

logitech®

**SUSTAINABILITY  
REPORT FY18**



**Sustainability is a conscious design decision. At Logitech sustainability is not a buzzword or an afterthought. It's a mindful principle we infuse into everything we do.**



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### ABOUT THIS REPORT

# INTRODUCTION





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The next challenge is to go further with the creation of a zero-waste economy based on the cradle-to-cradle principle. We believe that if we collectively focus efforts, creativity, and innovation in that direction we can achieve this sooner than we might think.

**Bracken Darrell**  
President and Chief Executive Officer

”

While Logitech has changed dramatically in some ways over its 37 year history, our core values remain unchanged. We started designing products that connect people with the digital experiences they love and today we still do just that, across multiple categories and brands. People have always been at the core of what we do. Tomorrow, we will go even further to explore new ways in which we can extend human capability into new and different areas.

It's a long-term vision and we know that we are only at the beginning of this exciting journey. So far, our strategy is working. Since our fiscal year 2013, we've turned the company around delivering five consecutive years of growth – the past three at, or near, double-digit growth.

We don't forget our responsibility to create value for all our stakeholders – our shareholders, our employees, our current and future customers, the communities we touch and the environment at large. We take them all into account with our sustainability activities which are structured around two pillars: reducing our Environmental

Footprint and strengthening our Social Handprint by making an ever more meaningful contribution to people's lives and society.

We have always followed the development of regulatory frameworks guiding our sector's impact on the environment, and actively participate in industry bodies to raise the bar. However, what required regulation a few years ago is now the baseline. It goes without saying that businesses need to source ethically, reduce their greenhouse gases emissions and respect human rights. The next challenge is to go further with the creation of a zero-waste economy based on the cradle-to-cradle principle. We believe that if we collectively focus efforts, creativity, and innovation in that direction we can achieve this sooner than we might think.

Our sustainability programs are an important part of Logitech's ongoing journey. Using design thinking – and, as our head of design Alastair Curtis calls it, "design doing" – at the center of everything we do, we strive to iteratively improve every aspect of our business and deliver

unique customer experiences. The design approach can be applied to everything, including sustainability. Once we look at the business through this lens, then we can design processes, services, and product experiences that are conceived for recyclability, designed for zero-waste, and developed to be inclusive.

We have achieved a lot this year but we know that we have so far to go still. We will continue to push forward over the long-term. This Sustainability Report provides an overview of the key programs we have been working on this year. We hope it also shows you our engagement for a better future. We have a collective passion for a better and greener planet.

Enjoy the read, challenge us, and come back next year to hear more.

**Bracken Darrell**  
President and  
Chief Executive Officer

# SUSTAINABILITY

2017 Highlights

## GIVING BACK



**27**

Give Back events  
across 14 cities and  
10 countries

## EMPLOYEE DEVELOPMENT



**1,600**

employees participated  
in development  
programs worldwide

## SUPPLY CHAIN AUDITS

RBA Code of Conduct



**100%**

**100%**

of our core supplier  
audited in CY17

## GLOBAL RECYCLING

tonnes financed since CY10

**24,106**

electrical devices

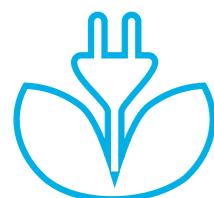


**1,984**

batteries



## RENEWABLE ENERGY



**29.77t**

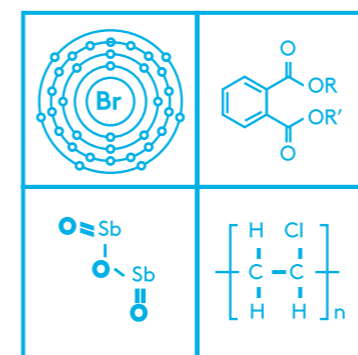
CO<sub>2</sub>-e avoided through  
use of renewable energy

**12,988**

packaging



## TARGETED SUBSTANCE REDUCTION



**70%**

reduction by  
weight since  
CY10

## CONFLICT MINERALS

**83%**

smelters certified conflict-free



**100%**

of our direct suppliers engaged  
in our conflict minerals  
management program

## PRODUCT DESIGN AND INNOVATION

**+133%**

better energy efficiency  
(MX 2S series mice)



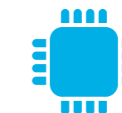
**250**

hour battery life  
(G603 and G304)



**-90%**

lower power consumption  
of track on glass sensor



**x10**

times more efficient  
wireless gaming sensor

# COMPANY STRUCTURE

Logitech is a world leader in designing, manufacturing and marketing products that help connect people to digital and cloud experiences.

More than 35 years ago, Logitech created products to improve experiences around the personal computer (PC) platform. Today we are a multi-brand, multi-category company designing products that enable better experiences consuming, sharing and creating any digital content, including music, gaming, video and computing, whether it is on a computer, mobile device or in the cloud.

Logitech was founded in Switzerland in 1981. Our registered office and holding company (Logitech International S.A.) continues to reside in Apples, Switzerland. Logitech Inc. is our principal wholly-owned subsidiary in the United States.

Our global footprint extends across North and South America, EMEA (Europe, Middle East and Africa) and Asia Pacific. We employ more than 6,400 staff, including more than 3,700 at our manufacturing facility. Our network of offices includes 20 Principal Offices with more than 20 occupants and a number of smaller (sales-focused) offices worldwide.

Shares of Logitech International S.A. are listed on the SIX Swiss Exchange (trading symbol: LOGN)

and on the Nasdaq Global Select Market (trading symbol: LOGI). As of 31 March 2018, our total capitalization was \$ 1,050 million USD, funded 100% by equity, with zero debt. Total net sales for FY18 were \$2.57 billion.

From our humble beginnings as a Swiss hardware company, we now create products that help people to connect through music, gaming, video, computing, and other digital platforms. Our products fall into five main market opportunities.

## Music

Our Mobile Speakers category includes portable wireless Bluetooth and Wi-Fi speakers that are waterproof and provide bold, immersive sound in every direction. Our Audio-PC & Wearables category comprises PC speakers, PC headsets, in-ear headphones and premium wireless audio wearables designed to enhance the audio experience. We offer both the Jaybird wireless audio wearables for sports and active lifestyles and custom in-ear headphones.

## Gaming

PC and console products designed to enhance gamer experiences, including virtual and augmented reality. We design and engineer

# 1981

FOUNDED IN SWITZERLAND

# >6400

EMPLOYEES

logitech®

logitech

logitech G

jaybird

ULTIMATE  
EARS

astro

industry-leading keyboards, mice, headsets, mousepads and simulation products such as steering wheels and flight sticks

## Video Collaboration

Our Video Collaboration category includes Logitech's Conference Cams, which combine enterprise-quality audio and high definition (HD) 1080p video with affordability to bring video conferencing to businesses of any size.

## Smart Home

Includes our Harmony line of advanced home entertainment controllers. We also offer new products dedicated to controlling emerging categories of connected smart home devices such as lighting, thermostats and door locks. And when you aren't at home, the Circle 2 home camera lets you monitor and connect to home via your mobile device.

## Creativity and Productivity

With ever increasing connectivity and the consistent growth in time spent by people on a range of computing platforms, we continue to innovate and grow market share for mice, keyboards and combos, pointing devices, tablet and other accessories and webcams.

We sell our products to a broad network of domestic and international customers, including direct sales to retailers and e-tailers, and indirect sales via a network for third-party distributors. Our worldwide channel network includes consumer electronics distributors, retailers, mass merchandisers, specialty electronics stores, computer and telecommunications stores, value-added resellers and online merchants.

The Logitech master brands currently comprises five master brands: Logitech, Logitech G, Astro, Ultimate Ears and Jaybird.

On August 11, 2017, we acquired the ASTRO Gaming business (ASTRO). ASTRO is a leading console gaming accessory brand with a history of producing award-winning headsets for professional gamers and enthusiasts. ASTRO provides a strong growth platform in the console gaming accessories market. The scope of this Sustainability Report includes data and performance from this acquisition.

Our high-volume manufacturing site was established in Suzhou, China in 1994. On-site activities primarily comprise final assembly

and testing. Components are manufactured to our specification by suppliers in Asia, the United States and Europe. We use contract manufacturers to supplement internal capacity and to reduce volatility in production volumes. Approximately half of our annual revenue is generated from products that are manufactured in-house. Our local and international teams maintain oversight of all in-house and supplier production activities, manufacturing know-how, quality process controls, social and environmental responsibilities and Intellectual Property protection. This hybrid model of in-house manufacturing and third-party manufacturers enables us to effectively respond to rapidly changing demand, leverage economies of scale, maintain strong quality process controls, reduce volatility in production levels, and optimize time to market.

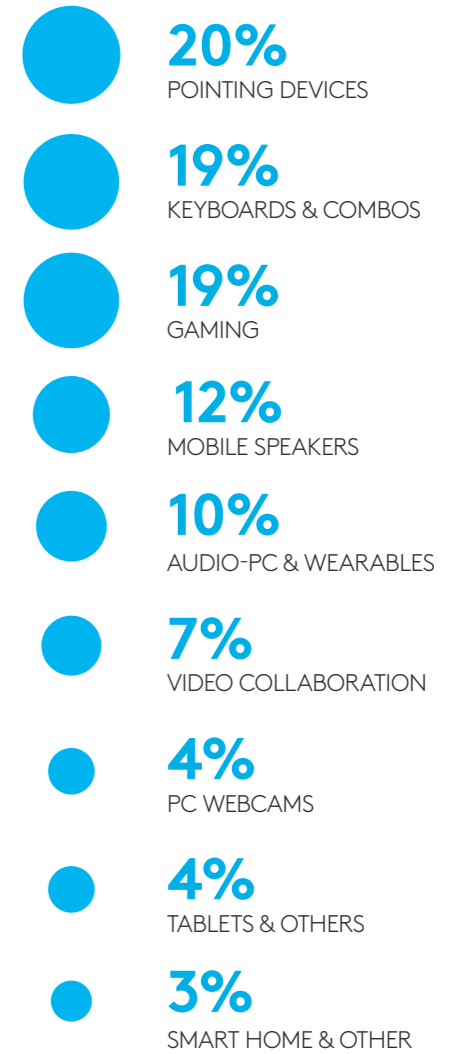
An overview of our company is shown in the following infographic.

# LOGITECH IN FIGURES

FY18



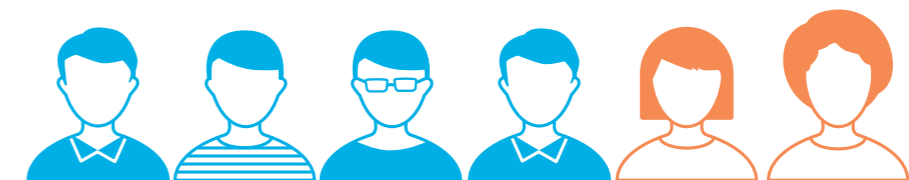
**\$2.56 BILLION NET SALES (FY18)**  
(%) BY PRODUCT CATEGORY



**5**  
CONTINENTS

**>60**  
LOCATIONS

**>350**  
DIRECT DISTRIBUTORS



**>\$140k**  
SPEND ON R&D

**55**  
DESIGN AWARDS

**>6400**  
EMPLOYEES

**64%**  
MALE

**36%**  
FEMALE

**33% FEMALE BOARD OF DIRECTORS**

# OUR VALUES AND CULTURE

We make more than just products. We design experiences that help people create, achieve and enjoy more. We take immense pride in our products and brands because they create great experiences for our customers. Creating experiences our customers love is not only a job for engineers, designers and salespeople; everyone at Logitech has a role to play.

As a company, we're fully conscious of the connections we can make between people, products, communities and the environment. We want to enhance that connectivity and help people create, achieve and enjoy more.

## How we Work

As a company, we're small and flexible enough for every person to take the initiative and make things happen. But we're big enough in our portfolio, and reach, for those actions to have a global impact. That's a pretty sweet spot to be in and we'll always try to keep it that way.

Our people are beautifully diverse. This gives us the unique perspectives and experiences needed to innovate, understand different markets and pull together across the globe to make things happen locally and build a competitive advantage.

In short, we are the sweet spot for people passionate about product, making a mark and having fun. We're at our best when we are open & ourselves, humble & hungry, when we collaborate & challenge, decide & do.

**Our commitment to shaping a better world is a core value that everyone in the company cares deeply about.**



## Open and Ourselves

A key part of being open is making sure everyone feels that they can speak up freely. Being ourselves makes life a lot less stressful.

We're not interested in office politics, just in doing what's right ethically and acting with integrity. We're a place where anyone and everyone can be approached to share ideas with, problem-solve, or simply for a chat.



## Hungry and Humble

We know that humility and self-confidence are not mutually exclusive; in fact, humility is essential to success in the long run. So we stay humble, and we don't get too comfortable. Success is never final. Passion will take us a long way but staying hungry gives us a competitive edge.



## Collaborate and Challenge

We achieve more when we work together. It's that simple. It's always nice when someone agrees but we constantly seek challengers to our ideas. Working collaboratively with colleagues, customers and partners surfaces possibilities that one person alone might not see.



## Decide and Do

We are small and flexible enough for every person to take initiative and make things happen. But we're big enough in our portfolio, and reach, for those actions to have a global impact. We value people who make high-quality decisions, seek to align and move us into action. We all enjoy philosophizing, but if something can be done now, we focus on getting it done.





# SUSTAINABILITY AT LOGITECH

As a company, we always strive to do the right thing, behave ethically and act with integrity; we live and breathe our values. That same philosophy underpins our approach to sustainability management.

We look to be “open and ourselves” with transparent reporting and disclosures of performance, and “humble and hungry” when planning, reviewing and reporting all aspects of our sustainability strategy and performance.

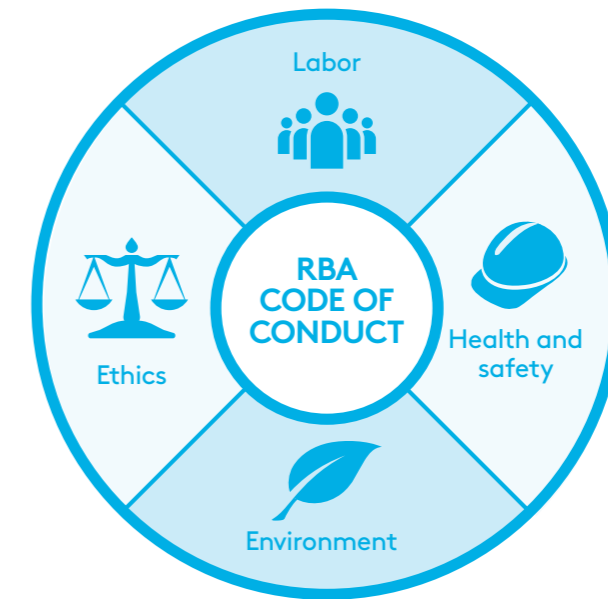
Our global Sustainability team facilitates, guides and informs sustainability management and performance across the company, working with various functions, to identify legal requirements – and then look beyond those minimum standards, to consider what we, as a company, want to achieve for society, community and the environment.

Our framework for sustainability management is the RBA Code of Conduct (“the Code”). As a small company playing in a global market, we recognize the value of collaboration. We joined the Responsible Business Alliance (RBA, formally known as the Electronics Industry Citizenship Coalition, EICC) in 2007 to collaborate with industry peers and competitors alike to develop and implement

tools and programs that would directly address the challenges that people, communities and the environment face around our industry. Collaboration across our sector is needed, to effectively drive systemic change in sustainability management, catalyze improved supply chains, and support our transition to a more sustainable world.

Our commitment to the Code drives our business and sustainability strategy, informs decision-making, and is reflected in our internal policy framework, standards, audit processes and contractual agreements with suppliers. It provides a framework for Social and Environmental Responsibility (SER), and helps us apply the precautionary principle, look beyond our legal obligations, deliver our commitment to continually improve our performance, and ensure we live and breathe our company values.

**At Logitech,  
sustainability is not  
a buzzword or an  
afterthought. It’s  
a mindful principle  
that we infuse into  
everything we do.**



## 2004

FOUNDED

## >110

MEMBERS WORLDWIDE

### The RBA Code of Conduct: Our Framework for Sustainability Management

- The Electronics Industry Citizenship Coalition (EICC) was founded in 2004 as an industry-led, non-profit coalition of responsible electronics companies committed to supporting the rights and wellbeing of workers and communities worldwide affected by the global electronics supply chain.
- In 2017, the EICC became the Responsible Business Alliance (RBA).
- RBA’s vision is a global electronics industry that creates sustainable value for workers, the environment and business. Membership now exceeds 110 companies worldwide.
- The RBA Code of Conduct (“the Code”) is a global code of conduct setting out good practice expectations with respect to Social, Environmental Responsibility (SER). All aspects of sustainability management are covered in the Code.
- RBA members adopt and are held accountable to the RBA Code of Conduct and utilize a range of RBA training and assessment tools to support continuous improvement of sustainability performance, within their own operations and supply chains.
- The RBA focuses on issues that are a priority to its members, including emerging issues that are not well understood.
- This forward-thinking approach helps develop best practices for RBA members. Responding to immediate and critical issues helps build partnerships, develop industry understanding, and foster a root-cause and solutions-oriented approach.
- In addition to setting standards, holding members to account, and providing training and assessment tools, the RBA also regularly engages in dialogue and collaborations with workers, governments, civil society, investors and academia to gather the necessary range of perspectives and expertise to support and drive RBA members towards achieving the RBA’s mission of a responsible global electronics supply chain.

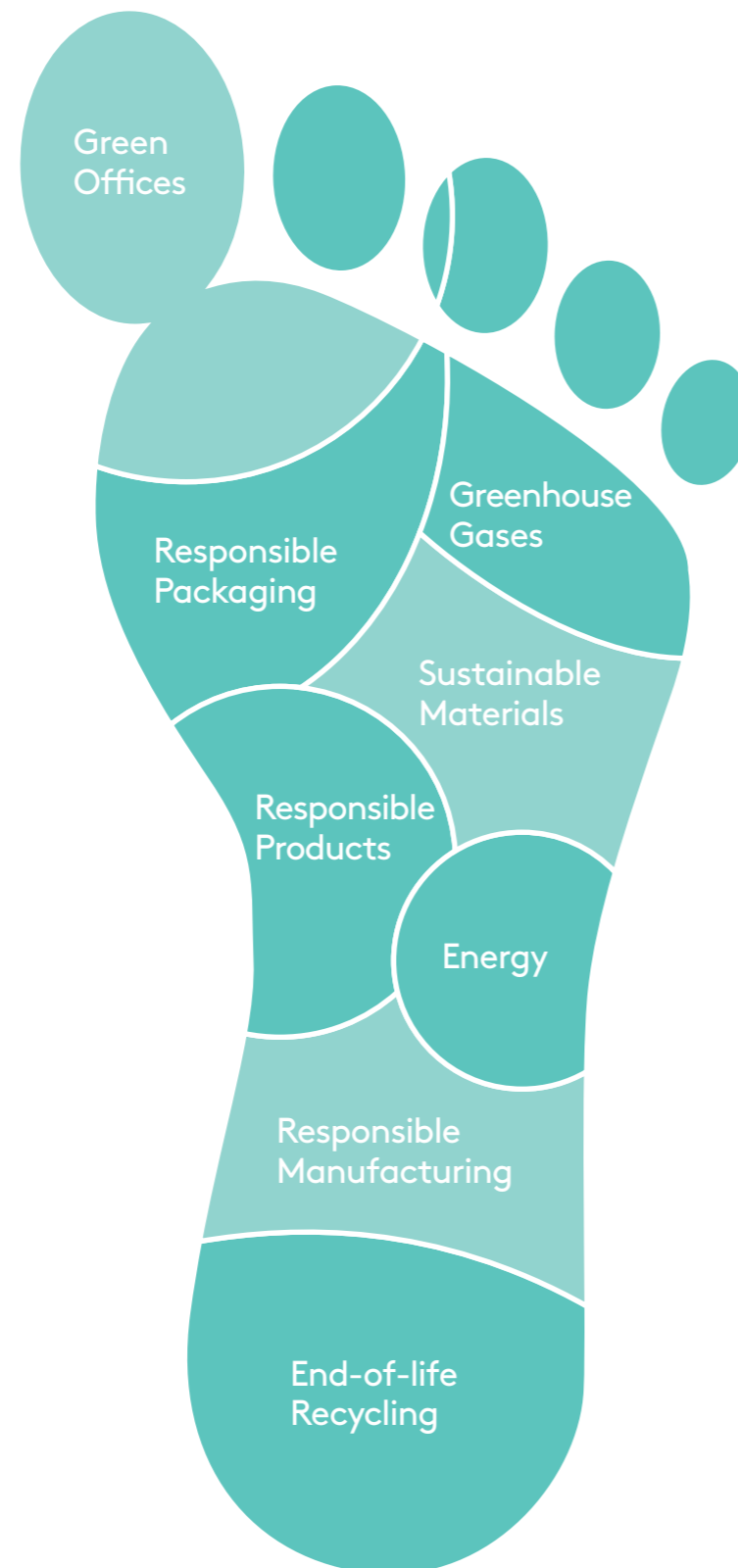
## Sustainability At Logitech

continued

We are often asked what we mean by Sustainability at Logitech. We understand that sustainability can mean different things to different people. In the last year, we decided to explain our approach in the following terms.

We have footprint activities and programs which seek to reduce our environmental impact on the planet:

- Energy and greenhouse gases
- Responsible manufacturing
- Responsible products
- End-of-life recycling
- Responsible packaging



And we have handprint activities and programs which seek to enhance our positive impact on people and society:

- Human rights and labor
- Governance, ethics and transparency
- Conflict minerals
- Supplier development
- Employee development
- Diversity and inclusion
- Safety, health and wellbeing
- Giving back

Some of our management programs are cross-cutting, creating value in terms of both reduced environmental footprint and enhanced positive handprint on people and society e.g. Supplier Development program and Responsible Products program. But our use of the handprint and footprint concept has helped us simplify communication of our approach and performance. We like it. We hope you do too.



