61,927</td>
<td>199</td>
<td>2021</td>
</tr>
<tr>
<td>2021</td>
<td>62,096</td>
<td>199</td>
<td>2022</td>
</tr>
<tr>
<td>Total</td>
<td>184,725</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The allocation results from personnel reviews and proposals for employees who stood out through special achievements in the past year and have performed with above-average commitment. The allocation is then approved by the Board of Directors / the Compensation Committee. It allows a first purchase of a third of the promised number of registered shares in the current year, which can be paid up and claimed immediately, and another third in one and two years respectively. The beneficiaries may choose to block their shares for a waiting period of 5 or 10 years. With the exception of Mrs Nayla Hayek and Mr Nick Hayek, no members of the Board of Directors received options or shares under this plan.

3. Board of Directors

3.1 Members of the Board of Directors

The Board of Directors on 31 December 2020 is composed as follows:

Nayla Hayek, Swiss citizen, Dr h.c. European University Montreux, Montreux, is Chairwoman of the Board of Directors of the Swatch Group since 30 June 2010. Mrs Nayla Hayek has been on the Board of Directors of the Swatch Group since 1995. As a member of the World Arabian Horse Organization (WAHO), and as international horse judge, Mrs Hayek’s top-level contacts contribute to many of the business and promotional activities of the Swatch Group and she is responsible for the local organization in Dubai (Swatch Group Middle East) on site. Mrs Hayek is Chairwoman of the Board of Directors of the Richelieu Group, Dubai and represents there the interests of Swatch Group. Following the acquisition of Harry Winston as per 26 March 2013, Mrs Hayek was appointed president and CEO of this new business entity. She is also a member of the Board of Directors of Bèlènos Clean Power Holding Ltd and of Wat Holding AG. As Board member of Hayek Holding AG, she is responsible for Hayek Engineering AG and Hayek Immobilien AG. She holds no official function or political office.

Ernst Tanner, Swiss citizen, has been on the Board of Directors of the Swatch Group since 1995. He has been Vice-Chairman of the Board of Directors since 29 June 2011. Since 2017, Mr Tanner is the Executive Chairman of the Lindt & Sprüngli Group. From 1993 to 2016 he was the Group CEO and Chairman. Before his activity with Lindt & Sprüngli, he was for over 25 years in leading management positions with the Johnson & Johnson Group in Europe and the USA, ending up as Company Group Chairman Europe. In addition, he is a member of the Board of Directors of the German Krombacher Brauerei GmbH & Co. KG and of the Advisory Board of the Austrian SIGNA Group. Otherwise, he exercises no other executive or advisory functions and holds no official function or political office.

Nick Hayek, Swiss citizen, pursued two years’ study at the University of St. Gallen (HSG), then attended the Film Academy CLCF in Paris. President of the Executive Group Management Board since 2003 and member of the Board of Directors since 2010. Mr Hayek has worked with the Swatch Group since 1992, firstly as Swatch Ltd Marketing Manager, then as Swatch Ltd President and finally as Delegate of the Board of Directors of Swatch Ltd. In the mid-80s, he founded his own production company, Sesame Films in Paris, and worked in Switzerland and abroad. His involvement in a number of film productions (e.g. a series of documentaries for Swiss Television), the production of a number of short films (e.g. first prize at the Thessaloniki Film Festival, an official contribution to the Cannes Film Festival, etc) and his activity as producer and director of two feature films, «Das Land von Wilhelm Tell» and «Family Express» with Peter Fonda (a film that earned him the prize for the best Swiss comedy at the Charlie Chaplin Comedy Film Festival in Vevey) resulted in his being called upon to advise on various Swiss projects in the early ‘90s and to assume responsibility for several Swiss exhibitions (such as that of Lingotto in Turin). Mr Hayek is a member of the Board of Directors of the CSEM (Centre suisse d’électronique et de microtechnique) and Chairman of the Board of Directors of Bèlènos Clean Power Holding Ltd.

