

SUSTAINABILITY
REPORT FY2017

logitech®



A person wearing a grey sweater is shown from the side, looking out over a blurred city street. The background is out of focus, showing buildings and trees. The text is overlaid on the left side of the image.

**Sustainability is
a conscious design
decision. At Logitech
sustainability is
not a buzzword
or an afterthought.
It's a mindful principle
we infuse into every
connection we make
with our customers.**

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President and CEO
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ABOUT THIS REPORT

Introduction







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As a company, we want to leave our mark. We know that mark can be positive or negative, depending on the decisions we make every day. Our commitment to shaping a better world is a core value that we care deeply about.

Bracken P. Darrell
President and Chief Executive Officer

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Logitech has always focused on people. We started out more than 35 years ago designing products to connect people through computers. Today, we do so much more. We create product experiences that connect people to the digital world through multiple brands, in music, gaming, video and computing. The heart of what we do, having an everyday place in people's lives, has never changed.

So far, our strategy is working. Four years ago, our retail sales declined 7% in constant currency. Since then we've transformed Logitech's culture into that of a fast, hungry, nimble company. We've reinvented ourselves into a company where design is a strategic differentiator. We've reinvigorated our innovation machine, adding new categories and building a portfolio of diverse product experiences in categories that touch a number of big, growing markets: Creativity & Productivity, Gaming, Music, Smart Home and Video Collaboration.

The results speak for themselves. This last fiscal year, FY 2017, we saw our retail sales grow 15% in constant currency, the highest annual growth in six years.

Our profitability grew 33% year-on-year to \$238 million, the highest in nine years. We grew across almost all our product categories and in all our regions.

As a company, we want to leave our mark. We know that mark can be positive or negative, depending on the decisions we make every day. Our commitment to shaping a better world is a core value that we care deeply about. When we talk about "sustainability" at Logitech, we look at it from two perspectives – our efforts to reduce our Environmental Footprint on the planet and our efforts to enhance our Social Handprint and make a positive contribution to people's lives and society.

We believe companies in our sector need to find ways to make electronics more "cradle to cradle." A product that is created (from a "cradle" of materials) should contribute to society over its entire lifecycle: virgin materials should be avoided and the materials that form part of each product should be recycled to form inputs for other products (and other cradles) at end-of-life. We're working to transition to a cradle-to-cradle manufacturing model and way of working.

It's not easy. We don't quite know how we'll do it yet. But we believe innovative design, engineering and sourcing can get us there, as a company, and as a society.

This year's Sustainability Report provides an overview of the key programs we have been working on, the progress we've made and some areas we can feel proud of. Proud, but never satisfied. While we've come a long way, we've got so much more to do. Our sustainability policies and programs are an important part of the company Logitech is becoming. We're only just getting started and I look forward to sharing ongoing improvements with you in years to come.



Bracken P. Darrell
President and
Chief Executive Officer

Sustainability

2017 Highlights

GIVING BACK



27

Giving Back Events across 10 cities and 8 countries

EMPLOYEE DEVELOPMENT



2,000

Employees participated in development programs worldwide

SUPPLY CHAIN AUDITS

EICC Code of Conduct



100%

of our core supplier audited in 2017

GLOBAL RECYCLING

CY2016

3,932

tonnes WEEE



427

tonnes batteries



RENEWABLE ENERGY



1,481

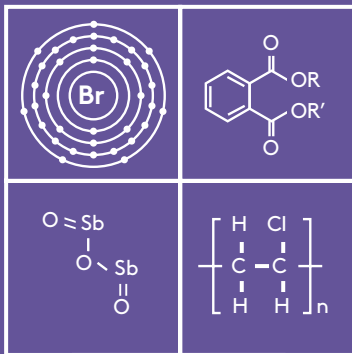
GHG emissions by kg CO₂-e

2,092

tonnes packaging



TARGETED SUBSTANCE REDUCTION



70%

reduction by
weight since
2010

CONFLICT MINERALS

80%

smelters certified conflict-free



100%

of our direct suppliers engaged
in our conflict minerals
management program

RESPONSIBLE PACKAGING

-1,020,010

kg CO₂ reduction of GHG emissions



16

mouse lines



197,286

kg plastic weight saving

-25%

average packaging reduction



297,566

kg paper weight reduction

Company Structure

Logitech designs, manufactures and markets products that have an everyday place in people's lives, connecting people to the digital experiences they care about.

More than 35 years ago Logitech created products to improve experiences around the personal computer (PC) platform, and now it is designing products that enable better experiences consuming, sharing and creating any digital content (e.g. music, gaming, video), whether it is on a computer, mobile device or in the cloud.

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

Our global footprint extends across North and South America, EMEA (Europe, Middle East and Africa) and Asia Pacific, including China, Taiwan, Japan and Australia. We employ more than 6,300 staff, including more than 3,500 at our manufacturing facility. Our network of offices includes 13 Principal Offices and a number of smaller (sales-focused) offices worldwide.

Shares of Logitech International S.A. are listed on the SIX Swiss

Exchange (trading symbol: LOGN) and on the Nasdaq Global Select Market (trading symbol: LOGI). As of 31 March 2017, our total capitalization was \$856 million USD, funded 100% by equity, with zero debt. Total net sales for FY17 were \$2.22 billion.

From our humble beginnings as a software company, we have grown to create products that allow people to connect through music, gaming, video, computing, and other digital platforms. 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, audio 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, and flight and space simulation game controller products.

1981

FOUNDED IN SWITZERLAND

6,300

EMPLOYEES

logitech®

MASTER BRANDS



Video Collaboration: products and solutions that enable real-time video, audio and content-sharing capability for business and individuals.

Smart 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 lets you monitor and connect to home via your mobile device.

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

Logitech sells its products to a broad network of domestic and international customers, including direct sales to retailers and e-tailers, and indirect sales through distributors. Our worldwide channel network includes consumer electronics distributors, retailers, mass merchandisers, specialty electronics stores, computer and telecommunications stores, value-added resellers and online merchants.

The Logitech masterbrands currently comprises four master brands: Logitech, Logitech G, Ultimate Ears and Jaybird.

Jaybird was acquired on April 20, 2016 and Saitek was acquired on September 15, 2016. Jaybird is a leader in wireless audio wearables for sports and active lifestyles, and the acquisition of Jaybird expands our long-term growth potential in our Music market. The Saitek acquisition is expected to enhance the breadth and depth of our product offerings and expand our engineering capabilities in simulation products. The scope of this Sustainability Report includes data and performance from the date of acquisition.