# STAKEHOLDER ENGAGEMENT

We understand the importance of stakeholder engagement. Transparent engagement with stakeholders helps us build and maintain long-lasting relationships with the people who care about our activities and business success.

We are aware of increasing demands for the technology sector to be more transparent and disclose pertinent information.

We proactively respond to requests for information. Transparency and engagement in all aspects of business align with our company culture of being open to new ideas, and collaborative by nature. We look to foster a learning environment where we give and solicit candid feedback, which helps us to gain insight and to constantly improve.

We subscribe to the Global Reporting Initiative (GRI) definition of a stakeholder, and identify stakeholders as entities or individuals that can be reasonably expected to:

- be significantly affected by our activities, products and services;
- take actions that affect our ability to successfully implement strategy and achieve objectives.

As part of our most recent Materiality Assessment process, and inline with the GRI Principle of Stakeholder Inclusion, we have identified six broad stakeholder groups with views and perspectives relevant to our activities: Shareholders/Investors, Business Partners, Employees, Regulatory Authorities, Special Interest Groups (Including Non-Governmental Organizations – NGOs), and Consumers/The Public.

Informal engagement with each of the identified key stakeholder groups occurs throughout the year. Our engagement approach to each Stakeholder Group is outlined in the following table, along with a summary of the key "Topics of Discussion," which are typically raised by each Stakeholder Group.

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	TOPICS OF DISCUSSION
Shareholders / Investors	Engagements are managed by our Investor Relations team and include annual financial statements and reports, our Annual General Meeting, routine conferences and briefings and direct engagements led by representatives of the Investor Relations team. Pertinent information is also shared via the Investor Page of our website.  A number of investor advisor groups monitor and report our sustainability performance to potential investors and engage with us when undertaking periodic sustainability assessments.	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Governance</li> <li>• ESG (sustainability) performance</li> <li>• Energy and greenhouse gases</li> <li>• Sustainability reporting</li> <li>• Supply chain management</li> </ul>
Special interest groups	This includes industry bodies and Non-Governmental Organizations (NGOs) with particular interest in sustainability performance. We are members of the Responsible Business Alliance (RBA). RBA identifies Special Interest Groups of relevance to our sector and helps guide an engagement process governed by Chatham House Rules. As part of the External Factors Review and Materiality Assessment underpinning this Sustainability Report, the public views and interests of a number of Special Interest Groups (including RBA, GeSI, BSR, the Human Rights Watch, the World Resources Institute, the Carbon Disclosure Project and others) were reviewed and taken into consideration.	<ul style="list-style-type: none"> <li>• Sustainability (SER) performance at our manufacturing facility</li> <li>• Supply chain management</li> <li>• Energy and greenhouse gases</li> <li>• Worker safety, health and wellbeing</li> <li>• Human rights and labor</li> </ul>
Regulatory authorities	As a global company, we comply with international and national laws. Our Sustainability team includes legal surveillance specialists, who monitor developing legislation and standards across the globe, relevant to current and planned activities. We report relevant information to authorities as required by law, including financial reports and performance reports, and we proactively respond to any requests for information. Key regulatory authorities with oversight of our activities include the Ministry of Environmental Protection (for our manufacturing facility) and the Securities and Exchange Commission (for performance reporting).	<ul style="list-style-type: none"> <li>• Hazardous substances (RoHS, REACH)</li> <li>• Compliance with factory environmental licences</li> <li>• Legal compliance reporting</li> <li>• Conflict minerals</li> <li>• End-of-life stewardship reporting</li> </ul>
Employees	As a global company with a small company attitude, we endeavour to create an open-door environment, where employees feel they can interact at every level without hierarchy or bureaucracy. Employees speak to their line manager or local leader, in the first instance. Senior Leaders carry out annual roadshow events where they visit sites in each region to discuss the company's priorities and hear employees' views, any relevant concerns, and any actions that could be implemented to enhance employee experiences. At our manufacturing facilities, we carry out periodic worker interviews to collate and understand employee views. In addition to the above, we have suggestion boxes and an anonymous whistle-blowing mechanism, which provides employees with the opportunity to submit comments and have their views heard in a confidential manner.	<ul style="list-style-type: none"> <li>• Employee benefit and compensation offerings</li> <li>• Employee development opportunities</li> </ul>

## Stakeholder Engagement

continued

STAKEHOLDER GROUP	ENGAGEMENT ACTIVITIES	TOPICS OF DISCUSSION
Consumers and the public	<p>Engagement with consumers is facilitated by our Customer Care team, social media channels, website and online community. We regularly communicate information to the public via press releases, blogs, media events and direct outreach. Feedback can be received directly from consumers, or it is often channelled to Logitech through our network of business partners, including retailers and distributors. Those channels of communication and engagement help ensure we are aware of consumer perceptions and views with respect to our products, services and performance.</p> <p>As part of our Logitech Cares program, our employees also provide direct hands-on support to the local communities in which we operate. Employees regularly get involved in local community initiatives and events, including fundraisers, altruistic activities and charity drives. In addition to providing us the opportunity to give back, these initiatives create opportunities for direct engagement with the public.</p>	<ul style="list-style-type: none"> <li>• Product performance</li> <li>• Product features</li> <li>• Use of packaging</li> <li>• Product energy efficiency</li> <li>• Product recycling</li> <li>• Warranty issues</li> <li>• Repair and replacement</li> <li>• Spare parts availability</li> <li>• Giving back programs</li> </ul>
Business Partners	<p>Our sourcing network and customer supply chain is world-class. We have established relationships with a large number of business partners with whom we have worked successfully for more than a decade. We audit our core suppliers a minimum of once a year and those engagements go far beyond an audit, with our team adopting a partnership model that engages collective brainstorming to devise solutions with our suppliers. Our requirements are communicated and embedded into contractual arrangements with suppliers.</p> <p>Our Sales Team collaborates with distributors, retailers and other business partners to engage with customers and understand customer needs. Sustainability performance requirements are discussed as part of developing and reviewing supplier agreements.</p>	<ul style="list-style-type: none"> <li>• Ethical code of conduct</li> <li>• Responsible marketing and product labelling</li> <li>• Responsible manufacturing</li> <li>• Consumer awareness and information</li> <li>• Hazardous substances (RoHS, REACH)</li> <li>• Product energy efficiency</li> <li>• End-of-life recycling</li> </ul>

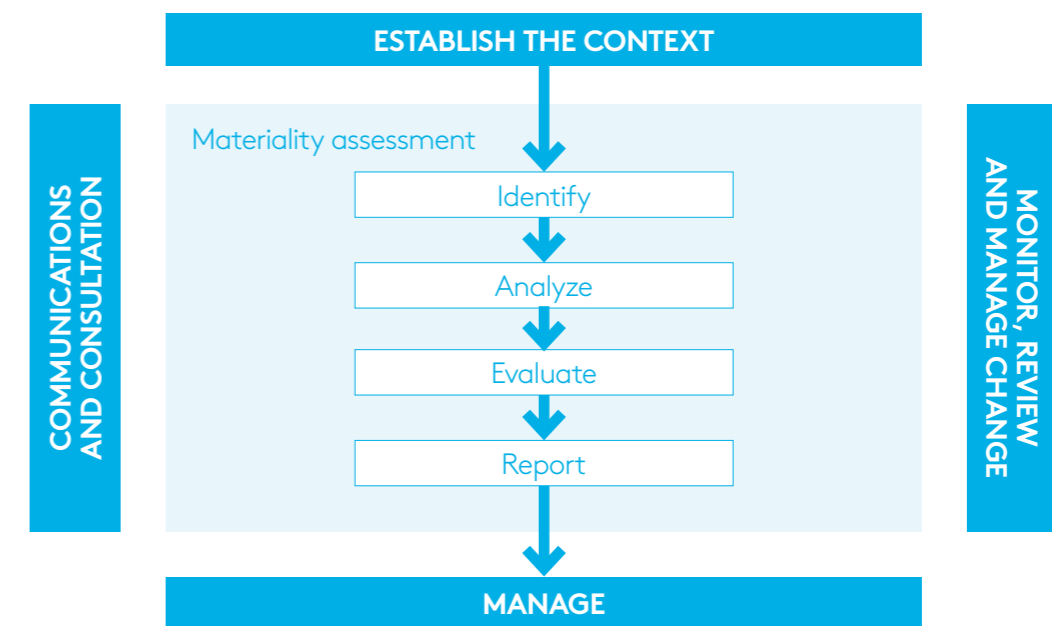
Our engagement activities to date indicate no significant concerns with respect to our sustainability approach and performance. Broadly speaking, stakeholders tend to focus more on our product performance and economic performance. Queries in relation to sustainability performance tend to relate to requests for evidence of product compliance and requests for information from investor advisory firms.

Our sustainability performance is broadly aligned with peer companies in our sector, including other RBA members of similar size and scale. This report provides an overview of our current approach and performance in relation to material aspects of our sustainability management and performance. We are happy to provide additional information upon request.

# MATERIALITY ASSESSMENT

As a company, we look to focus on the issues that really matter. We review our Materiality Assessment periodically to make sure we continue to focus on the issues of most interest to our stakeholders and relevance to our business success.

## MATERIALITY ASSESSMENT PROCESS



Our Materiality Assessment process reflects GRI Guidelines and ISO 31000 the international good practice standard for risk and opportunity identification, analysis and management. The overall process is shown in the figure.

### Establish the context

To establish the context of the Materiality Assessment, we carry out an External Factors Review of publicly available data sources, to understand stakeholder perceptions and societal views of the technology sector. This helps us take into account emerging and evolving

sustainability trends and material stakeholder concerns as reported by the public, media, thought leaders, stakeholders, risk alert services and business partners. We identify existing and emerging megatrends relevant to our sustainability performance and these megatrends establish the context for this report.

# Materiality Assessment

continued

## Identify

To identify issues of concern, we review existing, sector-specific materiality frameworks, which have been compiled by independent third-parties following multi-stakeholder interview and engagement exercises. Examples include those compiled by the [Sustainability Accounting Standards Board \(SASB\)](#), the [Global eSustainability Initiative \(GeSI\)](#), and the [Global Reporting Initiative \(GRI\)](#). In addition, we review the Sustainability Report of peer companies, to identify emerging trends, stakeholder expectations and material issues for our sector.

## Analyze

As an outcome of this process, we typically identify a wide range of sustainability issues warrants further consideration. The key issues are clustered into groups ("Sustainability Aspects") and the nomenclature of each group is simplified, to ensure the meaning can be broadly understood and resonates with stakeholders. Each aspect is then discussed, analyzed and scored to identify those of material interest.

When analyzing and defining materiality, we considered two key dimensions, as advised by GRI:

- **Dimension X:** aspects of greatest importance to our business success; and.
- **Dimension Y:** aspects of greatest importance to stakeholders and society.

When assessing Dimension X (Importance to Business Success), we consider our capacity to create and enhance consumer experience, alignment with our values, goals and strategy, potential to create financial value, value in terms of compliance assurance and contribution to competitive drivers, innovation, market differentiation and brand equity.

When assessing Dimension Y (Importance to Stakeholders and Society), we consider the views and perspectives of each of our six Stakeholder Groups. We consider comments and views submitted to Logitech directly, and also the interests many stakeholders have in our sector as a whole. In addition, we look to recognize the intrinsic value of some sustainability aspects to society as a whole, rather than any one individual stakeholder group.

## Evaluate

The resulting scores are evaluated to determine aspects of High, Medium and Low importance to our business success and interest to stakeholders to make an overall determination of materiality.

## Report

The result of this Materiality Assessment process is reported in the following figures. The first figure shows the Sustainability Aspects that matter most for our business and stakeholders and the second figure shows the value chain boundary for each aspect.

## MATERIALITY ASSESSMENT

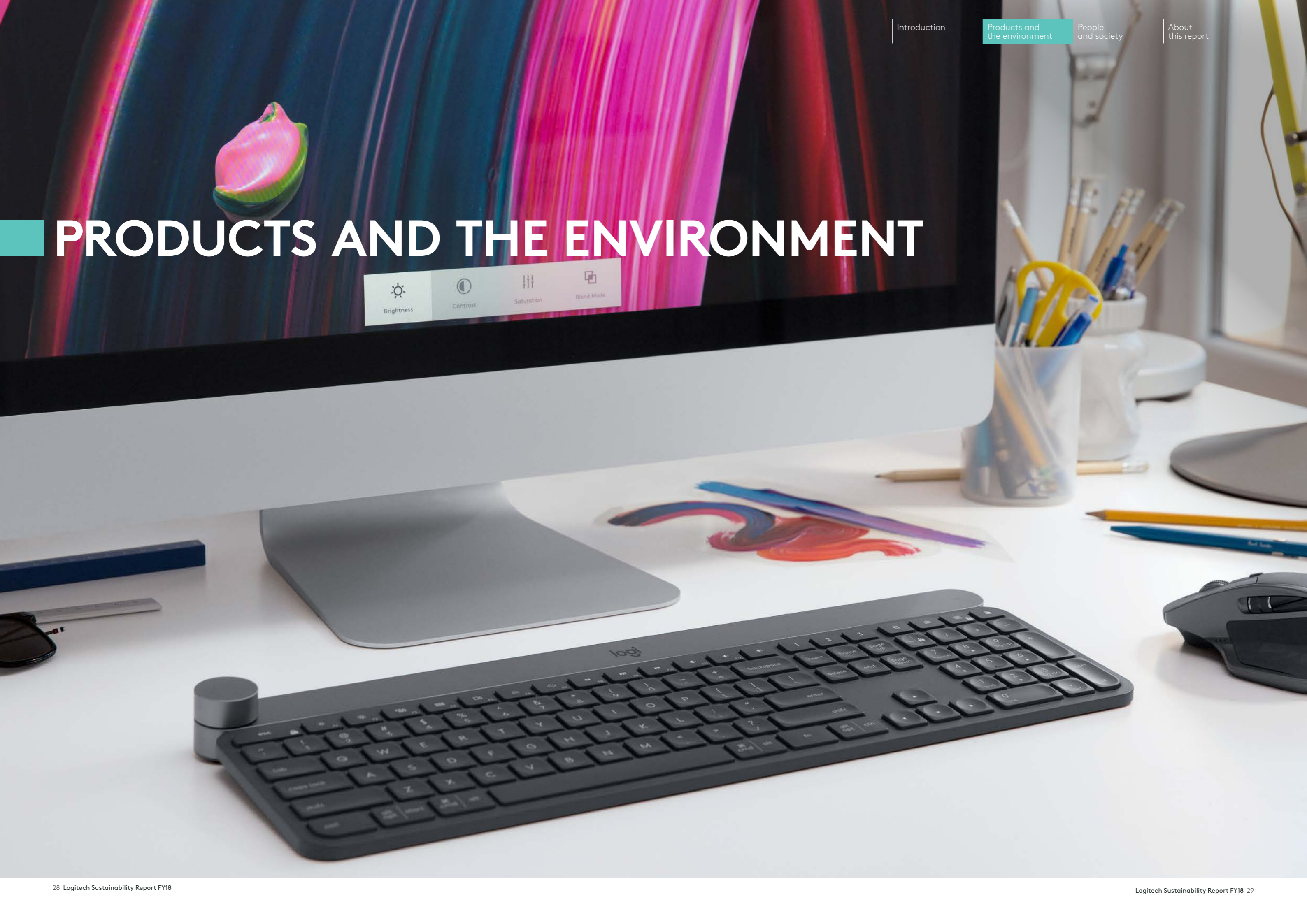
Handprint program Footprint program



## VALUE CHAIN BOUNDARIES FOR MATERIAL ASPECTS

MATERIAL ASPECTS	VALUE CHAIN				
	Supply Chain	Logitech Manufacturing	Sales & Distribution	Use	End-of-life
Governance, Ethics and Transparency		✓			
Safety, Health and Wellbeing	✓	✓			
Human Rights and Labor	✓	✓			
Diversity and Inclusion		✓			
Supplier Development	✓				
Employee Development		✓			
End-of-Life Recycling		✓			✓
Energy and Greenhouse Gases	✓	✓	✓	✓	✓
Conflict Minerals	✓				
Sustainability Reporting		✓			
Responsible Products	✓	✓	✓	✓	✓
Responsible Manufacturing	✓	✓			
Giving Back		✓			

# PRODUCTS AND THE ENVIRONMENT



“

We are constantly working to identify opportunities throughout our supply chain to make each step more sustainable — keeping materials in use, removing waste, regenerating. It's a long process but we believe that the sum of our steps will move Logitech closer to closing the loop.

L. Joseph Sullivan  
Sr VP Worldwide Operations

”



We are experiencing exciting times at Logitech. We started our sustainability journey long ago, even before we joined the Responsible Business Alliance back in 2007. We've made progress, but what encourages me most is the strong momentum I see within our industry. Many companies now acknowledge that we need to come together and collectively push forward beyond the obvious to find common sustainable solutions from product conception through to second life recycling. We can do this better together.

The cradle-to-cradle principles of the circular economy are our guiding light and we continue our journey towards achieving them. We are constantly working to identify opportunities throughout our supply chain to make each step more sustainable — keeping materials in use, removing waste, regenerating. It's a long process but we believe that the sum of our steps will move Logitech closer to closing the loop.

We call this iterative process, Sustainability by Design. If you follow Logitech, you will already know that we have led a transformation since 2013 to focus everything we do around the principles of design thinking.

We started by building a design team and working on our product categories / business groups. Now we are expanding this approach to everything we do, including our operations.

Sustainability by Design is Logitech's endeavor to design sustainable solutions throughout the supply chain from sourcing, product development, production, transportation and packaging all the way to retail, consumer use, end-of-life stewardship and recycling. We want to take all our stakeholders with us on this journey and create value along the way.

This means that we think about our products in terms of their overall social and environmental impact, from the moment we conceive them, to how we interact with our suppliers to define specifications and source more responsible materials. We look at how those materials utilize more responsible methods of extraction, manufacturing and distribution. Ultimately, it's about getting to a point where our waste can become our raw material for a next generation of responsible products so that we can close the loop.

This is by no means a linear journey. We will have some setbacks — we have experienced some already — but we have made a huge amount of progress in both operational efficiency and sustainable performance that you will read about in this section. We have no doubt that a circular solution in consumer electronics requires an entirely new way of thinking. We are working tirelessly, together with other industry partners, to get to that point.

As Bracken, our CEO, said in his introduction, the objective is clear and Logitech employees are passionate about creating a better future. I am proud of what we have achieved together this year and humbled by the unwavering commitment of our employees. I know that we will not stop until we get there.

L. Joseph Sullivan  
Sr VP Worldwide Operations



# RESPONSIBLE PRODUCTS

Our goal is to design experiences that are loved by people. Design is at the heart of what we do. We have transformed our innovation engine, bringing together superior design, engineering and consumer insights to build a diverse, growing and profitable portfolio of product experiences.

Excellence in design and engineering does not just influence how a product looks and feels — it is about the experience it creates and the value it brings to each user and society. Our goal is to bring products to market that consumers love. Investment in product research and development is critical to continued innovation of new and improved products and technologies; our research and development spend for FY18 was \$143.8 million. We continue to be recognized for design and engineering excellence — we received a record-breaking 55 design awards in FY18.

We need to find ways to make electronics more “cradle-to-cradle.” A product that is created (from a cradle of materials)

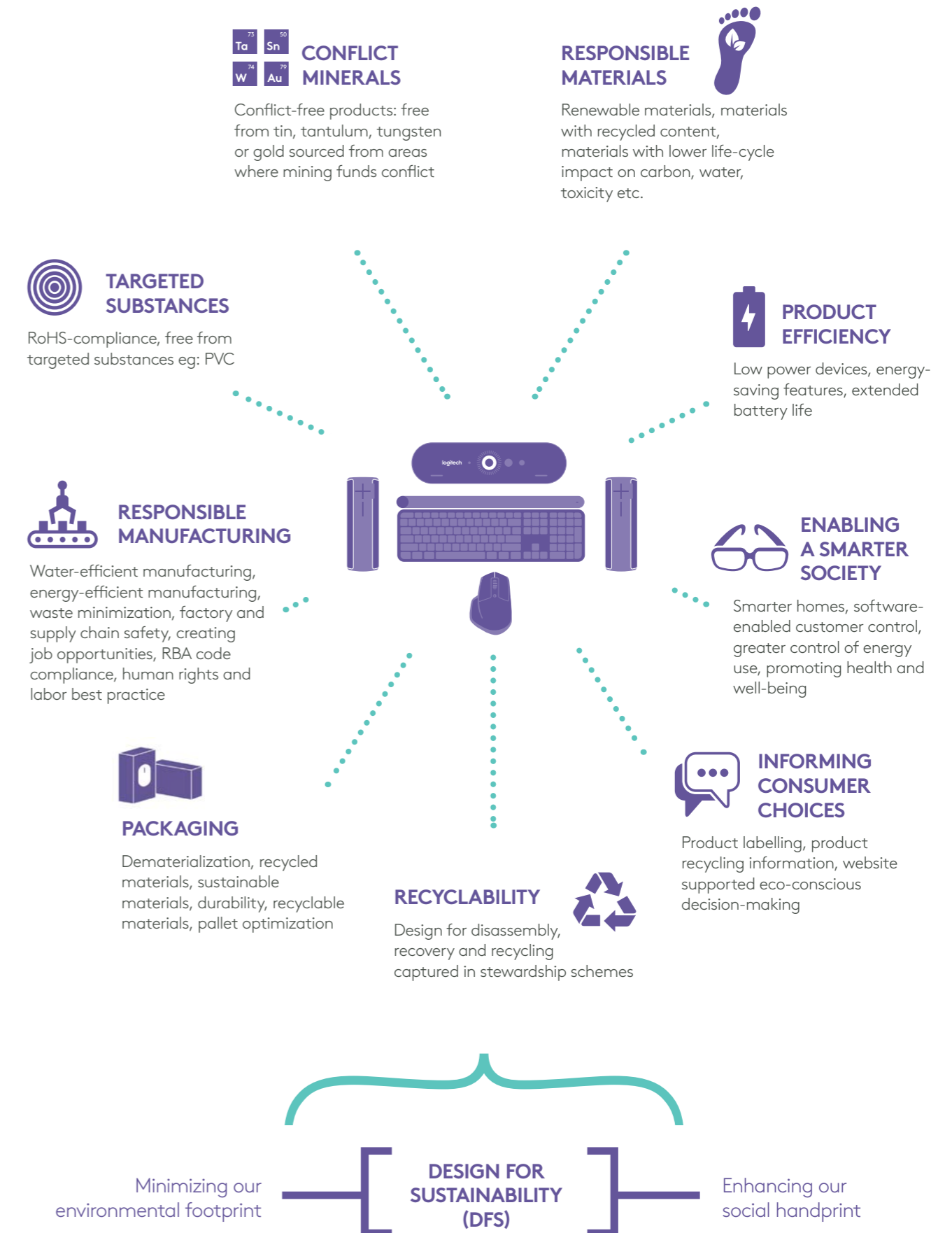
should contribute to society over its entire lifecycle, and the materials that form part of that product should be recycled to form raw materials for other products (and other cradles) at end-of-life. It’s not easy. There is so much to do, but we believe innovative design, engineering and sourcing can get us there, as a company, and as a society.

