



SUSTAINABILITY  
REPORT 2015

logitech®





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**Bracken P. Darrell**  
President and  
Chief Executive Officer

## CEO STATEMENT & 2015 HIGHLIGHTS

Logitech creates products that have a place in people's everyday lives. Almost 35 years ago, we started connecting people through computers; now we design products that connect people to each other or to the amazing world that exists in bits and bytes in the so-called virtual world.

Today we play not only in the original mouse category that gave us our start, but also in music, gaming, video collaboration, and more. We have revitalized our innovation engine to drive profitable growth, designed a diversified and growing portfolio of products and grown market share to secure

leadership in almost all of our categories. This transformation into a new Logitech has helped us deliver exceptional value for our shareholders these past years. We have taken the company from a 7% decline in constant currency sales growth in 2013 to an accelerated 9% growth this last fiscal year - our best annual retail sales growth in five years.

A passion for great design and engineering have been at the center of the company's success story from almost its birth ... and we continue to elevate our capability and focus on both.

As a device maker and design centered company, we have a special responsibility to the world with respect to the environment. As CEO, I want to foster a business and culture where people take pride in what we do and our contribution to people, society and the environment. More important, I want to continue down a path to make us more and more environmentally healthy. We have a long way to go but we have made a lot of progress. This Sustainability Report provides an overview of the key programs we have already put in place and some of the 2015 achievements I feel we can be proud of.

## CEO STATEMENT CONTINUED

**Governance, Ethics and Transparency**

Good governance is impossible without compliance. We created a new Compliance Committee, and a refresh of the Logitech Code of Conduct. We rolled out training and communication initiatives across the globe to raise awareness of our requirements for ethical good practices, and feedback from employees and suppliers indicates those efforts have reinforced the positive behaviors that make Logitech a great place to work.

**People and Society**

Talented and passionate people are the heart of our company. We have worked hard to build a company that is open, candid, less bureaucratic and cares about people. In the last year, I am delighted to have seen more than 2000 employees participated in [Employee Development](#) programmes worldwide.

Our [Diversity and Inclusion](#) programs continue to grow and develop year on year. All Logitech employees, their families and anyone else, for that matter, should be able to live and work without fear of discrimination. I hope all employees can take pride, as I do, that we work in an environment that fosters and embraces diversity.

I am delighted to see our volunteer program, “Logitech Cares,” continues to grow and evolve at pace with our passion for [Giving Back](#), and having a personal impact. In CY2015, employees implemented 22 events across six countries, and worked with local communities to raise funds, organise product donations and lead educational initiatives for disadvantaged and vulnerable members of society.

**Protecting People and the Environment**

It’s one thing to build a product, but it’s another to build a beautiful product experience. Everything about a product needs to be considered in creating a user’s experience. Getting this right and delivering sustainability in how we create products and how they are ultimately managed at end-of-life... and as often as possible used to create the next new product. “Cradle to cradle” is the correct fundamental answer and our long term mission.

In the spirit of that objective, our dedication to making sure our products and packaging are sustainable is fundamental, for our consumers and supply chain partners. Our design team and engineers create products that are as durable as possible, and also strive to improve upon products’ sustainability and energy efficiency.

Another example of our focus on sustainability is our engagement in product recycling programs around the world, ensuring we are responsibly managing products at the end of their life, while supporting a circular economy. A circular economy (cradle to cradle), an ideal sustainable economy, would be where all things created are reused or biodegradable. In the last year, we directly financed the collection and recycling of 312 tons of end-of-life batteries, 5,800 tons of electronic waste and 1,241 tons of packaging waste. While we all have a long way to go to get to that point, we love the concept, and we’re happy to do our part.

**The Future**

Our sustainability policies and programs are an important part of becoming the sustainable company we aim to be. I look forward to sharing ongoing improvements with you in future years to come.


**Bracken P. Darrell**

President and Chief Executive Officer

# 2015

## Key Achievements

### EMPLOYEE DEVELOPMENT



### RESEARCH AND DEVELOPMENT



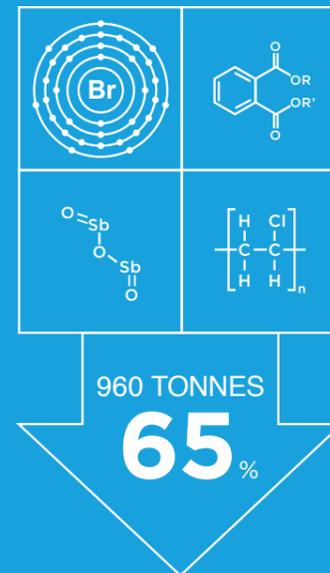
### GLOBAL RECYCLING



### DESIGN AWARDS

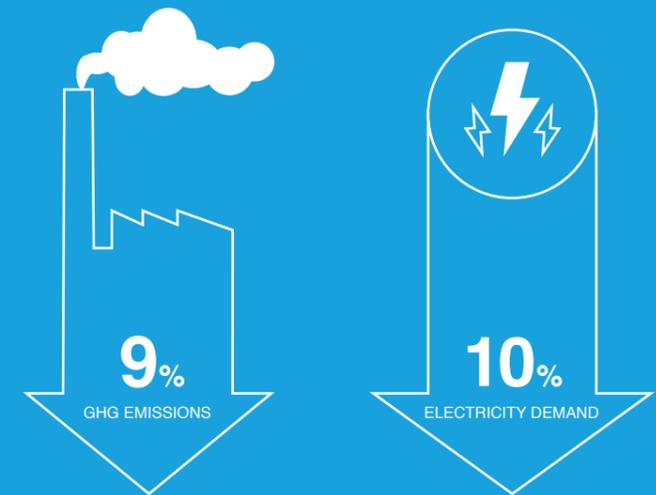


### TARGETED SUBSTANCE REDUCTION



### ENERGY & GREENHOUSE GASES

REDUCED GREENHOUSE GAS EMISSIONS AND ELECTRICITY



### CONFLICT MINERALS



### SUPPLIER DEVELOPMENT



# ABOUT US

More than 30 years ago we started connecting people through computers. Now we design product experiences that bring people together through music, gaming, video and computing.

ABOUT US CONTINUED

Logitech designs products and customer experiences to connect people to the digital experiences that they care about. We design, manufacture and market software enabled hardware products that bring people together.

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 wholly owned subsidiary, headquartered in Silicon Valley, California.

Our global footprint extends across North and South America, EMEA (Europe, Middle East and Africa) and Asia Pacific, including China, Taiwan, Japan and Australia. We employ more than 6,200 staff, including more than 3,650 at our manufacturing facilities in Suzhou, China; and 2,550 at other locations across the globe. Our network of offices includes 23 Principal Offices<sup>(1)</sup> and a number of

smaller (salesfocused) offices worldwide, and we have two main global distribution centres in Memphis (US) and Rotterdam (Netherlands).

Shares of Logitech International S.A. are listed on the SIX Swiss Exchange (trading symbol: LOGN), and the Nasdaq Global Select Market, (trading symbol: LOGI). As of 31 March 2016, our total capitalization was \$760 million USD, funded 100% by equity, with zero debt. Total net sales for CY2015 were \$2.02 billion.

From our humble beginnings as a software company, we have grown to create music, gaming, video collaboration, computing and a range of other hardware and software digital experiences, which help people create and produce more. Our products fall into five main categories:

- Music: wired and wireless devices that capitalize on the rapid growth of streaming music. Products in this category include mobile speakers, wearables, and headsets connecting to all music services used on both PCs and mobile devices.

- Gaming: PC and console products designed to enhance gamer experiences, including virtual and augmented reality. Products include gaming mice and keyboards, gaming headsets, gamepads and steering wheels.
- Video Collaboration: product and cloud-based solutions that enable rapid enabling of realtime video, audio and content-sharing capability for business and individuals.
- Home: Logitech designs simple yet powerful products that help people take control of their ever growing connected home. Our smart home products simplify the functionality between lights, locks, entertainment, security and more. Our smart home lineup includes the Harmony line of universal remotes that give you integrated control of your home entertainment and home control devices. And when you aren't at home, the Circle home camera that lets you monitor and connect to home via your mobile device.
- Creativity and Productivity: With ever increasing connectivity globally and the consistent growth in time spent by people

on these computing platforms, we continue to innovate and grow market share for mice, keyboards and combos, pointing devices, tablet and other accessories and webcams.

Logitech products are sold worldwide, via a broad network of domestic and international customers, including direct sales to retailers and etailers, and indirect sales via distributors. Our retail network includes consumer electronics distributors, retailers, mass merchandisers, specialty electronics stores, computer and telecommunications stores, value added resellers and online merchants across the globe.



<sup>1</sup> Principal Offices: Owned and leased offices with more than 50 Logitech personnel. Please refer to the 2015 in Figures Infographic to see their geographical location

ABOUT US CONTINUED

The Logitech house of brands currently comprises four master brands: Logitech, Logitech G, Ultimate Ears and Jaybird<sup>®</sup>.

Jaybird was acquired in April 2016 and therefore is not covered under the scope of this CY2015 report. It will be covered in future reports.

Our manufacturing operations consist principally of final assembly and testing at our highvolume manufacturing operations located in Suzhou, China. We established our manufacturing site at Suzhou in 1994 and more than half of our products are produced onsite. Certain components are manufactured to our specification by suppliers

in Asia, the United States and Europe. Our own manufacturing capacity can be supplemented by use of contract manufacturers and original design manufacturers in the surrounding area of our own facilities. Our local and international team maintain oversight of all in-house and supplier production activities, manufacturing know-how, quality process controls, social and environmental responsibility obligations, 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, reduce volatility in production levels, and optimise time to market. Through use of this model we have realized significant cost efficiencies with no loss in quality process control or consumer experience.

An overview of our company is shown in the following “2015 In Figures” infographic.

2 On December 28, 2015, we divested the Lifesize video conferencing segment of our business. Lifesize data is not included in this report.

3 Logitech is marketed as Logicoool in Japan. Logitech may be accompanied by the logo mark “Logi”.



## 2015 IN FIGURES

EST. **1981**



Corporate HQ, Newark California US

**6,200**  
EMPLOYEES



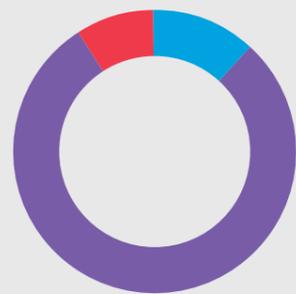
Registered Head office Apples Switzerland

3,650 in factory

2,550 non-factory

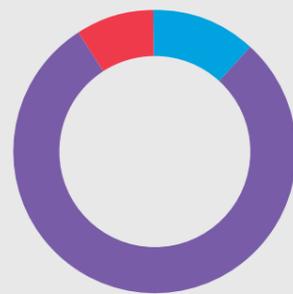
CY2015 net sales

**\$2.02** BILLION



Employees per Region

731	AMR
4,932	AP
534	EMEA



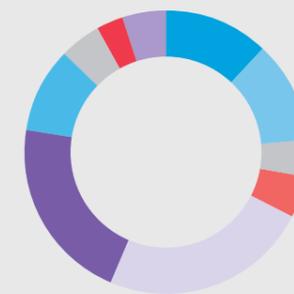
Employees per Region

12%	AMR
79%	AP
9%	EMEA



Gender Diversity

36%	Female
64%	Male



Net Sales by Products Category (%)

12.05%	Mobile Speakers
11.64%	Gaming
4.12%	Video Collaboration
4.89%	Tablet & Other Accessories
23.95%	Pointing Devices
20.96%	Keyboards & Combos
9.87%	Audio-PC & Wearables
4.63%	PC Webcams
2.98%	Home Controls
4.91%	Other (*)

## SUSTAINABILITY AT LOGITECH

We care about people and the environment. As we grow and develop as a company, we recognise the continued need to consider the impact we can have on the communities and environment in which we operate. Adopting a consumer-centric approach and Design Thinking, is central to how we innovate and develop outstanding products. We apply that same approach when managing sustainability and consider people, the consumer, the public and communities as a central part of our business strategy and way of working. This is our approach to Sustainability at Logitech.

As a small company, playing in a global market, we recognise the value of collaboration. We joined 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, catalyse improved supply chains, and support our transition to a more sustainable world. Commitment to the [EICC Code of Conduct](#) is fundamental to how we do business. It 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), which helps us apply the precautionary principle, look beyond our legal obligations, continually improve our performance, and ensure we live and breathe our company values and always “do the right thing”.



### EICC 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.
- EICC's Vision is a global electronics industry that creates sustainable value for workers, the environment and business. The membership now exceeds 100 companies world-wide.
- The EICC Code of Conduct 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.
- EICC members adopt and are held accountable to the EICC Code of Conduct and utilize a range of EICC training and assessment tools to support continuous improvement of sustainability performance, within their own operations and supply chains.
- The EICC 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 EICC 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 EICC 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 EICC members towards achieving the EICC mission and values of a responsible global electronics supply chain.

SUSTAINABILITY AT LOGITECH CONTINUED

As an ethically responsible company, we recognise the need to proactively consider sustainability, people, society and the environment as we grow and develop as a company. Our company culture is founded on the three pillars of People-Passion-Products and guided by the EICC's Code of Conduct, which is our Management Framework for Social and Environmental Responsibility (SER). Our dedicated Sustainability Team facilitate, guide and inform

sustainability performance across the company and responsibility for many aspects of sustainability performance is embedded within the wider Logitech team. As a core part of our culture, we push the limit with big ideas; success is never final and we are committed to the ISO principle of continual improvement. We focus on the issues that really matter and look to innovate and create value in all areas of activity, including sustainability.



## STAKEHOLDER ENGAGEMENT

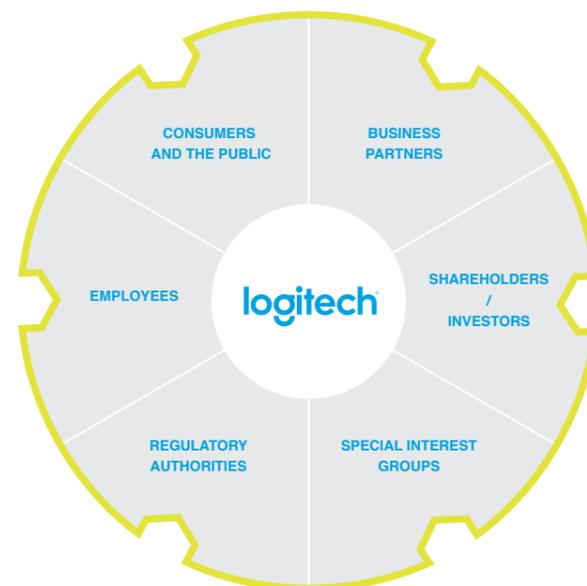
We understand the importance of stakeholder engagement. Transparent engagement with stakeholders helps us build and maintain long-lasting relationships with the people who care about our activities and business success. We are aware of increasing demands for the technology sector to be more transparent 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 understand what works and gain insight.

We subscribe to the GRI definition of a stakeholder, and identify stakeholders as entities or individuals, which can be reasonably expected to:

- be significantly affected by our activities, products and services; and
- 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 Inclusive, 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 Organisations – NGOs); Consumers/The Public.

### Key Stakeholder Groups



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. Summary information in relation to each Topic of Discussion is provided in the various sections of this report, and additional information can be provided to stakeholders, where a request for information is received.

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, which we are always happy to provide, and requests for information from investor advisory firms.