Prof. Dr. h. c. Claude Nicollerat, Swiss citizen, graduated in Physics and Astrophysics from the Universities of Lausanne and Geneva. Mr Nicollerat has been a member of the Board of Directors since 2015. Mr Nicollerat resigned from his activities as astronaut at the European Space Agency ESA in March 2007. As an astronaut he was particularly active in the space missions Atlantis 1992, Endeavour 1993, Columbia 1994 and Discovery 1999. The aim of the Endeavour and Discovery missions was the execution of repair works on the Hubble Space Telescope which were a complete success. The Universities of Geneva and Basel and the École Polytechnique Fédérale de Lausanne, where Mr Nicollerat teaches as an honorary professor at the school of engineering, have conferred honorary doctorates on him. Mr Nicollerat was involved in the «Star Impulse»-Project, responsible for the test flights. He is member of the Board of Directors of Bèlènos Clean Power Holding Ltd. and Chairman of the Board of Directors of CSEM in Neuchâtel. Mr Nicollerat does not exercise any operative functions at Swatch Group, does not have any business relationship with Swatch Group and holds no official office.

Dr Jean-Pierre Roth, Swiss citizen, Dr occ. Graduate Institute (HEI) Geneva, has been a member of the Board of Directors since 2010. Following postgraduate studies at the Massachusetts Institute of Technology in the USA, Mr Roth taught at the University of Geneva and at the Graduate Institute (HEI). In 2009 the University of Neuchâtel conferred him a honorary doctorate in economics. Jean-Pierre Roth joined the Swiss National Bank in 1979 where he was active in various areas in Zürich and Bern. On 1 May 1994 he was appointed Vice-Chairman of the board. On 1 January 2001 he was elected President of the board. Jean-Pierre Roth was Swiss governor of the International Monetary Fund (IMF) in Washington. From 1 March 2006 until end of February 2009 he was Chairman of the Board of Directors of the Bank of International Settlements (BIS) in Basle. At the end of 2009, Mr Roth resigned as President of the Swiss National Bank. Mr Jean-Pierre Roth was elected as President of the «Banque cantonale de Genève» and member of the Board of Swiss Re and of Nestlé Ltd in 2010. In 2014, he was elected as member of the Board of MKS (Switzerland). Since then, Mr Roth retired from the Board of Swiss Re, Nestlé Ltd and the «Banque cantonale de Genève». Since 1 July 2017, Mr Roth acts as Vice President of the Arab Bank (Switzerland) Ltd.
The Audit Committee is mainly responsible for the supervision of the financial reporting and for the evaluation of the internal and external audit. The Audit Committee has particularly fulfilled the following functions:

- Review of the Audit reports,
- Reinforcement of points which the auditing firm raised,
- Determination of the audit focal points,
- Discussions of the efficiency of the internal control system including risk management,
- Appraisal of the performance, remuneration and independence of the external auditors,
- Dealing with special questions of the financial statements (for further details see also point 8.3).

The Compensation Committee concerns itself with the independence of compensation policy. It supports the Board of Directors in determining the compensation systems and the principles of compensation as well as the preparation of proposals to the General Meeting with regard to the approval of compensation. The Compensation Committee can submit proposals and recommendations to the Board of Directors in all compensation matters.

The Compensation Committee deals with all questions in the field of compensation and proposes solutions for the attention of the Board of Directors. The Board of Directors is the decision-making body. It submits the required resolutions to the General Meeting for approval. Further details can be found in the separate Compensation Report for the business year 2020.

The Board of Directors does not have a Nomination Committee at its disposal. The tasks of the Nomination Committee (determination of the criteria for the selection of candidates for election as members of the Board of Directors, selection procedure, etc.) are carried out directly by the Board of Directors, in view of the small number of members.

In the year under review, the Board of Directors met six times. The meetings lasted approximately three to four hours. The Compensation Committee met three times and the Audit Committee met three times.

The members of the Executive Group Management Board regularly attend the ordinary meetings of the Board of Directors (second part). Beside the President (CEO) of the Executive Group Management Board, the Chief Financial Officer (CFO) and, if necessary, any other members of the Executive Group Management Board, attend the meetings of the Audit Committee. The Chief Financial Officer (CFO) participates in the meetings of the Compensation Committee as he attends to the personnel issues of the members of the Executive Group Management Board and Extended Group Management Board. Where there are discussion points concerning a person present, such person withdraws from the meeting.

3.6 Definition of areas of responsibility

The Board of Directors is the highest executive body responsible for the overall administration of the Group. It adopts strategic decisions and defines the means necessary for attaining the long-term goals. It determines, inter alia, the participation and appointment of the members of the Executive Group Management Board, the Extended Group Management Board and the heads of the main Group companies. Moreover, the Board of Directors approves the annual budget of the Group and its affiliated companies. The Board of Directors prepares the General Meeting and drafts the annual report as well as the half-year report.