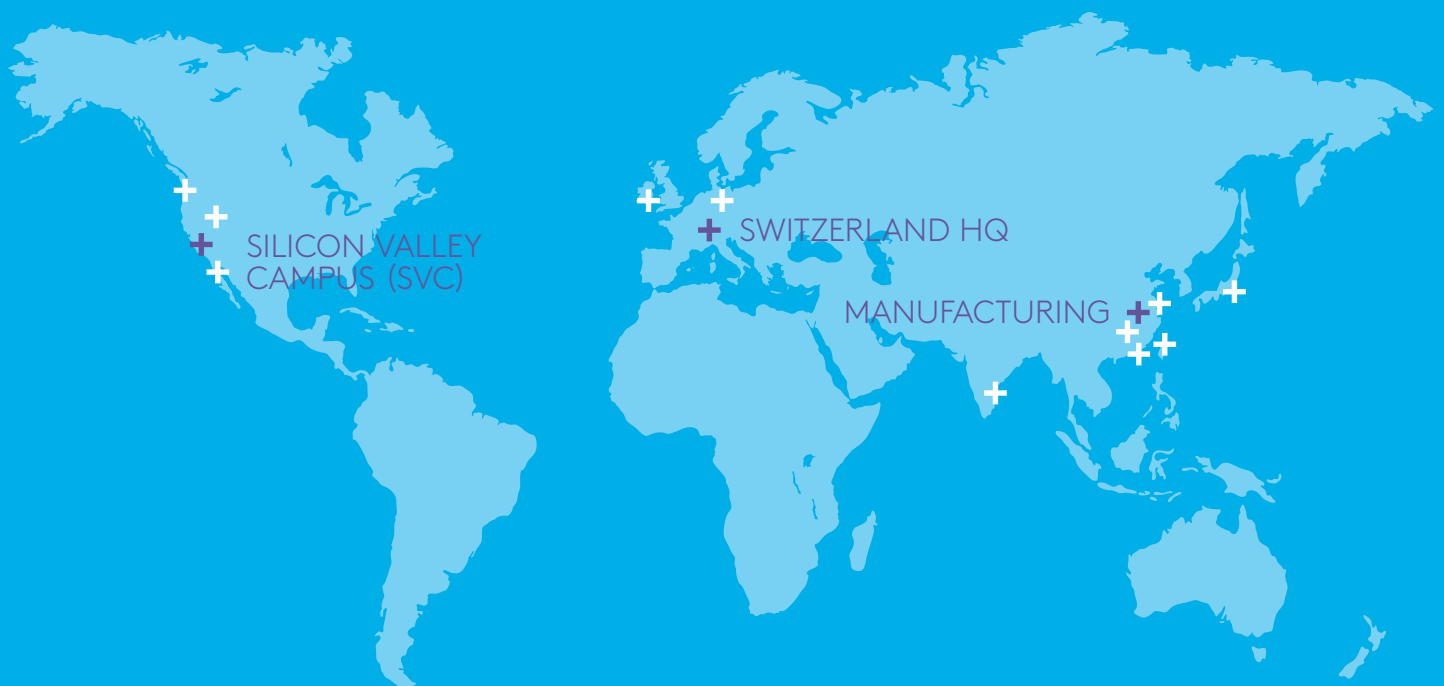
Our high-volume manufacturing site was established in Suzhou, China in 1994. On-site activities primarily comprise final assembly and testing. Components are manufactured to our specification by suppliers in Asia, the United States and Europe. We use contract manufacturers to supplement internal capacity and to reduce volatility in production volumes. More than half of our annual revenue is generated from products that are manufactured in-house. Our local and international teams maintain oversight of all in-house and supplier production activities, manufacturing know-how, quality process controls, social and environmental responsibilities and Intellectual Property protection. This hybrid model of in-house manufacturing and third-party manufacturers enables us to effectively respond to rapidly changing demand, leverage economies of scale, maintain strong quality process controls, reduce volatility in production levels, and optimize time to market.

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

Logitech in figures

FY17

PRINCIPAL OFFICES



5

CONTINENTS

60+

LOCATIONS

220+

DIRECT DISTRIBUTORS

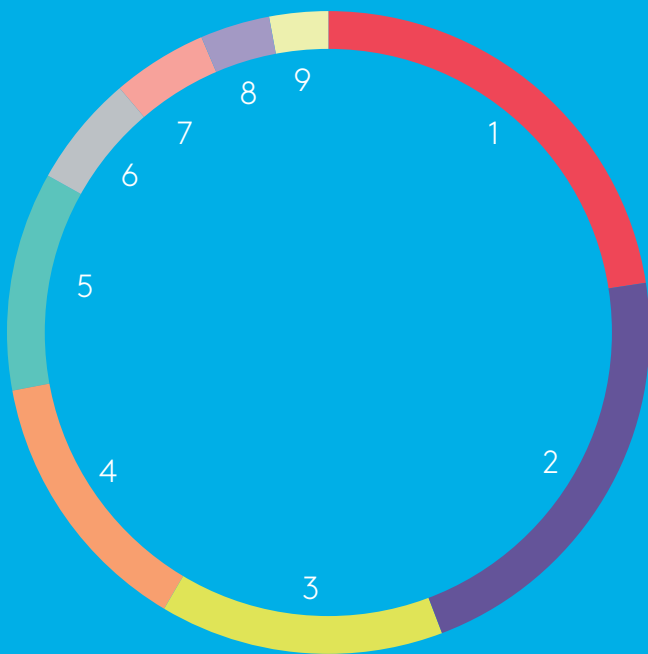
\$130m+

SPEND ON R&D

42

DESIGN AWARDS

NET SALES (%) BY PRODUCT CATEGORY



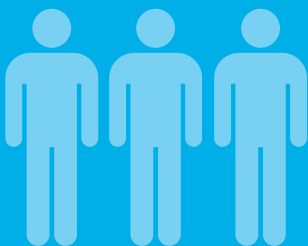
\$2.21

BILLION NET SALES (FY17)

- 1 Pointing Devices 23%
- 2 Keyboards & Combos 22%
- 3 Gaming 14%
- 4 Mobile Speakers 13%
- 5 Audio-PC & Wearables 11%
- 6 Video Collaboration 6%
- 7 PC Webcams 5%
- 8 Home Control 3%
- 9 Tablets & Others 3%

6,334

EMPLOYEES



62%

MALE (3,932)



38%

FEMALE (2,402)



Our Values and Culture

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

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

How we Work

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

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

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

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





Open and ourselves

We've opened up our working spaces and we try to minimize traditional hierarchy. A key part of being open is making sure everyone feels that they can speak up freely. We're a place where anyone and everyone can be approached to share ideas with, problem-solve, or simply for a chat.

Being ourselves makes life a lot less stressful. We're not interested in politics, just in doing what's right ethically and acting with integrity. That also means that if there's something wrong, speaking up in the moment is something we feel obliged to do.



Hungry and humble

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



Collaborate and challenge

We achieve more when we work together. It's that simple. Working collaboratively with colleagues, customers and partners surfaces possibilities that one person alone might not see.

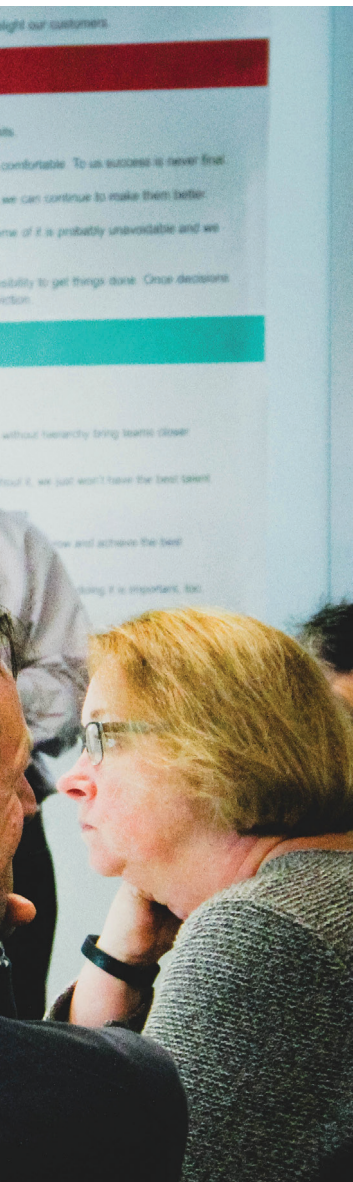
It's always nice when someone agrees but we constantly seek challengers to our ideas. So we tell it like it is and take it as it comes. Collectively, looking for a better way to do things helps us keep our place in a changing world.



Decide and do

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





Sustainability At Logitech

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

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


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

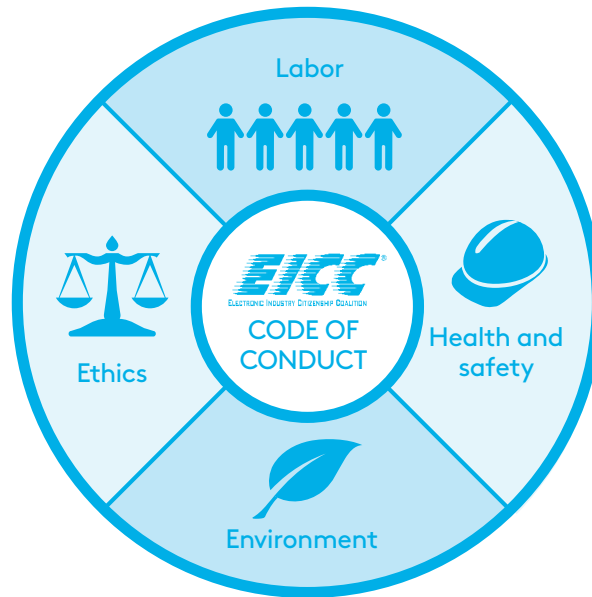
Our framework for sustainability management is the EICC Code of Conduct (“the Code”). As a small company, playing in a global market, we recognize the value of collaboration. We joined the Electronics Industry Citizenship Coalition (EICC) in 2007 to collaborate with industry peers and competitors alike 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, catalyze improved supply chains, and support our transition to a more sustainable world.