Our products have always complied with all relevant legal requirements; we have an established “General Specification for the Environment” (GSE), which sets out our requirements and procurement standards for good practice environmental management of products, packaging and supplier manufacturing.

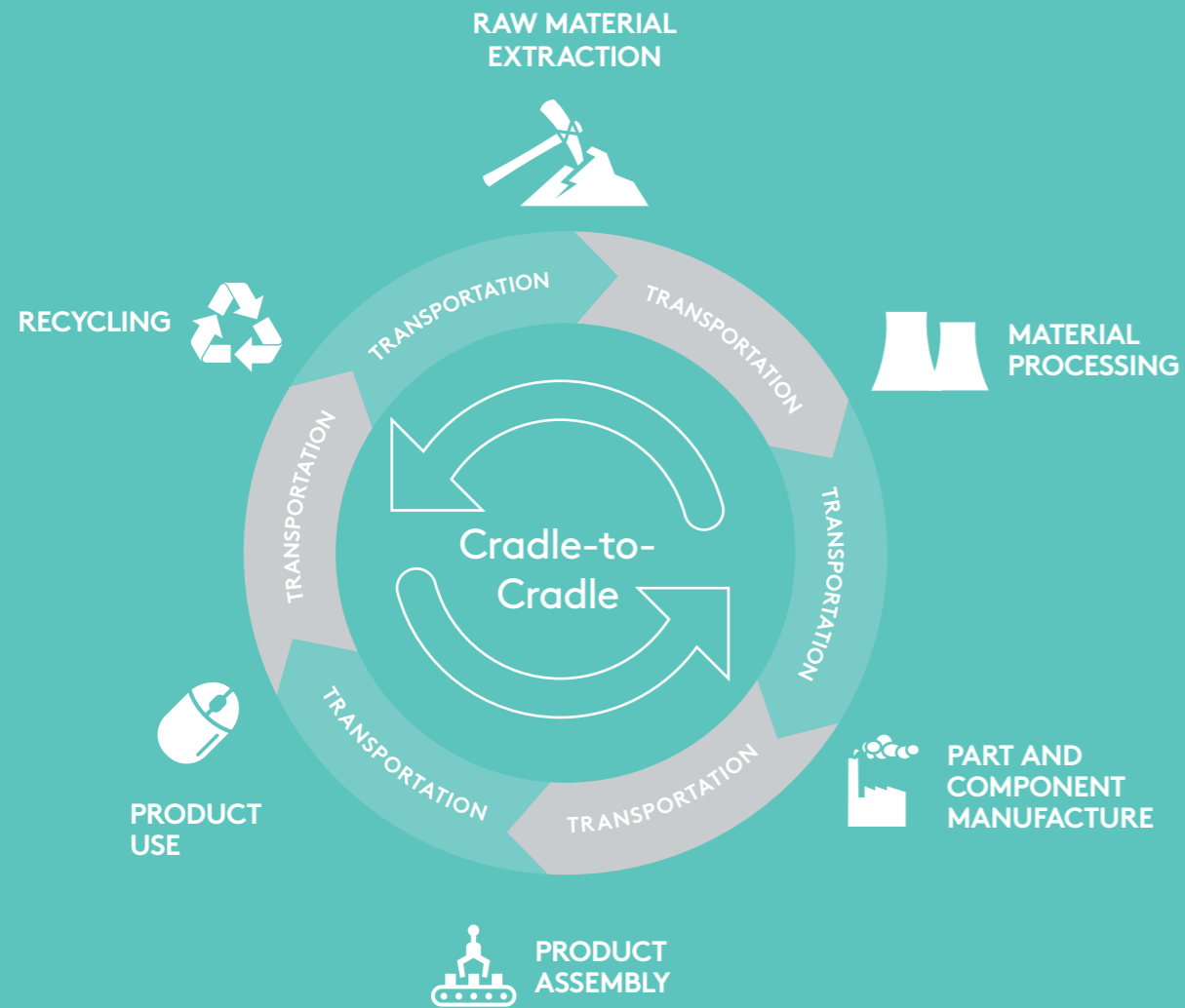
We are working to transition our policies and standards “beyond compliance” and develop new product innovation, design and engineering processes, which reflect our cradle-to-cradle ambition and Design for Sustainability (DfS) good practice.

Design for Sustainability (DfS) is a complex concept. The overall goal of DfS is to minimize the environmental footprint of our products while enhancing our social handprint. To identify the material aspects, or “hotspots” that we should focus on, we consider stakeholder views and take into account legal megatrends and good practice standards such as Epeat, IEEE 1680.1, ECMA 341 and eco-labelling systems worldwide.

## Design for Sustainability (DfS)

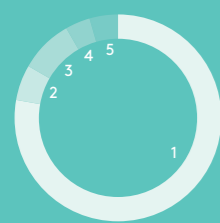


## Life Cycle Assessment (LCA)



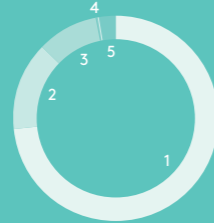
### LIFE CYCLE ANALYSIS

Greenhouse gas by life cycle phase



#### BOOM 2

- 1 Sourcing 78%
- 2 Manufacture 6%
- 3 Distribution 8%
- 4 Consumer Use 4%
- 5 End-of-life 4%



#### SPOTLIGHT

- 1 Sourcing 73%
- 2 Manufacture 14%
- 3 Distribution 10%
- 4 Consumer Use 0.1%
- 5 End-of-life 3%



#### G900

- 1 Sourcing 77%
- 2 Manufacture 4%
- 3 Distribution 10%
- 4 Consumer Use 2%
- 5 End-of-life 6%

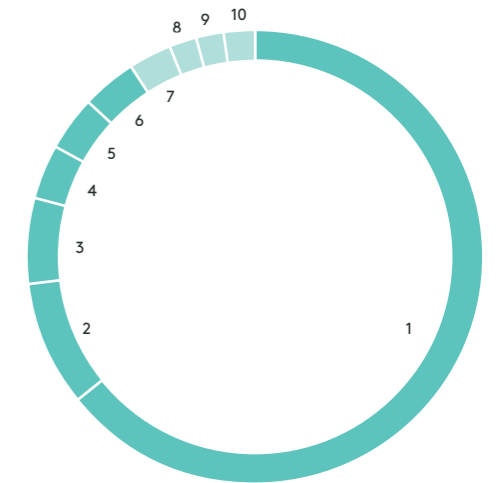
## Breakdown of Top Selling Products

### BY WEIGHT

ABS	20%	●
HiPS	19%	●
Corrugated cardboard	15%	●
Paper packaging	12%	●
Plastic packaging	9%	●
Metal parts	7%	●
Cables	7%	●
Printed Circuit Board Assembly	4%	●
Batteries	3%	●
Other	4%	●

### BY CARBON FOOTPRINT

1 Printed Circuit Board Assembly	64%
2 ABS	9%
3 HiPS	6%
4 Metal parts	4%
5 Cables	4%
6 Plastic packaging	4%
7 Batteries	3%
8 Corrugated cardboard	2%
9 Paper packaging	2%
10 Other	2%



## Understanding our Products

We have developed in-house capacity to undertake complex Life Cycle Analysis (LCA) studies of products and materials. LCA helps us focus on the most material aspects of product sustainability performance and enables objective and data-informed decision making. We routinely analyze top-selling products to understand the sustainability performance of

our products and materials and we are developing our Responsible Products Program to focus on areas of greatest opportunity. We also use LCA to objectively assess the environmental impact of product and packaging changes and quantify any improvements made. Over the last year, we have been working to expand the scope of our LCA assessments

to consider changes in life-cycle toxicity, water footprint and other environmental dimensions. The remainder of this section shows the impact of some of the product and packaging improvements we have achieved in the last financial year as measured using LCA.

## Packaging Sustainability

Packaging is a critical component of our products — it helps us deliver products to market safely and contributes to consumer brand experience. We want to optimize the sustainability performance of our packaging without sacrificing customer experience or product protection. To achieve that goal, we need to always consider the environmental impact of the packaging materials we use. Application of our LCA tools and expertise allow us to assess and measure the carbon, toxicity and water impact of various packaging materials across the full life-cycle. Our packaging is PVC-free and, wherever possible, we avoid other eco-toxic materials that inhibit recycling. We are building capability to eliminate more and more single-use virgin plastic, use more recycled content and ensure recyclability. We consider packaging design early in the product development process and continue to carry out regular reviews of packaging (post-launch) to identify opportunities for optimization as a product becomes more established in the market and with consumers, or transport and logistical arrangements for the product evolve.

In the last year we identified and actioned a number of opportunities to reduce the weight of packaging in our top selling products. These weight reductions were achieved

through use of alternative materials (primarily, paper versus plastic), reducing the dimensions of boxes and improving packaging efficiency.

The remainder of this section reports the carbon impact these changes have achieved at the product level, not taking into account additional environmental benefits associated with improvements in cube utilization and reductions in consumer waste.

### Earphone Packaging

In 2017, we updated the packaging for two of our biggest selling earphones: Jaybird X3 and Jaybird RUN. For Jaybird X3, we reduced the weight of the product box from 266g to 169g with a resulting 44% reduction in the carbon footprint of the packaging. For Jaybird RUN, we substituted EVA foam with 30% recycled content PS and reduced the weight of the paper sleeve on the box. This helped us reduce the total weight from 273g to 250g and achieve a 12% reduction in the packaging carbon footprint.

### Mice Packaging Optimization

We sell more than 25 million mice globally each year. In FY17 we optimized the paper and plastic packaging on 16 different mice models, as reported in our FY17 Sustainability Report. This reduction led to the elimination of 1,020 t CO<sub>2</sub>-e in FY18.

In FY18, we continued this work and refreshed the packaging on two of our mice: the MX Master and G203 Prodigy. For the MX Master Business model, we replaced the PET and PS plastic packaging components and magnets with simple brown box paper packaging, to improve recyclability, reduce the overall weight and achieve a 70% reduction in carbon footprint. For the G203 Prodigy, we reduced the dimensions of the packaging to improve the Product to Packaging Volume Ratio (PPVR) by 51% and achieve a 57% reduction in carbon footprint. Over the next year, we will be looking for other similar opportunities to eliminate single-use virgin plastic, substitute plastic for paper and improve PPVR.

### Music Speaker Packaging

BOOM 2 and Megaboom are top-selling music speaker products in our portfolio. In FY18, we reviewed the packaging on both products and identified opportunities to reduce the weight of packaging materials by 35% (Boom 2) and 34% (Megaboom). These reductions allowed us to reduce the carbon footprint of both products' packaging by 38% and 37% respectively.

## PACKAGING

Good

Better

Benefit

JAYBIRD X3



Eliminated PET plastic film  
Packaging weight **-37%**

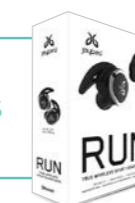


**-45%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

JAYBIRD RUN



Paper weight **-42%**  
Implemented 30% recycled PS  
Packaging weight **-11%**



**-12%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

MX MASTER FOR BUSINESS



Packaging volume **-51%**  
Substituted plastic for paper  
Packaging weight **-50%**



**-70%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

G203 PRODIGY



Packaging volume **-41%**  
Plastic weight **-94%**  
Packaging weight **-40%**



**-57%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

BOOM 2



Packaging volume **-16%**  
Eliminated ABS plastic packaging  
Packaging weight **-35%**



**-38%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

MEGABOOM



Packaging volume **-16%**  
Eliminated ABS plastic packaging  
Packaging weight **-34%**



**-37%**  
REDUCTION IN CARBON  
FOOTPRINT OF PACKAGING

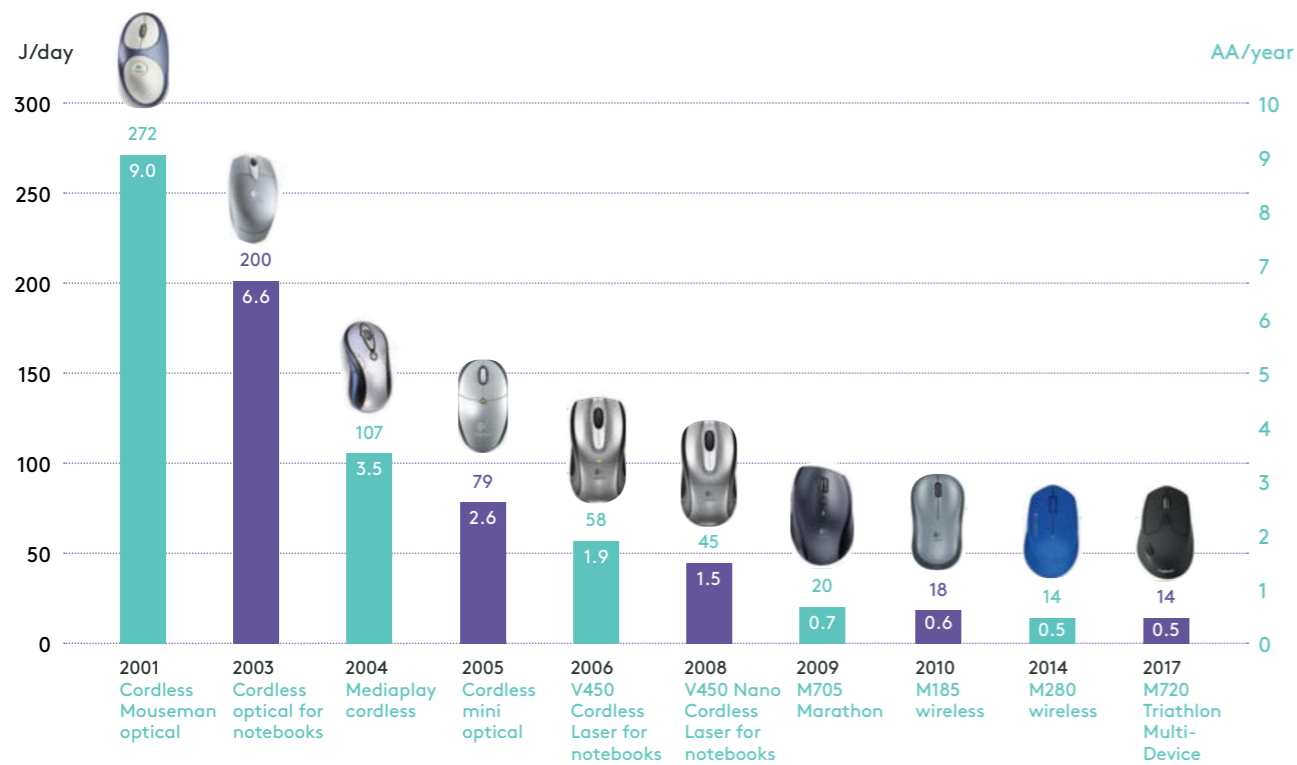
## Product Energy Efficiency

Improving the energy efficiency of our products is a driving factor in our product development and offers significant opportunity to reduce the carbon footprint of our products' lifecycle. For battery-powered products, improved energy efficiency translate to fewer batteries used over the lifespan of the product with resulting reduced demand for raw materials, battery manufacturing, battery transport and battery waste at end-of-life. For tethered products, it reduces energy demand during the use phase

of the product life-cycle with resulting improvements in our corporate carbon footprint.

Since 2001, we have innovated to improve the energy efficiency of mice products from generation to generation, without sacrificing product performance or consumer experience. In FY18 we continued those efforts with advances in the MX Master Series and Wireless Gaming Mice, as described in the following section.

### Mouse Power Consumption Evolution



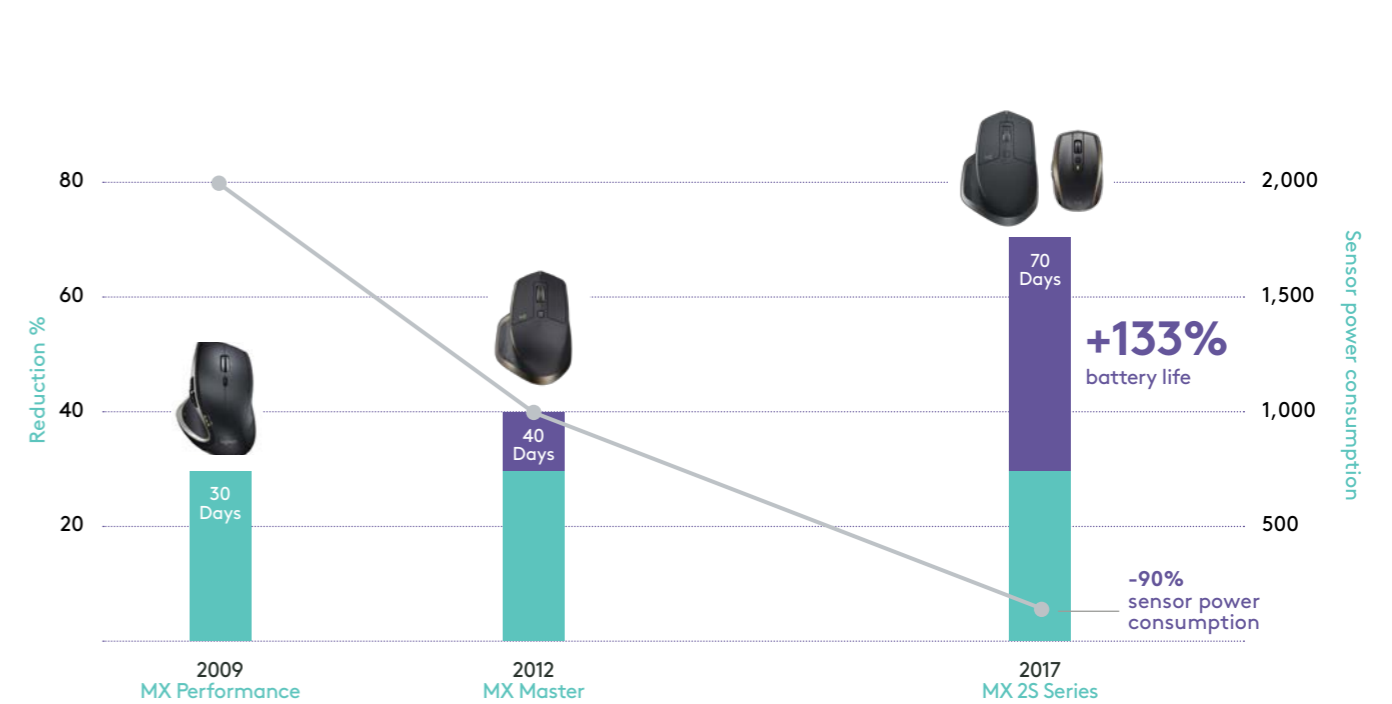
### MX Master Series

Over the last number of years we've continued to evolve the Logitech Darkfield Sensor. In FY17, we launched the 6th generation of this track-on-glass sensor. The newest generation is almost six times more energy efficient than the first generation, launched in 2009. It incorporates a new infrared tracking system, with sensitivity that automatically adapts to glass and other surfaces.

This allows us to achieve a 90% reduction in power consumption with no compromise in tracking performance. It's better for the consumer; better for the environment.

The MX Master 2S and MX Anywhere 2S were both launched in FY17 and incorporate this newest technology innovation from Logitech. The battery life of both products is 70 days – an improvement of 133% on the original MX Performance from 2009.