The Board of Directors has delegated the current operative business to the Executive Group Management Board, the Extended Group Management Board and to the management of The Swatch Group Ltd.

The Executive Group Management Board is responsible for implementing Group strategies. It sets strategies and objectives for the Group companies and supervises their management.

The Extended Group Management Board supports and advises the Executive Group Management Board in its operative tasks. It makes suggestions for the development of the Group strategy.

The individual members of the Executive and Extended Group Management Boards manage their allocated areas within the framework of the Group policy and in accordance with guidelines set by the Executive Group Management Board. The management of The Swatch Group Ltd. is responsible for the current operative business of the The Swatch Group Ltd.
3.7 Information and control instruments

Each member of the Board of Directors can request to receive information on all issues concerning the Company and on important issues concerning the Group companies.

The members of the Executive Group Management Board report at the Board of Directors meetings on current business and important business issues. In particular, the members of the Board of Directors regularly receive detailed information regarding turnover and results trends for the Group and Group Divisions. Furthermore, important business issues, new products and the Group’s financial status are reported in detail. Moreover, extraordinary occurrences are immediately brought to the attention of the Board.

Outside meetings, each member of the Board of Directors may seek information on the general progress of business from authorized management (after informing the Chairwoman). With due authorization of the Chairwoman, they may also demand direct information on individual business transactions. Should the Chairwoman reject an application for information, a hearing or an inspection (which has never occurred so far), the entire Board of Directors shall decide at the request of the applicant.

The Chairwoman of the Board of Directors has an Audit-Team available, which she may deploy in specific cases.

4. Group Management (Executive Group Management Board/Extended Group Management Board)

31 December 2020

4.1 Members of the Executive Group Management Board

Nick Hayek, Swiss citizen, pursued two years’ study at the University of St. Gallen (HSG), then attended the Film Academy CLCF in Paris. President of the Executive Group Management Board since 2002 and member of the Board of Directors since 2010, Mr. Hayek has worked with the Swatch Group since 1992, firstly as Swatch Ltd Marketing Manager, then as Swatch Ltd President and finally as Delegate of the Board of Directors of Swatch Ltd. In the mid-eighties, he founded his own production company, Sesame Films in Paris, and worked in Switzerland and abroad. His involvement in a number of film productions (e.g. a series of documentaries for Swiss Television), the production of a number of short films (e.g. 1st prize at the Thessaloniki Film Festival, an official contribution to the Cannes Film Festival, etc.) and his activity as producer and director of two feature films, «Das Land von Wilhelm Tell» and «Family Express» with Peter Fonda (a film that earned him the prize for the best Swiss comedy at the Charlie Chaplin Comedy Film Festival in Vevy) resulted in his being called upon to advise on various Swatch projects in the early 1990s and to assume responsibility for several Swatch exhibitions (such as that of Lenggiro in Turin). Mr. Hayek is a member of the Board of Directors of the CSEM (Centre suisse d’électronique et de microtechnique) and of Belenos Clean Power Holding Ltd.

Florence Olivieri-Lamarque, French citizen, lawyer, has been a member of the Extended Group Management Board since 1992 and of the Group Management Board since 2005. Ms. Olivieri-Lamarque has been with the Group since 1988 when it took over the Société Inthor, Paris, which distributed some of the Group’s watches in France. At that time, she worked as Swatch and Tissot Brand Manager. In 1993, she took over the management of Swatch France and in 2002 the management of Swatch France Les Boutiques. She was responsible for Swatch France and Swatch France Les Boutiques until end of 2018 as well as for Italy, Spain, Belgium and The Netherlands. Ms. Olivieri-Lamarque is responsible for the watch brand Flik Flak, member of Board of the Colbert Committee and Vice President of the Federation de l’Horlogerie, Paris.

Raymond Aeschlimann, Swiss citizen, graduated with a degree in economics and an M.A. from the University of St. Gallen (HSG). He was appointed to the Swatch Group’s Extended Group Management Board in 2013, since 2020, Mr. Aeschlimann is a member of the Group Management Board. Since 2016 Mr. Aeschlimann is President of Omega Ltd. Prior to that, he was Vice President and International Director of Sales, Retail and Distribution at Omega Ltd. since 2001. He joined Omega in 1996 as Sales and Marketing Project Manager. He was also Brand Manager of Omega and Blancpain Spain in 2008 and has been the Group Coordinator for the Swatch Group’s Indian subsidiary since 2010. Mr. Aeschlimann is on the Executive Board of the Federation of the Swiss Watch Industry FH. He had previously worked at Longines and Complementa AG in St. Gallen from 1992 to 1994.