Our sustainability performance is broadly aligned with peer companies in our sector, including other EICC members of similar scale. We are committed to the ISO principle of continual improvement and over the course of the next year we will be working to review our current engagement activities and processes, benchmark those processes against relevant peers and standards, and disclose further information, where relevant.

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.

STAKEHOLDER ENGAGEMENT CONTINUED

### Summary of Stakeholder Engagement Activities and Discussions

Stakeholder Group	Engagement Activities	Topics of Discussion
Shareholders / Investors	<p>Engagements are managed by the Investor Relations function and include annual financial statements and reports, our Annual General Meeting, routine conventions and briefings and direct engagements led by representatives of the Investor Relations function. Pertinent information is also shared via the <a href="#">Investor Page</a> of our website.</p> <p>A number of investor advisor groups monitor and report our sustainability performance to potential and existing investors and engage with us when undertaking their periodic sustainability assessments.</p>	<ul style="list-style-type: none"> <li>■ Financial Performance</li> <li>■ Governance Mechanisms</li> <li>■ ESG (Sustainability) Performance</li> <li>■ Energy &amp; GHGs</li> <li>■ Sustainability Reporting</li> <li>■ Supply Chain management</li> </ul>
Special Interest Groups	<p>Specialist Interest Groups include industry bodies and Non-Governmental Organisations (NGOs) with particular interest in sustainability performance. We are full members of EICC. EICC identify Special Interest Groups of relevance to our sector and help guide an engagement process governed by Chatham House Rules. As part of the External Factors Review and Materiality Assessment underpinning this report, the public views and interests of a number of Special Interest Groups (including EICC, GeSI, BSR, the Human Rights Watch, the World Resources Institute, the Carbon Disclosure Project and others) were reviewed and taken into consideration.</p>	<ul style="list-style-type: none"> <li>■ SER performance at our manufacturing facility</li> <li>■ Supply Chain management</li> <li>■ Energy &amp; GHGs</li> <li>■ Worker Safety, Health and Wellbeing</li> <li>■ Human Rights and Fair Work Conditions</li> </ul>
Regulatory Authorities	<p>As a global company, we comply with international law and national law in each jurisdiction. Our Sustainability Function includes a Legal Surveillance capability, which monitors 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 request 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).</p>	<ul style="list-style-type: none"> <li>■ Hazardous Substances (RoHS, REACH)</li> <li>■ Compliance with factory Environmental Licence</li> <li>■ Filing of Required Reports</li> <li>■ Conflict Minerals</li> <li>■ End-of-Life Stewardship obligations</li> </ul>

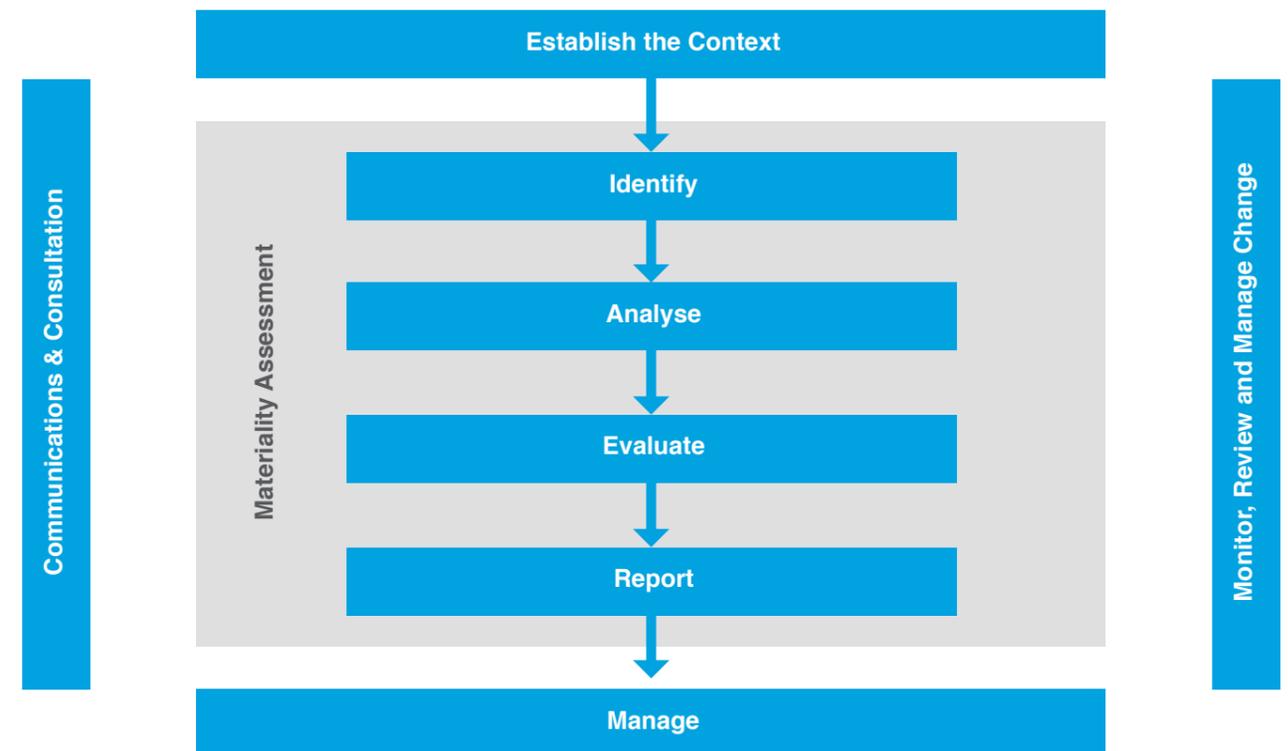
Stakeholder Group	Engagement Activities	Topics of Discussion
Employees	<p>As a global company with a small company attitude, we endeavour to create an open-door environment, where employees feel they can interact at every level, without hierarchy or bureaucracy. Employees speak to their line manager or local leader, in the first instance. Senior Leaders also carry out Listening Tours where they visit particular sites for 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.</p>	<ul style="list-style-type: none"> <li>■ Employee benefit and compensation offerings</li> <li>■ Employee development opportunities</li> <li>■ Requests for additional information - reflecting employee interest in our sustainability performance</li> </ul>
Consumers and The Public	<p>Engagement with consumers is facilitated by our Customer Care function, social media platforms, 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, 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. As well as 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>■ Key features</li> <li>■ Use of packaging</li> <li>■ Product Energy Management</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 unrivalled. 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 liaise with retailers and other business partners to ensure we respond to the needs of our partners and customers are continually engage with customers to understand what is needed in that regard. Sustainability performance requirements are discussed as part of developing and reviewing supply agreements.</p>	<ul style="list-style-type: none"> <li>■ Ethical manufacture and supply of product</li> <li>■ Product Marketing of Sustainable features</li> <li>■ Consumer awareness and promotion</li> <li>■ Substance management meeting national law</li> <li>■ Energy management product features</li> <li>■ End of Life Stewardship</li> </ul>

## MATERIALITY ASSESSMENT

As a global company, with a small-company attitude, we recognise the need to focus on the issues that matter – our material sustainability aspects. In 2016 we reviewed our existing Materiality Assessment to ensure we continue to focus on the most important sustainability issues of interest to our stakeholders and relevant to our business success. Our materiality assessment was carried out in accordance with GRI Guidelines and the international good practice standards of ISO 31000 for risk and opportunity identification, analysis and management. The overall process of assessment can be illustrated as shown in the figure.

- Establish the Context:** To establish the context of the Materiality Assessment, we carried out an External Factors Review of publically available data sources, to understand stakeholder perceptions and societal views of the technology sector, and 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. A number of existing and emerging “Mega-Trends” were identified as relevant to our sustainability performance and provide context to this report.

Materiality Assessment Process



## MATERIAL ASSESSMENT CONTINUED

■ **Identify:** To identify issues of concern, and benchmark our Materiality Assessment process, we reviewed a number of existing, sector-specific materiality frameworks, which were compiled by independent third-parties following multi-stakeholder interview and engagement exercises. Examples included those compiled by the [Sustainability Accounting Standards Board \(SASB\)](#), the [Global eSustainability Initiative \(GeSI\)](#), and the [Global Reporting Initiative \(GRI\)](#). In addition, we reviewed the Sustainability Reports of a number of peer companies, to benchmark and sense-check our assessment process key observations, and emerging trends.

■ **Analyse:** As an outcome of the identification process, we identified more than 200 sustainability issues requiring further consideration. Those issues were clustered into Sustainability Aspects, and the nomenclature of clustered aspects was simplified, to ensure the meaning and key focus of each aspect would be broadly understood and would resonate with stakeholders. Each aspect was then discussed, analysed and scored, to identify those of material interest. When analysing 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 considered criteria known to be linked to our business success including: 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.

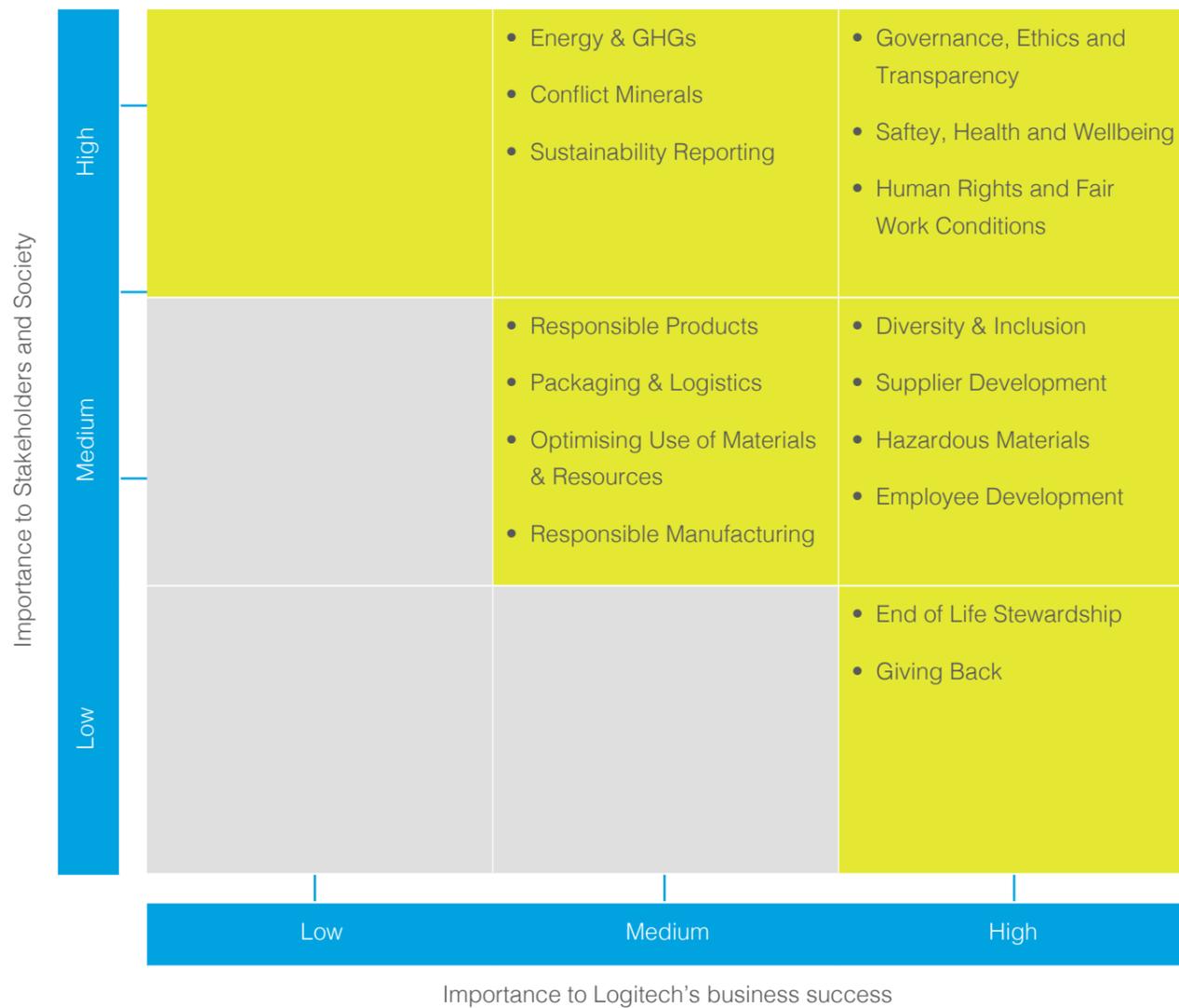
When assessing Dimension Y (Importance to Stakeholders and Society), we considered the views and perspectives of each of our six Stakeholder Groups. We included comments and views submitted to Logitech directly, and also the interests many stakeholders have in our sector as a whole. In addition, we recognised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

■ **Evaluate:** The resulting analysis scores were then evaluated to determine aspects of High, Medium and Low relevance to our business success and interest to stakeholders - to make an overall determination of materiality.

■ **Report:** The resulting evaluation is reported in the following figures. Our materiality threshold for this report is indicated by the yellow boxes in the first figure. Aspects that fell outside this scope do not currently meet our materiality threshold and are not reported in detail in this Sustainability Report. In line with GRI principles, this approach helps us focus attention on the issues that really matter. The value chain boundary for each material aspect is also shown in the second following figure.

MATERIAL ASSESSMENT CONTINUED

**Materiality Assessment**



**Value Chain Boundaries - for Material Aspects**

	Value Chain				
	Supply Chain	Own Operations	Sales & Distribution	Use	End of Life
Governance, Ethics & Transparency					
Safety, Health and Wellbeing					
Human Rights & Fair Work Conditions					
Diversity & Inclusion					
Supplier Development					
Hazardous Materials					
Employee Development					
End-of-Life Stewardship					
Energy & GHGs					
Conflict Materials					
Sustainability Reporting					
Responsible Products					
Packaging & Logistics					
Optimising Use of Materials & Resources					
Responsible Manufacturing					
Giving Back					



L. Joseph Sullivan  
Senior VP,  
Worldwide Operations

## STATEMENT FROM OUR SENIOR VP, WORLDWIDE OPERATIONS

It's an exciting time to be a part of Logitech. With the transformation of our company comes a new future, and yet continued demand for operational excellence. Over the past three years, as we've grown market share, we've also grown our operations and manufacturing capabilities. More than half of our products are now produced in-house and that includes 8 of our Top 10 products. We're introducing automation for core product lines, and we've enhanced our product launch processes, as well as our scheduling and demand planning processes.

It is my personal belief that Social and Environmental Responsibility is an integral part of process control and operational excellence; and operational excellence drives elimination of waste – waste energy, waste materials, and wasted time.

Overall, I'm happy to see we are making year-on-year improvements in operational efficiency and sustainability performance. And those improvements are delivered significant returns, in terms of creating and delivering great consumer experiences, living in accordance with our values, enhancing financial and reputational value, and opportunities for market differentiation.

### **Governance, Ethics and Transparency**

Our governance framework for social and environmental responsibility is the Electronics Industry Citizenship Coalition (EICC) Code of Conduct. As long-term, full members of EICC, we have mature sustainable programs that contribute to our continued business success, and deliver good practice across the full range of material aspects of interest to our stakeholders.

The EICC focuses on issues that are a priority to its members, including emerging issues that are not understood well. This forward-thinking approach helps develop best practices for EICC members. EICC also solicits feedback from external stakeholders to inform its projects and approaches, and to gain new perspectives. Candid feedback from stakeholders challenges us to engage in deeper thought, leading to more impactful actions, and better strategy.