### Improving Product Efficiency with the Logitech Darkfield Sensor



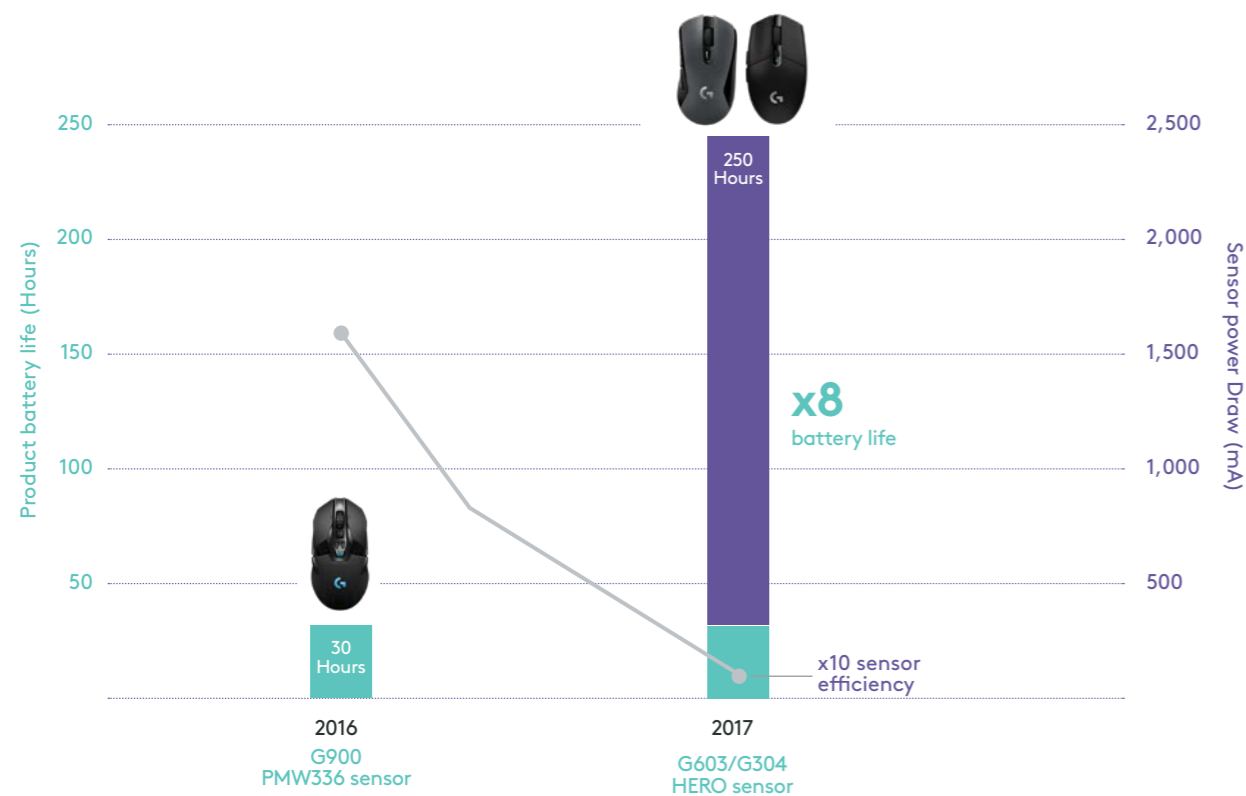
### Wireless Gaming Mice

FY18 also saw the introduction of Logitech's HERO (High Efficiency Rated Optical) sensor – the most energy-efficient wireless gaming sensor yet. The high-performing HERO sensor incorporates an entirely new silicon sensor and tracking system, which can shut down circuitry in between image capture to conserve energy.

It is 10 times more efficient than the previous generation of sensor; without any trade-off in performance.

In FY17, we launched three new wireless gaming mice - G603, G304 and G305. All three products use the HERO sensor system giving an eight times improvement in product battery life compared to the G900<sup>1</sup>.

### Improving Product Efficiency with the HERO Sensor



<sup>1</sup> Measured as Run to Die (RTD), playing hours, adjusted to allow comparison of a primary alkaline battery and rechargeable lithium polymer battery

# AVOIDING TARGETED SUBSTANCES

Manufacturing of computer peripherals and electronic devices requires a diverse mix of hundreds of parts, materials and components. The materials we use in our products are produced by a supply chain that extends across the world.

As a responsible company, we consider the full life-cycle of our products including all of the employees, partners and individuals who help contribute to sourcing, manufacturing and processing of the materials we rely upon.

We work with our suppliers to review material specifications, test products and components, and identify potential risks to human health or the environment across the full life-cycle of our products. We consider environmental impacts beyond our sourcing and manufacturing operations, taking into account typical product end-of-life scenarios.

Global product compliance is critical to our success. Any non-compliance with product compliance obligations could potentially delay market access or damage our relationship with suppliers and our reputation with customers. To address any potential risk, we actively monitor product compliance obligations relevant to

management of chemicals, materials and substances. Our global Sustainability team includes legal surveillance specialists who work with external legal advisors to track developing legislation across the globe and complete periodic External Factor Reviews (EFRs) to identify regulatory megatrends and stakeholder concerns worldwide. In reality, our commitment to safe and non-toxic electronics extends beyond simply consideration of legal requirements. We proactively adopt policy positions that reflect our commitment to the precautionary principle and preventative measures to eliminate, manage and control the use of certain "Targeted Substances" in our manufacturing process and products.

We formalized the prohibition and restriction of these substances back in 2002 with the introduction of our General Specification for the Environment (GSE) green procurement standards.

Since 2002, our GSE has developed to reflect evolving legal requirements, regulatory megatrends, benchmarking of peer company approaches, review of stakeholder concerns and international good practice including IEC 62474 and the RBA Code of Conduct. The GSE identifies the substances that we prohibit, restrict or require declarations for, as well as our labelling requirements. Compliance with our GSE is an explicit requirement in our supplier (contract) agreements. A summary of some of the key milestones in our GSE's evolution is shown in this section.

We have an established and systematic testing program, which includes sampling of Logitech products and components on a regular basis to verify compliance with GSE requirements. The scope of the testing program includes products and components produced at our own manufacturing facility and supplier facilities.

## Avoiding Targeted Substances

continued

Products and components are mechanically disjointed to the homogeneous level and tested in accordance with good laboratory practice methods including X-Ray Fluorescence (XRF) and laboratory-based chemical analysis. Our approach allows us to demonstrate and declare single component traceability, full legal compliance and test reports right down to the homogeneous level where appropriate. In addition, we carry out periodic surveys of our suppliers to interrogate material use where pertinent e.g. when significant changes to the SVHC list for REACH are introduced. We have a robust supplier audit program, which includes auditing of supplier facilities to check compliance with the RBA Code requirements for materials management, compliance with hazmat legislation, and compliance with our green procurement standards. Both our product testing program,

and supplier factory auditing program, include a corrective action reporting and remedy process aligned with RBA international good practice requirements. In addition to the above, we have an established “Targeted Substances Reduction Program” to drive voluntary phase-out of certain Targeted Substances of concern including PVC, phthalates and targeted flame retardants. These substances pose no significant risk to the consumer and are widely used in our sector but they have a toxic life-cycle and can contribute to adverse impacts on the environment and occupational health, during manufacturing, processing and disposal. They also contaminate the end-of-life recycling stream, presenting particular challenges for recycling agencies and inhibiting our efforts to maximize recycling of our products at end-of-life.

Where safer and less toxic alternatives are available, we make voluntary efforts to use them. For example, use of PVC in electronics is not currently regulated by any hazardous substance laws and it is used widely in our sector. However, it is recognized to have a toxic life-cycle. In 2003, we made a voluntary commitment to phase out use of PVC in rigid plastic. This was followed by a ban on PVC in packaging in 2008 and we continue our efforts today to drive Zero PVC.

As a result of our efforts to date, we have reduced our use of Targeted Substances year-on-year through systematic testing of product samples, corrective actions processes and follow-up collaboration with our manufacturing team and suppliers.

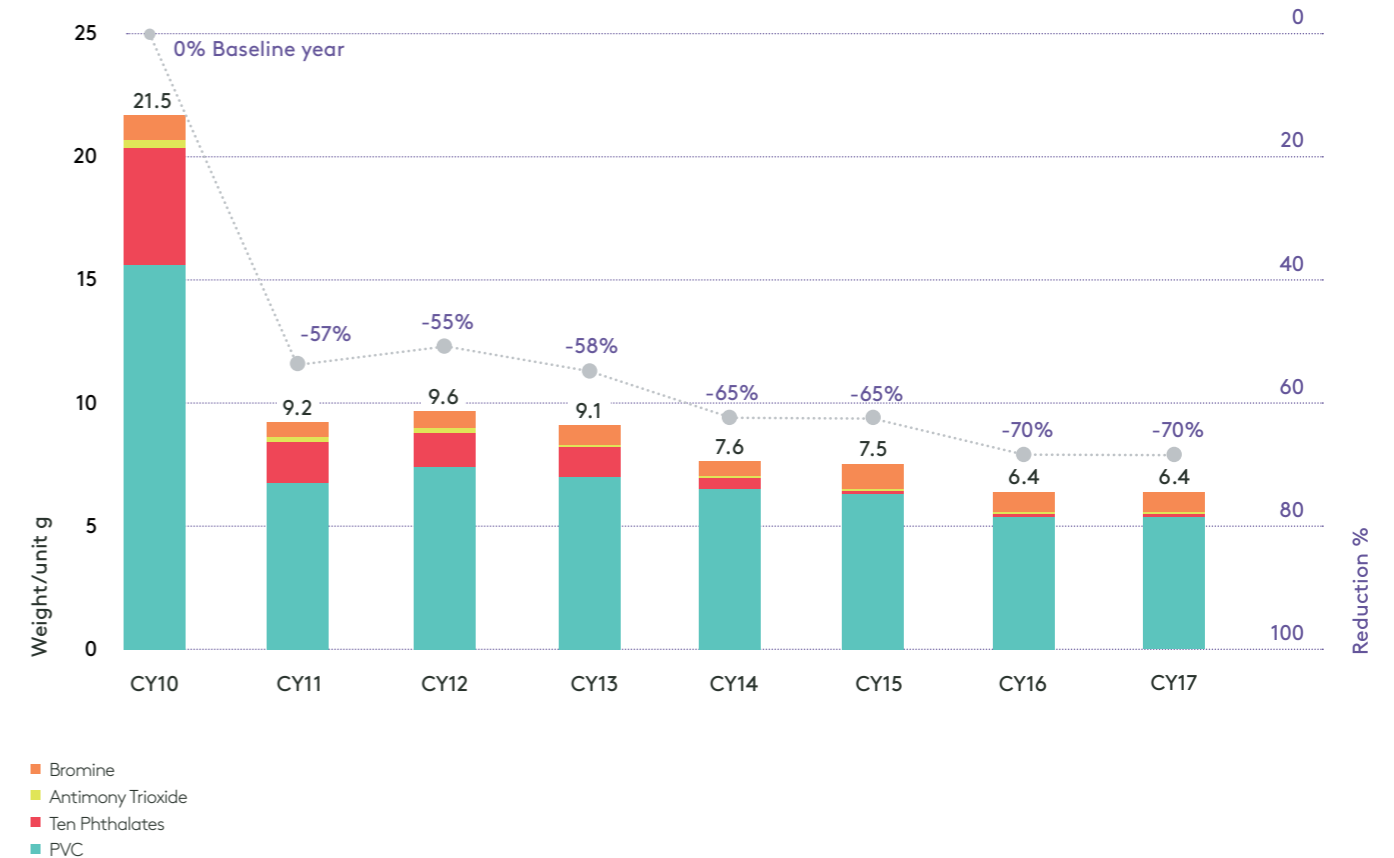
The following graph shows the total weight of Targeted Substances in our Top 50 retail products (by sales value); normalized by number of units sold per year. As shown in the figure, in CY10, our products contained an average of 21.52g of Targeted Substances per product/unit. Since CY10,

we have achieved an overall reduction of approximately 70% in this metric. During CY17, all products on the market complied with our GSE requirements in relation to Targeted Substances.

We are proud of our achievements to date, but we also know there is a lot more work to do.

Over the next few years, we will continue to develop our GSE, reduce our use of Targeted Substances, and audit products, components and suppliers to drive reduction of our supply chain environmental footprint and use environmentally-friendly alternative materials.

Targeted Substance Reduction per Unit



## GENERAL SPECIFICATION FOR THE ENVIRONMENT (GSE) DEVELOPMENTS

- ✓ **2002**  
 Banned asbestos, Ozone Depleting Substances, organic tin, AZO compounds banned Cd, Pb, Hg, Cr6+, PBB, PBDE  
legal developments: EU RoHS
- ✓ **2003**  
 Banned PVC in rigid plastic
- ✓ **2007**  
 Added REACH SVHC substances & China RoHS substances  
legal developments: EU REACH China RoHS
- ✓ **2008**  
 Updated GSE to reflect international good practice e.g. EIA, JEDEC, JIG-101. Banned PVC in packaging; PFOA, PFOS and latex in product
- ✓ **2009**  
 Restricted formaldehyde in composite wood  
legal developments: ATCM
- ✓ **2011**  
 Introduced requirements for declarations of compliance & CE markings. Introduced Phthalate Restriction Policy  
legal developments: EU RoHS Recast
- ✓ **2014**  
 Introduced PAHs Restriction Policy
- ✓ **2015**  
 Updated GSE to align with EU RoHS 2015  
Legal Developments: EU RoHS

# END-OF-LIFE RECYCLING

We need to find ways to make our products more cradle-to-cradle. A product can be created from a cradle of renewable energy and recycled materials and useful materials can be recycled at end-of-life to form inputs for other products and manufacturing systems.

According to the Bureau of International Recycling and United Nations University, e-waste accounted for nearly 45 million tonnes of waste in 2016. That figure is predicted to increase to nearly 54 million by 2025 making e-waste one of the fastest growing waste streams in the world. Recycling rates continue to be low as e-waste and e-plastic present some particular challenges for current recycling technology and infrastructure. Small and light-weight electronic products often contain a complex mix of low-value materials, which require special sorting and recycling techniques. The environmental impact of transporting end-of-life products for specialist recycling can sometimes outweigh the environmental benefit of recycling. Batteries and electronics should not be disposed of with household waste to landfill but this continues to occur widely in many countries across the globe.

As a Responsible Producer, we monitor evolving stewardship laws for our products, packaging and batteries worldwide. Where we identify emerging stewardship laws, we carry out robust due diligence to identify Producer Responsibility Organizations as early as possible and provide financial support to enable and support the development of effective recycling infrastructure and schemes. In countries where our importers, distributors, retailers and other partners are responsible for recycling, we carry out due diligence exercises to understand legal obligations, communicate our expectations to business partners and enforce good practice stewardship as a contractual term of business. A number of countries currently have stewardship laws and infrastructure for our products, packaging and batteries and we are delighted to see the number and scope of stewardship laws evolve and expand year-on-year. During FY18, we worked with our partners to understand and support the development of stewardship schemes and activities in Brazil for batteries, India for WEEE, the US and Europe.

Providing our own voluntary take-back service continues to be a significant challenge in light of our global consumer base, the availability of suitable recovery and recycling infrastructure worldwide and the environmental impact of transporting materials for recovery and recycling. We continue to explore options in this area while currently relying on our existing network of Product Responsibility Organizations (PROs), Distributors, Retailers and other partners. In CY17, we partnered with PROs across the world to finance the collection of more than 3,318 tonnes of WEEE, 409 tonnes of batteries and 1,858 tonnes of packaging. Over the last year we also worked with our recycling partners to calculate and validate the total weight of recycling financed by Logitech worldwide since 2010. The outcome of that work is now reported in this section for the first time and we have an assurance process in place to collate and report further data year-on-year, going forward.

## End-of-life recycling

continued

### Designing for recyclability

As a consumer products company, we think beyond end-of-life recycling. We accept responsibility for carbon and environmental impacts associated with our choice of materials and the end-of-life phase of the product life-cycle. To eliminate end-of-life contaminants of the recycling stream, we manage RoHS substances and eliminate Targeted Substances (including

PVC in packaging and rigid plastics), which inhibit recycling or cause significant environmental impacts during recycling. We want to design products to enable use of recycled materials and end-of-life recyclability and we are working to develop additional Design for Sustainability friendly technologies and solutions including PVC-free cables and Post-Consumer-Recycled (PCR) plastic.

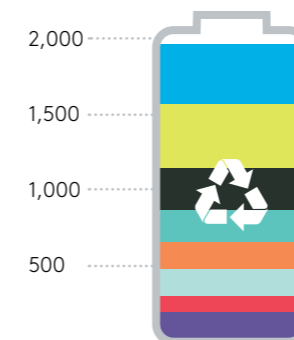
We recognize the scale of the challenge but we are making a good start. We also recognize the need to raise awareness amongst consumers. We provide recycling information and battery removal and recycling labels and instructions on our products, packaging, manuals and website, to promote battery removal, responsible stewardship and raise consumer awareness of the importance of recycling.

### OUR RECYCLING PARTNERS



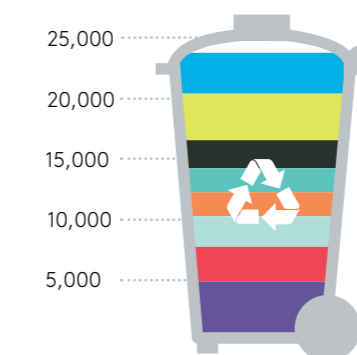
### RECYCLING FINANCED SINCE 2010

#### BATTERY RECYCLING



**1,984**  
tonnes of batteries

#### WEEE RECYCLING



**24,106**  
tonnes of electrical devices

#### PACKAGING RECYCLING



**12,988**  
tonnes of packaging



# RESPONSIBLE MANUFACTURING

Logitech designs, manufactures and markets products that have an everyday place in people's lives, connecting them to the digital experiences that they care about. We are constantly challenging ourselves to take out wasted and non-value added steps.

More than 50% of our annual revenue is generated from products we manufacture in-house. Our manufacturing activities consist principally of final assembly and testing, and we provide direct employment opportunities to more than 3,500 people at our manufacturing facility.

Our manufacturing capacity is supported and supplemented by a supply chain of contract manufacturers, finished goods suppliers and component suppliers that provide additional employment opportunities across the globe. This section provides an overview of key environmental programs and initiatives. Further information on other aspects of our sustainability performance at our manufacturing facilities is provided in the [Safety, Health and Welfare](#) section and [Human Rights and Labor](#) section of this report.

Our governance framework for responsible manufacturing is founded on our commitment to comply with all relevant legal requirements, the Responsible Business Alliance (RBA) Code of Conduct, International Organization for Standardization (ISO) 14001 and Occupational Health and Safety Assessment Series (OHSAS) 18001. We first achieved ISO 14001 and OHSAS 18001 certification in 1999 and 2004 respectively. Since that time, a team of third party auditors have carried out annual reviews year-on-year to ensure our Management System, activities and approach continue to align with international good practice and to drive continuous improvement. Our manufacturing activities are also subject to assessment as part of the RBA Validated Audit Process (VAP) and our Suzhou manufacturing facility is VAP rated GREEN, indicating high levels of performance and low sustainability risk.



Our global footprint and supply chain extends across all boundaries and borders. With reach comes responsibility.

We have more than 30 years of in-house manufacturing experience, and we are constantly challenging ourselves to eliminate wasted and non-value added steps. We always look for ways to use new technology to create better products, reduce manual labor, improve the workplace and make our manufacturing operations more productive and sustainable for the long term. With this goal in mind, we have introduced automation and robotic technologies to ensure accurate, time-saving and waste-eliminating manufacturing of some of our most popular products. The introduction of automation has enabled production managers to make real-time adjustments for optimal efficiency and is helping us to shift worker responsibilities from low-skilled manual labor to monitoring, calibrating and maintaining equipment with associated soft skills.

## Water

Approximately 95% of the water that is used at our manufacturing facility is obtained from public mains supply via a connection provided by the local authorities. The majority of this water is used for drinking water, sanitary and catering facilities. Our manufacturing activities are not water intensive; we are primarily involved in final assembly. Water is primarily used for drinking water, showers, washrooms and other sanitary facilities.

We have monitored water consumption on a monthly basis since 2010. Summary results are shown in the following chart. As a general trend, consumption levels tend to be indirectly linked to production activities. When on-site manufacturing increases, the size of our workforce increases, leading to increased demand for drinking water and use of sanitary facilities.



## Responsible Manufacturing

continued

A small amount of the hot water for our heating system is sourced from a nearby third-party facility, where it is produced as a by-product wastewater. This approach helps us reduce the energy demand and environmental footprint of both our own facility and the neighbouring facility.

Wastewater emissions are largely limited to sanitary effluent, which is discharged via the local authority network, in accordance with all relevant conditions of our environmental permit.

As indicated above, water is not a material issue of environmental concern for us. Our water is sourced from public mains (low risk), is not significantly used in manufacturing (low volume) and is used primarily for welfare facilities (high priority).

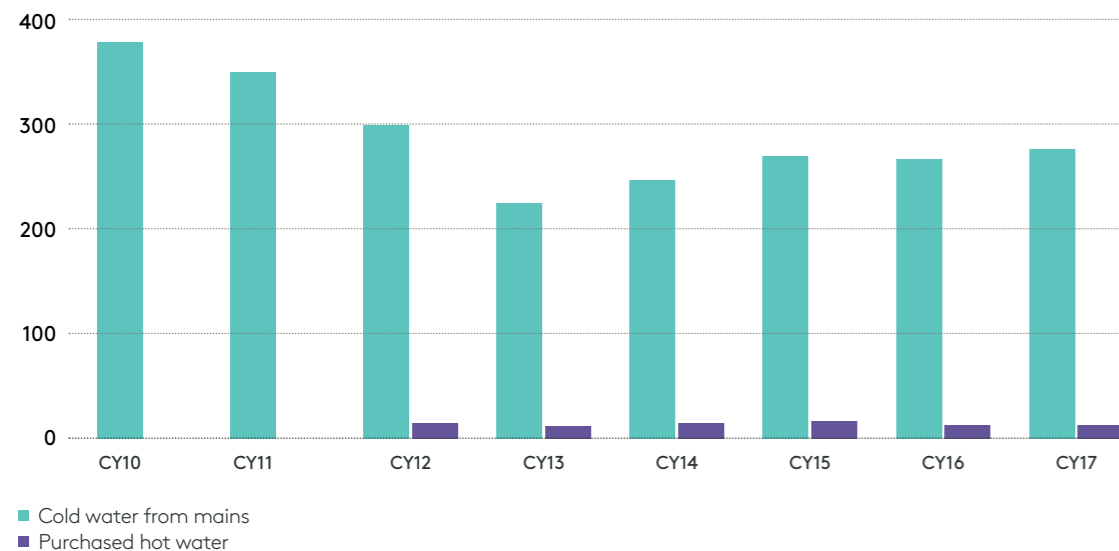
The potential for significant impacts on the environment is low and the scale of opportunity associated with water-saving initiatives is small. We have not therefore established reduction targets for water, as we have for Greenhouse Gases (GHGs), but our commitment to lean manufacturing drives ongoing efforts to identify water-saving initiatives of benefit to the environment and our workforce. Those initiatives typically relate to control systems for toilets and preventative maintenance procedures to avoid water leaks and repair any leaks that do occur. Our internal audit programs include regular checks and monitoring to ensure the welfare facilities we provide align with good practice expectations and provide fair working conditions for workers.