Pierre-André Bühler, Swiss citizen, technical education, member of the Extended Group Management Board since 2008 and of the Executive Group Management Board since 2013. Mr. Bühler started his career within the Group in 1977 as manager of the industrialisation division at Michel SA in Grenchen. Later Mr. Bühler held executive functions at ETA (technical manager of the division Michell) and at Nivarox (Production manager). Before taking over the general management of ETA, Mr. Bühler worked as managing director of Nivarox-Far (Le Locle). Since September 2019, he is CEO of DBY, responsible for new industrial technologies for the Group and responsible for Comwur in the Executive Group Management Board. He represents the Swatch Group on the Executive Board of the Federation of the Swiss Watch Industry FH and is a member of the Board of Directors of CSEM, as well as a member of the board of foundation of FLHR (Fondation en faveur d’un Laboratoire de Recherches Horlogères).

Dr Mouhamed Darwish, Swiss citizen, holds a doctorate in Physics from the EPFL. He has been a member of the Extended Group Management Board since 1994 and of the Executive Group Management Board since 2005, responsible for EM Microelectronic, Micro-Crystal, Materials and Oscilloquartz. Dr. Darwish has been with the Group since 1994 starting as Project Manager for the Xerox-Ebba group joint venture. Previously, he had been active in research and development for the Centre electronique horloger (CEH, today Centre Suisse de l’électronique et de microtechnique SA, CSEM). From 1985 to 2007 he managed EM Microelectronic as CEO. Mr. Darwish represents the Group on the Board of Directors of the CSEM as well as on the Board of FLHR (Fondation en faveur d’un Laboratoire de Recherches Horlogères). He is a member of the Swiss Academy of Technical Science. Since 2008, Mr. Darwish is a member of the Board of Directors of Belenos Clean Power Holding AG and actively supports several projects.

Marc Alexander Hayek, Swiss citizen, Dr h.c. European University Montreux, holds a bachelor degree in Economics and has undergone training in Marketing and Economics. He became a member of theExtended Group Management Board in 2002 and of the Executive Group Management Board in 2005 with responsibility for Blancpain, Breguet, Jaquet Droz and Glashütte Original as well as for CCM Microtechnique, Simon de Meurs, and Swatch Group Central and South America. Since August 2018, Mr. Hayek is a member of the Board of Directors of Belenos Clean Power Holding AG and since 2019 Vice President and Delegate. He joined Blancpain as Marketing Manager in 2001. Mr. Hayek had previously worked as an independent entrepreneur (Restaurant Colors, Zurich) and had been employed by Swatch in the PR area and by Certina in marketing.

Dr Thierry Kenel, Swiss citizen, holds a doctorate in Economics, a degree in Mechanical Engineering and a postgraduate degree in Management of Technology. As a Member of the Extended Group Management Board since 2002 and of the Executive Group Management Board since 2012, he is responsible for Corporate Finance, Reporting, Investor Relations, Swatch Group Belgium, Swatch Group Netherlands, Swatch Group Luxembourg, Swatch Group Greece and Swatch Group South Africa. Mr. Kenel has been with the Swatch Group since 1993. First as General Controller in the business segment Electronic Systems and subsequently as Head of Finance, IT and Administration at Montres Breguet SA. Prior to joining the Swatch Group, Mr. Kenel was a lecturer and researcher in the field of economics at the University of Lausanne before that, he was a member of the Board of Directors and the management of the Flumins sportswear companies. Mr. Kenel represents the Swatch Group on the Board of econosuisse, the Convention Patronale and the Federation of the Swiss Watch Industry FH, where he presides over the Economic Commission. Mr. Kenel continues to be a private lecturer in Finance and Financial Reporting at the University of Lausanne (HEC) as well as at the Swiss Institute of Certified Accountants and Tax Consultants. He is also a member of the Liaison Committee University-Industry at the University of Lausanne (HEC).

Dr Peter Steiger, Swiss citizen, who has a doctorate in Public Economics, has been a member of the Extended Group Management Board since 2002 and member of the Executive Group Management Board since 2019, with responsibility for Corporate Controlling and Logistics as well as Swatch Group Singapore, Swatch Group UK, Swatch Group Mexico and Swatch Group US. He started his career with the Group in 1989 as Head of Finance and Administration with PC Quartz. Later, Mr. Steiger held leading finance and logistics positions within various Group companies (among others Swatch and Longines). Before joining the Swatch Group, he had worked with international groups in Switzerland and abroad (Shell, Philips).