### **People and Society**

Enhancing the [Safety, Health and Wellbeing](#) of all our people is a part of how we work. Our approach to health and safety management at our manufacturing facility is informed by EICC requirements, and our OHSAS 18001-certified Management System.

## STATEMENT FROM OUR VP OF OPERATIONS CONTINUED

The last year has seen the continued expansion of our well-established [Human Rights](#) program. In CY2015 our manufacturing facility was audited as part of the EICC third-party Validated Audit Process and was given a Green rating - proving our policies and commitments continue to deliver.

I am also delighted to see our [Conflict Minerals](#) program continues to perform well and safeguard the human rights of people in conflict zones. We have now engaged 100% of our suppliers; verified 84% of our smelters are participating in third-party audit programs, and verified 75% of our smelters are "conflict free." There's a lot more to do, but we're making progress.

Our work in partnership with our suppliers is accelerating [Supplier Development](#) and ensuring workers in our supply chain are cared for as equally well as the Logitech team. In the last year, I was delighted to personally endorse the launch of our

inaugural [Logitech Torch](#) award, reflecting my personal belief that Logitech is helping to lead the way to a more sustainable future, and holding a torch for our suppliers in that regard.

#### Products and the Environment

Logitech is committed to protecting the environment as well as the health and safety of our employees, customers and society. We offer innovative products and services, which are produced in a responsible and sustainable way. Our work to reduce use of Targeted Substances continues to bear fruit. This year, our programs resulted in a 65% reduction in the use of [Targeted Substances](#), compared to 2010 baseline levels.

Managing power consumption and Greenhouse Gases (GHGs) is a key area of focus at our manufacturing facility. Having met our GHG and power reduction targets in 2014, we have now set

ourselves the new goal of a 20% reduction in GHGs by 2018. I'm pleased to say we are on track to meet that target. Improvements in the last year delivered a 9% reduction in total GHG emissions, and a 10% reduction in power consumption.

#### The Future

Over the coming year, as we develop our Sustainability Strategy to 2020, I will be pushing my team to continue the Logitech tradition of challenging the boundaries of what is possible. Success is never final and we demand year-on-year improvements in all aspects of our business, including sustainability.



**L. Joseph Sullivan**

Senior Vice President, Worldwide Operations



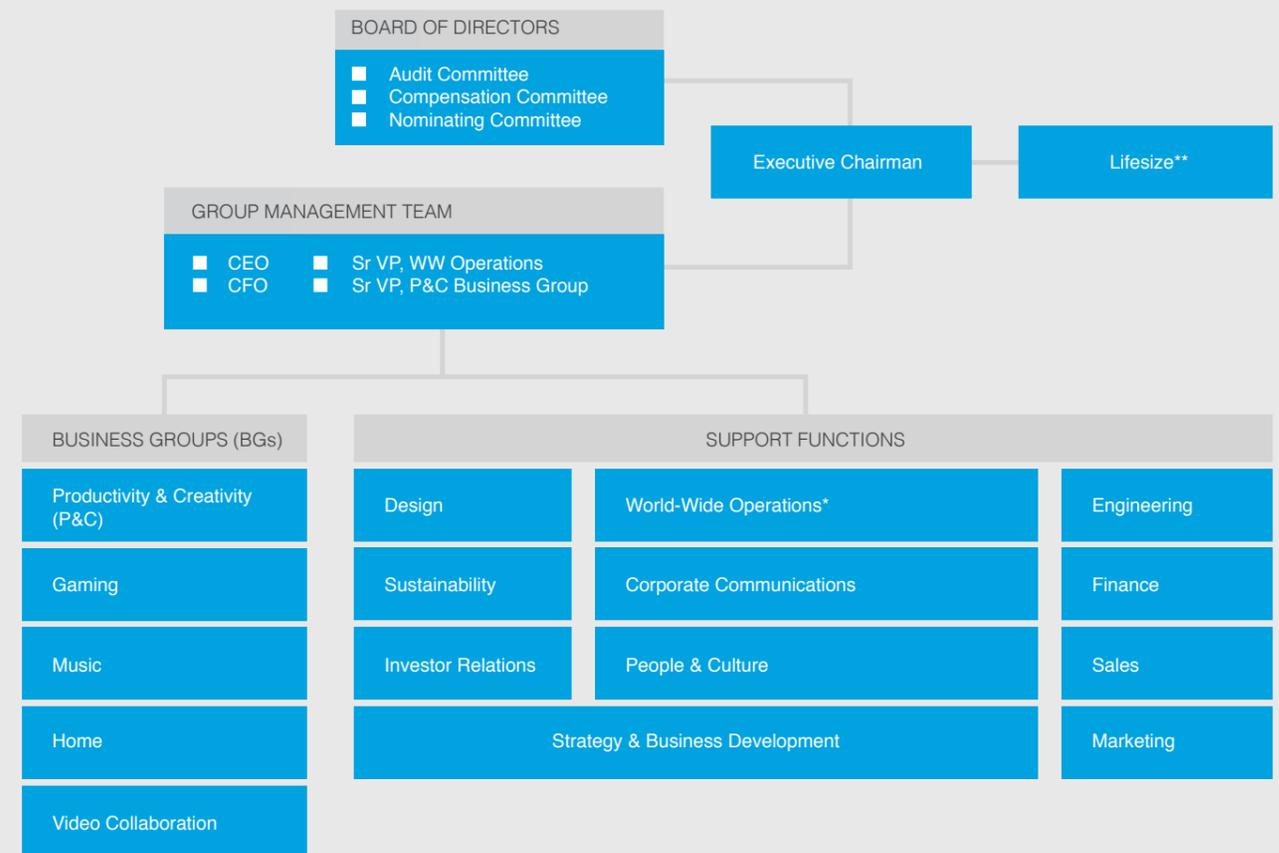
# GOVERNANCE, ETHICS & TRANSPARENCY

We conduct business in a fair, honest and transparent manner - as part of ensuring the long-term interests of all our stakeholders are served.

## GOVERNANCE, ETHICS AND TRANSPARENCY

Logitech is committed to conducting business in a fair, honest and transparent manner. Good governance and ethical good practice is how we work, and helps us ensure the long-term interests of our stakeholders are served.

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 web-site, along with the [charters](#) we have established for each of the three board-level committees.



\* Note: Worldwide Operations comprises a number of individual functions including but not limited to Quality, Sustainability, Supply Chain, Sourcing, Product Compliance and Workplace Services.

\*\* On December 28, 2015, we divested the Lifesize video conferencing segment of our business.

## GOVERNANCE, ETHICS AND TRANSPARENCY CONTINUED

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 programmes. The committee has a written charter, and meets on a quarterly basis to review relevant communications and issues, approve compliance initiatives and actions, organises the training calendar, and issues communications across the business.

Our Governance, Ethics and Transparency Programme is driven by legal compliance requirements, good practice standards and the expectations of stakeholders, including customers and shareholders. As a company publicly offering securities in the US, 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). Our commitment to the EICC 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.

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 Leadership Council 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 programme 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](#), the Logitech [Code of Conduct](#), and our [Business Ethics and Conflict of Interest](#) Policy. All three 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 on-line training for new hires, face-to-face refresher training at our Principal Offices, and communications via our intranet, internal webinars and our external website. We took particular care to ensure our suppliers understood

our continued commitment and requirements. The new Code of Conduct was formally shared with suppliers as part of supplier training. Going forward, we will 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 Section 5 - [Supplier development](#)). Training and communication initiatives will continue, with more detailed training for supplementary specialist risks (e.g. Anti-Corruption, Anti-Harassment) coming online during the forthcoming period.

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). 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

GOVERNANCE, ETHICS AND TRANSPARENCY CONTINUED

to U.S. securities laws or Swiss laws. In April 2016, we reached settlement with the SEC regarding revisions to our financial reports in 2013, and closed the related investigations to the satisfaction of all parties, as reported further in our 10k Report for this year. As communicated in our Code of Conduct, we recognise 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 of our commitments in this regard and the importance of taking this responsibility very seriously.

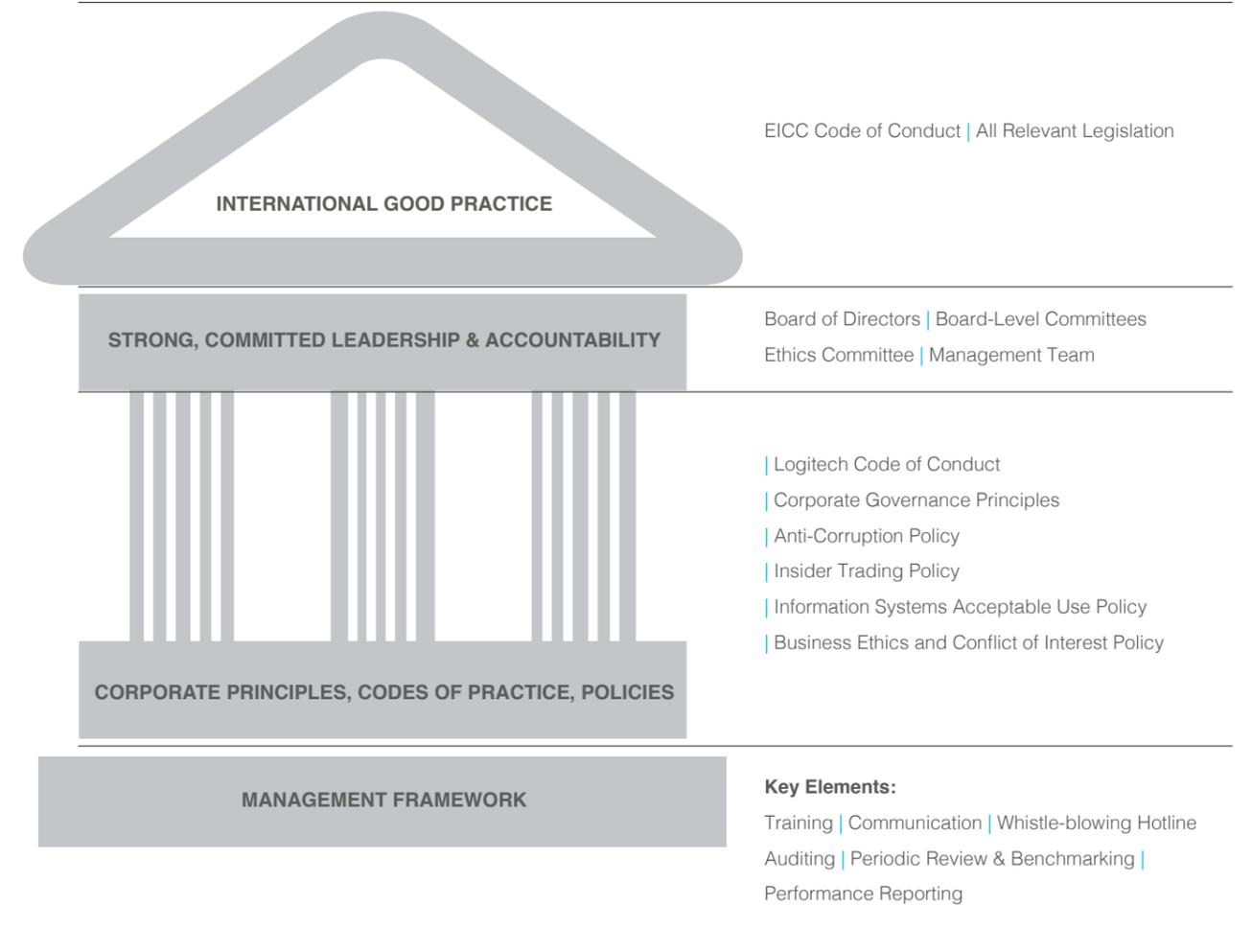
As part of our Management Framework, we undertake an Annual Risk Assessment, which takes into account country-level risks (as indicated by the Transparency International Index), and risks associated with various functional responsibilities across the company. The Risk Assessment process is facilitated by our Internal Audit team and informs the development of an Annual Audit Plan for operational audits and SOX Assessments. The Annual Audit Plan 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 (see below) 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 Ethics Point. This hotline facility provides employees with a whistle-blowing mechanism to confidentially report any issues they identify or observe. Any reports to the hotline are investigated and managed by the Internal Control function, and the identity of the individual reporting the issue is protected.





# PEOPLE AND SOCIETY

We care about people and society including our employees and their families, our customers, suppliers, business partners and the communities in which we work and live.

## PEOPLE AND SOCIETY

We care about people: our employees; our suppliers; our customers; and society as a whole. We have worked hard to build a people-first culture, founded on our values and providing real opportunities for individuals to grow, learn and feel empowered to push the boundaries of what might be possible. We love to experiment with new ideas and believe that everyone's voice should be heard. To help ensure people have a voice, we create forums, communities

and spaces, where people can come together and share their thoughts. We are committed to doing the right thing and we care enough about each other to engage in candid and respectful dialogue about what works and what doesn't. We are passionate about the work we do, the experiences we create for our customers, and the opportunities ahead of us. We do our best to embody the spirit and nimbleness of a small-company, despite our global size and footprint. Our people programs reflect this culture, and continue to grow and develop year-on-year.



## EMPLOYEE SAFETY, HEALTH AND WELLBEING

Our continued success is fuelled by a pool of creative, resourceful and innovative people across the globe; within Logitech, and across our supply chain. We have an established management framework and system, which is certified to international health and safety standard OHSAS 18001 and compliant with the EICC Code of Conduct. This framework safeguards the safety, health and wellbeing of employees, and helps employees to respond quickly, safely and creatively to the fast-paced environment of our sector, and the challenges of a competitive marketplace.

We respect all relevant health and safety law across all our countries of operation. Health and safety representatives in each of our offices work with relevant landlords and local representatives to manage potential hazards. The risk profile of our offices tends to be low risk, due to the location and quality of the office facilities we occupy. Health and well-being are critical to our employee's personal and professional success. We encourage a healthy lifestyle by providing healthcare benefits, wellness tools, resources and programs aimed at helping employees obtain good health.

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 is underpinned by an EHS Policy with clear leadership and accountabilities, and procedures to identify, assess and evaluate compliance with relevant local legislation, industry good practice, and the EICC Code of Conduct.

Continual improvement of our health and safety performance is catalysed by systematic internal and external audits, performance reporting and action plans. A team of internal (certified) EHS 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 EICC Code of Conduct is audited a minimum of once annually by an independent third-party international consultancy. We have maintained OHSAS 18001 certification year-on-year since 2004, along with good performance scores in the EICC Validated Audit Process (VAP). A number of health and safety initiatives were delivered during CY2015

as part of efforts 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 authorisation requirements.
- Risk Assessment of equipment and technology across our production facility to identify opportunities for improvement. This work was overseen by our established Safety Committee and any identified opportunities for improvement were addressed and closed out within the same year.
- 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 to fully include workers in our supply chain. For an overview of our advocacy and influencing activities within supplier organisations, please refer to the [Supplier Development](#) section of this report.

## DIVERSITY & INCLUSION

Diversity is central to our success. We hire diversity of talent across the globe. Without all kinds of diversity, we just can't have the best people. So we keep striving. Our commitment to diversity helps us bring together people with different perspectives, skills and ideas to drive innovation. It also helps us ensure we understand our global consumer base, as local teams bring local perspectives. As a global company with a small company attitude, we are open to new ideas and work to create environments that are open, inclusive and collaborative. We interact at every level, with open spaces without hierarchy or bureaucracy. Our commitment to inclusion allows people to be heard when they share their perspectives and ideas, and we endeavour to create an inclusive culture where employees can bring their whole selves to work, fully contribute their skills and talents, and be valued and supported.