# >3,700

DIRECT EMPLOYEES AT OUR FACTORY



### Water use (tonnes)



### Hazardous Materials

Our use of hazardous materials is limited to use of small quantities of consumables, which are necessary for final assembly activities (e.g., lubricant oils, glue, some other cleaning solvent). Hazardous materials are managed in accordance with RBA Code of Conduct requirements and local regulations. Any materials that might pose a risk to human health or the environment are identified and managed in a manner that ensures their safe handling, movement, storage, use, recycling or reuse and disposal. Safety Data Sheets (SDSs) are maintained and communicated on notice boards in employee areas and are checked by our Auditors when auditing compliance with the RBA Code of Conduct. We also have a corporate standard establishing our expectations for environmental good practices and appropriate management of workplace emissions and air quality. We have not had any incidents relating to our use of hazardous materials, and, in light of the nature and scale of materials used, incidents are not likely to occur.

### Waste

Waste from our manufacturing facility is limited to waste paper, waste packaging (paper/cardboard and timber), Printed Circuit Boards (PCBs) and small quantities of other waste (oils, solvent, organic waste from the canteen etc.). We follow the Waste Hierarchy i.e. we avoid production of waste where possible and encourage reuse, recycling and other recovery options over disposal. The weight of waste arising over the course of the year is monitored and subject to internal reporting. We monitor and replace fluorescent lamps with high-efficiency lamps as part of our energy management programs (see [Energy and Greenhouse Gases](#) section). Hazardous waste is collected by licensed contractors and transported to licensed waste management facilities. The licences of those contractors are checked by a dedicated team of environmental specialists who also check a sample of waste consignments.

# >30

YEARS IN-HOUSE MANUFACTURING EXPERIENCE

# ENERGY & GREENHOUSE GASES

As a truly global brand we work in 60 countries across six continents, and we distribute products worldwide. Our global Energy and Greenhouse Gas (GHG) Management program is founded on international good practice and an understanding of the material risks and opportunities relevant to our business activities.

In accordance with RBA expectations, we look for cost-effective methods to improve energy efficiency, minimize energy consumption and minimize greenhouse gas emissions. We monitor, track and report energy consumption and GHG emissions in accordance with the reporting requirements of the Carbon Disclosure Project (CDP), the Global Reporting Initiative (GRI) and the GHG Protocol, using emission factors from Intergovernmental Panel on Climate Change (IPCC), DEFRA, International Energy Agency and GHG Protocol.

## Our Manufacturing Facility

We started CDP reporting for our own manufacturing facility in 2008 and in 2013 we set ourselves the target to reduce our 2010 baseline Scope 1 and Scope 2 GHG emissions by 20% by 2018. This target was an absolute target; not normalized to take into account potential changes in sales or productivity. The following figure shows our total GHG emissions and GHG emission intensity year-on-year since 2010. Since 2010, total GHG emissions (Scope 1 & 2) have increased by 6%. Total Scope 1 emissions have reduced by 36% in absolute terms, while total

Scope 2 emissions have increased by 9.3%. The reduction in Scope 1 emissions has been accomplished by replacing water-heating by natural gas with recycled hot water from a local factory since 2011, while the increase in Scope 2 emissions is primarily due to the period of unprecedented growth and high sales, which we are currently experiencing.

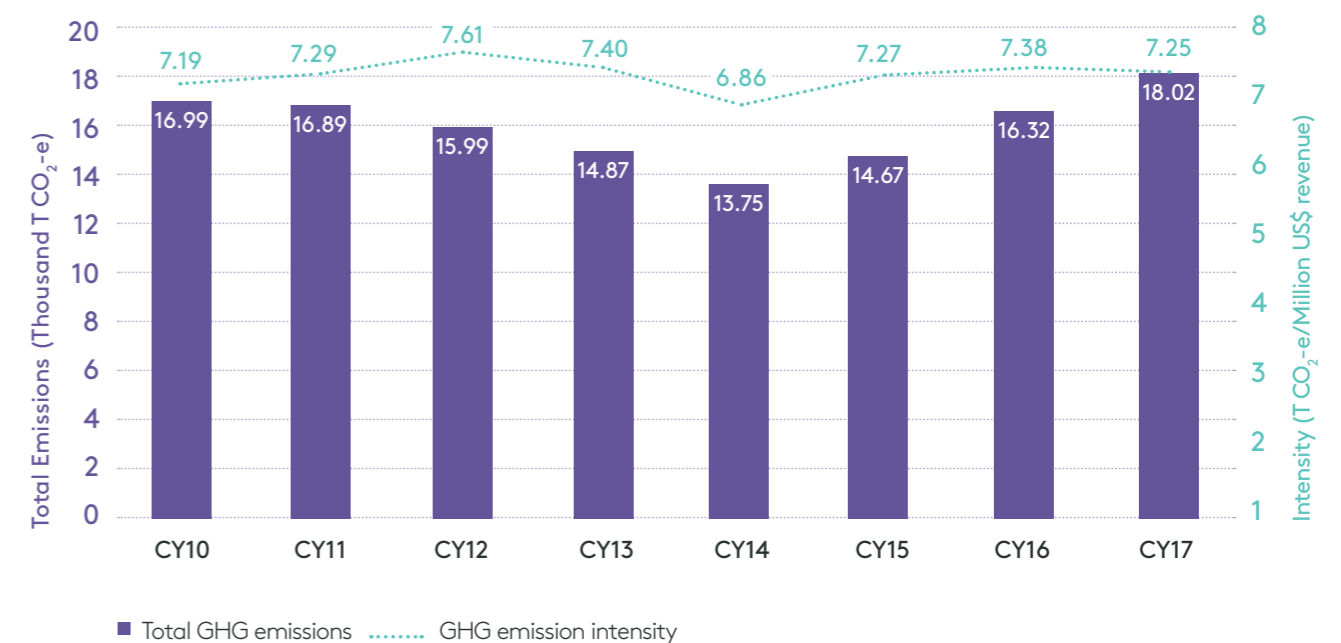
We recently commissioned a full third-party energy review of our manufacturing facility to understand the increase in absolute Scope 2 emissions and review our performance relative to our established targets.

The review is helping us to identify energy-intensive plant and equipment and better understand the changes that have occurred at our manufacturing facility and in our product portfolio in recent years. The product mix we manufacture today is very different from that which we manufactured in 2010. Our portfolio has expanded to include significant volumes of product which are more complex to manufacture and more energy-intensive as a result.

We continue to manufacture many products in the “traditional” way while increasingly introducing automation of key manufacturing lines. We have introduced a number of energy efficiency programs at our manufacturing facility over the years, including programs to upgrade old lighting to LED lamps and upgrade compressed air systems to reduce leaks. The improvements that those programs have catalysed are evident from the fact that

GHG intensity has leveled off in recent years, however, the target we currently have is an absolute target taking into account total emissions and not GHG intensity or efficiency. We have learned a lot during this period of change in manufacture practices, product mix changes and increased sales and production. As a result, our intention for the future is to update our current targets to reflect the factory we have today, and focus on GHG intensity, rather than absolute emissions.

## GHG Emissions



## Energy & Greenhouse Gases

continued

### BUILDING OUR CORPORATE CARBON FOOTPRINT

Since 2015, we have been working to develop our GHG inventory and map GHG emissions to understand the full scope of our Corporate Carbon Footprint. Developing our Corporate Carbon Footprint can help us to identify GHG hotspots to target, track and improve as part of our GHG strategy with key performance indicators (KPIs). This section provides an overview of work in the last year to map and understand key elements of our footprint.

#### Business Travel

One of the best things about Logitech is how global distances don't stop us from working as a team. We collaborate with each other, regardless of what office we're in, and have done so for decades. Recently this collaborative mindset has grown immensely, thanks to video conferencing and the collaboration equipment we make and offer to consumers and businesses around the world.

Our IT team estimate that on average almost every Logitech employee is on a video call every day. We proactively use video-conferencing such as Microsoft<sup>(R)</sup> Skype for Business and Zoom to consult and collaborate across

geographical boundaries. We check the business case for travel on a case-by-case basis and avoid business travel where possible.

The GHG emission data we have gathered to date for Business Travel (for approximately 88% of the total number of CY17 flights) indicates Business Travel is likely to be a significant contributor to our corporate carbon footprint, accounting for at least 6,208 t CO<sub>2</sub> in CY17. We have recently launched a centralized system to capture, track and report 100% of business-related air travel. This new centralized system is helping us to automate the data collection process, increase visibility of business travel emissions and inform further development of green travel policies.

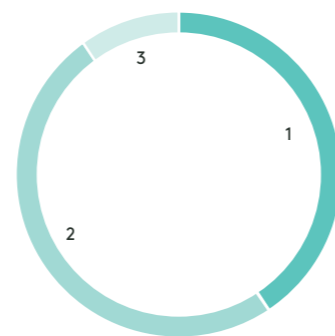
#### Our Offices

We occupy more than 70 offices across the world in Europe, Middle East and Africa (EMEA), Asia Pacific (AP) and the Americas (AMR). Our offices range in size from less than five people to more than 600 people.

In 2017, we collected GHG emission data for our Principal Offices, which account for 88% of total office floorspace and all Logitech offices with more than 20 occupants. 100% of the

electricity used by our offices in Lausanne (Switzerland) and Munich (Germany) is currently sourced from verified sources of renewable energy, saving 29.77 t CO<sub>2</sub>-e per annum. The remaining offices have a GHG footprint of 3,662.62 t CO<sub>2</sub>.

Over the next 12 months we will be working to develop GHG baseline data for our office portfolio as part of a Greener Offices reduction program with the longer term intention of establishing targets. We continue our efforts to increase office use of renewable energy sources.



### MARKET BASED EMISSIONS FROM OUR OFFICES t CO<sub>2</sub>

- 1 AMR - 1487 t CO<sub>2</sub>
- 2 AMR - 1815 t CO<sub>2</sub>
- 3 AMR - 359 t CO<sub>2</sub>

### Product Distribution and Logistics

Our supply chain to market is complex. We sell directly or indirectly to almost every country in the world via a network of trusted distributors and retail partners. As part of other efforts to develop and understand our Corporate Carbon Footprint, we are building a tool to collect, capture and report GHG emissions associated with product distribution and logistics. The tool we are developing currently covers approximately 54% of our product shipments per annum. More work is needed to develop full coverage and oversight of all shipments but the GHG emission data we have gathered to date (for 54% of shipments) already indicates Distribution and Logistics is a significant contributor to our corporate carbon footprint, accounting for 65,961 t CO<sub>2</sub> in CY17. Over the next 12 months we will be working to increase the data capture and coverage of this tool to better understand how we can develop targets and drive GHG reductions.

#### Employee Commuting

The last couple of years there has been a clear divergence of opinion and action by companies on whether working from home is good or bad.

We believe it depends on the job you have and the day you do it. Some jobs can't be done from home. Some days a job can't be done from home. Some cultural trade-offs mean that even if the job can be done from home, it's good to have the team in the office some, most, or all of the time. Bottom line: it depends.

But at Logitech we have a very strong opinion that working from home, when it DOES work and makes sense, is the new "responsible". Technology advances have made it possible to work from anywhere. People can accomplish just as much, if not more, with flexible work settings and hours. The office doesn't have to be an everyday requirement — at least not for all jobs. Work no longer needs to be a place, instead it's what you do regardless of your location. We are even building a business on this reality — Video Collaboration.

That's why on October 11th 2017, we encouraged employees worldwide to work from home if they could. We asked all participating employees to report their reduced commuter travel and the data from initial respondents indicated we saved >60.39 t CO<sub>2</sub> in commuter emissions that day. We received very positive feedback regarding the event and we are going to

organize this same event in 2018 and encourage more employees to get involved and report carbon savings.

#### Supplier Manufacturing

We continue our program of activities to work with our direct suppliers to capture Scope 3 emissions associated with supplier manufacturing and develop a shared understanding of good practice reporting methods. We are making good progress in this regard.

In CY18 we surveyed the suppliers that account for 51% of our total direct spend on supplier manufacturing. We asked them to report the GHG emissions associated with manufacturing of Logitech parts and products during CY16 and CY17 and provided guidance and a toolkit to help them complete our survey accurately. Over the coming years, we will continue those efforts to build out a full baseline for Scope 3 emissions associated with manufacturing by direct suppliers and encourage target-setting to drive improved energy performance in our supply chain.

# PEOPLE AND SOCIETY

logitech G

GAME WITH PASSION.  
WIN WITH SCIENCE.



# GOVERNANCE, ETHICS AND TRANSPARENCY

Our approach to governance ethics and transparency reflects international best practice, legal compliance requirements and the expectations of stakeholders, including customers and shareholders.

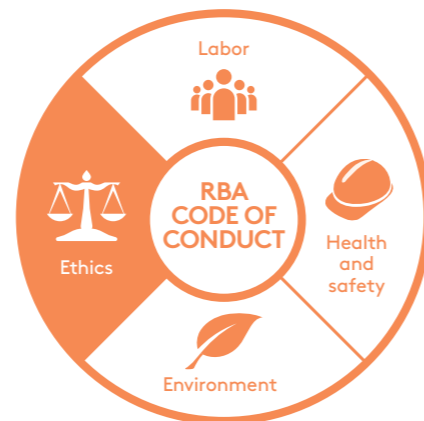
As a company publicly offering securities in the US and Switzerland, we comply with the laws and rules of the U.S. Security Exchange Commission (SEC) (the Securities Act of 1933, Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002) as well as the laws and rules governing the SIX Swiss Exchange.

Our commitment to the RBA Code of Conduct and membership of the Compliance and Ethics Leadership Council drives us to look beyond compliance and identify, mitigate and management operational risks and opportunities to create value.

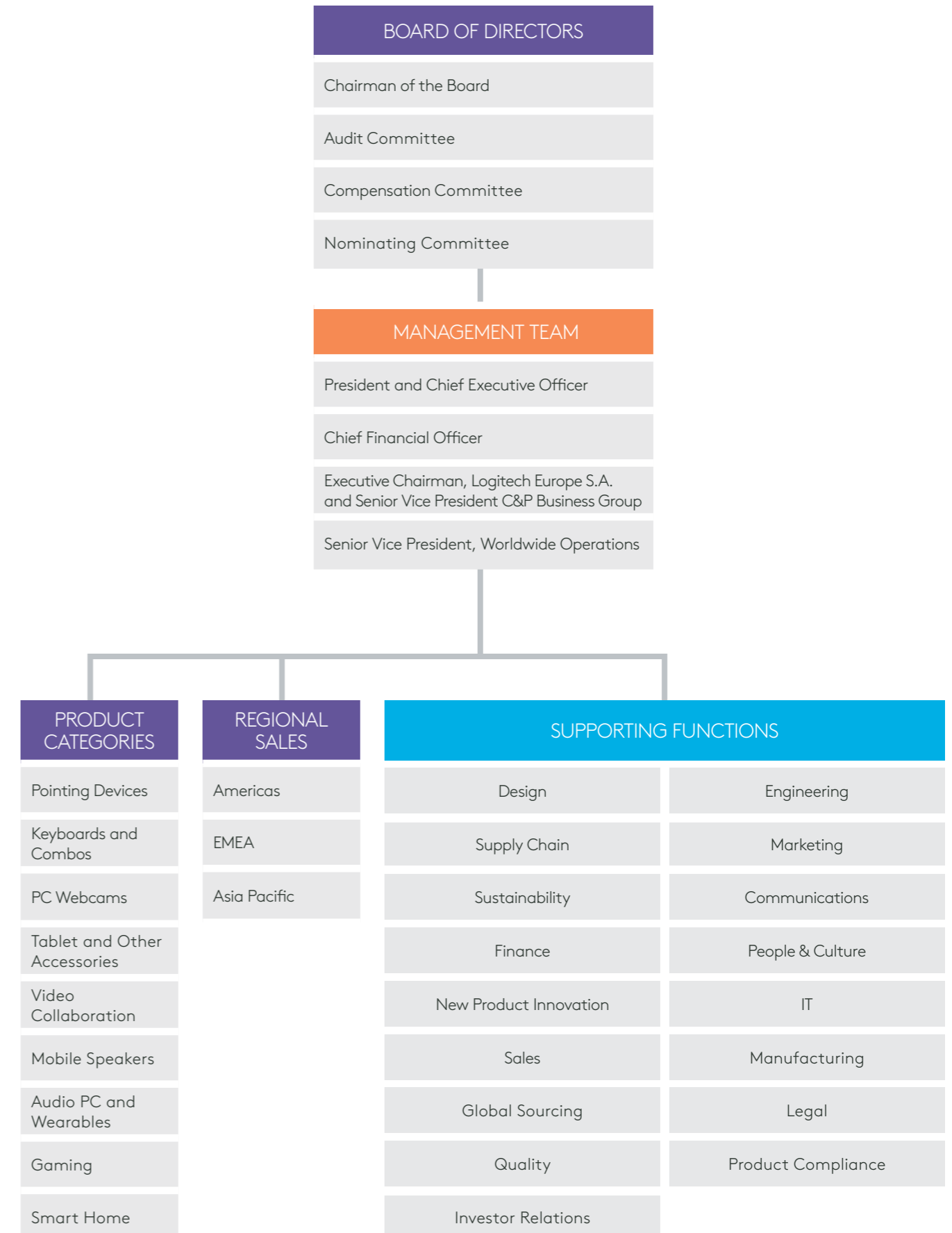
Good governance is driven by strong, effective and committed leadership. Our management structure includes a highly qualified and experienced **Board of Directors** and **Management Team**. Corporate governance, and related senior-level decision-making is informed and supported by a number of board-level committees (Audit, Remuneration and Nominations).

Names and biographies for members of **Board of Directors** and **Management Team** can be viewed on our website, along with the **charters** we have established for each of the three board-level committees.

In addition to the board-level committees, we established a Compliance Committee in February 2016, comprising senior leaders from each of the key functions across the Logitech business. This committee reports to the Board-level Audit Committee, is chaired by our Chief Compliance Officer, and is tasked with review, oversight and continued improvement of Logitech’s Compliance Framework and related programs. The committee has a written charter, and meets on a quarterly basis to review relevant communications and issues, approve compliance initiatives and actions, organizes the training calendar, and issues communications across the business.



## Organizational Structure



## Governance, Ethics and Transparency

continued

As part of our commitment to leading good practice in this area, we are members of the **Compliance and Ethics Leadership Council (CELC)** of the Corporate Executive Board. The CELC is a network for compliance professionals across the world who work for the world's largest companies.

The CELC works to identify new ideas, innovations, standards and tools relating to management of corporate governance, ethics and transparency. The resources and tools provided by this network are used as a benchmark for our program and drive continued good practice. Our membership of this network helps us maintain oversight of the latest developments in compliance law, management, best practice and diagnostics via a library of resources, seminars, peer discussions and periodic benchmarking surveys. Using these resources and others, we regularly review our Governance Framework to ensure it continually improves and evolves in line with our needs and international good practice.