François Thébault, French citizen, studied at the IEG Institut Contrôle de Gestion, Paris and Law at the University of Besancon, and has been a member of the Extended Group Management Board since 1998 and of the Executive Group Management Board since 2006, with responsibility for Mido, Certina, Union Glashütte as well as Swatch Group France and the Swiss market. He joined the Swatch Group in 1996 as President of Tissot. Previously, he had been active as Delegate of the Board of Directors of Juvenia and General Man- ager of Brelting for 13 years. He represents the Group in the AMS Association des fournisseurs d’horterie, marché suisse (Chairman).

4.2 Members of the Extended Group Management Board

Matthias Breschan, Austrian citizen, graduated from the Vienna School of Economics, has been a member of the Extended Group Management Board since March 2008 and is currently member of the Executive Group Management Board since 2010. Mr. Breschan holds the position of Head of High-Tech & Access at Swatch. He then became President of Longines since July 2020. Before, he was the President of Rado for nine years, managed Hamilton for seven years and worked as Area Sales Manager for three years at Swatch Telecom. Between his activity for Hamilton and Swatch Telecom he was Managing Director of Aida in France (Aida Marché Est). Before joining Swatch Group Mr. Breschan worked for Texas Instruments and Alcatel Mobile Phones in the product marketing, international marketing and sales areas.

Sylvain Dolla, French and Swiss citizen, master’s degree from Toulouse Business School, member of the Extended Group Management Board since 2020. Sylvain Dolla has been president of Tissot since July 2020. Mr. Dolla joined Swatch Group in 2004, where he first held the position of Head of High-Tech & Access at Swatch. He then became Head of Sales International at Hamilton before serving as the brand’s president for nine years. Before joining Swatch Group, Sylvain Dolla worked in various technologies companies in Paris, London, Atlanta and Dubai.
Daniel Everts, Swiss citizen, lic. iur., attorney-at-law, MBA from INSEAD in Fontainebleau, France. Member of the Extended Group Management Board since 2019. Responsible for Swiss Timing, Swatch Group Nordics (Sweden, Norway, Denmark, Finland), and Swatch Group Poland. Daniel Everts joined Swatch Group in 2010. Since 2019, he holds the position of Chief Legal Officer Corporate & Industry and is responsible for the legal support of the Group companies in the areas of production, electronic systems and corporate. Before joining Swatch Group, Daniel Everts worked as a lawyer in international commercial law firms. He represents Swatch Group as a delegate to the Swiss Watch Industry Employers’ Association (Convent Patronale) and as a board member of the Swiss Employers’ Association (SAV).

Yann Gamard, French citizen, holds an MBA from Lausanne and has been a member of the Extended Group Management Board since 1998. He is responsible for the watch brand Swatch, Swatch Group Germany as well as the distribution logistics for watches in Europe and for batteries worldwide. He joined the Swatch Group in 1995 (Swatch AG). He subsequently assumed responsibility for the telecom business of the Swatch Group and was thereafter appointed as Country Manager for the USA, responsible for Hamilton and later on for Slashville Original, as well as for further European countries. Before joining the Group, Mr. Gamard held various roles with Procter & Gamble and Cartier.

Hans-Rudolf Gottier, Swiss citizen, holds an electrical engineering degree from the University of Applied Sciences (HES) in Biel and is a member of the Swatch Group’s Extended Management Board since 2013, where he is responsible for the companies Renata and Micro Crystal as well as for the FEPS in Shenzhen. Mr. Gottier began his career in Swatch Group in 1980 as head engineer of the quartz production. Since 1990, he is the CEO of Micro Crystal Ltd. During this period, Micro Crystal was developed from being an internal quartz supplier for the watch business to being a worldwide quartz supplier. Over the recent years, Mr. Gottier has led various companies within Swatch Group Electronic Systems and completed their restructuring. Prior to joining Swatch Group, Mr. Gottier worked in South America where he was responsible for the technical implementation in connection with the importation of large machinery and installations.