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

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





2004

FOUNDED

The 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. Membership now exceeds 100 companies worldwide.
- + 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.

100+

MEMBERS WORLDWIDE

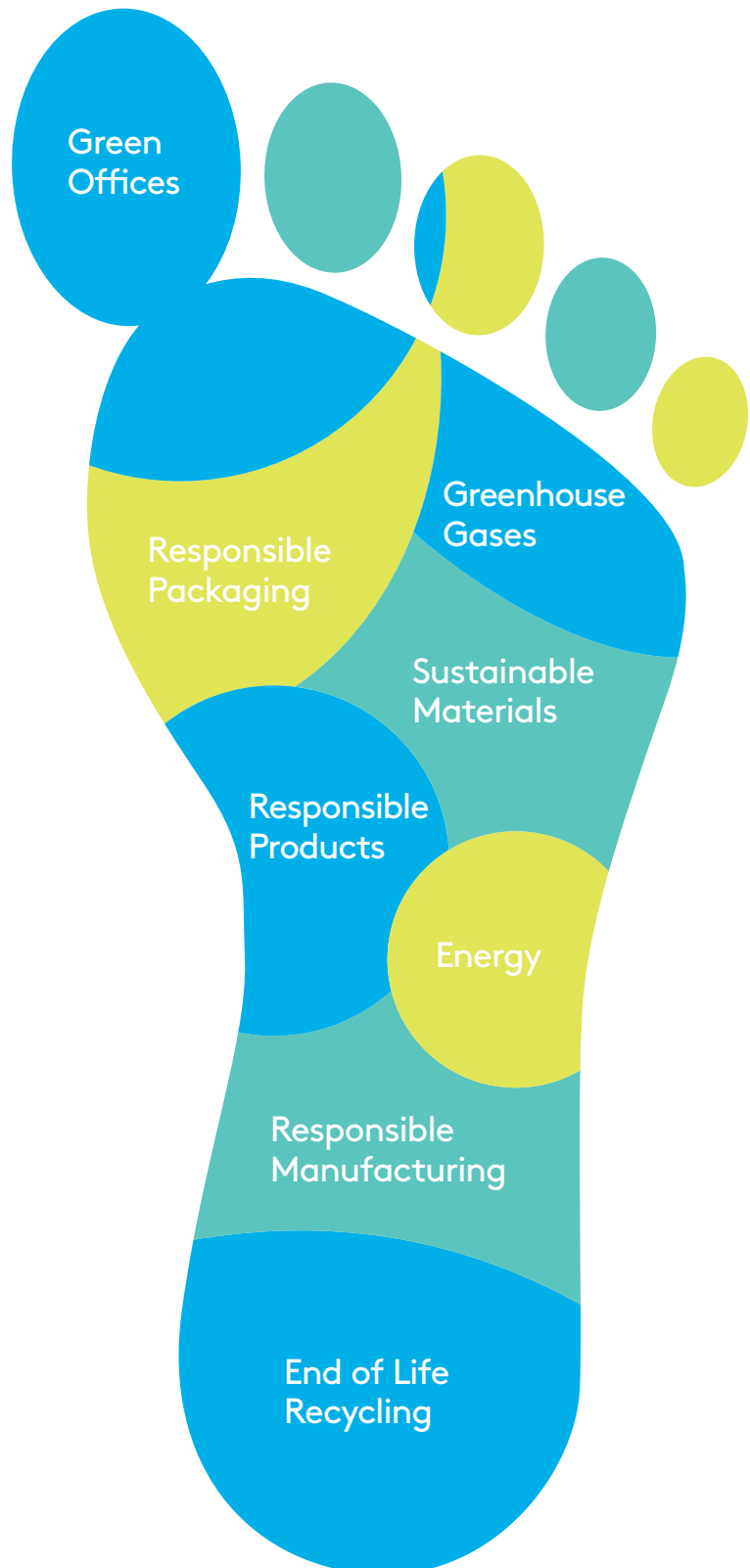
Sustainability At Logitech

cont

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

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

- + Energy & Greenhouse Gases
- + Responsible Manufacturing
- + Responsible Products
- + End of Life Recycling





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

- + Human Rights & Labor
- + Governance, Ethics & Transparency
- + Conflict Minerals
- + Supplier Development
- + Employee Development
- + Diversity & Inclusion
- + Safety, Health & Wellbeing
- + Giving Back

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

Stakeholder Engagement

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

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

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

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

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

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

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

Stakeholder Group	Engagement Activities	Topics of Discussion
Engagements Shareholders / Investors	<p>Engagements are managed by the Investor Relations function and include annual financial statements and reports, our Annual General Meeting, routine conferences and briefings and direct engagements led by representatives of the Investor Relations function. Pertinent information is also shared via the Investor Page 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"> + Financial performance + Governance + ESG (Sustainability) performance + Energy & GHGs + Sustainability reporting + Supply chain management
Special Interest Groups	<p>This includes industry bodies and Non-Governmental Organizations (NGOs) with particular interest in sustainability performance. We are members of EICC. EICC identifies Special Interest Groups of relevance to our sector and helps guide an engagement process governed by Chatham House Rules. As part of the External Factors Review and Materiality Assessment underpinning this 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"> + Sustainability (SER) performance at our manufacturing facility + Supply chain management + Energy & GHGs + Worker safety, health and wellbeing + Human rights and labor
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"> + Hazardous substances (RoHS, REACH) + Compliance with factory environmental licences + Filing of required reports + Conflict minerals + End-of-Life stewardship reporting
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 an annual Roadshow where they visit sites from every region to discuss the company's priorities and hear employees' 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 an anonymous 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"> + Employee benefit and compensation offerings + Employee development opportunities

Stakeholder Engagement

cont

Stakeholder Group	Engagement Activities	Topics of Discussion
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 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"> + Product performance + Key features + Use of packaging + Product energy management + Product recycling + Warranty issues + Repair and replacement + Spare parts availability + Giving back programs
Business Partners	<p>Our sourcing network and customer supply chain is world-class. We have established relationships with a large number of business partners with whom we have worked successfully for more than a decade. We audit our core suppliers a minimum of once a year and those engagements go far beyond an audit, with our team adopting a partnership model that engages collective brainstorming to devise solutions with our suppliers. Our requirements are communicated and embedded into contractual arrangements with suppliers.</p> <p>Our Sales Team liaises with distributors, retailers and other business partners to ensure we respond to the needs of business partners are continually engage with customers to understand customer needs. Sustainability performance requirements are discussed as part of developing and reviewing supply agreements.</p>	<ul style="list-style-type: none"> + Ethical manufacture and supply of product + Product marketing of sustainable features + Consumer awareness and promotion + Substance management meeting national law + Energy management product features + End of Life stewardship

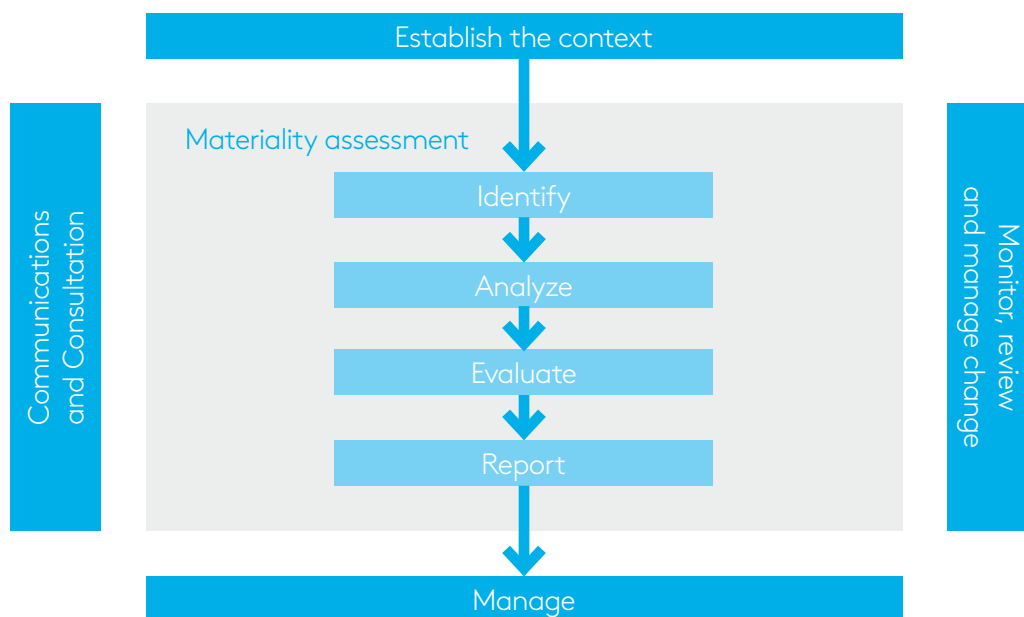
Our engagement activities to date indicate no significant concerns with respect to our sustainability approach and performance. Broadly speaking, stakeholders tend to focus more on our product performance and economic performance. Queries in relation to sustainability performance tend to relate to requests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

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

Materiality Assessment

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

Materiality Assessment process



Our materiality assessment 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 following 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

cont

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.