We are early in our diversity and inclusion journey and there is still a lot more to do. A number of our initiatives in CY2015 focused on raising general awareness across the company of what diversity and inclusion is, and taking public positions where necessary to live and breathe our values. This section provides an overview of some of the key initiatives we implemented in the last year.

In CY2015, we celebrated International Women's Day to highlight the important role that women play in the technology sector and the role and importance of women leaders in history and in recent years. We celebrate the contribution that women make to the workforce and look to develop policies, understanding and culture supporting their continued contribution. During CY2015, a number of female employees also attended professional development sessions and conferences advocating more inclusive working environments for women in the workforce including Women's Leadership Edge in San Francisco, CA and TEDxLausanne Women in Switzerland.

Also in CY2015, our CEO joined more than 100 technology leaders in signing an Open Letter to politicians in Indiana who signed legislation that could enable 'legal' discrimination against people who are Lesbian, Gay, Bisexual, Transgender (LGBT). Fostering or encouraging discrimination is unacceptable. Discrimination is wrong. We want every individual to feel comfortable and welcome in their place of work and where they live. As a company, we look to create an environment that fosters and embraces diversity.

In CY2015, we partnered with eight corporate, non-profit, and government organizations to support Veterans Career Transition Day, hosted by Cisco Systems in San Jose, CA. The program was designed to help veterans in the San Francisco Bay Area transition from the military to civilian careers.

Logitech G sponsored and participated in GaymerX in CY2015. GaymerX is an annual convention that looks to support individuals of all sexual identities and ensure such individuals feel accepted and included in gaming culture. The conference creates a fun and safe space for LGBT "gaymers" and other underrepresented minorities to engage with Video Games, Tabletop Games & Card Games.

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 believe that Logitech can prosper if we continue to facilitate the development of our people. We cannot expect to meet ever-increasing business aspirations unless our people also see opportunities to meet their personal aspirations. 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.

Our employee development programme ("LogiLearner") therefore offers individuals 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. A flavour of some of our CY2015 learning programmes is provided below:

- **Genius Maker** – a workshop-based, leadership development programme; engaging potential leaders from across the company, and helping them understand how they can amplify the talent, creativity, capability and enjoyment of those around them. In 2015 the program was organised in 10 cities worldwide and 725 employees participated.
- **Designing Your Impact** – a leadership development programme that helps individuals understand their key strengths, interests and attributes, so they can identify the things they do uniquely well and easily, identify where they need help, and enhance their impact by using their strengths in new ways. Employees are asked to visualize their job, map its elements, and reorganize those elements to better align and reflect their key strengths and interests. In 2015, the program was organised in 24 sites worldwide and almost 1400 employees participated.
- **E-blasts** – Bimonthly learning opportunities distributed bimonthly by email focusing on key aspects of personal development or skills development, or highlighting external learning resources.

- **Inspire Speaker Series** - giving employees monthly access to inspirational Thought Leaders and Innovators, from outside Logitech, with stories to tell, to inspire and motivate.
- **Positive Deviant Series** - Global 90-minute workshops that provide actionable insights to reinforce a culture of innovation, agility, and creative problem-solving.
- **Leadership Leap** - We believe all leaders cast a shadow. In this two and half day executive development program, we provide leading-edge development methods to our leaders creating greater self-awareness and accountability to lead and live in more authentic, values-based ways.
- **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.

- **Dedicated Training Centre** – 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.

We hate bureaucracy when it stifles us. We encourage individuals 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.

Our efforts in this area are already delivering great outcomes. Feedback from employees indicates the learning opportunities are well received. Our rating on GlassDoor (a database of company reviews, submitted anonymously by employees) has increased 8% since 2015. 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.

## CONFLICT MINERALS

### Background Context

Conflict minerals are minerals that are mined in areas of armed conflict and human rights abuses, which are sold, traded or financing 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 are mined in the Democratic Republic of Congo (DRC) or adjoining countries, and fund conflict in the area. These four minerals are commonly referred to as 3TG.

In 2008, EICC 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. For each of the 3TG minerals, EICC played an active role in drawing together the relevant stakeholders to map out the key challenges and opportunities associated with tracing chains of custody. This work led to the launch of the world's first conflict-free smelter (CFS) program in 2011. The CFS is an independent third-party audit programme, which audits smelters across the globe, to determine the source of 3TG minerals, and certify relevant facilities as conflict-free.

In 2012, the Dodd-Frank Act was amended to include requirements for publically trading companies, which are subject to SEC reporting, to produce an annual report detailing any use of conflict minerals in their products.

### Our Conflict Minerals Management Programme

As an active member of EICC, Logitech supported the initial assessment work of the EICC Extractives Working Group and utilises the key tools and processes advised by the EICC as part of efforts 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 formalised this position with the publication of our [Conflict Minerals Policy](#). This policy was communicated to all suppliers and embedded into contractual agreements. CY2013 also marked the launch of our Conflict-Free Sourcing Certification Programme. Our programme aligns with industry best practice and all relevant legal requirements. 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 three 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 all of our Tier 1 suppliers, identify those that supply materials at risk of containing 3TG, and request information from the relevant suppliers to confirm the supply chain of 3TG materials and the identity of any 3TG smelters. The response rate of our suppliers has increased year-on-year as suppliers have become more familiar with our requirements and expectations. We are pleased to report, 100% of the suppliers who we contacted in CY2015 provided the information we requested, and supported our due diligence efforts.

In CY2015 the total number of smelters recorded in our supply chain registry reduced from 408 to 291 as we introduced an additional assurance mechanism to check and verify the information submitted by our suppliers: a Smelter Validation Process. We identified a number of third-party sources we could use to check and verify the information submitted by our suppliers. For example, in some cases, suppliers

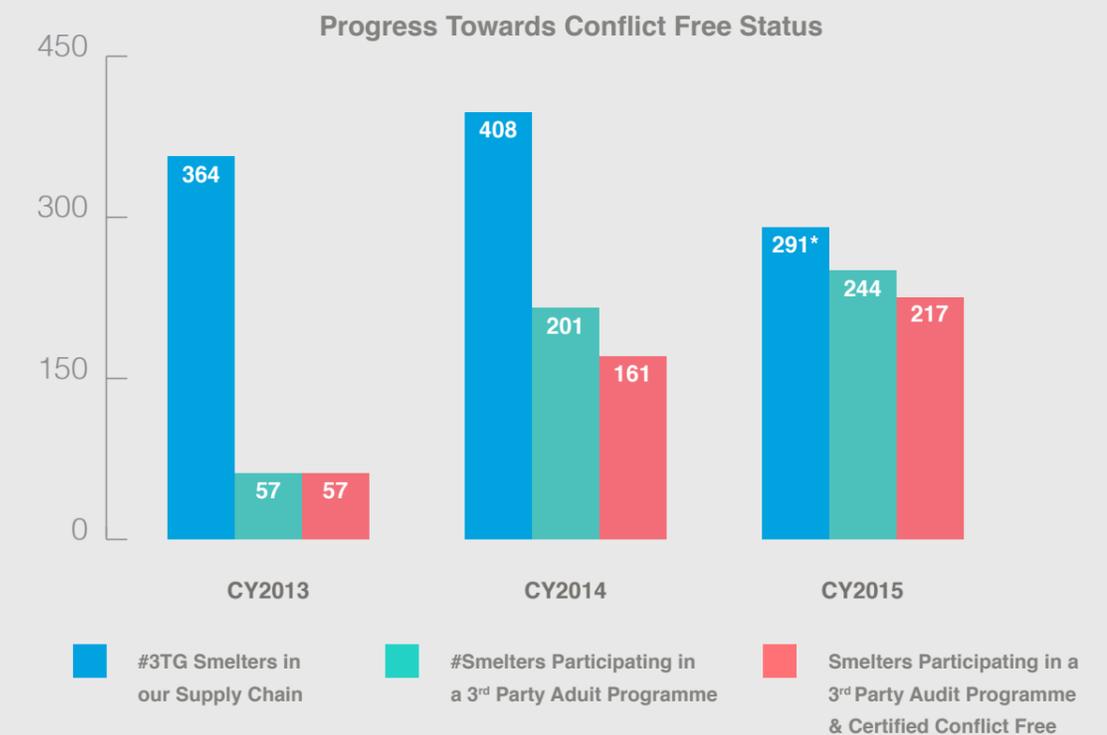
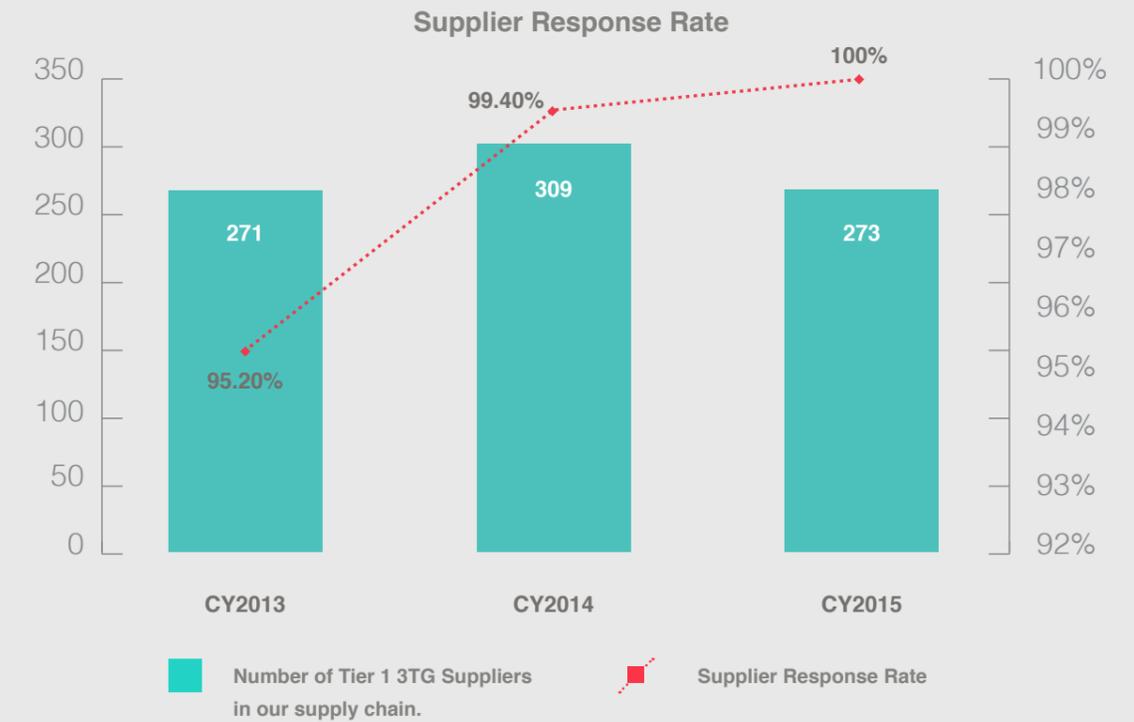
CONFLICT MATERIALS CONTINUED

identified organisations as smelters, when in fact the relevant organisations were not engaged in smelting. More in-depth analysis of the information we received from our suppliers, helped us work with our suppliers to improve the accuracy of data collection, and refine our understanding of the identity, number, and location of smelters in our supply chain. We require all our smelters to be conflict-free. Smelters must provide evidence of their conflict-free certification, and/or evidence that they are participants in a credible third-party audit programme, 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 SEC.

Over the last number of years, we have worked with our suppliers and other EICC members to exert the full influence of the electronics industry on smelters world-wide, and encourage smelter participation in credible certification programmes such as the EICC's Conflict Free Smelter Program. 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 programmes and certified as conflict-free has increased year-on-year. For CY2015, we are delighted to report 84% of our smelters are now participating in certification programmes and 75% are certified conflict-free.

Over the forthcoming year, we plan to review and benchmark our existing Conflict Minerals Management Programme and performance against good practice and peer company performance to determine appropriate targets for 2020. We are also watching the emergence of the European Conflict Minerals Regulations with interest, and challenges to the Dodd Frank Act, and have put measures in place to ensure our programme continues to grow and develop in line with emerging legal requirements and stakeholder interests.



\* Total number of smelters dropped as we introduced an additional assurance process - a Smelter Validation Process, involving additional steps to check and verify the information submitted by our suppliers

## HUMAN RIGHTS AND FAIR WORK CONDITIONS

The EICC Code of Conduct ("the Code") is our framework for management of human rights and fair work conditions. The Code specifies requirements with respect to all material human rights aspects relevant to our sector and reference international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines for Multinational Enterprises, ISO and SA standards, and others. The Code is regularly reviewed and updated to ensure it continues to keep pace with evolving expectations for international good practice.

As a full member of the EICC, we fully adopt and adhere to the human rights framework incorporated in the Code. In line with EICC 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 EICC to share good practice, evolve the Code of Conduct, and develop and share tools and training. Our own Logitech Ethical Code of Conduct includes clear statements of commitment to ethical good practice and explicit reference to our requirements with respect to labour and human rights.



**Child Labour & Young Workers**



**Humane Treatment**



**Labour Regulations, Engagement and Consultation**



**Welfare Arrangements**



**Conflict Materials**



**Equality and Freedom from Discrimination**



**Safety, Health & Wellbeing**



**Working Hours**



**Freely Chosen Employment**



**Freedom of Association**



**Wages & Benefits**



**Development**

HUMAN RIGHTS AND FAIR WORK CONDITIONS CONTINUED

Compliance with the EICC Code of Conduct (including all provisions relating to Human Rights and Fair Work Conditions) 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 compliance with the Code, including priority requirements relating to human rights;
- Screen 100% of our Core Suppliers on an annual and/or 6 monthly basis to check and verify continued compliance with the Code, including priority requirements relating to human rights;
- Complete due diligence reviews of any potential acquisitions to check their capacity to comply with the Code (including human rights provisions).

Our manufacturing facility is subject to periodic audits to review human rights performance and assess compliance with the EICC Code of Conduct.

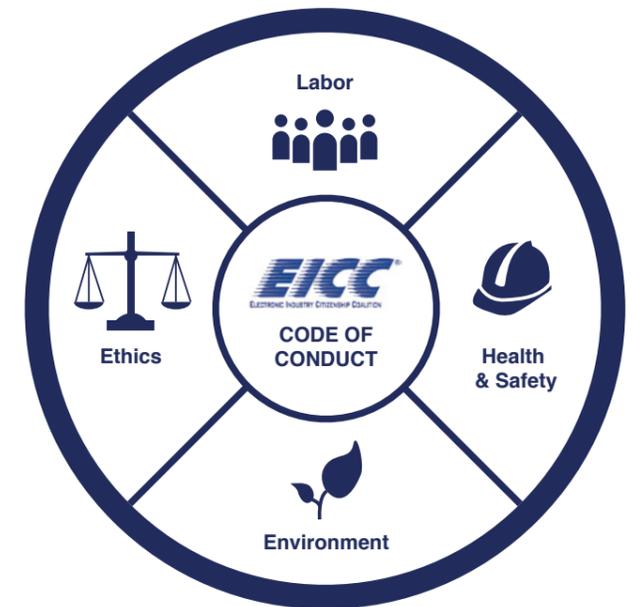
<sup>1</sup> This GRI term "Significant Investment Agreement" is used to describe contractually-binding Supplier Agreements that we established with our suppliers.