Roger Juillet, Swiss citizen, has been a member of the Extended Group Management Board of Swatch Group since 2019. He has been CEO of Nivarox-FAR since 2012 and a member of the Executive Board of ETA since 2019. In addition, Mr. Juillet is responsible for Nivarox and Micro Crystal as well as for the FEPS in Shenzhen. Mr. Gottier began his career in Swatch Group in 1980 as head engineer of the quartz production. Since 1990, he is the CEO of Micro Crystal Ltd. During this period, Micro Crystal was developed from being an internal quartz supplier for the watch business to being a worldwide quartz supplier. Over the recent years, Mr. Gottier has led various companies within Swatch Group Electronic Systems and completed their restructuring. Prior to joining Swatch Group, Mr. Gottier worked in South America where he was responsible for the technical implementation in connection with the importation of large machinery and installations.

Mireille Koenig, Swiss citizen, lic. iur., lawyer, LL.M. (Chinese Law) from Hong Kong University. Member of the Extended Group Management Board since 2019, responsible for Swatch Group Russia and Swatch Group South Korea as well as the legal interests of the brands and international subsidiaries. Mireille Koenig joined the Swatch Group Legal Department in 2009 and has been Chief Legal Officer Brands & Countries since 2016. She represents Swatch Group as a delegate on the Legal Committee of the Swiss Watch Industry Association (FH). Prior to joining Swatch Group, Mireille Koenig worked for several years as a lawyer in an international business law firm and in a senior position at a Chinese management consultancy in Shanghai.

Lionel a Marca, Swiss citizen, has been a member of the Extended Group Management Board of the Swatch Group since 2019, responsible for Breguet, Bovet & Weyermann, and MDM Le Prélat. He completed a technical education as a qualified finished watchmaker at the EHPA (École Horlogerie Microtechnique) in Porrentruy. Mr. a Marca has been CEO of Blancpain since 2004 and Vice President of Harry Winston as Head of Technical and Development Management since 2015. Previously, he was Head of Product at Blancpain for two years. He also served as consultant and project manager for Swatch Group Quality Management and as watchmaker for complications at ETA, as well as at Frédéric Piguet SA. Before joining Swatch Group, Lionel a Marca was a watchmaker in various watch companies in the Jura region.

Calegoro Polizzi, Italian and Swiss citizen, holds a diploma in information technology from the Industrial Technical Institute L. Cobianchi in Verbania, Italy. He joined Swatch Group in 1999 and is Head of Information Technology at Swatch Group level since 2003, and President of Swatch Group Italy since 2019. He is a member of the Extended Group Management Board since 2013. Also on this level, he has the responsibility for Information Technology, Swatch Group Italy, and Hamilton. In addition, he is responsible for the software aspects of the new Swiss Operating System for IoT (Internet of Things). He works as IT Manager at Swatch Group Italy and later as Head of IT at Swatch Group Distribution. Between these two assignments, he has been Chief Information Officer at Tod’s S.p.A. Before joining Swatch Group, Mr. Polizzi used to work at Whirlpool where he was engaged in various information technology positions at the international level.

4.3 Number of permissible mandates

According to Art. 40 of the Statutes, no member of the Group Management Board shall hold any directorships in listed companies and more than four additional directorships in unlisted companies. The following are not covered by these restrictions: (i) directorships in companies which are directly or indirectly controlled by the company or which carry the company, (ii) directorships held by a member of the Group Management Board on behalf of or at the request of the company or a company controlled by it, provided that no member of the Group Management Board shall hold more than 20 such directorships, and (iii) mandates in associations, charitable organizations, non-profit foundations and employee welfare foundations, as long as no member of the Group Management Board shall hold more than 30 such mandates. Directorships shall mean mandates in the supreme governing body of a legal entity which is required to be registered in the commercial register or a comparable foreign register. Directorships in different legal entities that are under joint control or same beneficial ownership are deemed one directorship.

4.4 Employment Contracts

The contracts of employment with the members of the Executive and the Extended Group Management Board are entered into for an indefinite period of time and can be terminated by both parties with a six month notice period. In case of a cancellation no termination payment will be due. No entry bonus is paid by Swatch Group when entering new contracts (Golden Haillos).

In case of an exit there are no other entitlements to any compensation.

4.5 Changes in the Executive Group Management Board resp. Extended Group Management Board

As of 1 July 2020, Mr. Raymond Aeschlimann was appointed to the Executive Group Management Board from the Extended Group Management Board. Mr. Sylvia Dola was appointed to the Extended Group Management Board on 1 July 2020. As a consequence of his retirement, Mr. Walter von Kanel resigned from the Extended Group Management Board as of 1 July 2020. Mr. Kevin Rollenhagen retired from the Extended Group Management Board and of August 2020. Otherwise, there were no changes in the Executive Group Management Board or the Extended Group Management Board during the year under review.