Analyze

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, analyzed and scored, to identify those of material interest.

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

Dimension X: Aspects of greatest importance to our business success; and.

Dimension Y: Aspects of greatest importance to stakeholders and society.

When assessing Dimension X (Importance to Business Success), we 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 recognized 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 relevant to our business success and interest to stakeholders – to make an overall determination of materiality.

Report

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

Over the last year we have made minor changes to the nomenclature used to define our Strategic Management Programs but no significant changes to the scope and boundaries of the programs is envisaged. The aspects of material concern to our stakeholders and business success have not changed since last year.

Materiality Assessment

👤 Handprint program 👣 Footprint program



Value Chain Boundaries for Material Aspects

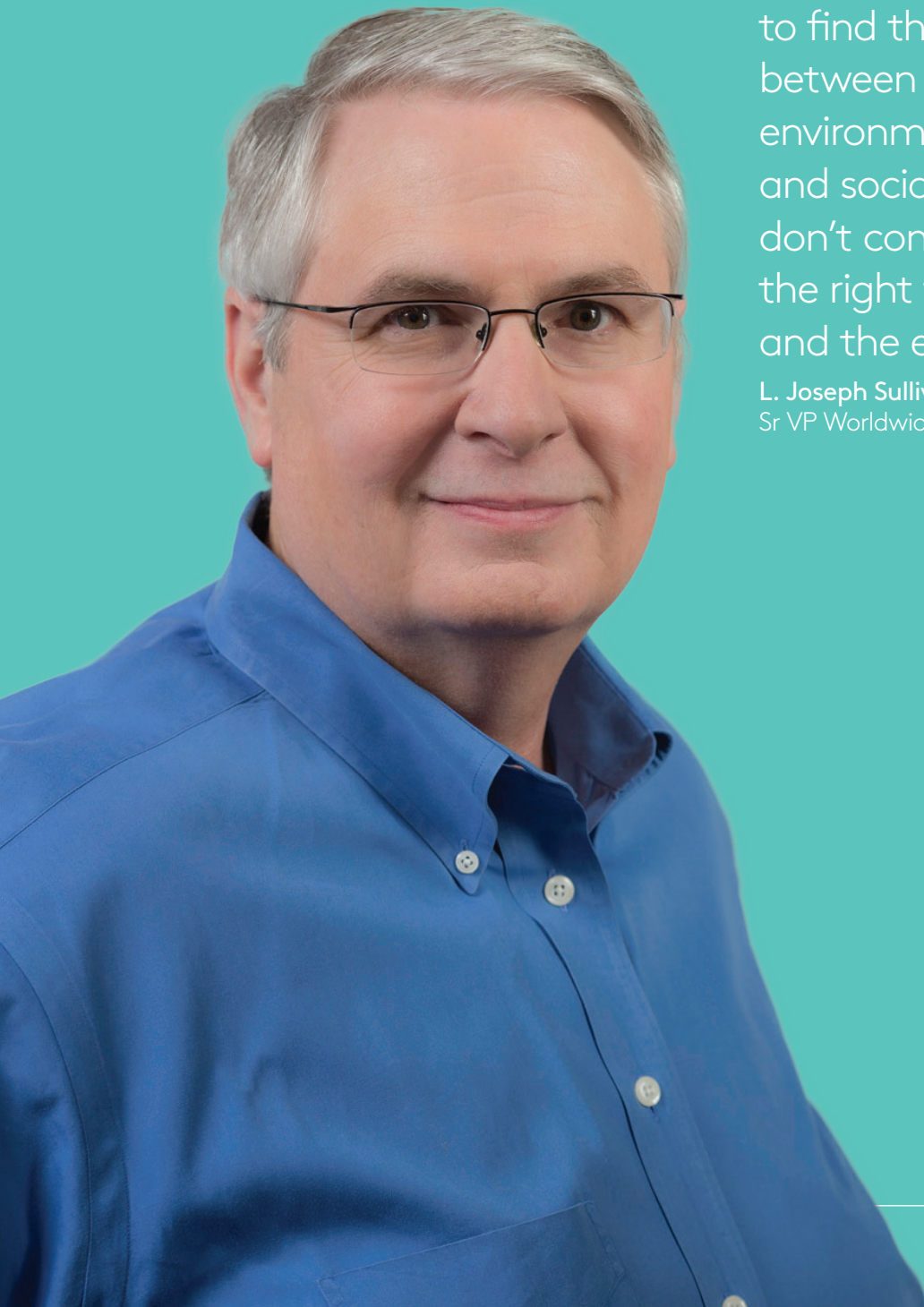
VALUE CHAIN

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

Products and environment







“

I always encourage and empower my team to innovate, be relentless and find shared value. We need to find the “sweet-spot” between economic prosperity, environmental good practice and social responsibility. We don’t compromise – when it’s the right thing to do for people and the environment.

L. Joseph Sullivan
Sr VP Worldwide Operations

”

In the many years I have been dedicated to Logitech as Sr VP of Worldwide Operations, at no other time have I seen such exciting and varied positive changes. We're transforming the company in so many areas, from design and engineering to marketing and go-to-market.

These capabilities contribute to the multi-brand, multi-category, design-led company Logitech is becoming.

We've made big progress in worldwide operations and manufacturing in these past years. Since FY 2013, we have nearly doubled our manufacturing productivity. Those results have been achieved thanks to two key qualities: close collaboration between our Operations, Design and Engineering teams, and close attention to detail and with our continued awareness of the impact our decisions and actions will have on people and the environment.

Our global footprint and supply chain extends across all borders. With great reach comes responsibility. Sustainability cannot be a buzzword or an afterthought; it needs to be a mindful principle that we infuse into every aspect of our business and manufacturing strategy. I always encourage and empower my team to innovate,

be relentless and find shared value. We need to find the "sweet-spot" between economic prosperity, environmental good practice and social responsibility. We don't compromise – when it's the right thing to do for people and the environment.

As a company, we want to lead by example – for our sector and supply chain. We joined the Electronics Industry Citizenship Coalition (EICC) in 2007 to work with peers and tackle the sustainability challenges that really matter to our sector. Our commitment to the EICC Code of Conduct is fundamental to how we do business. It helps us look beyond mere legal obligations, align with international best practice and drive year-on-year performance improvements. Our commitment to the EICC Code of Conduct manifests in every aspect of our activities. We require all our suppliers to comply with the Code and we establish supplier relationships based on shared values, good practice and EICC Code compliance.

This year I was proud to reaffirm our continued commitment to the EICC Code with a publically disclosed statement of commitment.

Last year I echoed our co-founder, Daniel Borel, saying, "Success is never final." We had so many opportunities for improvement and we have tackled them with the energy you'd expect and we demand of ourselves. This year is no different. I'm happy to report another year of improvements in operational efficiency and sustainability performance. We have a long way to go but the path is clear ahead. Let's get to it.



L. Joseph Sullivan
Sr VP Worldwide Operations

Responsible Products

Introduction

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

Excellence in design and engineering does not just influence how a product looks and feels; it is about the experience it creates and the value it brings to each user and society. Our goal is to bring products to market that consumers love. Investment in product research and development is critical to continued innovation of new and improved products and technologies.