We participate in the EICC Validated Audit Process (VAP) and also carry out periodic internal audits using the same methodology and process prescribed under VAP.

**EICC Validated Audit Process (VAP)**

- The EICC Validated Audit Process (VAP) was established in 2009 and is a fundamental element of EICC membership.
- The VAP involves third-party audits, which are carried out on an annual basis by international auditors. A limited pool of auditing firms have been approved by EICC to undertake the 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 EICC Code of Conduct, established VAP Audit Protocol and associated social, environmental responsibility (SER) requirements.
- VAP audit reports are checked and verified by another third-party consulting firm prior to being released to the facility. 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 reoccurrences. Remedy and prevention plans are part of corrective action plans (CAPs).
- VAP audits are shared with other EICC members in order to minimise audit burden and allow members to check suppliers that are shared and used by multiple members.
- In CY2015, the VAP audit was completed for our manufacturing facility and our facility was given a GREEN rating to indicate 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.



## HUMAN RIGHTS AND FAIR WORK CONDITIONS CONTINUED

The remainder of this section provides an overview of some of the key human rights aspects we proactively manage on a day-to-day basis. Further information describing our approach to supply chain management is provided in the [Supplier Development](#) section of this report.

### Child Labour & Young Workers

Our requirements in relation to Child Labour and Young Workers reflect EICC requirements and include Zero Tolerance for child labour 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. Workers under the age of 18 (“Young Workers”, as defined by EICC) 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). We check identification documents and interview a sample of workers on a periodic basis as part of our internal and supplier audit programmes. In addition, we require that all suppliers have a employee age verification and management program in place and we check the

effectiveness of this management programme as part of our on-site audits. Our VAP and internal audits have not identified any non-conformities relating to Child Labour or Young Workers in 2015.

### Freely Chosen Employment

Our requirements in relation to Freely Chosen Employment reflect EICC requirements and include Zero Tolerance for forced, bonded or indentured labour, involuntary prison labour, 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 and 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 labour as part of our EICC 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 two 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. In CY2015, we updated this statement to reflect the requirements of the UK Modern Slavery Act. The new 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.

### Equality and Freedom from Discrimination

We are committed to a workforce free of harassment and unlawful 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 physical exams that could be used in a discriminatory way. Our policies and practices reflect EICC 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. We have also provided training to Core Supplier to help them understand our requirements and expectations in this regard.

## HUMAN RIGHTS AND FAIR WORK CONDITIONS CONTINUED

**Labour Relations, Engagement and Consultation**

We understand the importance of good labour 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 for formal 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.

In late CY2014, we introduced LogiRing - a software app, which could be downloaded by workers at our manufacturing facility. We developed LogiRing to include a bulletin board for worker communications, links to relevant company policies including our sustainability policies, Frequently Asked Questions (relating to welfare arrangements, wages and benefits), and a communication channel connecting workers with their manager directly via instant messaging. During CY2015 we worked to communicate and embed usership of LogiRing amongst our direct line workers and this has helped us obtain feedback from workers regarding a range of different issues of interest to workers including welfare arrangements, wages and benefits.

**Wages and Benefits**

Our requirements are fully aligned with the EICC 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 EICC requirements. Local legislation in relation to this issue has recently changed such that some additional changes to our existing organisational procedures are required and were put in place in CY2015. Our VAP and internal audits did not identify any other non-conformities relating to Wages and Benefits in CY2015.

**Working Hours**

Eliminating excessive overtime is a key requirement of the EICC 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 EICC. 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 EICC requirements for all of their workers, and not just those involved in Logitech production lines or manufacturing areas.

## HUMAN RIGHTS AND FAIR WORK CONDITIONS CONTINUED

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.

In CY2015, our VAP and internal audits indicated our performance in this area is improving. Consistent with aggregated audit findings for other EICC 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 prioritizing sourcing from factories that have demonstrated progress in eliminating excessive overtime, and we will continue work with coalition partners within EICC 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 Conflict Minerals risks is a key part of our human rights programme. For further information on this aspect of our approach and sustainability performance, please refer to the [Conflict Minerals](#) section of this report.

#### **Humane Treatment**

The EICC 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 EICC 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. We communicate our commitment and requirements in this regard to our supply chain. In the last three years, our VAP and internal audits 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 behaviour.

#### **Freedom of Association**

We fully adhere to EICC requirements relevant to 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. Our VAP and internal audits in CY2015 identified some opportunities to improve reporting of our current practices and performance in this area. This section has been introduced as a new section in our annual Sustainability Report as part of our response to that finding. No other issues were identified as part of the VAP or internal audits.

#### **Safety, Health and Wellbeing**

We have an established H&S management framework, which is certified to international health and safety standard OHSAS 18001 and compliant with the EICC Code of Conduct, which makes reference to ILO Guidelines on Occupational Safety and Health. We work in accordance with EICC requirements including specific provisions relating to

## HUMAN RIGHTS AND FAIR WORK CONDITIONS CONTINUED

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 recognise the essential need for ongoing worker input, communication, training and education to identify, manage and solve health and safety issues in the workplace. In CY2015 our VAP audit identified one opportunity for improvement with respect to our existing emergency response programmes - employee participation in fire drills. In response to this finding, we reviewed our existing procedures and carried out additional fire drills with communication and awareness-raising efforts leading to higher workforce coverage and participation.

#### Welfare Arrangements

Our internal and VAP audit programme 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 EICC 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. Our overall objective is to significantly exceed EICC 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 programmes offer workers the opportunity to grow, learn new skills and develop. Our dedicated training centre 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 EICC Code is taken very seriously by Logitech. Many aspects of human rights management

are categorised as Priority Findings<sup>2</sup> under the EICC Code of Conduct. In all cases, a human rights violation would trigger the need for a Corrective Action Report 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 minimise the risk of recurrence.

Mechanisms are available to facilitate the reporting of any violations and protect any individuals who report a potential or actual issue. For example, we have an Ethics Line managed by a third party hotline reporting service provider, which 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.

<sup>2</sup> The EICC term "Priority Finding" is a nonconformance which has significant and immediate impact. Incidents of Child Labour or Forced Labour are specifically quoted by EICC as examples.



# PRODUCTS AND THE ENVIRONMENT

We aim to minimise our impact on the environment and we expect and encourage our supply chain to do the same.

## DESIGN-FOCUS & INNOVATION

Logitech designs products that have an everyday place in people's lives, connecting them to the digital experiences they care about. Our goal is to bring products to market that consumers love. We recognize that continued investment in product research and development is critical to continued innovation of new and improved products and technologies. Our research and development spend for CY2015, was \$114.6 million. Our innovation capability, including understanding of product development, technology and industrial design excellence is demonstrated by a patent portfolio of approximately over 675 patents.

Every product accolade we receive speaks volumes to the hard work we're putting into transforming Logitech into a design-centric company. This dedication to design was recognised by a number of design awards in CY2015.

Design Awards					
				GOLD	BRONZE
Logitech® Conference Cam Connect	Logitech® AnyAngle	Logitech® G402 Hyperion Fury™ Ultra-Fast FPS Gaming Mouse	Logitech® Bluetooth®	Logitech® Conference Cam Connect	Logitech® Keys-To-Go
Logitech® Keys-To-Go	Logitech® Wireless Mouse M320	Logitech® ConferenceCam Connect	Multi-Device Keyboard K480		Logitech® MX Master
Logitech® G910 Orion Spark RGB Mechanical Gaming Keyboard	UE Megaboom	Logitech® G302 Daedalus Prime™ MOBA Gaming Mouse	Logitech® G502 Proteus Core Tunable Gaming Mouse		
Logitech® Bluetooth Multi-Device Keyboard K480	G602 Wireless Gaming Mouse	Logitech® Keys-To-Go	Logitech® G402 Hyperion Fury™ Ultra-Fast FPS Gaming Mouse		
Logitech® Wireless Mouse M320		UE MEGABOOM	Logitech® G910 Orion Spark RGB Mechanical Keyboard		
UE MEGABOOM		Logitech® AnyAngle™			
		Logitech® Bluetooth Multi-Device Keyboard K480			

## AVOIDING HAZARDOUS SUBSTANCES

The European Restriction of Hazardous Substances Directive (the “RoHS Directive”) was first introduced in 2002, to minimise the environmental impact of hazardous substances. This directive restricted the use of certain hazardous substances in electrical and electronic equipment. The recast of this directive came into force in January 2013, and introduced additional requirements for Declarations of Conformity and product CE Markings. Similar legislation is evolving in many countries across the world including China and Taiwan. The European Registration, Evaluation, Authorisation and Restriction of Chemical Substances regulation (the “REACH Regulation”) was first introduced in 2006, to further improve regulation of hazardous substances, with the aim of advancing public health and safety and protection of the environment. Our website includes two Logitech Declarations sharing our approach to management of REACH and RoHS Compliance and industry good practice. These declarations are communicated via our website as part of our commitment to transparency and as evidence of our commitment to management of hazardous substances.

Logitech products comply with all relevant legal requirements, including RoHS and REACH requirements. Our surveillance function monitors developments in RoHS and REACH and similar substance legislation across the globe, in order to ensure we are aware of evolving and emerging requirements, and put provisions in place to ensure continued compliance. Legal restrictions are reflected in our internal company standards including our General Specification for the Environment (GSE) Framework and this GSE forms part of our contractual agreements with our suppliers and manufacturing partners.

We have an established and systematic testing programme, which includes sampling of Logitech products and components on a regular basis to verify compliance with global requirements. The scope of the testing programme includes samples of products produced at our own manufacturing facility, and supplier facilities in addition to testing of the components used in the manufacture of those products. Products and components are mechanically disjointed to the homogeneous level and tested in

accordance with good laboratory practice methods including X-Ray Fluorescent (XRF) and Wet Chemical Analysis. Our approach allows us to demonstrate single component traceability to RoHS compliance and issue Declarations of Conformity including test reports at the homogeneous level.

In addition to upholding all relevant legal requirements, we also review and benchmark our GSE framework against peer company frameworks and international good practice on a periodic basis, and incorporate customer requests for additional substance restrictions, where relevant.

AVOIDING HAZARDOUS SUBSTANCES CONTINUED

**Targeted Substances**

Phthalates, or “plasticizers,” are used to make plastics more flexible and resilient. Certain phthalates have been linked to adverse effects on human health and are regulated as potential air and water pollutants in the US. Use of certain phthalates is regulated under legislation (such as the European REACH Directive and Proposition 65 in California). Use of these phthalates has always been restricted by Logitech in compliance with all relevant legal requirements. In August 2012, we introduced our [Ten Phthalate Restriction Policy](#), restricting the use of an additional three phthalates, which at that time were not regulated by law. This policy was introduced as an additional voluntary good practice measure to further safeguard human health and the environment. The additional three phthalates have since been restricted by legal requirements. We also identified three additional “Targeted Substances” (Brominated Flame Retardant, Antimony and PVC), which we wished to voluntarily eliminate in various uses, as part of minimising our potential impact on the environment and human health.

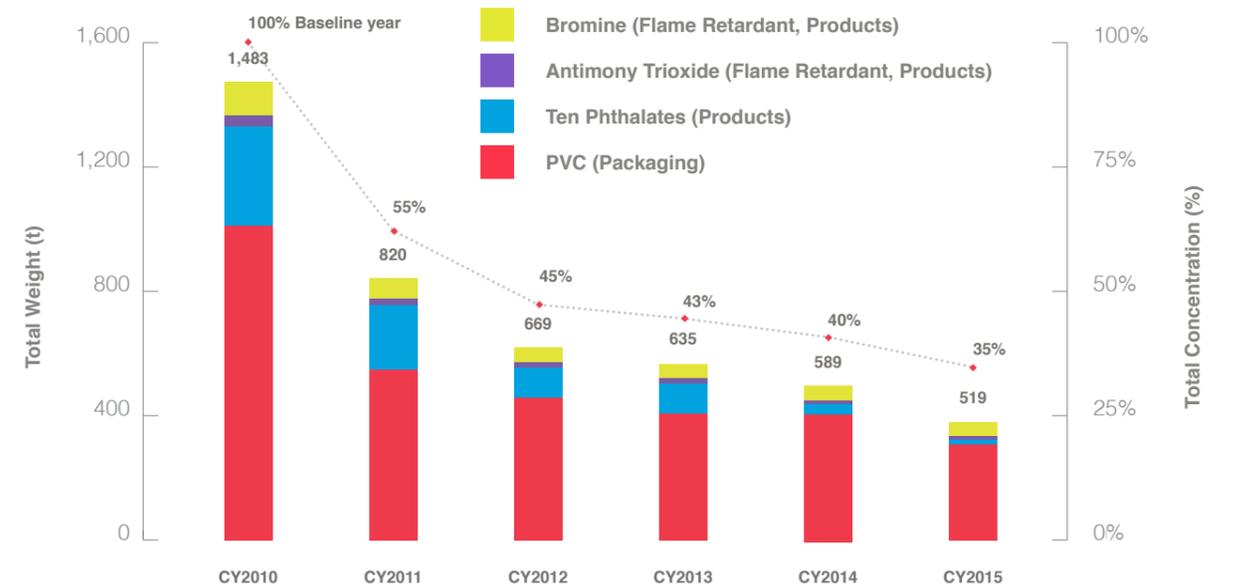
In CY2012, we measured the total weight of Target Substances associated with our Top 50 products (by sales value) for CY2010 (our baseline year). Since CY2010, we have driven down use of Target Substances year-on-year through systematic testing of product samples, follow-up collaboration with our manufacturing team and suppliers, and modifications to our material selection processes. As a result of those efforts, in CY2015, the total weight of Target Substances in our Top 50 products reduced by almost 960 tonnes, compared to CY2010 (our baseline year). This is equivalent to a 65% reduction by weight of Target Substances and includes a 98% reduction of Ten Phthalates.

The scope of our Target Substance Reduction Programme fully includes our suppliers. During CY2015, three Supplier-related issues were identified prior to product production. In each case, a Corrective Action Report (CAR) was issued and each of the three suppliers identified the root cause of the nonconformance and put measures in place to address the issue and ensure all product, which was placed on the market, fully complied with our

requirements. Additional steps were also put in place to reflect lessons learnt and minimise the risk of a repeat nonconformance in the future.

We continue to audit products, components and parts from our suppliers to identify nonconformances and drive improvement actions.