4.6 Management Contracts

Within the framework of a global contract, Hayek Engineering AG, Zurich, placed its management personnel in particular at the disposal of operational activities, as well as in the areas of real estate and logistics.

5. Compensation, shareholdings and loans / credits

5.1 Compensation

The material elements of the compensation principles, of the tasks and competences in the field of compensation, of the composition and functions of the Compensation Committee and of the various compensation elements, etc. are exposed in a separate compensation report. Additionally, it is pointed out that according to Art. 32 para. 7 of the Statutes, the compensation may be awarded in the form of cash, shares, in kind or in the form of services; with regards to the executive members of the Board of Directors and the members of the Group Management Board, their compensation may in addition be awarded in the form of other participation rights, options, or similar instruments or units. The Board of Directors or, to the extent delegated to it, the compensation committee shall determine the applicable conditions relating to the grant, the exercise as well as the deadlines, possible blocking periods and forfeiture conditions.

The separate Compensation Report also covers the loans, credits and share programs and is thus referred to here.

5.2 Participation programs

The aims of the management stock option plan of the Swatch Group are to honour performances of the main management members, strengthen the motivation and the sense of responsibility in the Group, further the loyalty to the firm as well as the stability of the managing employees and promote a favorable wealth increase. The allocation of shares results from an individual performance report. The voting rights of the shares in possession of the plan will not be exercised.

The share program is described in the Compensation Report.

An overview of the shares and options owned by the members of the Board of Directors, Executive Group Management Board and Extended Group Management Board and persons being closely related to them at 31 December 2020 may be consulted on page 111.
5.3 Loans, credits
Loans and credits to members of corporate bodies are considered in the Compensation Report.

5.4 Approval by the General Meeting
Pursuant to Art. 31 of the Statutes, the General Meeting shall annually approve the motions of the Board of Directors in relation to the aggregate amounts of (i) the maximum fixed compensation of the members of the Board of Directors for the period until the next Ordinary General Meeting, (ii) the variable compensation of the members of the Group Management Board for the current business year, (iii) the variable compensation of the executive members of the Board of Directors for the completed business year and (iv) the variable compensation of the members of the Group Management Board for the completed business year. The Board of Directors may thereof propose additional motions to the General Meeting or motions which vary from those mentioned above, to the extent permitted by law.

The company or companies controlled by it shall be organized to pay to persons who become members of the Group Management Board or are being promoted within the Group Management Board after the General Meeting has approved the compensation of the Group Management Board for the relevant period a supplementary amount during the compensation period(s) already approved, if the maximum aggregate amount of compensation already reapproved by the General Meeting is not sufficient to cover their compensation. The supplementary amount shall not exceed 40% of the last approved aggregate amount of compensation of the Group Management Board.

In the event that the General Meeting does not approve a motion of the Board of Directors, the Board of Directors shall determine, taking into account all relevant factors, the respective (maximum) aggregate amount or (maximum) partial amounts. The Board of Directors shall submit the amount(s) so determined for approval by the same General Meeting, a subsequent Extraordinary General Meeting or the next Ordinary General Meeting.

The company or companies controlled by it may pay out compensation prior to the approval by the General Meeting subject to the subsequent approval by the General Meeting.

6. Shareholders’ participation

6.1 Voting rights and representation restrictions
For the exercise of voting rights, no shareholder may combine, either directly or indirectly, more than 5% of the total shareholders’ equity in respect of his own shares and those represented by him. This limitation does not apply to the shares which are excluded from the registration prohibition (point 2.6 above). Nor does this restriction apply to the exercise of voting rights by the independent voting-rights representative.

Furthermore, pursuant to Art. 16(4) of the Statutes, the Board of Directors is entitled to make exceptions to the limitations in special cases. No exceptions were requested or granted during the business year. A modification of the representation restrictions is only possible through a change of the provisions of the Statutes. For such modification a decision of the General Meeting with a relative majority is required.

Shareholders who cannot attend the General Meeting in person may arrange to be represented by their legal representative, by another shareholder entitled to vote or by the independent voting-rights representative.

6.2 Statutory quorums
In addition to the special quorum regulations provided in Art. 704 CO, the Statutes also apply the same quorum regulation (two-thirds of the votes represented and an absolute majority of the par values of shares) for dismissing members of the Board of Directors.