Our research and development spend for FY2017, was \$130.5 million. Our innovation capability, including understanding of product development, technology and industrial design excellence, is demonstrated by our current patent portfolio of more than 680 patents and the 42 Design Awards we received in FY17.

We believe companies in our sector need to find ways to make electronics more “cradle to cradle.” A product that is created (from a cradle of materials) should contribute to society over its entire lifecycle,

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

Our products have always complied with all relevant legal requirements; we have an established “General Specification for the Environment” (GSE), which sets out our requirements and procurement standards for good practice environmental management of products, packaging and supplier manufacturing. We are working to transition our policies and standards “beyond compliance” and develop new product innovation, design and engineering processes, which reflect our cradle-to-cradle ambition and Design for Environment (DfE) good practice.

We are building a Responsible Products Strategy and Strategic Management Program with goals and targets driving improvements in our product sustainability performance year-on-year.

Our strategy and management program is informed by analysis of legal megatrends, external factors, our impact on People and our Planet, stakeholder views and sector benchmarking.

The concept of Responsible Products is a complex one. We are working to develop an understanding of what it could mean for our manufacturing operations and product innovation plans. There are a wide range of different aspects to consider. We have reviewed good practice standards such as Epeat, IEEE 1680.1, ECMA 341 along with eco-labelling systems worldwide to identify the material aspects we need to focus on. The overall goal is to minimize the environmental footprint of our products while enhancing our social handprint and positive contribution to society.

Responsible products


CONFLICT MINERALS

Conflict-free products ie: free from gold, tin, tantalum or tungsten that may have been sourced from areas where mining funds conflict

RESPONSIBLE MATERIALS



Dematerialization, recycled materials, sustainable materials, durability, recyclable materials, life cycle analysis of materials



TARGETED SUBSTANCES

RoHS-compliance, REACH-compliant, free from targeted substances eg: PVC



ENERGY AND GHG FOOTPRINT

Minimizing GHG emissions across the life-cycle, optimizing energy demand, battery life and energy saving features



RESPONSIBLE MANUFACTURING

Water-efficient manufacturing, energy-efficient manufacturing, waster minimisation, factory and supply chain safety, creating job opportunities, EICC code compliance, human rights and labor best practice



ENABLING A SMARTER SOCIETY

SMARTer homes, software enabled customer control, greater control of energy use, promoting health and wellbeing



PACKAGING

Dematerialization, recycled materials, sustainable materials, durability, recyclable materials, pallet optimization



END OF LIFE RECYCLING

Design for dismantling/ recycling/recovery captured via stewardship schemes



INFORMING CONSUMER CHOICES

Product labelling, product recycling information, website supported eco-conscious decision-making

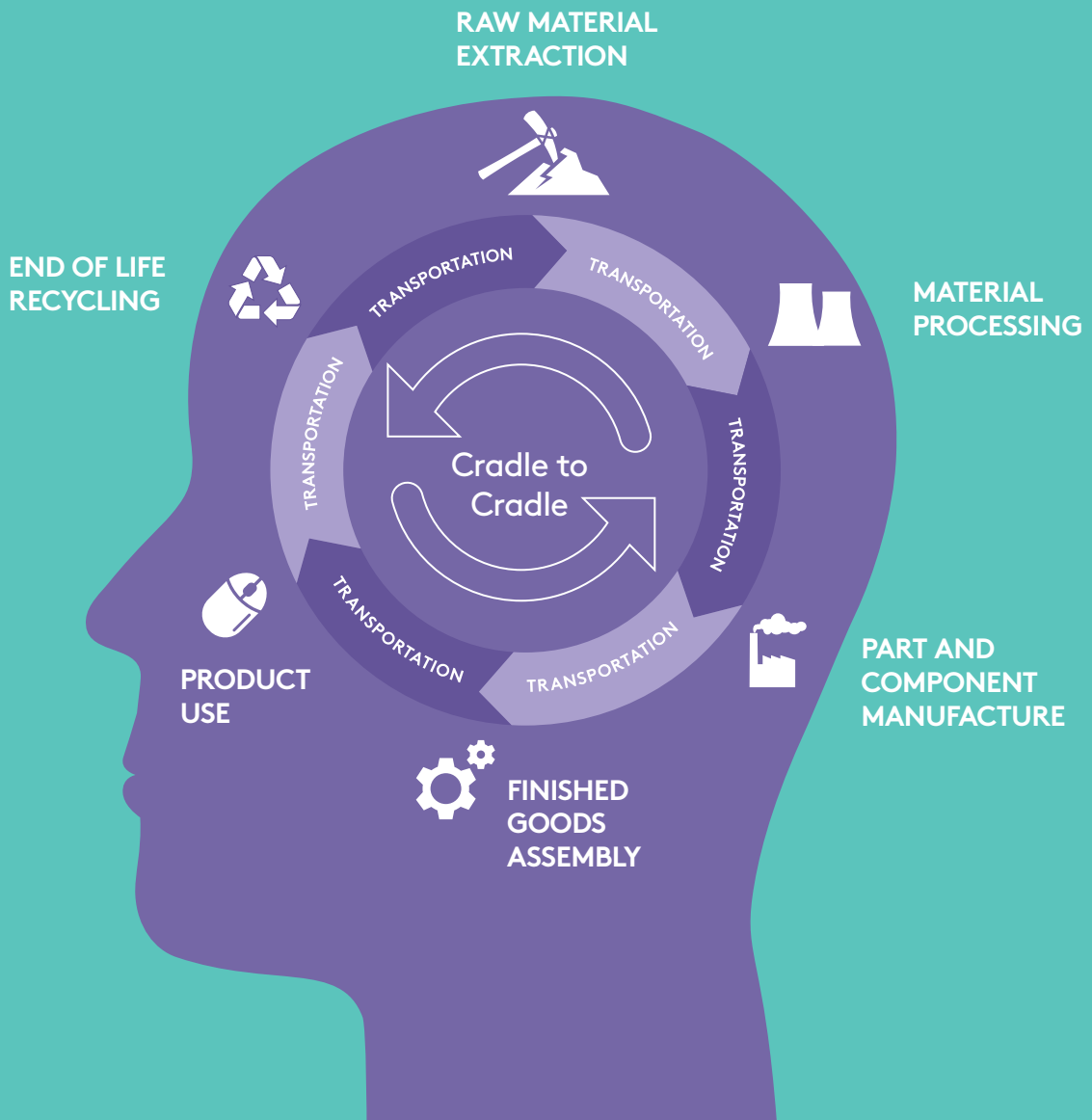
Minimizing our environmental footprint



RESPONSIBLE PRODUCTS

Enhancing our social handprint

Life cycle assessment (LCA)

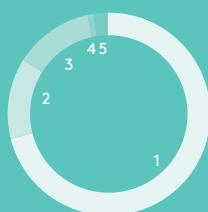


LIFE CYCLE ANALYSIS



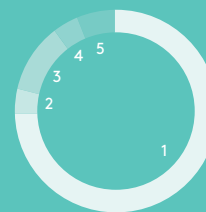
M170
GHGS by life-cycle phase

- 1 Sourcing 73%
- 2 Manufacture 8%
- 3 Distribution 6%
- 4 Consumer Use 6%
- 5 End of life 7%



SPOTLIGHT

- 1 Sourcing 71%
- 2 Manufacture 13%
- 3 Distribution 13%
- 4 Consumer Use 1%
- 5 End of life 5%



G900

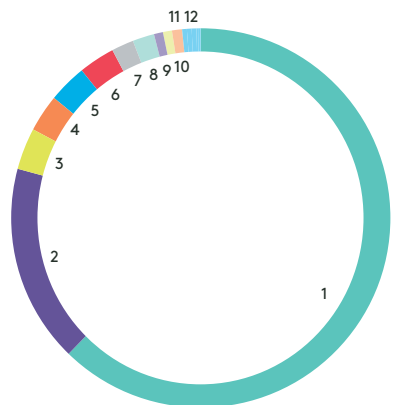
- 1 Sourcing 75%
- 2 Manufacture 4%
- 3 Distribution 11%
- 4 Consumer Use 4%
- 5 End of life 7%