**Target Substance Reduction in Top 50 Retail Products**



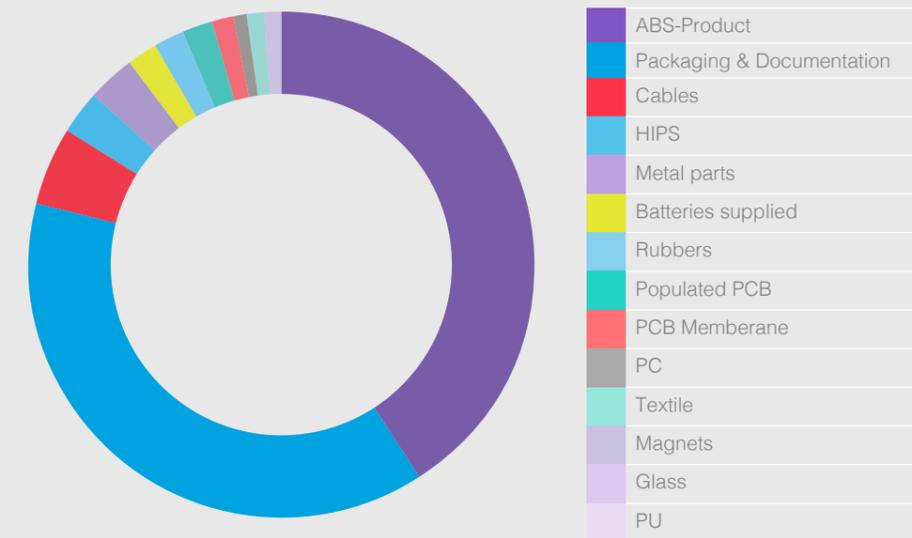
## OPTIMISING USE OF RESOURCES AND MATERIALS

### Understanding our Use of Materials

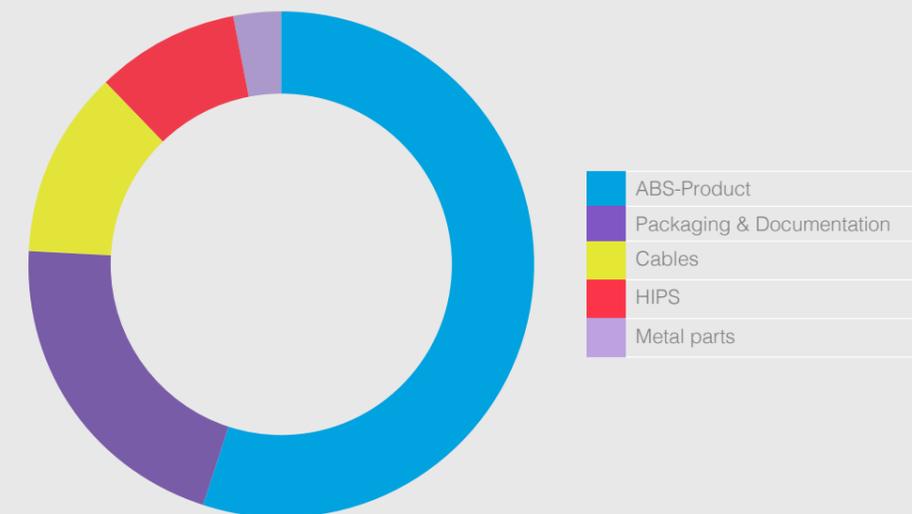
In CY2015 we carried out an analysis of 10 of our top selling products, to understand better what materials we are using. Our analysis indicates ABS plastic in our products, and cardboard/paper packaging, make up more than 70% of the materials we source.

Further analysis of the “Packaging & Documentation” component shows documentation accounts for almost 13% of our packaging materials, and 5% of the total weight of materials in our top-selling products.

Analysis of Materials Used in Ten of our Top Selling Products (by Weight)



Analysis of Materials Used in the Packaging of Ten of our Top Selling Products (by Weight)



OPTIMISING USE OF RESOURCES AND MATERIALS CONTINUED

**Refining our Quick Start Guides (QSGs) and Important Information Documents (IID)**

As part of the ongoing strategy to optimise our use of paper packaging, we have made efforts to simplify, standardise and dematerialise our documentation, where possible and appropriate. We have significantly reduced our QSGs by streamlining the information provided and incorporating it into the product packaging, to avoid the need for a separate booklet and paper, where possible. Initially, our efforts focused on our speakers and headsets and we saved 320,000 kg of paper in the first year. Simple changes to the layout and re-phrasing of the IID for our speakers also allowed us to reduce the weight of the IID by 58%.

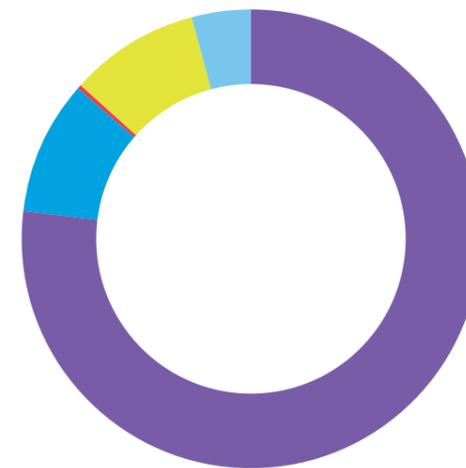
Following on from this initial success for speakers and headsets, we decided to implement similar measures for other product lines. In CY2015, we eliminated the QSG for many of our mice, by including the relevant information on the insert in the plastic shell, and we saved 420,000 kg.

**Life-Cycle Thinking**

Life-cycle thinking is a critical element of managing the environmental impact of products. To leverage the full social, environmental and economic advantages of sustainability, we consider the full life-cycle of our products and processes.

In CY2015, we introduced Umberto NXT Universal (“Umberto”), a life-cycle analysis (LCA) tool, which helps uncover synergies between efficiency and sustainability improvements. Umberto analyses environmental impact (in terms of GHG emissions) across the five key phases of a product lifecycle: sourcing; manufacture; distribution/retail; consumer use; and end-of-life. To date, we have used Umberto to calculate and analyse the GHG emission profile of 10 of our top selling products, and determine the relative proportion of GHG emissions associated with each phase of the product lifecycle. Our preliminary analysis indicates the majority of the GHG footprint associated with our products arises during the sourcing phase of the life-cycle. The analysis result for our M170 mouse is shown as an example, highlighting how GHG-intensive the sourcing phase of our product life cycles can be.

**Life-Cycle Analysis of M170 mouse**



**GHG Emissions**

77.4%	Sourcing
9.5%	Manufacture
0.3%	Distribution/Retail
9.2%	Consumer Use
3.7%	End-of-life

Over the forthcoming period, our approach and use of LCA will continue to evolve, as we work to refine our understanding of the environmental footprint associated with our products and focus our efforts on material opportunities for improvement.

The remainder of this section highlights a number of key initiatives, which were implemented in the last year to address various phases of the product life-cycle, and our use of plastic and other materials in our products.

**Use of Recycled Materials**

In CY2015 we investigated potential sources of recycled plastic, which could be used to substitute ABS, in some of our mouse and keyboard products. Identifying an appropriate source of recycled plastic could help us decouple growth in our product portfolio and sales, from a growing environmental footprint. In some of our products, using recycled plastic has the potential to reduce the product’s GHG footprint by up to 75% and give us a competitive edge.

OPTIMISING USE OF RESOURCES AND MATERIALS CONTINUED

Towards the end of CY2015, we identified a potential source of recycled plastic resin and initiated five trial-run prototypes for mice and keyboard products. We learnt a lot from those trial-run initiatives and initially planned to complete further investigations with moulder suppliers in the forthcoming year. However, we utilise cost-benefit-analysis to plan our sustainability strategy and focus areas each year and the costs associated with use of recycled plastic currently outweigh the benefits, because crude oil prices (and associated virgin plastic prices) are very low. Over the forthcoming period, we will continue our investigations of recycled plastic, in order to ensure we are well-positioned to introduce such materials, when the time is right.

**Simplifying Design**

In CY2015, we introduced the Logitech M170 wireless mouse. The design of this mouse was modified to merge the bottom and top plastic casing and reduce the total weight of materials required for production. The plastic components were also simplified to a single resin, which is 12% lighter than the M225 predecessor model.

**Increasing Battery Life**

As noted previously, our LCA studies indicate the consumer phase of product life-cycle can account for almost 10% the products GHG footprint. Increasing the lifespan of our products has the potential to reduce the consumer's use of batteries and power demand, while also enhancing product experience.

Our goal is to continuously improve the energy efficiency of our products and this is a driving factor in our product development activities. As an example, since 2001, we have continuously improved the energy efficiency of our mice, dramatically reducing the power consumption of various generations of product, without sacrificing product performance or consumer experience. In 2001, our Cordless Mouseman optical could be expected to use 272 J/Day or 9 AA batteries per annum. One of our newest models (the M280) uses only 14 J/Day and one AA battery every two years.

Mouse power consumption evolution



## END OF LIFE STEWARDSHIP

The European Waste Electrical and Electronic Equipment Directive (the “WEEE Directive”) was first introduced in 2002, to minimise the environmental impact of WEEE, promote reuse, recycling and other forms of waste recovery, and reduce the quantity of WEEE to be disposed of.

The Directive established the principle that producers and importers are responsible for the collection and recycling of waste arising from any electrical and electronic equipment (EEE) that they place on the market. As such, producers and importers must consider the full lifecycle of their products and safeguard the environment from “cradle to grave”. The Directive was transposed into law by all European member states and the majority of member states directed that obligations for compliance should fall to the in-country entity, which imports EEE into the member state. The WEEE Directive was accompanied by the introduction of the Batteries Directive and Packaging Directive, which both incorporated the same principle of full lifecycle thinking. Outside of Europe, similar legislation has been introduced for WEEE, batteries, and packaging in a number of countries across the globe.

Our website includes our WEEE policy statement clarifying our approach to ensuring compliance with WEEE stewardship obligations. All of our products fully comply with the marking requirements specified in the WEEE Directive and other associated or related legislation; the crossed-out wheellie bin symbol and other relevant product labels are clearly displayed on all products. Information for the consumer includes reminders of how to remove batteries and contribute to local recycling schemes.

In many countries across the globe, we do not have an in-country presence and, in such cases, Logitech products are placed on the market by a network of trusted distributors and retailers who purchase product from us and import it into the relevant country. In cases where we do not have an in-country presence and are not involved in importation, we work with our network of in-country distribution partners to ensure stewardship requirements associated with Logitech products are met.

In countries where we are the importer of record, we assume full and direct responsibility for financial and administrative aspects of end-of-life stewardship. We are active members of the European Recycling Platform (ERP), a pan-European agency established in 2002, which offers more than 30 WEEE compliance schemes across 15 countries in Europe. ERP identifies and manages the credible, appropriate and cost-effective compliance schemes across Europe, which operate to the highest possible standards. Their management approach includes systematic audits to prequalify suppliers of stewardship services, assess risks, and drive continual improvement of processes and activities across the entire supply chain. Our preference is to leverage any available ERP-endorsed scheme in each member state. Where ERP does not operate in a specific country, we have completed appropriate levels of due diligence and sought out stewardship schemes of comparable credibility, to help us fulfil our stewardship obligations.

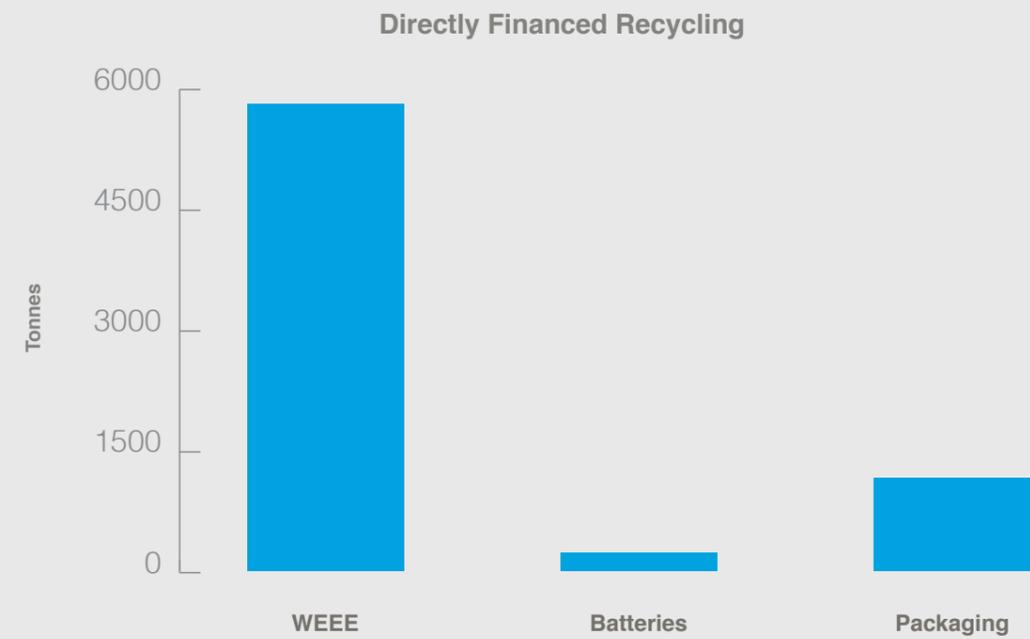


END OF LIFE STEWARDSHIP CONTINUED

In countries where we are not the importer of record, we work with the relevant importer to ensure stewardship obligations are met. Our contractual agreements with our distributors communicate our requirements in this regard and clearly define roles and responsibilities for stewardship.

In 2014, the WEEE Directive was recast. Prior to this recast, the WEEE Directive only established stewardship obligations for household EEE. The recast scope is expanded to include dual-use products, which may be used by households or business. More than 97% of our products are retail products for personal and household use and are covered under our existing stewardship provisions.

In CY2015, Logitech directly financed and administered the collection of 5,889 tonnes of WEEE, 311 tonnes of batteries (more than 13 million batteries) and 1,241 tonnes of packaging. That tonnage equates to 100% of the retail products placed on the market in countries where we are the importer and have direct responsibility for stewardship obligations.



## ENERGY AND GREENHOUSE GASES

### Introduction

The GHG Protocol Corporate Standard provides standards and guidance for companies and other organizations preparing a GHG emissions inventory and reporting programme. It defines three types of GHG emissions:

- Direct Emissions (Scope 1): those that a company directly creates in its operations
- Indirect Emissions (Scope 2): those that a company indirectly creates by purchasing energy generated outside the company; and
- Other Emissions (Scope 3): those that result from energy use in supply chain activities, use of products, or the actions of employees.

The scope of our Scope 1 Energy and GHG Management Programmes currently extends to include all owned and leased premises and activities associated with our manufacturing facility in Suzhou:

- Direct Emissions: Quite small. Emissions are limited to those associated with use of refrigerants on-site, a small of forklifts and trucks which are typically only used on-site, and an emergency generator.
- Indirect Emissions: the most significant part of our reported inventory. More than 97% of our reported GHG emissions in CY2015 were due to electricity use at our facility.
- Other Emissions: include those that arise during manufacture and transport of products by suppliers.

Since 2007, we have reported Scope 1 and Scope 2 GHG emission data year-on-year to the Carbon Disclosure Project (CDP), as part of our commitment to transparent disclosure of company performance and good practice energy and GHG emission management.



## ENERGY AND GREENHOUSE GASES CONTINUED

**Direct and Indirect Emissions**

Our energy consumption and emissions profile for the last number of years can be summarised as follows.

**Energy Consumption – Manufacturing Facility**

	2010	2011	2012	2013	2014	2015
Natural Gas (m <sup>3</sup> )	130,783	6,335	0	0	0	0
Petrol (L)	23,991	21,840	21,384	21,154	21,106	21,506
Diesel (L)	15,891	15,213	7,399	6,189	7,124	5,942
Electricity (KWh)	20,024,864	20,253,367	19,324,974	17,964,012	16,468,665	18,057,215

**Refrigerant Consumption – Manufacturing Facility**

	2010	2011	2012	2013	2014	2015
HCFC22 (kg)	- *	- *	- *	323	318	162
HFC134a (kg)	62	60	41	50	104	68

\*Note 1: Information for HCFC-22 is not available prior to 2013

**GHG Emissions – Manufacturing Facility**

	2010	2011	2012	2013	2014	2015
<b>Scope 1: Direct GHG Emissions (tCO<sub>2</sub>e)</b>						
Natural Gas	247	12	0	0	0	0
Petrol	55	50	48	48	48	49
Diesel	43	23	20	17	19	16
HCFC - 22	- *	- *	- *	585	576	293
HFC -134a	89	86	59	72	149	97
<b>Scope 2: Indirect GHG Emissions (tCO<sub>2</sub>e)</b>						
Electricity	15,777	15,957	15,226	14,153	12,975	14,227
<b>Total</b>	<b>16,209</b>	<b>16,128</b>	<b>15,352</b>	<b>14,875</b>	<b>13,767</b>	<b>14,682</b>

ENERGY AND GREENHOUSE GASES CONTINUED

In CY2010, we monitored power consumption at our Suzhou manufacturing facility and established reduction targets, key performance indicators (KPIs) an Energy Conservation Plan to increase energy efficiency, reduce energy consumption, and reduce related Scope 1 and 2 GHG emissions. Those targets were achieved by 2013 and updated to reflect more ambitious new goals.