6.3 Convocation of the General Meeting of Shareholders
The General Meeting is convened pursuant to Articles 13 and 14 of the Statutes. Shareholders who together own at least 10% of the share capital can, at any time, request in writing the convening of an extraordinary general meeting. Such an extraordinary general meeting shall be held within 60 days of the date of receipt of such a request.

6.4 Agenda
Shareholders who represent shares with a par value of one million Swiss francs may submit a written request for a meeting to be held to discuss a particular subject, the motions tabled shall likewise be indicated (see Article 14 (3) of the Swatch Group Statutes in conjunction with Art. 699 and 700 CO).

6.5 Entries in the share register
As a general rule, the share register is closed for entries 20 days before each General Meeting.

7. Changes of control and defence measures

7.1 Duty to make an offer
Art. 10 of the Statutes provides that a shareholder who acquires shares either directly or indirectly or in agreement with third parties and by so doing exceeds the limit of 49% of voting rights, including the shares that he already possesses, regardless of whether those rights can or cannot be exercised, shall be required to make an offer to purchase all the listed shareholding papers of the Company (Art. 10 of the Statutes in conjunction with Art. 135 FinMIA).

7.2 Clauses on changes of control
There are no agreements with members of the Board of Directors, the Executive Group Management Board or other managerial staff for the case of a change in the shareholder structure.

8. Auditors

8.1 Duration of the mandate and term of office of the lead auditor
PricewaterhouseCoopers Ltd performs since 1992 the function of external auditor of the Group. Before that, the predecessor organizations already served as auditors for the Group and many of its companies.

Mr. Thomas Brüderlin, as head auditor (Engagement Partner), has been responsible for the audit and Group audit since the 2018 accounting year.

8.2 Auditing fees and additional fees
The following auditor’s fees have been charged to the 2020 annual accounts:

<table>
<thead>
<tr>
<th>CHF million</th>
<th>Audit</th>
<th>Taxes</th>
<th>Other Services</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>PricewaterhouseCoopers</td>
<td>6.2</td>
<td>0.9</td>
<td>1.1</td>
<td>8.2</td>
</tr>
<tr>
<td>Other Auditing Companies</td>
<td>9.4</td>
<td>0.7</td>
<td>1.7</td>
<td>11.8</td>
</tr>
<tr>
<td>Total 2020</td>
<td>6.7</td>
<td>1.6</td>
<td>3.8</td>
<td>12.1</td>
</tr>
<tr>
<td>Total 2019</td>
<td>5.3</td>
<td>1.4</td>
<td>1.7</td>
<td>8.4</td>
</tr>
</tbody>
</table>

8.3 Supervisory and control instruments pertaining to the audit
The supervision and final verification of the external audit is exercised by the Audit Committee, and by the full Board of Directors, respectively (see also the duties and functions as described under 3.5). The Audit Committee evaluates together with the Group Management the performance of the auditors and recommends the independent external auditor to the Board of Directors for election by the General Assembly. As a general rule, the Audit Committee meets twice a year with the auditors. The auditors prepare a report for the Audit Committee regarding the findings of the audit, the financial statement and the internal control. Together with the auditors, the audit focus points for the following review period are determined and the audit related key risks established by the auditors are discussed. In collaboration with Group Management the independence of the auditors is evaluated annually. In particular and for this purpose the worldwide fees of the audit are presented, discrepancies with the estimated costs analysed and explained and the budget for the following audit period is determined. The appointment of the auditor is subject to an approval procedure.
9. Information policy

The Swatch Group plans to report on the business of the Group at the following times:

- 28 January 2021   Key figures 2020
- 18 March 2021   Press conference / annual report 2020
- 11 May 2021   General Meeting of Shareholders
- 30 July 2021   Half-year figures 2021

The list may change during the year, if dates are adjusted or added. The information is always published in the Swiss and international press and also published and processed in the publications of leading international banks.

This information can also be obtained from the Swatch Group website at www.swatchgroup.com, and in particular under the «Investor Relations» section. The annual report can also be viewed and downloaded using the link “https://www.swatchgroup.com/en/investors-space/annual-report”. In addition, the swatchgroup.com homepage allows for the possibility of subscribing to the Push-and-Pull information service in order to receive ad-hoc-financial announcements.

For queries, there is a contact form at www.swatchgroup.com/contactus. Queries may also be sent by post (The Swatch Group Ltd., Seevorstadt 6, CH-2501 Biel) or by fax to +41 32 343 69 11 or by telephone on +41 32 343 68 11.