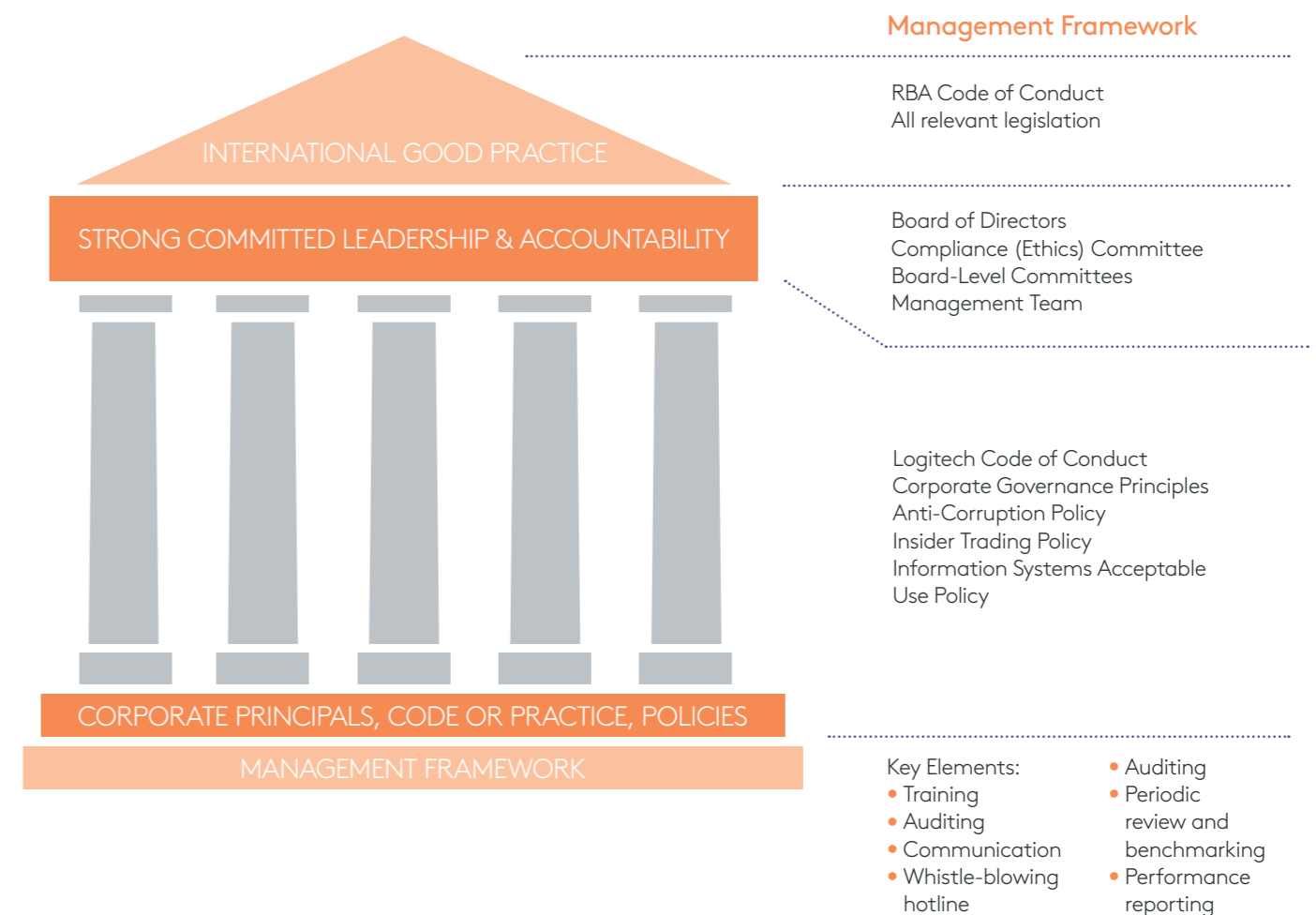
Our Governance Framework includes our **Corporate Governance Principles** and the Logitech **Code of Conduct**. Both documents are available from the **Corporate Responsibility** section of our website. In 2015, we carried

out a refresh of the Logitech Code of Conduct, Anti-Corruption Policy, Information Systems Acceptable Use Policy and Insider Trading Policy to make those policies easier to read, understand and follow and reinforce the positive behaviours that make Logitech a great place to work. The policies were translated into multiple languages, reflecting our geographically diverse workforce, and communicated across the globe to employees, with the roll-out of updated online training for new hires, face-to-face refresher training at our Principal Offices, and communications via our intranet, internal webinars and our external website. In 2016, these core compliance policies were communicated to all employees and over 90% of our non-manufacturing employees attended one of our live, webinar or online training sessions. We also took particular care to ensure our suppliers understood our continued commitment and requirements. Our Code of Conduct was formally shared with suppliers as part of our supplier on-boarding and training. We continue to communicate our commitment to corporate governance and ethical good practices as an integral part of auditing the social and environmental responsibility performance of our suppliers (see **Supplier Development** section of this report).

**We conduct business in a fair, honest, and transparent manner. Employing exceptional ethical standards and practices is how we work, and helps us ensure the long-term interests of our stakeholders.**

Our Training Plan for this topic includes core compliance training for all employees every other year, with supplementary training on specialist topics (e.g. anti-corruption, anti-harassment) and training for target regions and high risk groups every year. This Training Plan has been approved by the Board of Directors and includes provisions for additional training on a regional basis in response to employee feedback and other needs.

As communicated in our Code of Conduct, we look to exemplify integrity in everything we do. We understand transparent performance reporting is a key part of that. The **Investor Relations** section of our website provides current and historic records of press releases, all financial reports, stock information, our earnings release schedule, and information relating to Annual General Meetings (AGMs).



## Governance, Ethics and Transparency

continued

The information we post to the website includes filings we make with the SEC (e.g. reports on Forms 10-K, 10-Q, 8-K), our proxy statement related to our annual shareholders' meeting and any amendments to those reports or statements filed or furnished pursuant to U.S. securities laws or Swiss laws. As communicated in our Code of Conduct, we recognize the importance of transparent reporting, which accurately and fairly reflects our business and financial performance, in a timely and understandable manner. As part of this year's refresher training, all employees were reminded our commitments in this regard and the importance of taking this responsibility very seriously.

As part of our Management Framework, we undertake an Annual Risk Assessment, which takes into account country-level risks, and risks associated with various functional responsibilities across the company. The risk assessment process is facilitated by our Internal Audit team and informs the development of an Annual Audit Plan for operational audits and Sarbanes-Oxley (SOX) Assessments. The results of the risk assessment are incorporated in an Annual Audit Plan, which is reviewed and approved by the Board-Level Audit Committee. In addition the Internal Audit team is responsible to the Audit Committee for overseeing the

company's Sarbanes-Oxley Act of 2002 compliance program, investigating allegations that are raised through internal requests or our Whistleblower Mechanism and performing operational audits. Relevant audit findings and the status of remediation are reported to the Audit Committee on a quarterly basis.

As communicated in our Code of Conduct, we believe every employee has the right and the responsibility to report any observations, concerns, grievances or issues relevant to our Code of Conduct and commitment to ethical good practice.

We have an established Ethics Hotline, which is hosted by EthicsPoint. This hotline facility provides employees with a whistle-blowing mechanism to confidentially and anonymously report any issues they identify or observe. Any reports to the hotline are investigated and managed under a framework established and overseen by Legal, People & Culture and Internal Audit functions. The identities of individuals reporting any issues are protected and Logitech maintains a no retaliation policy.

In FY18, there were no reported incidents requiring reporting to any regulatory entity. No major monetary fines or non-monetary sanctions were imposed. Twenty-

two potential incidents were reported via our hotline and another 12 were reported via other means. Approximately 50% of the reports we received were substantiated and appropriate corrective and preventative actions were taken to resolve and address those that were substantiated and minimize the risk of recurrence.

For a description of how we drive the same ethical good practices within our supply chain, please refer to the **Supplier Development** section of this report.

From a data security and privacy perspective, we have improved our infrastructure in a variety of areas to comply with the new General Data Protection Regulation (GDPR) in Europe. We have updated our privacy policies and procedures to clarify how we collect, process, store and provide data and personal information for users and employees. In addition, we have improved security measures to protect the personal information of third parties with whom we work. As an example, we recently applied for EU-US and CH-US Privacy Shield certification to establish a mechanism for us to comply with data protection requirements when transferring data from the European Union and Switzerland to the United States.

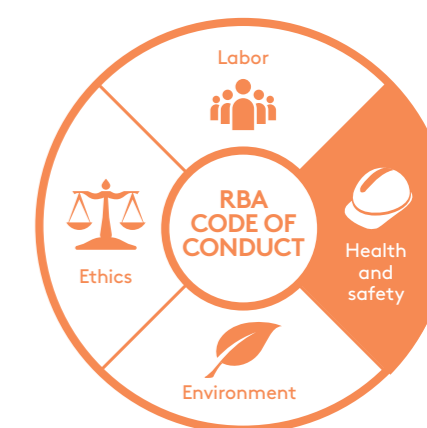
# EMPLOYEE SAFETY, HEALTH AND WELLBEING

Our continued success is fuelled by creative, resourceful and innovative people across the globe: within Logitech, and in our supply chain. The safety, health and wellbeing of all our people is important to us.

We look to safeguard the safety, health and wellbeing of all members of the Logitech team, ensure everyone feels cared for, and help ensure employees can respond safely and creatively to the fast-paced environment of our sector, and the challenges of a competitive marketplace.

To help us ensure the safety, health and wellbeing of employees at our manufacturing facility, we have established an integrated Environmental, Health and Safety (EHS) Management System, which has been in place since 2004. This management system includes an EHS Policy with clear leadership and accountabilities and supporting procedures and programs. Our procedures drive identification, assessment and evaluation of health and safety performance relative to applicable legal requirements, industry good practice, and the RBA Code of Conduct. We implement

training and communication programs to develop employee awareness of the importance of health and safety management and our key management programs and provisions. We are committed to continual improvement of our health and safety performance, and a team of internal Health and Safety Auditors audit different work areas periodically, under the direction of an established Safety Steering Committee, and ensure proactive consideration of potential hazards, risks and control measures. Compliance with OHSAS 18001 and the RBA Code of Conduct is also audited annually by an independent third-party. We have maintained OHSAS 18001 certification year-on-year since 2004, along with a "low risk" category high score in the RBA Validated Audit Process (VAP) since 2015.



OHSAS 18001 CERTIFIED  
YEAR-ON-YEAR SINCE

# 2004



## Employee Safety, Health and Wellbeing

continued

A number of health and safety initiatives were delivered during FY17 to ensure regulatory compliance, good practice and continual improvement at our manufacturing facility. Some examples include:

- employee health surveillance and third-party testing of work areas to ensure air quality conforms with occupational health standards;
- annual safety training for all contractors to understand safety hazards, high-risk contractor work and work authorization requirements;
- risk assessment of equipment and technology across our production facility to identify opportunities for improvement; and
- drills and other tests of our emergency response provisions and procedures for various hazards (fire, first aid, spills etc) to improve employee awareness of procedures and provide refresher training.

Our commitment to the safety, health and wellbeing of factory workers also extends beyond our own workforce to fully include workers in our supply chain. We work in partnership with our suppliers to drive good practice and continual improvement of health and safety performance. For an overview of our activities within and with supplier

organizations, please refer to the [Supplier Development](#) section of this report.

During FY18, we have also produced a [Corporate Global Health, Safety and Security Policy Statement](#), signed off by our Senior Vice President of World-wide Operations. This policy statement is posted on our website and has been circulated internally throughout Logitech. It demonstrates the commitment of Logitech executive management to protecting our employees and ensuring that we are operating in compliance with legislative requirements.

As part of our global business continuity program we have assessed the potential impact of disruptive events (either natural or man-made) to any of our facilities, and produced business resumption plans that prioritize the health and safety of personnel, emergency communication to all affected stakeholders, and the resumption of pre-incident controlled operations.

For our office facilities worldwide we have health and safety representatives, who work with colleagues, landlords and other stakeholders to ensure all our offices are safe and provide a comfortable environment for employees and innovation. The majority of our offices are leased

locations and we chose our office locations carefully, to ensure we only occupy safe and high-quality facilities.

We believe health and wellbeing are critical to our employee's personal and professional success. We encourage a healthy lifestyle by providing healthcare benefits, wellness tools, resources and programs to help employees achieve good physical, financial and emotional wellbeing. Depending on the location, employees can take advantage of biometric screenings, flu shots, confidential employee assistance programs (EAP), wellness events and seminars, and our wellness initiatives around the globe continue to grow year-on-year.

**We look to safeguard the safety, health and wellbeing of every member of the Logitech team. We want to ensure everyone feels safe and cared for.**

## CONFLICT MINERALS

As an active member of the Responsible Business Alliance (RBA) and the Responsible Minerals Initiative (RMI), we use best practice tools and processes to exert the full influence of the electronics sector on smelters worldwide, and promote responsible sourcing and avoidance of conflict minerals.

Conflict minerals are minerals that are mined in areas of armed conflict and human rights abuse, which finance armed groups. US legislation and OECD due diligence guidelines currently define Conflict Minerals as cassiterite (tin), coltan (tantalum), wolframite (tungsten) and gold (or derivatives of these minerals), which have been mined in the Democratic Republic of Congo (DRC) or adjoining countries, and which fund conflict in the area. These four minerals are commonly referred to collectively as 3TG. In 2008, the EICC (now: RBA) launched an Extractives Work Group to look at Conflict Mineral risks for the electronics industry. Tracing minerals back to their mine of origin is a complex part of responsible sourcing.

As an active member of the RBA and RMI, Logitech supported the initial assessment work of the RBA Extractives Working Group and utilises the key tools and processes advised by the RBA

and RMI to ensure responsible sourcing and avoidance of conflict minerals. As a manufacturer of products that contain 3TG, we understand the importance of avoiding conflict minerals and are committed to sourcing components and materials from companies with shared values around human rights, ethics and environmental responsibility. We comply with all relevant legal requirements and have implemented a robust due diligence process to help ensure we and our suppliers meet our legal obligations and act in accordance with our values.

In June 2011, we communicated our first Conflict Minerals statement to suppliers, as part of efforts to raise awareness and communicate our position in relation to conflict minerals. In 2013, we formalized this position with the publication of our [Conflict Minerals Policy](#).

This policy was communicated to all suppliers and embedded into contractual agreements.

# 2008

RBA LAUNCHES CONFLICT MINERALS WORK GROUP

# 2011

WORLD'S FIRST CONFLICT-FREE SMELTER PROGRAM



## Conflict Minerals

continued

2013 also marked the launch of our Conflict-Free Sourcing Certification Program. Our program aligns with all relevant legal requirements and industry best practice including the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It involves us working with our Tier 1 suppliers to identify, map and verify our supply chain and ensure smelters in the supply chain adequately demonstrate and ensure the conflict-free status of materials. Mining activity is understood to be crucial to the development of the DRC economy so our program ensures that legal and regulated mining can continue to provide livelihood opportunities to those in need, while eliminating any direct or indirect support of conflict and human rights abuses.

### Recent Developments

Over the last five years, we have worked to engage suppliers and raise awareness with respect to the risk of Conflict Minerals and our requirements for compliant good practice. Each year, we review our Tier 1, direct suppliers, identify those that supply materials at risk of containing 3TG, and use the RMI Conflict Minerals Report Template (CMRT) to request

information and identify 3TG smelters in our supply chain. RMI has become one of the most utilized and respected resources for companies who wish to address responsible 3TG challenges in their supply chain. We use the RMI's Responsible Minerals Assurance Process (RMAP) and Reasonable Country of Origin (RCOI) data to screen smelters/refiners.<sup>1</sup> Where relevant, we work with our suppliers to develop Due Diligence Plans showing the actions our suppliers will take, to engage, request and encourage smelters to join RMAP or an equivalent certification program, and obtain evidence of conflict-free status. We only accept 3TG minerals from smelters that are certified as conflict-free, or engaged in the RMAP or an equivalent program<sup>1</sup>, and working towards conflict-free status.

The response rate of our suppliers has increased year-on-year as suppliers have become more familiar with our requirements and expectations. In the last year, we continually engaged with our suppliers with a series of audits and supplier training. As reported last year, we achieved a 100% response rate from our suppliers for the first time in CY15. We are pleased to report 100% of the

suppliers who we contacted in CY17 again provided the information we requested and supported our due diligence efforts.

We require all our suppliers to use smelters, which are conflict-free or engaged in a credible third-party audit program, which will verify their conflict-free status within a reasonable timeframe. We track and report their status in this regard, as part of both internal reporting and reporting to the Securities Exchange Commission (SEC).

Over the last number of years, we have worked with our suppliers and other RBA members to exert the full influence of the electronics industry on smelters worldwide, and encourage smelter participation in credible certification programs such as the RMAP (formerly known as CFSP). The results of our combined efforts have reaped tangible outcomes for our own supply chain already, as the number of smelters participating in third party audit programs and certified as conflict-free has increased year-on-year. For CY17, we are delighted to report 85.2% of our smelters are now participating in certification programs and 82.6% are certified conflict-free. Over the forthcoming

year, we will continue to watch the emergence of the European Conflict Minerals Regulations with interest. We are also proactively monitoring challenges to the Dodd Frank Act in the US. We remain committed to our goal of 100% conflict free and good practice

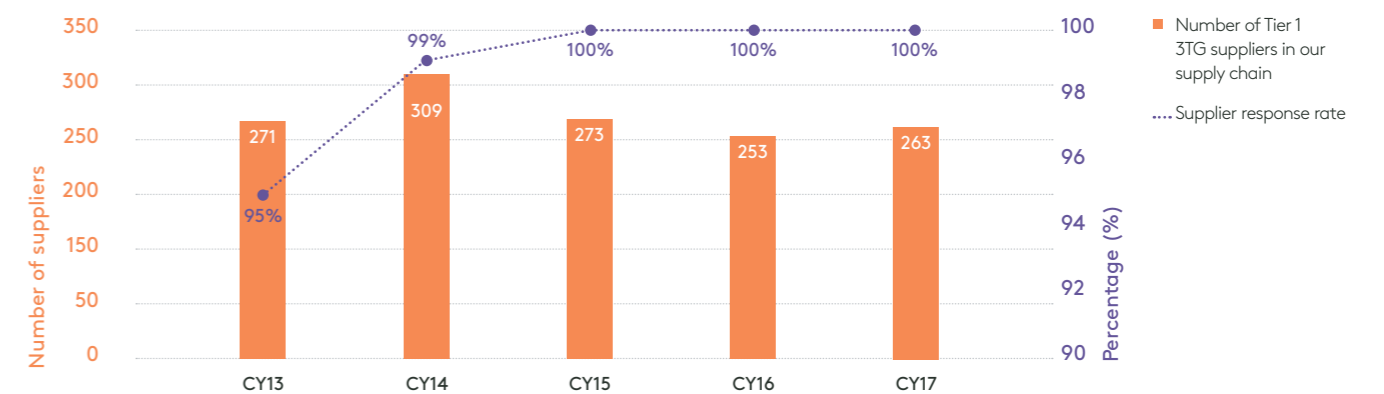
Sustainability Reporting of material issues, including conflict minerals.

As a responsible and ethical company, we are committed to responsible sourcing.

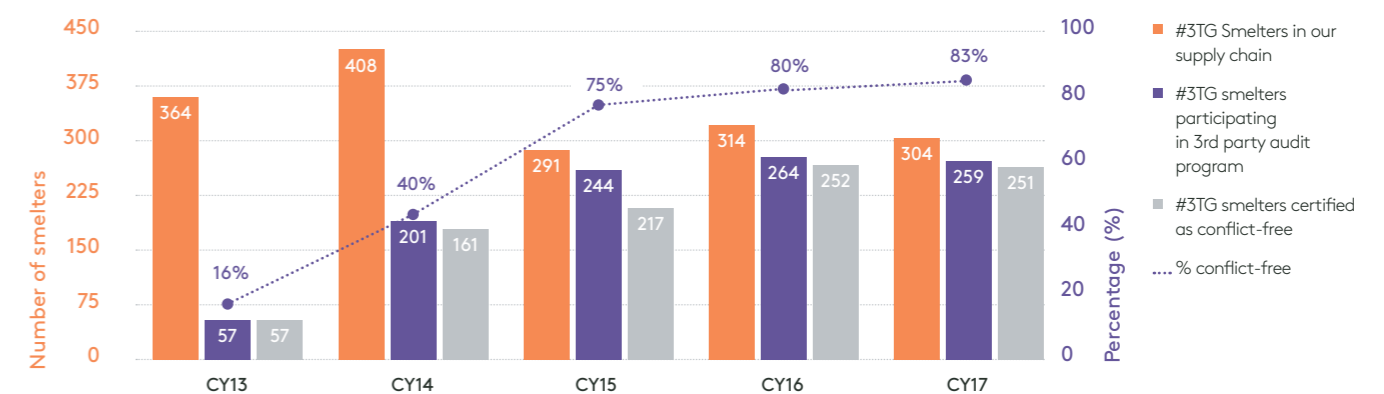
This commitment drives us to look beyond legal requirements to align with international

good practice and continue our efforts to grow our program from strength to strength in partnership with our suppliers.

### Supplier Response Rate



### Smelter Progress Towards Conflict-Free Status



<sup>1</sup> On a case-by-case basis, we may accept a supplier's use of an "equivalent program", if the program is deemed to be credible and reputable, taking into account the specific materials and suppliers of interest (a number of other schemes are used and advocated by other RBA members e.g. LBMA, RJC).

# HUMAN RIGHTS AND LABOR

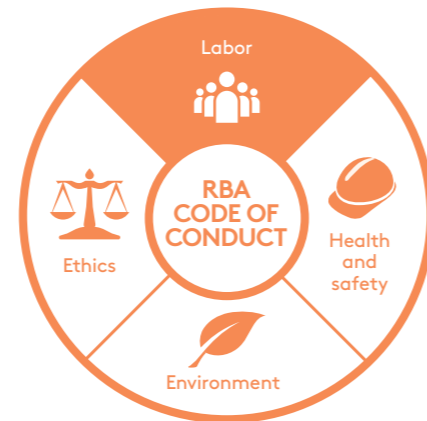
The RBA Code of Conduct (“the Code”) is our framework for management of human rights and labor. The Code is aligned with international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards.

The Code is regularly reviewed and updated to ensure it continues to keep pace with evolving expectations for international good practice.

As a regular member of the RBA, we fully adopt and adhere to the human rights framework incorporated in the Code. In line with RBA expectations, we actively pursue conformance to the Code as a total supply chain initiative and work in partnership with our suppliers to achieve this common objective and create an environment where human rights issues are openly discussed. We are committed to doing the right thing and we care enough about workers to engage in candid and respectful dialogue about what works and what doesn’t. We actively collaborate with

industry coalition partners in the RBA to share good practice, evolve the Code of Conduct, and develop and share tools and training. Our own Ethical Code of Conduct includes clear statements of commitment to ethical good practice and explicit reference to our requirements with respect to labor and human rights.

Our manufacturing facility is subject to periodic audits to review compliance with the RBA Code of Conduct, including requirements relevant to human rights and labor management. We participate in the RBA Validated Audit Process (VAP) and also carry out periodic internal audits using the same methodology and process prescribed under VAP.