Understanding our Products

Use of Life Cycle Analysis

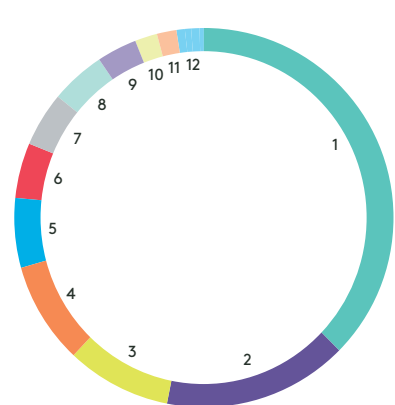
Use of Life Cycle Analysis (LCA) is key to our strategy and decision-making. We have developed in-house capacity to undertake complex LCA studies of products and materials. LCA helps us focus on the most material aspects of product sustainability performance and enables objective and data-informed decision-making. We routinely analyze our Top 10 Selling Products for the Financial Year to understand the Greenhouse Gas (GHG) emissions and Carbon Footprint of our products and materials. We are developing our Responsible Products Program to focus on areas of greatest opportunity. Some of the key learnings we have developed as a result of LCA are summarized in the following graphic. The remainder of this section shows a number of examples where we have made product improvements in the last year to reduce the environmental footprint of our products and that decision-making has been informed by LCA.

GREENHOUSE GAS FOOTPRINT OF MATERIALS IN OUR TOP SELLING PRODUCTS



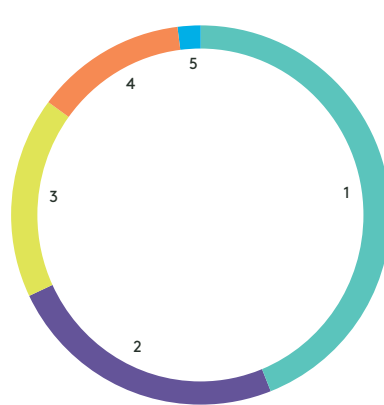
- 1 Populated PCB 62%
- 2 ABS 17%
- 3 Batteries 3.5%
- 4 Plastic package 3%
- 5 Cables 3%
- 6 Master Shipper 3%
- 7 Paper packaging 2%
- 8 Magnets 2%
- 9 Documentation 1%
- 10 Metal parts 1%
- 11 Rubbers 1%
- 12 Other (each <1%)
 - Textile
 - PC
 - PCB membrane
 - LCD screen
 - LDPE
 - HIPS
 - Polyurethane
 - Glass

WEIGHT OF ALL MATERIALS/PARTS USED IN OUR TOP SELLING PRODUCTS



- 1 ABS 38%
- 2 Master Shipper 16%
- 3 Magnets 9%
- 4 Paper packaging 9%
- 5 Plastic package 6%
- 6 Documentation 5%
- 7 Populated PCB 5%
- 8 Cables 5%
- 9 Metal parts 3.5%
- 10 Batteries 2%
- 11 Rubbers 1.5%
- 12 Other (each <1%)
 - LDPE
 - PC
 - PCB membrane
 - Textile
 - HIPS
 - Polyurethane
 - Glass
 - LCD screen
 - Polystyrene
 - POM
 - PMMA sheet

WEIGHT OF PACKAGING MATERIALS USED IN OUR TOP SELLING PRODUCTS



- 1 Corrugated box 44%
- 2 Backer card 24%
- 3 Plastic Package 17%
- 4 Documentation 13%
- 5 LDPE 2%

Responsible Products

cont

Responsible Use of Materials Dematerialization

MK850

In 2016, we re-designed the MK710 combo to create the MK850. We added a more comfortable palm rest, a better mouse and stronger connectivity. We included Bluetooth and added software elements that allow the customer to use the same keyboard to type in your computer and respond to a message on your phone. The new product was designed to have 50% fewer major plastic parts and we updated the PCB to drastically reduce its size by almost 70% and eliminate 25% of the original number of screws.

Optimizing Printed Circuit Boards

As mentioned previously, 62% of the carbon footprint of our top selling products are from populated Printed Circuit Board (PCBs). The PCB is the “brain” of the product. We cannot eliminate it completely, but we are working find innovative ways to use them more efficiently without sacrificing user experience and product performance. In the last year, we launched the G900. Compared to its predecessor (the G700), the PCB of the G900 is thinner and lighter and this innovation delivers a 40% reduction in the greenhouse gas footprint of the PCB. We are looking for other similar opportunities with other products.

Responsible Selection of Materials

In 2016 we developed our new presenter: Spotlight. Compared to its predecessor (the R400), Spotlight has a smaller receiver, one rechargeable battery rather than two alkaline batteries and paper packaging, rather than PET plastic packaging. These changes have reduced the carbon footprint associated with the sourcing phase and consumer use phase of the product. The carbon footprint of those Spotlight components is more than 50% lower than those of the R400.

PRODUCT MATERIAL REDUCTION

Good

Better

Benefit

MATERIALS

MK710



MK850



-50%

REDUCTION IN
PLASTIC PARTS

SIZE

MK710



MK850



-70%

REDUCTION IN PCB SIZE

GAMING MICE AND PCB IMPROVEMENTS

**G700**

25g weight
1.6mm thick
0.95kg CO₂-e

**G900**

16g weight
0.8mm thick
0.57kg CO₂-e

-40%

REDUCTION IN GHG
FOOTPRINT THE PCB

R400 AND SPOTLIGHT

**R400**

2 alkaline
batteries
1.02kg CO₂-e
PET packaging
Larger Receiver

**SPOTLIGHT**

1 Li-ion rechargeable
battery
0.54kg CO₂-e
Paper packaging
Smaller Receiver

-53%

REDUCTION IN GHG FOOTPRINT
OF THREE COMPONENTS

Responsible Products

cont

Music Speaker Packaging

Last year we also updated the packaging of the UE BOOM 2 to replace a lot of the plastic packaging with paper packaging, without sacrificing any element of customer experience or product protection. The overall weight of the paper and plastic packaging dropped from 487g to 346g. This reduction in packaging weight and substitution of plastic with paper allowed us to reduce the carbon footprint of the BOOM 2 packaging by 62%.

Keyboard Packaging

In 2016 we commenced a systematic review of our keyboard and combo packaging. We identified a number of immediate opportunities to eliminate additional internal packaging such as unnecessary plastic bags. We also found opportunities to reorganize product placement in their boxes, reduce overall packaging volume and improve pallet and container utilization.

For a number of our desktop products, we have now redesigned the packaging to reduce the packaging volume and optimize our use of pallets and containers. Two examples are shown below – for our MK120 combo and MK270 combo. These efforts have allowed us to make a 14% reduction in overall packaging volume across the products we looked at, fit 18% more units on a pallet and fit 19% more units in containers. Overall, we estimate we have achieved a 34% reduction in the cost of packaging material and this improvement program has allowed us ship more product in a more responsible way. Two examples are shown below.

Mouse Packaging

Logitech sells over 25 million mice worldwide each year. Plastic packaging accounts for approximately 20% of the carbon footprint associated with our packaging materials. In 2014 we

embarked on a program of work to review and optimize mouse packaging. We looked at 16 mice models and made design changes to reduce the size of our master shipper cardboard boxes and streamline our product information documentation to minimize use of paper. We also removed any unnecessary cardboard inserts and other materials. On average, across the full scope of mice that were examined, we achieved in 16 product lines a 25% reduction in the amount of packaging used (by weight).

Our total use of plastic and paper packaging reduced by approximately 197,286kg and 297,566kg respectively, with associated elimination of 1,020,011kg CO2 per annum.

In one case (the M310), we achieved a 40% reduction in use of packaging materials, with a resulting 44% decrease in carbon footprint.