In CY2015, we introduced a new KPI to measure electricity consumption and GHG emissions normalised by revenue (i.e. normalised using the revenue value associated with products manufactured at the facility). We are investigating the value of applying reduction targets to this new KPI in the future as part of continued efforts to better understand our emissions profile, factor in consideration of changing production levels and product portfolio, and drive improved performance.

**Energy & GHG Performance Manufacturing Facility**

Key Performance Indicators (KPIs)		CY2018 Target	CY2015 Performance	
			Versus CY2010 (Baseline)	Versus CY2014
<b>Electricity Consumption (kWhr)</b>				
<b>KPI 1</b>	Annual Electricity Consumption	15% reduction of CY2010 levels by end of CY2018	10% ↓	10% ↑
<b>KPI 2</b>	Electricity Intensity (Electricity Consumption/Number of Product Units)	-	-	-
<b>KPI 3</b>	**NEW** Electricity Intensity (Annual Electricity Consumption/Revenue)	-	-	-
<b>Scope 1 and 2 GHG Emissions (MTCO2e)</b>				
<b>KPI 4</b>	Total GHG Emissions	20% reduction of CY2010 levels by end of CY2018	9% ↓	7% ↑
<b>KPI 5</b>	Emission Intensity (Total GHG Emissions /Number of Product Units)			
<b>KPI 6</b>	**NEW** Emission Intensity Total GHG Emissions/ Revenue <sup>1</sup>			

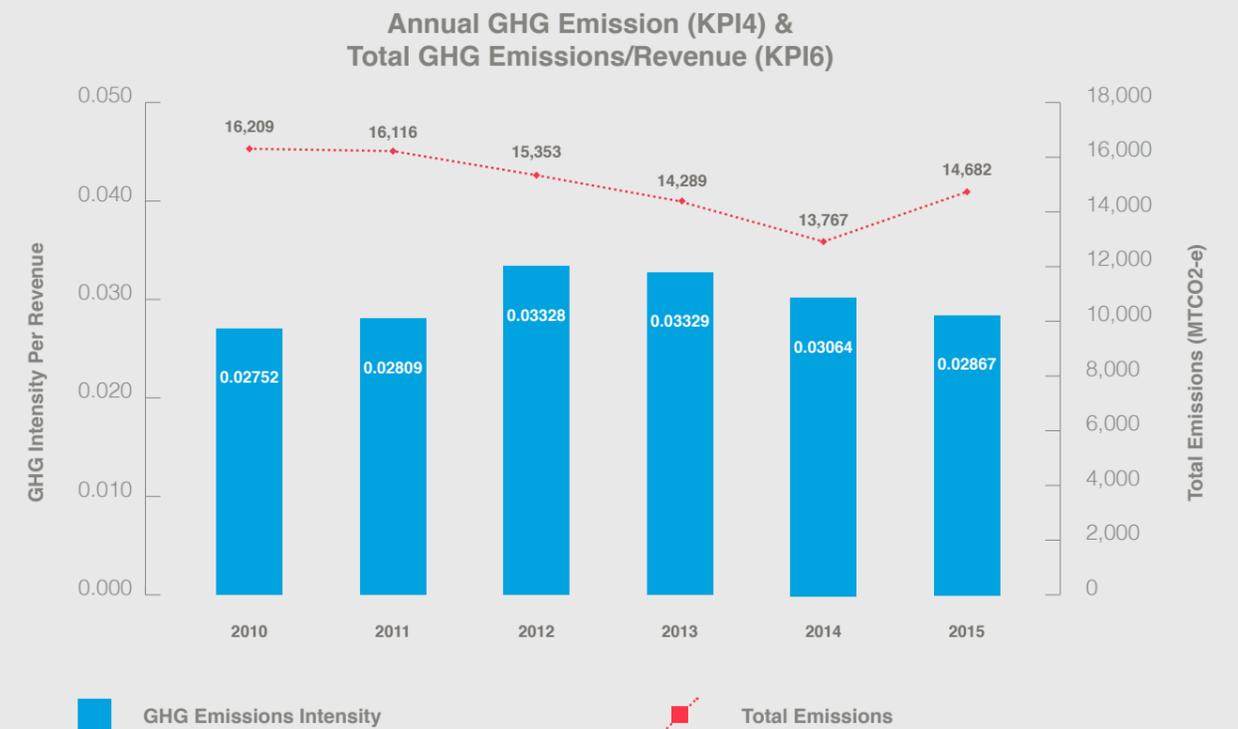
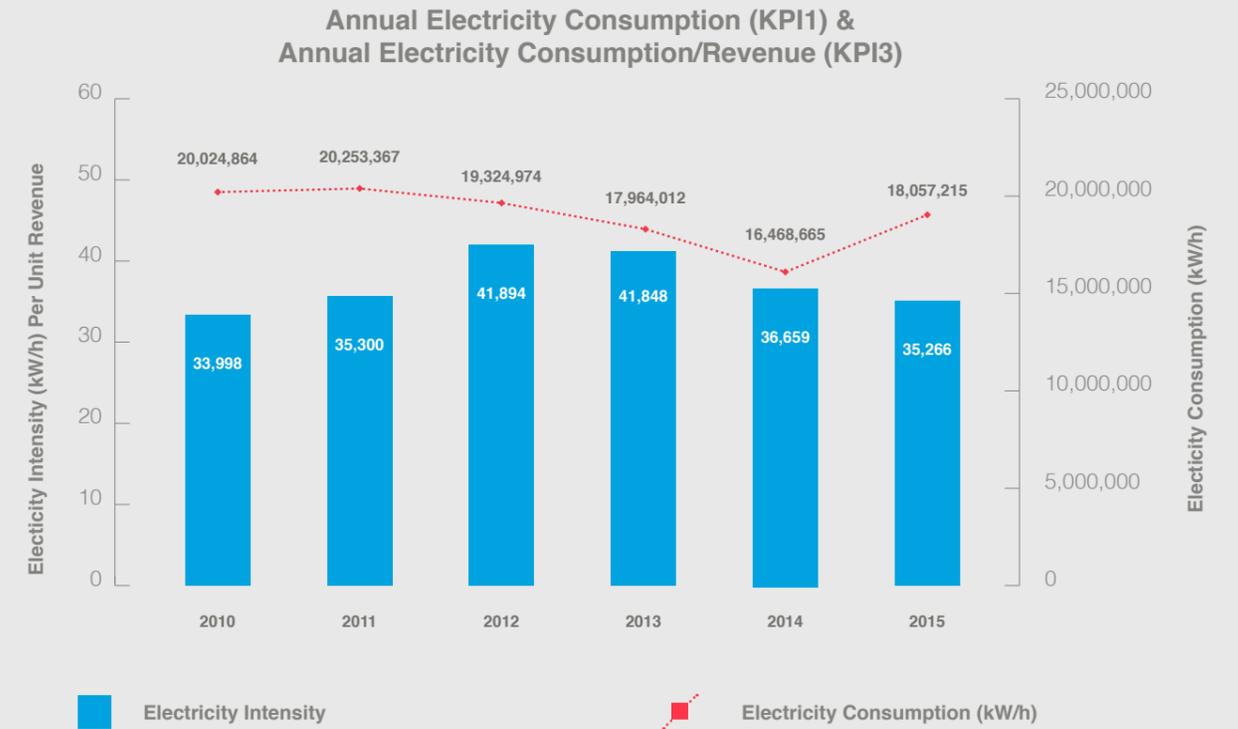
<sup>1</sup> Revenue generated by the facility, measured as revenue value associated with products manufactured at the facility.

ENERGY AND GREENHOUSE GASES CONTINUED

An overview of year-on-year energy and GHG performance is provided in the following figures. In terms of broad trends, electricity use and GHG emissions declined between 2010 and 2013 due to a decline in sales and production activities. Since 2013, we have significantly increased our sales and transitioned into a number of new product categories, which require more energy intensive production processes. As a result our total emissions have increased in the last year but our Electricity Intensity rating (KPI3) and Emission Intensity rating (KPI6) have continued to decrease. This indicates we have had some success in our efforts to decouple sales and production from our environmental footprint. This decoupling has been achieved as an outcome of a number of energy efficiency programmes. For example, we made improvements to our chiller exchanger and HVAC, replaced old lighting with LED lamps, introduced a small back-up compressor for low load periods, and reduced compressed air leaks to conserve energy.

In CY2015, we continued to make energy efficiency improvements including:

- Upgrades of old lighting to LED lamps, giving an energy saving of 11,000 kWh
- Upgrade of compressed air systems to reduce leaks, giving an energy saving of 65,000 kWh
- Automation of one of our production lines.



## ENERGY AND GREENHOUSE GASES CONTINUED

**Energy Efficient Offices and Use of Renewable Energy**

We do not formally monitor, collate and report energy use and emissions from our portfolio of offices at present, as our offices are typically leased facilities, and are often located in modern commercial parks, where energy efficient facilities and equipment are provided by the landlord. However, each of our Principal Offices has a local management team who identify opportunities to increase energy efficiency and reduce energy use. As an example, our leased office premise in Lausanne, Switzerland was developed to deliver leading good practice standards for building energy efficiency. The building is a certified Minergie building. Minergie certification was introduced in Switzerland in 1994. The certificate is only awarded to low-energy-consumption buildings, services and components that comply with the established Minergie standard.

In CY2015, we developed a partnership agreement with Romande Energie to ensure the electricity that is used at the Lausanne site will be 100% sourced from renewable energy, from January 2016 onwards. The renewable energy source to be used is hydropower, with all of the energy produced locally in Switzerland.



Logitech's Lausanne office

**Other Emissions**

The packaging materials that are sourced for use in our products have an associated GHG burden. Reducing our use of packaging therefore has the potential to reduce costs, labour effort, waste and Scope 3 GHG emissions. Packaging can also help ensure products are maintained safe and secure

during transport, are visually appealing to customers and it enhances the experience we look to create. Some careful studies are therefore needed when optimising the use of packaging and we often carry out formal and informal cost-benefit-analysis and life cycle analysis to determine the best course of decision-making. Over the last number of years, we have implemented a number of projects and initiatives to reduce the weight/volume of packaging we use, increase the efficiency of palletization and consolidate shipments. We have also worked to optimise supply chain logistics and transition away from air transport towards less GHG-intensive transport modes e.g. road, rail and water.

In CY2015, we reviewed our supply chain logistical arrangements. For inbound transportation to our two main distribution centers globally, we use a combination of ocean and rail for the U.S. and ocean and barge for Europe. In the U.S. we move our containers by ocean freight from China to Long Beach (California). From there, they are transported by rail to our U.S. distribution centre in the vicinity of Memphis (Tennessee). In Europe, we move containers by ocean freight from China to the Netherlands and then onward by inland waterway. As a result, even

though the number of units shipped to AMR and the EMEA region increased by 33% in 2015, compared to 2014, total trucking and have decreased by 15% to 5,339,705 in the U.S and 239,823 km in Europe. This can be attributed to our continuous improvements in packaging and pallets optimisation.

In CY2014 approximately 10% of Logitech product was transported to the market by air, with the remainder being transported by road, rail and water. In CY2015, we optimised our transport strategy to incorporate reduced used of air transport, which is the most carbon intensive mode, and now less than 3% of our products are transported by air. Approximately 2,020 tonnes less products were transported by air, compared to 2014. Transport of this amount of product by air would have resulted in GHG emissions of approximately 11,365 MTCO<sub>2</sub>. This transition away from air transport, towards less GHG-intensive modes, has helped us reduce GHG emissions associated with transportation of products to market.

## WASTE

### Manufacturing

Waste from our manufacturing facility comprises waste packaging (cardboard, timber, paper), Printed Circuit Boards (PCBs) and small quantities of other waste (oils, solvent, organic waste from the canteens etc.). We follow the Waste Hierarchy and avoid production of waste where possible and encourage reuse, recycling and other recovery options over disposal. As an example, in 2011, we eliminated the use of any non-recyclable, disposable goods in our dining areas (e.g. disposable cutlery and plastic sheeting).

We monitor and report our key waste streams, as shown in the figure. Some of our efforts to reduce use of cardboard, timber (pallets) and paper packaging are described in other sections of this report. In this section, we can report our work to reduce our use of paper and PCBs. Our use of paper has become more efficient, year-on-year since 2010, with the introduction of employee awareness programmes and encouragement of double-sided printing. In CY2015 paper use fell to 58% of that used in 2010 (our baseline year of measurement).

PCBs are used in all of the electronics products that we manufacture in-house. We measure the annual weight of PCB waste, normalised by the annual revenue from in-house manufacturing. This gives us the PCB Efficiency Index – an indicator of how efficiently we are using PCBs and avoiding waste production.

In CY2015 the total volume of PCB waste produced at our facility increased because sales of our music products increased and the the amount of PCB waste associated with music products is higher than that associated with our more traditional computer peripherals products. However, our PCB efficiency index (which is normalised to negate the effect of increased sales) decreased. This indicates we are using PCBs more efficiently year-on-year.

Total Weight of PCB Waste arising and PCB Efficiency index



## WASTE CONTINUED

**Other**

As well as initiatives at our manufacturing facility, office-based Logitech Green Teams across the globe often initiate environmental programmes and initiatives addressing their local working environment. As an example, in CY2015, the Green Team at our Lausanne office launched a Green Office initiative, with the goal of making employees more aware and conscientious of the environmental impact of their every-day activities. Reducing waste and improving employee awareness of good waste management practices was a key area of focus under this programme and a number of actions were taken:

- Plastic cups, which were routinely available in the canteen area, were replaced with ceramic cups. Plastic cups that accompanied the water coolers were replaced with organic biodegradable cups;

- The number of printers on each floor was optimised, to minimise people printing to the wrong printer and not collecting their work. The default setting on all printers were set to black and white, double-sided, and an employee awareness programme was launched to ensure employees verified their computers defaulted to the same option. The office decided to only use recycled paper certified by the Forestry Stewardship Council (FSC); and
- The office purchased washable and reusable lunch boxes, which employees could use when ordering lunch from local food trucks. The food truck companies had been providing lunches in mono-use foam containers, which were non-reusable and of large volumes. Following the intervention of the Green Team, the food truck companies agreed to give a discount to any employee who brought-their-own (reusable) lunch box and this significant reduced the amount of canteen waste produced on-site.



## WATER

Our manufacturing facility is located in Suzhou city. Almost 95% of the water that is used at the facility is abstracted 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 where water is not required or used. Use of water in showers and other sanitary facilities is significant. Our facility includes a training centre with capacity for circa 1700 employees in two buildings have washroom and shower facilities, which are open all day, in accordance with EICC requirements.