## 2009

RBA VALIDATED AUDIT  
PROCESS (VAP) ESTABLISHED

### RBA Validated Audit Process (VAP)

- The RBA Validated Audit Process (VAP) was established in 2009 and is a fundamental element of RBA membership. It comprises third-party audits, which are carried out on an annual basis by international auditors.
- A limited pool of auditing firms have been approved by RBA to undertake VAP audits and all of the auditors have received specialist training by non-profit supply chain sustainability group Verité to ensure they fully understand the RBA Code of Conduct, the established VAP Audit Protocol and associated requirements for good practice social and environmental responsibility (SER).
- VAP audit reports are checked and verified by a third-party consulting firm prior to being released to the auditee. That third-party consulting firm is not directly involved in any auditing and can therefore provide third-party quality control and oversight.
- A VAP Audit typically takes 2-5 days per facility and includes thorough document review, interviews with management and employees and a visual site survey.
- Where VAP audits uncover non-compliances to the audit

protocol, those findings are rated by severity as “minor,” “major” or “priority”. All three categories of findings have specified periods of time during which the facility must remedy the findings and implement systems to prevent recurrences. Remedy and prevention plans are part of corrective action plans (CAPs).

- VAP audits are shared with other RBA members in order to minimize audit burden and allow members to check suppliers that are shared and used by multiple members.
- The most recent VAP audit of our manufacturing facility resulting in a GREEN rating reflecting the high levels of performance and low SER risk. This result is valid for a two year period and will be checked and verified by internal audits during that period.

The scope of our Human Rights and Labor Program is summarized in the following figure. The remainder of this section provides an overview of the key human rights and labor aspects we proactively manage at our own manufacturing facility. Further information describing our approach to management of human rights and labor performance at supplier facilities and across our supply chain is provided in the **Supplier Development** section of this report.

## Human Rights and Labor Program



## Human Rights and Labor

continued



### Child Labor and Young Workers

Our requirements in relation to Child Labor and Young Workers reflect RBA requirements and include Zero Tolerance for Child Labor i.e. work by any person under the age of 15, under the age for completing compulsory education, or under the minimum age for employment in the country, whichever is greatest. “Young Workers” (as defined by RBA and local law) are given employment opportunities, provided that they are adequately protected from work that could potentially impact their health or safety (e.g. night shifts and excessive overtime). The majority of positions at our manufacturing facility require some degree of night-shift or overtime so we do not employ many Young Workers. We check identification documents and interview a sample of workers on a periodic basis to verify employee age, as part of our internal and supplier audit programs. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Child Labor or Young Workers in the last three years.



### Freely Chosen Employment

Our requirements in relation to Freely Chosen Employment reflect RBA requirements and include Zero Tolerance for forced, bonded or indentured labor, involuntary prison labor, slavery or trafficking of persons. As part of the hiring process, workers are provided with a written employment agreement in their native language. This agreement describes the terms and conditions of employment. Workers are free to terminate their employment at any time. Holding employee documents (IDs, passports, work permits etc) is strictly forbidden and workers are not required to pay recruitment fees or other related fees. We audit for the presence of forced or compulsory labor as part of our RBA audit approach. Managing risks associated with solicitation of recruitment fees can be quite challenging in that there is always a risk that workers will be charged by third-parties unbeknownst to us prior to coming under our care. Many of our workers come to us following referrals from family, where we can be assured no fees were charged.

For other workers, we have long established relationships with our recruitment companies and have communicated our requirements for vigilance and due diligence checks. We also carry out worker interviews as part of new-hire orientation and check if workers have paid any recruitment fees as part of this process.

As part of demonstrating our commitment to Freely Chosen Employment, and in response to the legal requirements of the California Transparency in Supply Chains Act, we introduced a [Statement on Slavery and Human Trafficking](#) in 2012 and updated this statement to reflect the requirements of the UK Modern Slavery Act in 2016. The newest version of the statement is available on our website and communicates the key mechanisms we have established to eradicate the risk of slavery and human trafficking in our supply chain (see [Supplier Development](#) section of this report for further information). The statement is subject to review and update by our Board of Directors on an annual basis. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Freely Chosen employment in the last three years.

## Human Rights and Labor

continued



### Equality and Freedom from Discrimination

We are committed to a workforce free of harassment and discrimination. We have established recruitment and employment practices to safeguard against discrimination based on race, color, age, gender, sexual orientation, gender identity and expression, ethnicity or national origin, disability, pregnancy, religion, political affiliation, union membership, covered veteran status, protected genetic information or marital status. Workers or potential workers should not be subjected to physical exams that could be used in a discriminatory way. Our policies and practices reflect RBA requirements, which are also a condition of work for our suppliers and recruitment agencies. We check and compare the wages, rewards and training records for various individuals at our manufacturing facility and supplier factories to ensure discriminatory practices are not implemented in any area. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Equality and Freedom from Discrimination in the last three years.



### Labor Relations, Engagement and Consultation

We understand the importance of good labor relations, stakeholder engagement and consultation. Ensuring open, two-way dialogue between managers and employees helps us build and maintain trusting, loyal and long-lasting relationships between individuals who care about our activities and business success. We look to foster an open collaborative environment where people feel empowered to give and solicit candid feedback — to understand what works and gain insight. We communicate this philosophy and approach as part of employee induction and orientation. Workers typically speak to their line manager or local leader, in the first instance. Senior Leaders also carry out Listening Tours where they visit particular sites to facilitate informal forums to discuss and hear employee views, any relevant concerns, and any actions that could be implemented to enhance employee experience. At our manufacturing facilities, we carry out periodic worker interviews to further collate and understand employee views. In addition to the above, we have suggestion boxes and a whistle-blowing mechanism, which provides employees with the opportunity to submit comments and have their views heard, in a confidential manner. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Labor Relations, Engagement and Consultation in the last three years.



### Wages and Benefits

Our requirements are fully aligned with the RBA Code of Conduct provisions for wages and benefits. Compensation paid to workers complies with all applicable wage laws, including those relating to minimum wages, overtime hours and legally mandated benefits. Workers are compensated for overtime at pay rates greater than regular hourly rates. Deductions from wages as a disciplinary measure are not permitted. Workers are provided with wage statements and we carry out worker interviews to ensure workers know how to check and verify that they have received accurate compensation for work performed. We monitor our use of dispatch workers as part of ensuring compliance with local law and RBA requirements. Local legislation in relation to this issue changed in 2015 such that some additional changes to our existing organizational procedures were required and were put in place. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Wages and Benefits since those changes were made.



### Working Hours

Eliminating excessive overtime is a key requirement of the RBA Code of Conduct and a significant challenge for our sector as a whole. Excessive overtime can have adverse effects on the safety and wellbeing of workers and over long periods can have impacts on their health, and quality of life. The root causes of excessive overtime are usually forecasting, capacity planning issues, shortened production timelines and seasonal spikes. Traditional compensation models also often reward overtime with additional pay, which can sometimes encourage workers to request working hours in excess of that permitted by local law or endorsed by RBA. In factories that produce product for multiple brands, it can be particularly difficult to identify root causes and manage the issue.

We work in partnership with our suppliers to implement a One-Factory-One-Policy approach whereby we require our suppliers to manage working hours in accordance with RBA requirements for all of their workers, and not just those involved in Logitech production lines or manufacturing areas.

This approach reflects our firm commitment to safeguarding the health and wellbeing of all the workers in our supply chain and not just those directly engaged in manufacturing of Logitech products and components.

VAP and internal audits of our own manufacturing facility indicate our performance in this area is improving. Consistent with aggregated audit findings for other RBA members, working hours continues to be the most frequent cause of non-compliance in our supply chain. This pattern is not unique to our supplier network and is common across the sector. We continue our efforts to train, educate and communicate good practice approaches to management of working hours to our own team and our suppliers. We prioritize sourcing from factories that have demonstrated progress in eliminating excessive overtime, and we will continue work with coalition partners within RBA to catalyse emergence of the sector-wide approach and common standards, which are needed to address this issue on a far-reaching and holistic basis.



### Conflict Minerals

Management of risks relating to Conflict Minerals is a key part of our human rights program. For further information on this aspect of our approach and sustainability performance, please refer to the **Conflict Minerals** section of this report.

## Human Rights and Labor

continued



### Humane Treatment

The RBA Code of Conduct includes requirements to ensure humane treatment of workers and safeguard workers from actual or threatened sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse. We have clearly defined policies and disciplinary procedures addressing these risks and those policies and procedures are communicated to workers. In reality, we look to significantly surpass RBA requirements for humane treatment, and instead position as an Employer of Choice where workers feel engaged, respected and fully involved members of the global Logitech team. In the last three years, VAP and internal audits of our own manufacturing facility have not identified any cases of actual or threatened sexual harassment, sexual abuse, corporal punishment, mental or physical coercion or verbal abuse. We would not typically expect such incidents to arise, in light of the open door and inclusive culture we look to create. However, we remain vigilant in ensuring that there is no emergence of such behavior.



### Freedom of Association

We adhere to RBA requirements for Freedom of Association. Our goal is to develop and maintain long-lasting relationships with employees based on common values of trust and integrity. To this end, and in compliance with local law, we respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as the right of workers to refrain from such activities. We maintain an open door policy and provide workers opportunity to openly communicate and share their ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment. Our key mechanisms of engagement are explained further in the Stakeholder Engagement section of this report.

VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Freedom of Association in the last three years.



### Safety, Health and Wellbeing

We have an established H&S management framework, which is certified to international health and safety standard OHSAS 1800 and compliant with the RBA Code of Conduct, which makes reference to ILO Guidelines on Occupational Safety and Health. We work in accordance with RBA requirements including specific provisions relating to the Hierarchy of Controls and addressing pertinent risks associated with our sector e.g. emergency preparedness, management of occupational injuries and illnesses, industrial hygiene, physically demanding work and machine guarding. We aim to establish and maintain a safe and healthy work environment, which enhances worker retention and morale and recognize the essential need for ongoing worker input, communication, training and education to identify, manage and solve health and safety issues in the workplace. VAP and internal audits of our own manufacturing facility have not identified any non-conformities relating to Safety, Health and Wellbeing in the last three years.



### Welfare Arrangements

Our internal and VAP audit program includes full consideration of any sanitation, food and housing facilities provided to workers. The facilities that we provide include ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities, in accordance with RBA requirements. Worker accommodation is maintained clean and safe, and provided with appropriate emergency egress, hot water for bathing and showering, adequate heat and ventilation, and reasonable personal space along with reasonable entry and exit privileges. VAP and internal audits of our own manufacturing facility have not identified any issues relating to Welfare Arrangements. Our overall objective is to significantly exceed RBA requirements and provide facilities that enhance the daily working life of employees and ensure Logitech's manufacturing facility is a great place to work.



### Employee Development

Our employee development programs offer workers the opportunity to grow, learn new skills and develop. Our dedicated training center at our manufacturing facility includes workshop facilities, presentation areas and mock production lines for workers to try out and learn new skills. New starters are provided with robust induction training and put forward for additional training following defined periods at Logitech. Further information is provided in the **Employee Development** section of this report.



### Management of Human Rights Performance

Any potential, perceived or actual violation of human rights and the RBA Code is taken very seriously by Logitech. Many aspects of human rights management are categorised as Priority Findings<sup>1</sup> under the RBA Code of Conduct, and any human rights violation triggers our requirements for Corrective Action Reports setting out the immediate actions needed to address the issue identified and uphold our duty of care to any affected parties, as well as the longer-term preventative actions required to minimize the risk of recurrence.

We have an established whistleblowing mechanism to facilitate reporting of any human right violations. Our ethics hotline is managed by a third-party provider and is available by phone or via a web portal. We also have a policy in place to prevent retaliatory action against those who make a good faith report. Further information in this regard is provided in the **Governance Ethics and Transparency** section of this report. VAP and internal audits of our own manufacturing facility have not identified any issues relating to Human Rights in the last three years.

<sup>1</sup> The RBA term "Priority Finding" is a nonconformance which has significant and immediate impact. Incidents of Child labor or Forced labor are specifically quoted by RBA as examples.

# SUPPLIER DEVELOPMENT

Our continued success is coupled to the continued success of our suppliers. We look to establish long-term relationships with a core group of suppliers, based on shared values of ethics, good practice and RBA Code compliance.

Approximately 50% of our annual revenue is generated from products we manufacture in-house, where we are primarily engaged in final assembly and testing activities. Our factory sources components from a number of Component Suppliers.

The other 50% (approx.) of our revenue is generated from products which are manufactured by Finished Goods Suppliers and Contract Manufacturers under our direction.

We work in partnership with our suppliers to ensure all Logitech products are produced in accordance with international good practice standards of quality and sustainability.

## Supplier Auditing Activities and Performance

Compliance with the RBA Code of Conduct (including all provisions relating to human rights and labor) is a condition of all Significant Investment Agreements.<sup>1</sup>

To this end we:

- screen 100% of new suppliers as part of our established prequalification process to check and verify the supplier is capable of compliance with the Code; and
- screen 100% of our Core Suppliers on an annual and/or six-month basis to check and verify continued compliance with the Code.

We have an established prequalification process for new suppliers. 100% of potential new suppliers are audited to determine their compliance with Priority Aspects<sup>2</sup> of the RBA Code of Conduct and legal requirements. This audit process results in an SER score indicating the supplier's compliance with RBA's requirements for Social and Environmental Responsibility (SER). This score influences the supplier's capacity to win business with us.

**100%**  
NEW SUPPLIERS  
ARE AUDITED

Prior to commencing mass production with a new Finished Goods Supplier, we carry out a full compliance audit against all aspects of the RBA Code of Conduct and applicable legal requirements. With this audit process, we replicate the Validated Audit Process (VAP) that is implemented and advocated by RBA, including use of the VAP Audit protocol and tools.

For our existing suppliers, we utilise the 80-20 Rule and focus our auditing effort on material "Core Suppliers" (i.e., the suppliers who account for 80% of our direct spend). Our Core Suppliers do not typically change year-on-year and our relationships with Core (Component) Suppliers and Core (Finished Goods) Suppliers typically span more than five years and 10 years, respectively. 100% of our Core Suppliers are audited at least once annually. Our auditing program for existing suppliers is also risk-based. In addition to applying the 80-20 rule, we also identify any High Risk suppliers using the RBA's Self-Assessment Questionnaire (SAQ) and Risk Assessment Tool.

The supplier uses these tools to carry out a self-evaluation of their performance and to disclose pertinent information regarding its business activities and organization. We carry out a desk-based review of that information to verify accuracy and completeness, and determine the level of risk and need (or value) of on-site audit. RBA defines any supplier with a score below 65% as High-Risk and any such High Risk suppliers are included in our audit plan for the year. In CY17, we completed 49 supplier audits to cover 100% of our Core Suppliers (i.e., 80% of our direct procurement spend). All of our audits result in an SER score, which is reviewed and discussed as part of a Quarterly Business Review (QBR) process. SER Performance is allocated a 20% weighting in the overall review process and can significantly affect a supplier's capacity to continue to win work with Logitech and grow its portfolio of work for us. Our audit process includes a fully established process for corrective action planning, tracking and reporting, including termination of the agreement with the supplier, if needed.

## Supplier Capability Building

Compliance with the RBA Code is a contractual requirement of our purchase agreements with Tier 1 suppliers, and those suppliers are required to manage their supply chains in accordance with the RBA Code. We provide training for suppliers via hosted Supplier Capability Building Events, where we facilitate discussions of Logitech standards and international good practice, while helping suppliers to share best practices and lessons learned, with each other. We continue our annual Sustainability Torch Award program to incentivise continual improvement of supplier sustainability performance. The award was originally introduced in acknowledgement of our commitment to leading the way to a more sustainable future, and "passing the torch" to our suppliers. Our onsite engagement program of capability building and audits continued in FY18 to help suppliers understand our requirements for international good practice, identify where improvements could be made, and develop real and measurable improvement plans to enhance the lives of real people, their communities and the environment.

<sup>1</sup> This GRI term "Significant Investment Agreement" is used to describe contractually-binding Supplier Agreements that we established with our suppliers.

<sup>2</sup> The RBA term "Priority Finding" is a nonconformance which has significant and immediate impact. RBA quotes the following examples: Health and safety issues that can cause immediate danger to life or serious injury; environmental issues that can result in serious and immediate harm to the local environment or community.

“

Our foundation is our culture and we've put a stake in the ground. We've always believed in being open and ourselves, and that we must collaborate and challenge one another. We always strive to be humble in our achievements while staying hungry to achieve more. We need a decide and do attitude that moves us forward. We believe that our ability to live this culture daily drives how we will deliver on our purpose and our strategy.

Kirsty Russell  
Head of People & Culture

”



The very heart of design thinking is this idea that if we work collectively to focus on people, we will create unique experiences for our employees and ultimately our customers.

At Logitech, we embraced this principle over four years ago and we are now applying it to all parts of the business, including our employees and the communities we touch. Logitech exists to help people create, achieve and enjoy more and we're only just beginning a journey to explore new ways in which we can extend human capability into new and different areas, within Logitech as well as for our stakeholders.

Our foundation is our culture and we've put a stake in the ground. We've always believed in being open and ourselves, and that we must collaborate and challenge one another. We always strive to be humble in our achievements while staying hungry to achieve more. We need a "decide and do" attitude that moves us forward.

We believe that our ability to live this culture daily drives how we will deliver on our purpose and our strategy.

Our handprint strategy is built on these principles and looks at ways in which we can solve problems and innovate for our employees as well as the communities around us.

This year, we continued our efforts to engage with our colleagues as a "whole person" and not just as employees or managers. In so doing, we have devised training and development programs that involved more than 1,600 employees at all levels of the organization and created ways for them to unlock and better define their passions to shape their careers around them.

Furthermore, we conducted 27 employee-led, give-back events across the world and touched hundreds of people and their communities directly.

I hope you feel our passion through these pages. I am humbled every day I come into work and hear what employees are tackling around the world and I look forward to sharing even more great achievements with you in the future.

**Kirsty Russell**  
Head of People & Culture



# DIVERSITY & INCLUSION

At Logitech, we are beautifully diverse. This gives us the unique perspectives and experiences needed to innovate, understand different markets and pull together across the globe to make things happen locally and build a competitive advantage.

We foster an inclusive culture where employees can bring their whole selves to work and fully contribute their skills and talents. We want our employees to be valued and supported both at work and in their communities. In FY18, 70+ employees participated in a pilot inclusion workshop that emphasized awareness of self, bias and privilege. Employees examined how diversity and inclusion is integrated into business processes and products. They committed to actions to contribute to an inclusive environment.

We built on last year's success of integrating diversity metrics into our Organization and Talent Reviews by adding a view of how gender intersects with race/ethnicity (US only) at Logitech. Together with the existing dedicated views on gender (global) and race/ethnicity (US only), each leader reviewed trends and workforce plans and set actions in place to support our Diversity and Inclusion Strategy. We continue to evolve our hiring, salary,

bonus and promotion processes to systematically challenge biases with clear and evenly applied criteria.

At Logitech, we seek to enable and support our diverse employees by fostering visibility, capability and community. We seek to increase visibility of women and underrepresented minorities in role model positions at Logitech. We sponsor conferences and events globally including TEDWomen, TechGig Geek Goddess, Veterans Career Transition Day, Silicon Valley Pride and Breaking Glass Women of Color Conference. Our growing employee affinity groups help employees create community, develop as leaders, share opportunities and organize participation in local/regional events.

We engage all of our employees to positively impact diversity and create inclusive environments both internally and externally. At our Swiss headquarters, we continued

our ongoing partnership with Ecole Polytechnique Fédérale de Lausanne (EPFL) to encourage and support girls in STEM by hosting students for coding camps and workshops. In the U.S., we introduced the design thinking process and led students through two design challenges at the Dare 2B Digital Conference in San Jose, California. In Cork, Ireland, we hosted students for a day of career exploration, lab tours and hands-on gaming experience as part of our International Women's Day celebration.

At our manufacturing facility, we ensure equal pay for equal work and periodically benchmark our benefits packages with relevant peer companies and good practice. We work with our suppliers to maintain the same standards at our supplier facilities, with periodic audits to check working hours and any gender bias in relation to remuneration, benefits or development opportunities.



# EMPLOYEE DEVELOPMENT

We prosper when we develop our people. We look to embed a learning culture, where employees feel empowered to nurture their own minds, challenge ideas, and make things better.

Many companies aim to get the most out of their employees. Not us. We want to bring out the best in our employees. We believe there is no real value in separating an individual's work skills, from their character, and their life experience.

We cannot expect to meet ever-increasing business aspirations unless our people also see opportunities to meet their personal aspirations.

Our employee development program ("LogiLearner") offer individuals the opportunity to build skills and gain insights relevant to their lives as a whole, including their lifestyle. LogiLearner has a dedicated website, which provides a wealth of learning opportunities, which have been curated into bite-sized chunks, so employees can learn in a way that fits with their schedule. From short videos to book summaries, there is something for everyone's preferred learning style. We also have a dedicated training center

at our manufacturing operations to ensure engagement and capability-building of front-line workers.

Our approach to learning development has been cited in a number of guest lectures at the Stanford Graduate School of Business and the University of California Berkeley Executive Education Program, the Conference Board's Resilience and Well-being Conference in New York City, the Deloitte Impact Conference in Florida, the Culture Conference in Santa Clara, California and the Future of Work Conference in San Diego, California. A flavour of some of our current learning programs is provided below.

## Genius Maker

A workshop-based, leadership development program, which engages potential leaders from across the company, to help them understand how they can amplify the talent, creativity, capability and enjoyment of those around them. In 2017, the program was

delivered in more than 15 locations worldwide and more than 1,400 employees participated, equating to more than 15,000 training hours. The program has received national acclaim and helped Logitech win the 2016 **Positive Business Award** from the University of Michigan's Ross School of Business.

>1,400

EMPLOYEES IN GENIUS  
MAKER PROGRAM

>15,000

TRAINING HOURS



## Dedicated Training Center

At our manufacturing facility, we have a dedicated training facility, which includes workshop facilities, presentation areas and mock production lines for workers to try out new skills. New employees receive a comprehensive orientation and focused skills training to build specific competencies e.g. hand welding, assembly, testing, packaging, quality checks etc. This is followed by on-the-job training and on-line practice, with periodic refresher training and testing. Our supervisors look for opportunities to encourage, train and develop employees, where possible to grow and retain talent.