PACKAGING MATERIAL REDUCTION

Good

Better

Benefit

M310



161g > 98g
 0.3680kg CO₂-e
 > 0.2065kg CO₂-e

-40%

ALL PACKAGING

-44%

GHG FOOTPRINT

BOOM 2



487g > 346g
 1.4897kg CO₂-e
 > 0.5661kg CO₂-e

-29%

ALL PACKAGING

MK120



4.9m mm³ volume
 1000g weight
 0.6636kg CO₂-e

4.2m mm³ volume
 852.5g weight
 0.4133kg CO₂-e

-15%

VOLUME

-15%

WEIGHT

-37%

GHG FOOTPRINT

MK270



4.1m mm³ volume
 880g weight
 0.5889kg CO₂-e

3.8m mm³ volume
 784g weight
 0.3981kg CO₂-e

-7%

VOLUME

-11%

WEIGHT

-32%

GHG FOOTPRINT

Responsible Packaging



16

product lines



197,286

kg plastic weight saving



-25%

average packaging
weight reduction



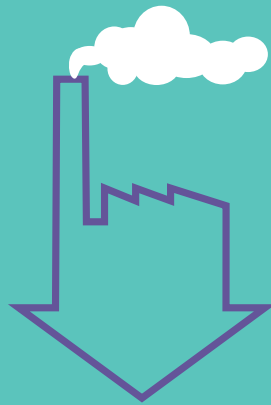
297,566

kg paper weight saving



-374,866

kg CO₂ reduction paper



-645,145

kg CO₂ reduction plastic



-1,020,011

kg CO₂ reduction of GHG emissions

Understanding our Products

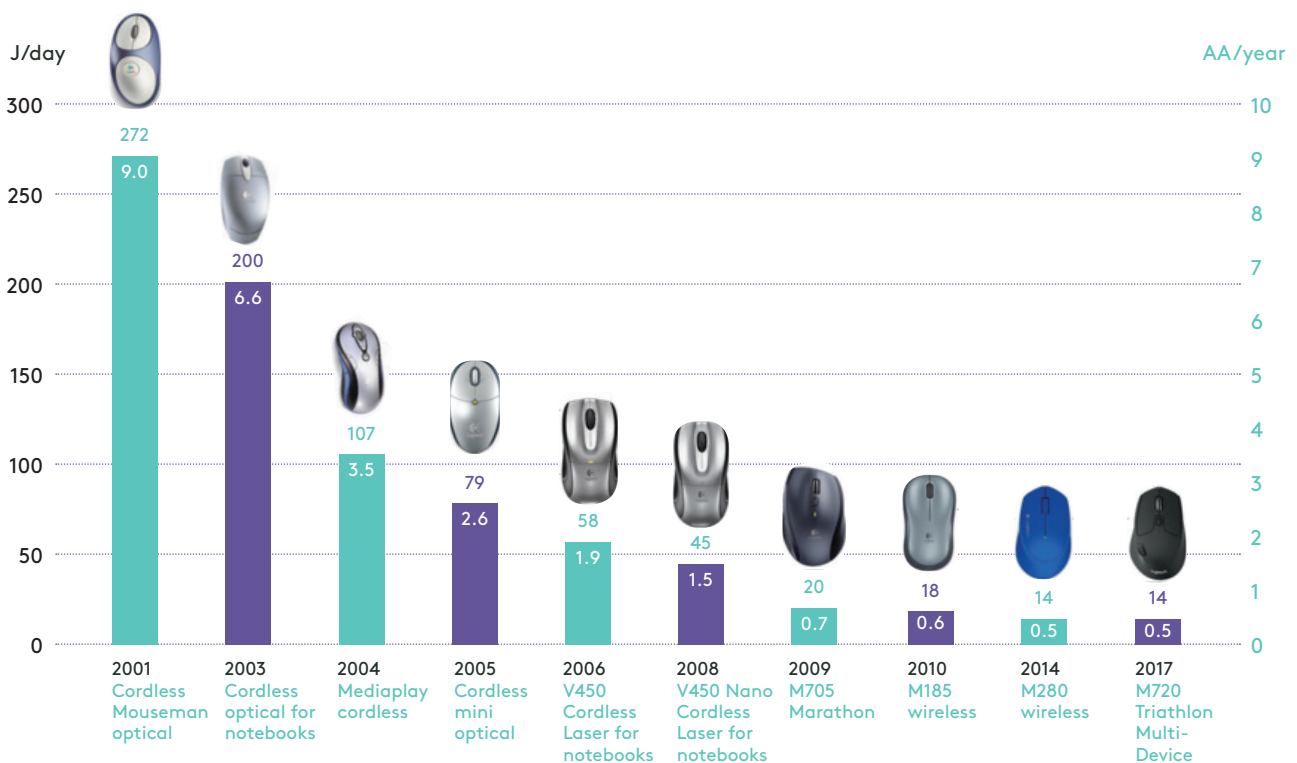
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Increasing Battery Life

Our consumer insight surveys indicate battery life can influence the purchasing decisions of customers who are looking to buy battery-powered electronics. Identifying opportunities and means to improve battery life and product energy efficiency is an integral part of our new product innovation process. As an example, since 2001, we have worked to incrementally improve the energy efficiency of our mice products from generation to generation, without sacrificing product performance or consumer experience.

A summary of our successful innovations to date is provided in the following figure. The baseline mouse shown in the figure (i.e. the 2001 Cordless Mouseman Optical) used nine AA batteries per annum (272 J/Day). We have come a long way since 2001. Our newest models (the M280 and M720 Triathlon) are both expected to use one AA battery every two years (only 14 J/Day).

Mouse power consumption evolution



Avoiding Targeted Substances

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

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

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

Ensuring worldwide product compliance is critical to our success. Any non-compliance with product compliance obligations could potentially delay or inhibit market access and/or damage our relationship with our global supply chain and reputation with customers. To manage this inherent risk, we actively monitor existing and emerging product compliance obligations relevant to management of chemicals, materials and substances. Our

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

We formalized the prohibition and restriction of certain substances in 2002 with the introduction of our General Specification for the Environment (GSE) green procurement standards. Since 2002, our GSE has developed to reflect evolving legal requirements, regulatory megatrends, benchmarking

of peer company approaches, review of stakeholder concerns and international good practice including IEC 62474 and the EICC Code of Conduct. The GSE identifies the substances that we prohibit, restrict or require declarations for, require labelling for and compliance with the GSE is an explicit requirement in our supplier (contract) agreements. A summary of some of the key milestones in our GSE's evolution is provided in this section.

We have an established and systematic testing program, which includes sampling of Logitech products and components on a regular basis to verify compliance with GSE requirements. The scope of the testing program includes samples of products and components produced at our own manufacturing facility and supplier facilities. Products and components are mechanically disjointed to the homogeneous level and tested in accordance with good laboratory practice methods including X-Ray Fluorescence (XRF) and Wet Chemical Analysis. Our approach allows us to demonstrate and

Avoiding Targeted Substances

cont

declare single component traceability, full legal compliance and test reports right down to the homogeneous level. In addition, we carry out periodic surveys of our suppliers and supply chain to deep dive and interrogate material use where pertinent e.g. whenever significant changes to the SVHC list for REACH are introduced. We have a robust supplier audit program, which includes auditing of supplier facilities to check compliance with the EICC Code requirements for materials management, compliance with hazmat legislation, and compliance with our green procurement standards. Both our product testing program, and supplier factory auditing program, are fully inclusive of a corrective action reporting and remedy process aligned with EICC international good practice requirements.

We also have an established “Targeted Substances Reduction Program” to drive voluntary phase-out of certain Targeted Substances of concern including PVC, Phthalates and some Flame Retardants. These substances pose no significant risk to the consumer and are widely used in our sector but they have a toxic life-cycle and can contribute to adverse impacts on the environment and occupational health, during manufacture, processing and disposal. They also contaminate the end-of-life recycling stream, presenting particular challenges for recycling agencies and inhibiting our efforts to maximize recycling of our products at end of life.

Where safer and less toxic alternatives are available, we make voluntary efforts to use them. For example, use of PVC in electronics is not currently

regulated by any hazardous substance laws and it is used widely in our sector. However, it is recognized to have a toxic life-cycle. In 2003, we made a voluntary commitment to phase out use of PVC in rigid plastic. This was followed by a ban on PVC in packaging in 2008 and we continue our efforts today to drive Zero PVC.