A small amount of hot water is sourced from a nearby third-party facility, where it is produced as a by-product wastewater. We recycle this water in our heating system, thus reducing the energy demand and environmental footprint or both our own facility and the neighbouring facility.

We have monitored water consumption on a monthly basis since 2010. Summary results are shown in the figure. 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

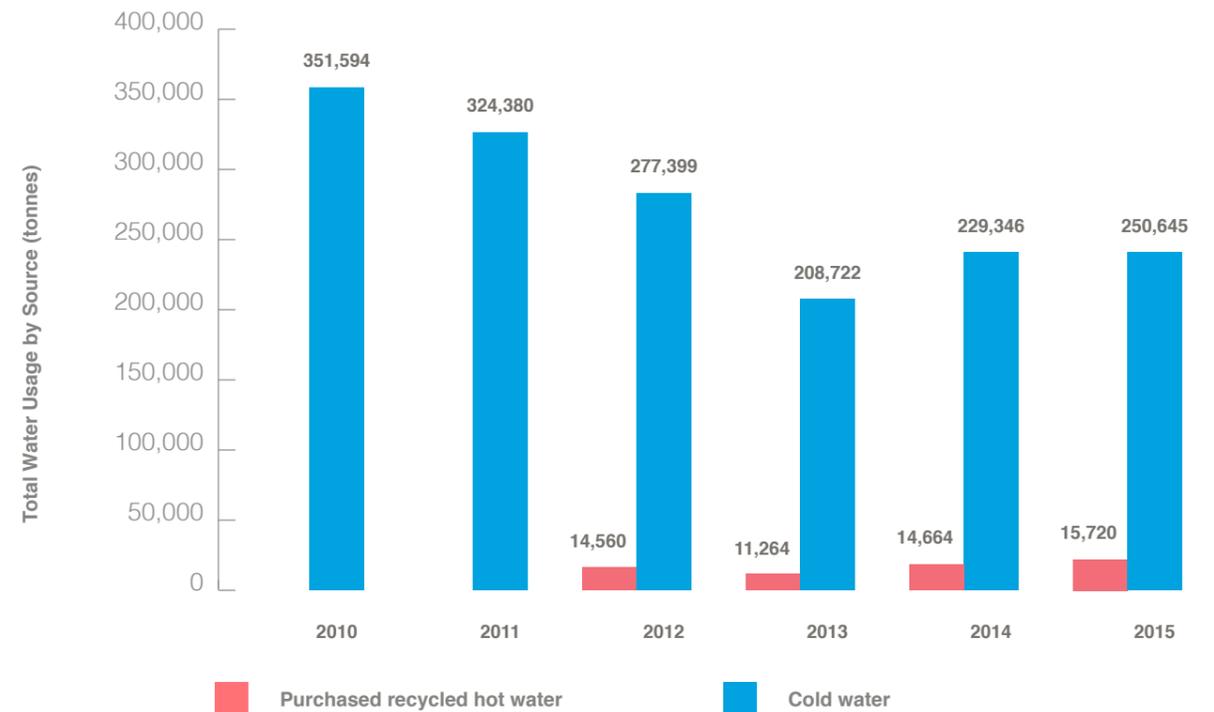
for drinking water and use of sanitary facilities. In CY2015, we developed additional rest-rooms leading to further increase in water availability for the benefit of workers.

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.

In light of the above, use of water is not a material issue of environmental concern for us, and it is a key welfare facility for workers. The water is sourced from public mains (low risk), is used primarily in welfare facilities used by production line staff (high priority), and is used in a reasonable manner by the workforce. The potential for significant impacts on the environment is therefore low, and opportunities associated with water-saving initiatives are envisaged to be small. We have not therefore established reduction targets for water, as we have for GHGs. However, we continue our 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 that do occur. In CY2015, we installed an

electrical controller to control the flush time of toilets generating a water saving of circa 8,000 tonnes per annum. Our internal audit programmes include regular checks and monitoring to ensure the welfare facilities we provide align with good practice expectations and provide fair working conditions for workers.

Weight of Water Withdrawn - by Source



# SUPPLIER DEVELOPMENT

We work in partnership with our suppliers to drive good practice and sustainability performance. Our long-term relationships are founded on shared values and common goals.



## SUPPLIER DEVELOPMENT

More than 50% of our products are produced at our manufacturing facility in Suzhou, where we assemble and package components, which are provided by a network of component suppliers from across the globe. The other 50% of our products are manufactured by a number of Finished Goods suppliers and Contract Manufacturers in Asia. 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 EICC compliance. 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.

We have an established prequalification process, for any potential new supplier. 100% of potential new suppliers are audited to determine their compliance with Priority Aspects<sup>1</sup> of the EICC Code of Conduct and legal requirements. The audit process results in an SER score, which influences

<sup>1</sup> The EICC term "Priority Finding" is a nonconformance which has significant and immediate impact. EICC 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.

the supplier's capacity to win business with us. The prequalification process for Finished Goods (FG) suppliers also includes an additional phase of auditing and assurance - prior to commencing mass production, we carry out a full compliance audit against all aspects of the EICC Code of Conduct and applicable legal requirements. We replicate the VAP process that is implemented and advocated by EICC, including use of the VAP Audit protocol and tools. Where relevant, we work with the supplier to develop a Corrective Action Report (CAR) specifying the actions needed to improve performance and address any issues that were identified, and timeframes for implementation of actions.

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. Typically, our Core Suppliers do not significantly change year-on-year and our relationships with Core Component Suppliers and Finished Goods suppliers typically span more than 5 years and 10 years respectively. 100% of our Core Suppliers are audited at least once annually.

Our auditing programme for existing suppliers is also risk-based. In addition to applying the 80-20 rule, we also identify any suppliers who may need particular additional support and guidance to ensure their performance aligns with EICC requirements and our expectations. We work with our suppliers and use the EICC's Self-Assessment Questionnaire (SAQ) and Risk Assessment Tool to determine the level of SER risk a new supplier presents. The EICC tools help the supplier to carry out a self-evaluation of their SER performance and disclose pertinent information regarding their business activities and organisation. 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 a follow-on on-site audit. High Risk Suppliers<sup>2</sup> are included in our auditing programme.

<sup>2</sup> The Risk Assessment Tool generates a risk rating score and any result below 65% is defined as high-risk by EICC.

The audits of existing suppliers generate an updated 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 their portfolio of work with us.

Our work with suppliers over the last number of years indicates the risk profile of our supply chain is consistent with aggregated audit findings for other EICC members. We provide training directly to our 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 learnt, with each other. Our capability building efforts tend to focus on a key theme, or number of themes, which represent particular challenges for all EICC members and our suppliers. Examples include:

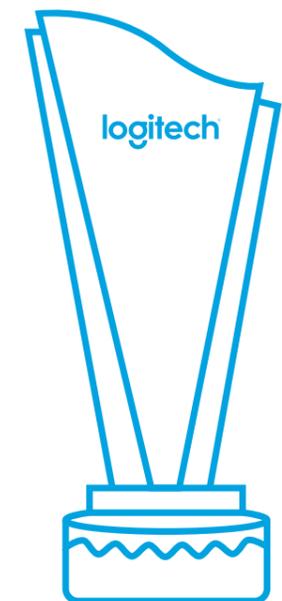
## SUPPLIER DEVELOPMENT CONTINUED

- Excessive overtime and safeguarding young workers: Our internal audits indicated the performance of our supply chain in this area is improving, but consistent with aggregated audit findings for other EICC members, working hours continues to be the most frequent cause of non-compliance and safeguarding young workers from overtime requires continued vigilance. Our efforts to tackle both challenges are described further in the [Human Rights and Fair Work Conditions](#) section of this report.
- Occupational Health and Safety: consistent with other EICC members, our internal audits have helped us identify a number of opportunities to improve occupational health and safety management across our supply chain. Our training initiatives and supplier engagements have helped drive improved emergency response planning for fire hazards, more consistent implementation of occupational health examinations required by law, improvements in PPE provisions and training, and machine safeguarding.
- Industrial hygiene: is also a priority focus. CY2015 included a number of specific, focused training and awareness campaigns to raise awareness of best practice in this area and help suppliers understand how to best identify hazardous agents in the workplace, accurately compile Material Safety Data Sheets, assess any associated risks to workers and manage indoor air quality. As part of our auditing efforts, we compiled examples of good practice and shared those examples with relevant suppliers.

**Sustainability “Torch” Award**

In CY2015, Logitech’s announced the inaugural launch of an annual Sustainability Torch Award recognising most improvement in SER performance amongst our Finished Goods suppliers. The award was introduced in acknowledgement of our commitment to leading the way to a more sustainable future, and “passing the Torch” to our suppliers in this regard.

The launch of the award was well received and created immediate interest and enthusiasm by suppliers to participate. The launch was followed by an onsite engagement program of capability building and audit – to help suppliers understand what was required, 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.



# GIVING BACK

Many people think of volunteering as just something nice to do, but for us, it's bigger than that. We want to give back to the communities in which we work and play.



## 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, while developing strong teamwork skills.

Most people think of volunteering as just something nice to do, but to us - it's bigger than that. We want to make an impact, regardless how small or big the cause. One of the Winning Behaviours we look to embody is to drive change. Many of our employees actively look for opportunities to volunteer and give back. The purpose and values underpinning our Logitech Cares programme are directly aligned with our passion and belief that Logitech should be more than just a great place a work place. It should help connect personal values with organizational values and building community within Logitech.

During CY2015, Logitech employees organised twenty-two Logitech Cares initiatives and events across ten cities in six countries worldwide, including India, the US, Hong Kong, Ireland and Switzerland. The rapid growth of the Logitech Cares programme, since its early beginnings in 2014, is an indicator of the support it receives inside Logitech. Give back initiatives in CY2015 included fund-raising, product donations and educational initiatives for disadvantaged and vulnerable members of society.



**Second Harvest** distributes more than one million pounds of healthy and nutritious food each week to lower-income earning individuals and families around the bay area and services both Santa Clara and San Mateo Counties.

Team members from our Newark office helped out at the Second Harvest Food Bank in San Jose, helping to sort and prepare hundreds of 20 pound boxes of corn to be distributed around the bay area within 24 to 48 hours.



The **Prajna Foundation** works to provide educational services to slum children in India.

Logitech volunteers from our Delhi Office installed Logitech keyboards, mice and speakers to upgrade the Foundation's new Digital Learning Center, as part of a pilot project for slum children located at Basti Vikas Kendra (BVK), Kalkaji. Our team also raised INR 22,000 (~\$353 USD) for the Prajna Foundation to sponsor the education of underprivileged children.

GIVING BACK CONTINUED



**Fondation Loisirs Pour Tous** helps people with disabilities access a wide range of leisure and sporting activities throughout the year. **Caritas** works to defend and promote human dignity, autonomy and a cohesive society.

In CY2015, more than 60 employees from our Lausanne office in Switzerland volunteered with both organisations to support kitchen-work, sorting of second-hand clothes, working in charity stores, and organising sporting excursions.



When seriously ill children, teens, and their families need more than medicine, the **Children's Cancer Association** (CCA) implement innovative programs aimed towards creating joy one moment at a time. The Camas Music team met with representatives of the (CCA) at Doernbecher Children's Hospital in Portland, Oregon. As part of this meeting, the Logitech team donated a number of UE4000 headphones as gifts to the children in care, for them to use to listen to music during chemotherapy treatment, and while at home and in medical care.



**Po Leung Kuk**, is a major social service organization and fundraiser in Hong Kong, which runs the Kwai Chung Family Joy Center to provide activities and welfare programs to children and elderly.

Logitech employees in Hong Kong visited the centre in CY2015 to provide training for elderly people and show them how to use instant messaging apps on their smartphones. As part of the visit, the Logitech team also helped to prepare meals for the community canteen. The elders were very keen to learn about new technology and the training helped them to better stay connected with family members.



**Dichterbij** is a non-profit, which supports people with physical and mental disabilities in the Netherlands. The Logitech team in Nijmegen volunteered time to paint the rooms of a childcare facility, help staff a multimedia facility, and helped build a party tent at one of the Dichterbij facilities.

GIVING BACK CONTINUED



The Adopt an Angel program supports [Alameda County Child Protective Services](http://alamedasocialservices.org) in the San Francisco Bay Area. During the holiday season, program coordinators connect with children in foster care and help each child compile a “wish list” of items they would appreciate.

Logitech has participated in the Adopt an Angel program for more than 10 years. In CY2015, Logitech employees bought gifts for more than 100 children, as part of donations to the Adopt an Angel program.

The [Shanghai Huaxin Therapy and Rehabilitation Centre](#) provides care and support to children with disability. The children helped by the centre range in age from a few months old to around 15 years of age. In CY2015, Logitech employees in Shanghai, China visited the centre to meet the children, their families, teachers, doctors and the founder of the centre. Since that initial meeting, the Logitech team has worked to raise funds for the centre, acquire exercise, rehabilitation and leisure equipment, and improve the facility with cleaning activities, garden maintenance and some simple refurbishments.

[The Cork Association for Autism](#) runs a centre in Greenville, Ireland, which supports adults with autism. Our team in Cork, helped rebuild a summer house in the garden of the centre, painted the front gates and Sun House, and dug a pathway through the garden to enable better access to the area during the summer.

The Presidio of San Francisco is home to 20 rare plant species, including five protected by the Endangered Species Act. In CY2015, volunteers from our office in Newark helped implement a habitat restoration project to enhance rare native plant habitats and protect important wildlife corridors in the Presidio.



# ABOUT THIS REPORT

We started reporting in 2008 and adopted GRI standards in 2013. Reporting our progress helps us engage stakeholders and drive continued improvement of our performance.

## ABOUT THIS REPORT

This is Logitech's eighth annual sustainability report. Our Sustainability Report for each calendar year is released in the third quarter of the following year, as part of preparation for our Annual General Meeting (AGM) of shareholders. This report was prepared by our Global Sustainability Function, with the oversight and approval of our CEO and COO, and input from key functions across Logitech. Third-party external assurance has not been sought at this time.

This report was finalised mid-2016 and covers calendar year 2015 (1 January 2015 to 31 December 2015). Our last previous report was issued in September 2015 and related to calendar year 2014. To download or access Sustainability Reports for previous years, please visit: the [Sustainability Page](#) on the Logitech website.

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 programmes that we have initiated as part of demonstrating our continued commitment to people and the environment. 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 EICC. ESG is the term used by our Investors. Our sustainability programmes addresses all aspects of SER and ESG.

This report aligns 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) are included in this report and where they are addressed, is available from the [Sustainability Page](#) of our website.

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 CY2015 performance in context: relative to our own historic performance; with reference to international good practice standards; broader concepts of sustainability relevant to our activities; and referencing our future plans, where appropriate.
- **Completeness** - each of the material aspects identified as part of our materiality assessment is discussed and 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.

### Additional Notes:

- Financial data is given in U.S. dollars.
- On December 28, 2015, Logitech and Lifesize, Inc., (a wholly owned subsidiary of Logitech, which held the assets of our Lifesize video conferencing segment), entered into a stock purchase agreement with entities associated with three venture capital firms. Immediately following the close of this, the Venture Investors held 62.5% of the outstanding shares of Lifesize, which resulted in a divestiture of the Lifesize video conferencing business by Logitech.

### Feedback in Relation to this Report:

Any questions, queries or comments in relation to this report can be directed to Logitech's global sustainability function via [sustainability@logitech.com](mailto:sustainability@logitech.com)



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