## E-blasts

Learning opportunities distributed bimonthly by email, focusing on key aspects of personal development or skills development, or highlighting external learning resources.

## Inspire Speaker Series

Monthly talks from inspirational Thought Leaders and Innovators, from outside Logitech, with stories to tell, to inspire and motivate. All talks are housed on a Logitech YouTube channel so global employees can access. More than 12 talks were delivered in 2017, and over 1,000 employees attended a session or watched the recordings.

## Global Webinars

90-minute webinars that are hosted on a global platform and provide actionable insights to reinforce a culture of innovation, agility, and creative problem solving. In 2017, we held a workshop on decision-making. In 2018, we hosted a global webinars on thriving in a multi-cultural world. Both sessions had worldwide participation by 500+ employees.

Feeling inspired by our company purpose and making contributions that matter are key tenets that underpin our goals of employee engagement.

## Employee Development continued

### Leading at Logi

A six-month program for new managers that includes learning the foundational management skillset and mindset, receiving 1:1 coaching, and social learning through a cohort-based model. The program runs twice a year. More than 143 managers attended, which is 73% of the target manager population. In March 2017, the program was featured in a "Chief Learning Officer (CLO)" article entitled **How to Modernize Management Development.**

### Manager Boost

A two-day program for seasoned managers that accelerates leadership impact. The session includes a comprehensive 360° assessment, 1:1 coaching, and leading edge tools from neuroscience and positive psychology, to create deep, personal change. Nearly 123 managers attended the program in 2017, which is 46% of the target manager population.

### Inspiring and Thriving

Inspiring and Thriving is one of our newest development programs. We established the program during FY18 to help individual contributors develop their professional competencies interpersonal skills. The program includes mechanisms for periodic 360° Feedback, interactive webinars, leadership coaching and learning partners. We have 187 global employees signed up to participate in our first offering on May 2018.

### Leadership Leap

In this three day executive development program, we provide leading-edge development methods to our leaders, to create greater self-awareness and accountability, and help leaders lead and live in an authentic, values-based way. The session has been attended by 51 global executives to date and more than 450 colleague "observers" have provided 360° assessments of those leaders. We dislike bureaucracy when it stifles us. We encourage individuals to put themselves forward for development opportunities and simply sign-up, in the majority of cases. Line managers identify individuals who may be slow to put themselves forward and support and encourage them, where appropriate.



*Logitech leader experiences equine leadership development experience at Stanford.*



### Career Development

After delivering employee-centric, and leader-led, roadshows at more than 10 locations, a need arose for greater focus on career development. To address this need, we rolled out Career Development workshops to over 1,000 employees worldwide. Managers were equipped with tools to support meaningful career development conversations and coaching skills, while employees were given structured tools to identify focused development goals and activities to support making progress on the goals. We seek employee feedback on each workshop and the feedback indicates the sessions are received well and have a meaningful impact.

★★★★★☆☆

The session met my expectations.

★★★★★☆☆

I would recommend this session to other colleagues.

★★★★★☆☆

The session provided tools to support my career development.

★★★★★☆☆

The tools I learned in the session will help me have development conversations with my team.

★★★★★☆☆

I felt it was of value to take the session with my teammates.

### New Leader Assimilation Process

When new managers come into Logitech, we provide support to get them up to speed with their team. All new people managers with three or more direct report receive a facilitated session designed to accelerate communication, relationship and common purpose between the new leader and his or her direct reports. As new managers, the new leader assimilation helps them to quickly develop relationships with their direct reports in order to be successful and have quick wins during their transition period.

Specifically, the new leader assimilation is designed to:

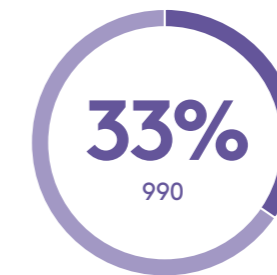
- provide employees with an opportunity to learn more about the leader's leadership style and plans;
- enable the leader to learn more about the team's thoughts concerning immediate needs and opportunities facing the team;
- assist in the development of strong, positive working relationships within the team;

- open the channels for effective two-way communication and partnership; and
- serve as the basis for initial work planning.

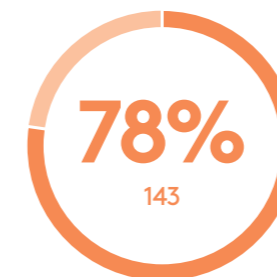
After the session, the facilitator develops sends follow-up resources to the leader. If needed, the facilitator meets separately with the new leader to review the session, provide any additional feedback and coaching, and define next steps for the teams and/or leader's development.

Our efforts in this area are already delivering great outcomes. Feedback from employees indicates the learning opportunities are well received. We believe this work helps create a shared identity through meaningful and memorable experiences that have opened our employees' minds and hearts to new ways of leading and living. We continue to be ranked as an Attractive Employer by Universum Global Switzerland and we look to continue that trend and position ourselves as an Employer of Choice.

PERCENT OF TARGET  
AUDIENCE THAT PARTICIPATED AND  
TOTAL NUMBER OF PARTICIPANTS

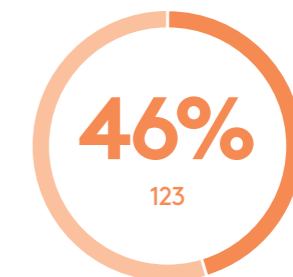


## GLOBAL PARTICIPATION IN LOGITECH LEARNING PROGRAMS



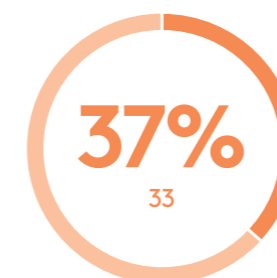
### LEADING AT LOGI

Six-month program for new managers to learn the management fundamentals alongside a global cohort. Each participant receives six hours of coaching, bite-sized weekly assignments, and the opportunity to take a 360° assessment.



### MANAGER BOOST

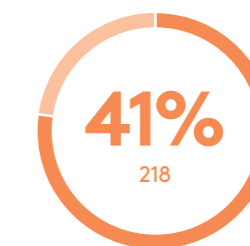
Two-day manager development program that incorporates a 360° assessment, The Leadership Circle Profile, targeted tools for behavioral change, and six-hours of post-program coaching.



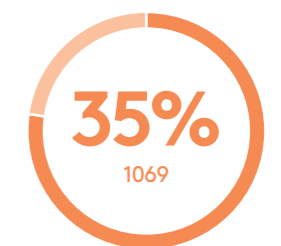
### LEADERSHIP LEAP

Three-day program that incorporates equine development, a 360° assessment, leadership profiling, targeted tools for behavioral change, and six-hours of post-program executive coaching.

INITIATED A 360



PROVIDED 360 FEEDBACK



### 360 DEGREE FEEDBACK

Enabling continuous feedback through a standard and consistent approach to 360s was a key priority for 2017. The data shows how many people received or provided 360° feedback

# GIVING BACK

Founded in 2014, Logitech Cares is a volunteer program sponsored by Logitech, which gives employees the opportunity to give back to the communities in which they live and work, through high-impact and meaningful volunteering opportunities.

Most people think of volunteering as just something nice to do, but to us, it's bigger than that.

We want to have an impact, regardless how small or big the cause. Many of our employees actively look for opportunities to volunteer and give back. The purpose and values underpinning our Logitech Cares program are directly aligned with our passion and belief that Logitech should be more than just a great place to work. It should help connect personal values with organizational values by building a community of people who care.

During 2017, Logitech employees organized 27 Logitech Cares initiatives and events across 14 cities in 10 countries worldwide, including Taiwan, The Netherlands, India, the US, Mexico, Singapore, Ireland and Switzerland. The rapid growth of the Logitech Cares program, since its early beginnings in 2014, is an indicator of the support it receives inside Logitech.

## George Mark Children's House

George Mark Children's House focuses on quality of life and continuity of care for children with illnesses that modern healthcare cannot yet cure. GMCH partners with families to bring an element of normality and joy to the lives of those facing serious illness. In addition to their around-the-clock skilled pediatric nursing, they offer everyday activities including play, art, music, movement and hydrotherapy. Logitech Cares volunteers helped with house maintenance and to clean and maintain the property and furnishings used by house guests everyday.

We believe  
volunteering is much  
bigger than just  
something nice to do.  
We want to make an  
impact for causes of  
every size.

# >300

VOLUNTEERS

# 27

GIVING BACK EVENTS

# >1,600

VOLUNTEER HOURS

THE GALTEE CLINIC FOSTER HOME, CORK





THE SPASTICS SOCIETY OF TAMILNADU (SPASTN), TAMIL NADU



STARBABYS, SHANGHAI

### Syin-Lu Social Welfare Foundation

Syin-Lu Social Welfare Foundation helps people with mental and developmental disabilities to engage with the environment and achieve their potential. Logitech Cares volunteers hosted a toy and storybook donation drive and their efforts helped raise a donation of 135 books and 95 toys for the families on low income and children with disability who are helped and supported by the Foundation.

### The Spastics Society of Tamilnadu (SPASTN)

The Spastics Society of Tamilnadu (SPASTN) empowers and enables people with disability to reach their full potential through education, training and employment opportunities. SPASTN services include educational support for children with special needs, inclusive education systems and job-oriented training programs. The Logitech Cares team donated gifts for cultural activities and sponsored blue lighting of the SPASTN building to support Autism Awareness Month.

To further increase autism awareness, Logitech employees participated in a Cycle Rally held in Besant Nagar on World Autism Day and wore blue to work to show solidarity. Volunteers also shared healthy recipes and food with SPASTN children to further nutritional education.

### The Galtee Clinic Foster Home

The underlying ethos of the Galtee Clinic is a commitment to providing top quality assessment, consultation, treatment and educational opportunities for young people in the care system. The aim of the Galtee Clinic is to expand the range of therapeutic opportunities for young people in Ireland. Logitech Cares volunteers worked with residents at the centre to create an enhanced environment for working and learning. The team painted exterior buildings, added new areas to the garden, erected new fencing and created new workshop and recreational areas.

### Ronald McDonald House

The Ronald McDonald House helps families of seriously ill children. They provide a home-away-from-home to support the families of children who are receiving medical treatment at hospitals close by. In addition to accommodation, families are provided with meals prepared in the kitchen of the house. Our Logitech Cares team from Salt Lake City volunteered their help to shop, plan, prep, cook and serve food to families at the house to relief to the in-house chef that normally prepares meals seven days a week.

### Starbabys

Starbabys is a rehabilitation center that helps children with autism to learn and develop social skills. Logitech Cares volunteers from Shanghai visited the center to meet with the children, play games, arts and crafts, and help the children feel more comfortable in having a fun day.

## Giving Back

continued

### Child Abuse Prevention Center

Our Logitech Cares team in Irvine visited their local Child Abuse Prevention Center, a not-for-profit organization that is focused exclusively on the prevention of child abuse. Employees volunteered for the day to help the organization create bags of food, sort clothes, toys and shoes. The Child Abuse Prevention Center is committed to breaking the generational cycle of child abuse and ensuring a safe home environment for all children. With only a staff of two to sort goods and make delivery runs, our volunteers were able to help them find extra time to make deliveries to the families who rely on their help.

### Boys' and Girls' Club of Hong Kong

The Boys' and Girls' Club of Hong Kong provides services to support the educational and daily living needs of children and young people, and equip them with skills for their future, so they can grow, develop and contribute to society. The services the club provides range from basic literacy classes and skills training to interactive games and sports programs. Our Logitech Cares team in Hong Kong visited the centre to spend quality time with the children teaching them how to make big soap bubbles, taking and printing photographs and playing a variety of team-building games.

### Caritas

Caritas fights against poverty, defends the integrity of people living in poverty and works to educate society about the realities of poverty. Volunteers from our Switzerland office visited Caritas to volunteer their time and help to bag and sort food and clothing donations and organize shelves at a grocery market.

### Casa de la Amistad

Casa de la Amistad helps children and young adults under 22 years of age who have cancer and cannot afford treatment costs or accommodation for themselves and their family while they are getting treatment. Our Logitech Cares team in Mexico City came together to plan a day of fun activities for the children and set up a carnival-themed day with games, treats and special guests.

### Children's Wishing Well

Children's Wishing Well supports disadvantaged children by alleviating poverty and creating a solid foundation to help children escape poverty. Logitech Cares volunteers hosted a group of children in our Singapore office to shadow various different business functions to get familiar with the work we do. Children had one-to-one time with team members and employees helped them understand how different business groups within Logitech work together and offered perspectives on potential career options.



CHILDREN'S WISHING WELL, SINGAPORE



SUZHOU BOAI REHABILITATION INSTITUTE FOR CHILDREN WITH DISABILITIES, SUZHOU



RESOURCE AREA FOR TEACHING, CALIFORNIA



### Suzhou Boai Rehabilitation Institute for Children with Disabilities

The Boai school is a rehabilitation institute that helps children with disability access education, comprehensive medical treatment and rehabilitation opportunities. The Logitech Cares team took 21 children out on a fun-filled visit to the Shangfang Hill Forest Animal World and spent the day playing games and making special memories together.

### Resource Area For Teaching

Resource Area For Teaching focuses on inspiring, engaging, and educating children through hands-on teaching. They provide creative ideas, affordable project materials, pre-packaged activity kits, one-to-one mentoring and professional development for educators who believe in the power of education. Logitech Cares employees volunteered at the Sunnyvale, California headquarters to build educational kits to supplement hands-on learning for elementary school students.

### Pluryn Community Health

Pluryn's not-for-profit center in Nijmegen provides support to more than 200 people with physical and visual disabilities. In the last year, Logitech Cares volunteers from our Nijmegen office visited the center to meet Pluryn's dedicated team of carers, clean wheelchairs and bring clients with disabilities on an afternoon walk.

### Children's Cancer Association

For children diagnosed with serious illness and their families, every moment is precious. The Children's Cancer Association (CCA) develops programs that use music, nature, friendship, and other resources to create moments of joy for children facing illnesses. The organization firmly believes that joy changes lives, fuels innovation, and fosters creativity. Logitech Cares in Newark, California held a donation drive collecting 163 toys and gift cards to add more joy to the lives of the children of CCA.

### Edukans

Edukans is an organization focusing on the education of children, especially in disadvantaged countries. The Logitech Cares Nijmegen team partnered with Edukans in their "Schoenmaatjes" (Shoe-buddies) program to collect presents for children. Employees filled shoe boxes with little gifts including art materials, dolls, toys, toiletries and school supplies.

### Share

More than 31,700 children in Clark County receive free or subsidized-meals at school and may not receive meals at home at the weekends. Share's Backpack Program works to fill backpacks with non-perishable, easy-to-prepare food for children to take home each weekend. The Logitech Cares Team in Camas, Washington held a food drive collecting large amounts of shelf-stable, protein-rich foods, which would be suitable for families who do not have easy access to cooking facilities.



## Giving back

continued

### California School of the Blind

The California School of the Blind provides specialized educational services to students with learning needs related to visual impairment. Our Logitech Cares team in Newark gathered together to help organize and facilitate the school's summer carnival. Employees hosted face-painting booths, a cupcake decorating table, walked the children through the carnival's games and rides and created a fun day of experience for the children.

### Future Plans

Every child deserves a loving, nurturing home with a safe environment and people to support them. Giving back and driving change are not only a social responsibility but a key aspect of Logitech's culture. As our Logitech Cares community continues to expand in size and engagement, together across the globe, every region can have a deeper impact and empower the youth of society.



CALIFORNIA SCHOOL OF THE BLIND, CALIFORNIA

# ABOUT THIS REPORT

From our beginnings in a small farmhouse in Switzerland in 1981, we have grown to become a multi-brand, multi-category company that operates across all continents to create unique experiences for consumers.

# ABOUT THIS REPORT

This is our ninth annual Sustainability Report. Our reporting is a reflection of the value we place on being open and ourselves and our commitment to transparent reporting of performance.

This report was prepared by our Global Sustainability Function, with input from key functions across Logitech and the oversight and approval of Logitech leaders. Third-party external assurance has not been sought at this time.

This report was finalised August 2018 and covers Financial Year 2018 (01 April 2017 to 01 April 2018), except where otherwise noted<sup>1</sup>. Financial data is given in U.S.

Our last Sustainability Report was issued in September 2017 and related to Financial Year 2017, except where otherwise noted. To download or access Sustainability Reports for previous years, please visit [logitech.com/sustainability](http://logitech.com/sustainability)

We acknowledge the many interpretations and definitions of "Sustainability" in the public arena at present. Within Logitech, we use the term sustainability to describe the policies and key programs that we have initiated as part of demonstrating our continued commitment to

people and the environment and we talk about our programs to reduce our environmental footprint and social handprint, as described further in the "About Us" section of this report. Within Logitech the terms SER (Social, Environmental, Responsibility) and ESG (Environment, Social and Governance) are synonymous with Sustainability. SER is the term used by the RBA. ESG is the term used by our Investors. Our sustainability programs addresses all material aspects of sustainability, SER and ESG.

This report is broadly aligned with the "Core" application level of the G4 Sustainability Reporting Guidelines, the fourth generation of guidelines from the Global Reporting Initiative (GRI). Our GRI Content Index, which indicates which GRI Key Performance Indicators (KPIs) which are included in this report and where they are addressed, is available from the sustainability section of our website [here](#).



Our approach to meeting the GRI Principles for Defining Content can be summarised as follows:

#### Stakeholder Inclusiveness

As described in the **Stakeholder Engagement** section of this report.

#### Materiality

As described in the **Materiality Assessment** section of this report.

#### Sustainability Context

In each section of this report, we have endeavoured to present the last year's performance and programs in context. We typically present the year's results relative to our own historic performance, international good practice standards or broader concepts of sustainability relevant to our activities.

#### Completeness

For each of the material aspects, which we identified in our Materiality Assessment, we have endeavoured to provide sufficient, reasonable and appropriate information to allow stakeholders to assess our performance during the reporting period. Where relevant, we have engaged stakeholders to determine what information they need in order to assess our performance.

#### Contact Us

If you have any questions or suggestions regarding this report or any aspect of our sustainability performance, please do not hesitate to contact us at [sustainability@logitech.com](mailto:sustainability@logitech.com)

<sup>1</sup> In some cases, data in this report relates to calendar year 2017 (i.e. 01 January 2017 to 31st December 2017) as this is the time period that our external stakeholders have asked for. In all cases where this occurs, the reporting period is clearly specified.

# DATA

## ENERGY DATA FROM OUR MANUFACTURING FACILITY

	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17
Natural Gas (m <sub>3</sub> )	130,783	6,335	0	0	0	0	0	0
Petrol (L)	23,991	21,840	21,384	21,154	21,106	21,506	18,967	12,567
Diesel (L)	15,891	15,213	7,399	6,189	7,124	5,942	7,154	7,896
Electricity (kWh)	20,024,864	20,253,367	19,324,974	17,964,012	16,468,665	18,057,215	20,007,694	21,295,383
HCFC-22 (kg)	420	433	355	323	318	162	213	215
HFC-134a (kg)	62	60	41	50	104	68	80	240

## GREENHOUSE GAS EMISSIONS FROM OUR MANUFACTURING FACILITY

	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17
<b>Scope 1</b> Direct GHG Emissions (t CO <sub>2</sub> -e)								
Natural Gas	247	12	0	0	0	0	0	0
Petrol	55	50	48	48	48	49	43	28
Diesel	43	23	20	17	19	16	19	21
HCFC-22	760	784	643	585	576	293	386	389
HFC-134a	89	86	59	72	149	97	114	343
<b>Total Scope 1</b>	<b>1,192</b>	<b>954</b>	<b>770</b>	<b>721</b>	<b>791</b>	<b>455</b>	<b>562</b>	<b>781</b>
<b>Scope 2</b> Indirect GHG Emissions (t CO <sub>2</sub> -e)								
Electricity	15,777	15,957	15,226	14,153	12,975	14,227	15,763	17,238.6
Hot water			437.23	338.25	440.35	472.07	369.27	367.32
<b>Total Scope 2</b>	<b>15,776.95</b>	<b>15,956.98</b>	<b>15,662.76</b>	<b>14,491.53</b>	<b>13,415.49</b>	<b>14,698.77</b>	<b>16,132.70</b>	<b>17,605.94</b>
<b>Total All (t CO<sub>2</sub>-e)</b>	<b>16,969</b>	<b>16,911</b>	<b>15,995</b>	<b>14,875</b>	<b>13,766</b>	<b>14,682</b>	<b>16,315</b>	<b>18,387.11</b>

## GREENHOUSE GAS EMISSIONS FROM OUR OFFICES

Office Region	Market-Based* GHG emissions (t CO <sub>2</sub> -e)
Americas (AMR)	1,487.22
Asia Pacific (AP)	1,815.83
Europe Middle East and Africa (EMEA)	359.57
<b>Total</b>	<b>3,662.62</b>

\*Market-based emissions, taking into account use of renewable energy at some of our offices in EMEA.

## FINANCED RECYCLING (TONNES) SINCE 2010

Financed Recycling	CY10	CY11	CY12	CY13	CY14	CY15	CY16	CY17	Cumulative
WEEE	5,173.33	2,815.06	2,484.87	1,948.12	2,309.58	2,274.54	3,781.80	3,318.70	24,106.00
Batteries	170.88	112.73	177.25	188.59	211.39	287.46	426.51	409.12	1,983.92
Packaging	2,215.84	1,871.85	1,381.40	1,212.77	1,145.88	1,206.67	2,094.92	1,858.99	12,988.32

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