As a result of our efforts to date, we have reduced our use of Targeted Substances year-on-year through systematic testing of product samples, corrective actions processes and follow-up collaboration with our manufacturing team and suppliers. The following figure shows the total weight of Targeted Substances in our Top 50 retail products (by sales value); normalized by number of units sold per year. As shown in the figure, in CY10, our products

Avoiding Targeted Substances

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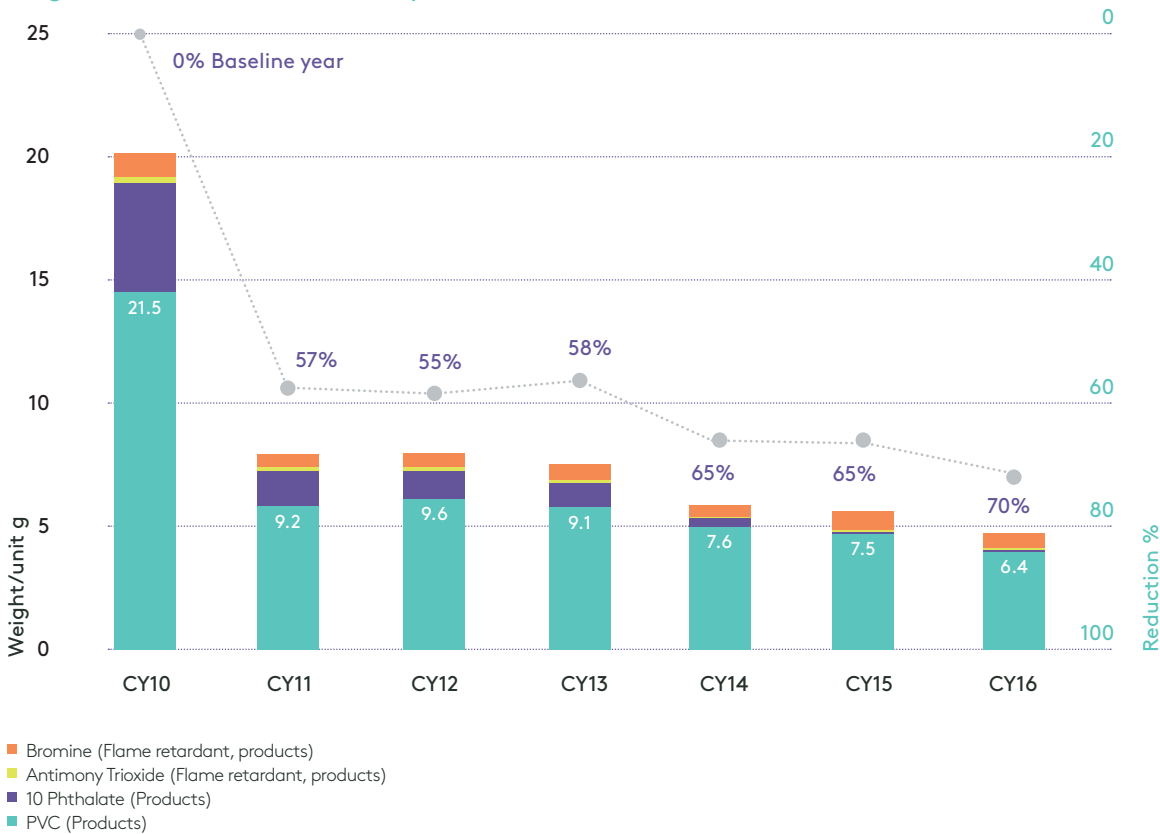
contained an average of 21.52g of Targeted Substances per product/unit. Since CY10, we have achieved an overall reduction of approximately 70% in this metric.

We are proud of our achievements to date, but we also know there is a lot more work to do. During CY16, three supplier-related issues were identified relating to use of PVC

in packaging and erroneous identification of phthalates. In each case, a Corrective Action Report (CAR) was issued and each of the three suppliers identified the root cause of the non-conformance and put measures in place to address the issue. Additional steps were also put in place to reflect lessons learnt and minimize the risk of a repeat non-conformance

in the future. Over the course of the next few years, as we drive towards 2020 we will continue to develop our GSE, drive reduced use of Targeted Substances, and audit products, components and suppliers to drive reduction of our supply chain environmental footprint and use environmentally-friendly alternative materials.

Targeted Substance Reduction per Unit



Legal Developments



General Specification for the Environment (GSE) Developments

2002	Banned Asbestos, Ozone Depleting Substances, Organic tin, AZO compounds Banned Cd, Pb, Hg, Cr6+, PBB, PBDE
2003	Banned PVC in rigid plastic
2004	
2005	
2006	
2007	Added REACH SVHC Substances & China RoHS Substances
2008	Updated GSE to reflect international good practice e.g. EIA, JEDEC, JIG-101 Banned PVC in packaging; PFOA, PFOS and latex in product
2009	Restricted Formaldehyde in composite wood
2010	
2011	Introduced requirements for Declarations of Compliance & CE markings Introduced Phthalate Restriction Policy
2012	
2013	
2014	Introduced PAHs Restriction Policy
2015	Updated GSE to align with EU RoHS 2015
2016	
2017	

End-of-Life Recycling

We believe companies in our sector need to find ways to make electronics more “cradle to cradle”. It’s not easy. There is so much more to do. But we believe innovative design, engineering and sourcing can get us there, as a company, and a society.

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

Our approach to Responsible Products is described in full in a number of other sections of this report. This section reports our key activities to minimize the environmental footprint and social handprint associated with the post-consumer end-of-life phase of our products.

The European Waste Electrical and Electronic Equipment Directive (the “WEEE Directive”) was first introduced in 2002, to promote reuse, recycling and other forms of WEEE recovery and end-of-life recycling. 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. The WEEE Directive was accompanied by the introduction of the European Batteries Directive and European Packaging Directive, which both incorporated the same principle of Producer Responsibility. 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 recycling requirements associated with our products are met. Our contractual agreements with our distributors communicate our requirements in this regard and clearly define roles and responsibilities for recycling.

In countries where we are the importer of record, we assume full and direct responsibility for financial and administrative aspects of end-of-life recycling. 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 recycling 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 recycling schemes of comparable credibility, to help us fulfil our recycling obligations.

In CY16, Logitech financed the collection of 3,932 tonnes of WEEE, 427 tonnes of batteries and 2,092 tonnes of packaging. That tonnage equates to 100% of the retail products placed on the market in CY16 in countries where we are the importer and have direct responsibility for recycling.

End-Of-Life Recycling

cont

RECYCLED IN 2016

427

TONNES OF BATTERIES



3,932

TONNES OF WEEE



2,092

TONNES OF PACKAGING

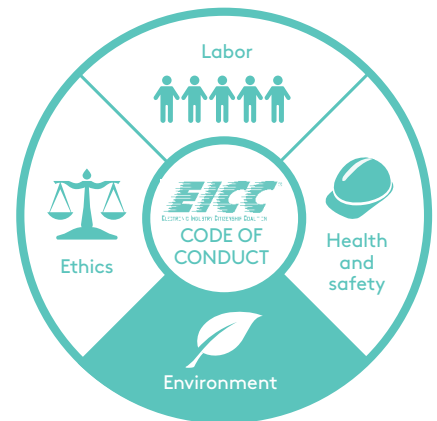
Responsible Manufacturing

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

More than half of our annual revenue is generated from products we manufacture in-house. Our manufacturing activities consist primarily of final assembly and testing. Logitech has over 30 years of in-house manufacturing experience and provides direct employment to more than 3,500 people.

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

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



Responsible Manufacturing

cont

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

We have more than 30 years of in-house manufacturing experience, and we are constantly challenging ourselves to take out wasted and non-value added steps. This focus on manufacturing efficiency has resulted in our in-house productivity improving by 68% over the last three years. We are always looking for ways to use new technology to create better products, reduce manual labor, improve the workplace and make our manufacturing operations more productive and sustainable for the long term. With this goal in mind, we have introduced automation and robotic technologies to ensure accurate, time-saving and waste-eliminating manufacturing of some of our most popular products. The introduction of automation has enabled production managers to make real-time adjustments for optimal efficiency and is helping us to shift worker responsibilities from low-skilled manual labor to monitoring, calibrating and maintaining equipment with associated soft skills.

Water

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

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

A small amount of the hot water for our heating system is sourced from a nearby third-party facility, where it



is produced as a by-product wastewater. This approach helps us reduce the energy demand and environmental footprint of both our own facility and the neighbouring facility.

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

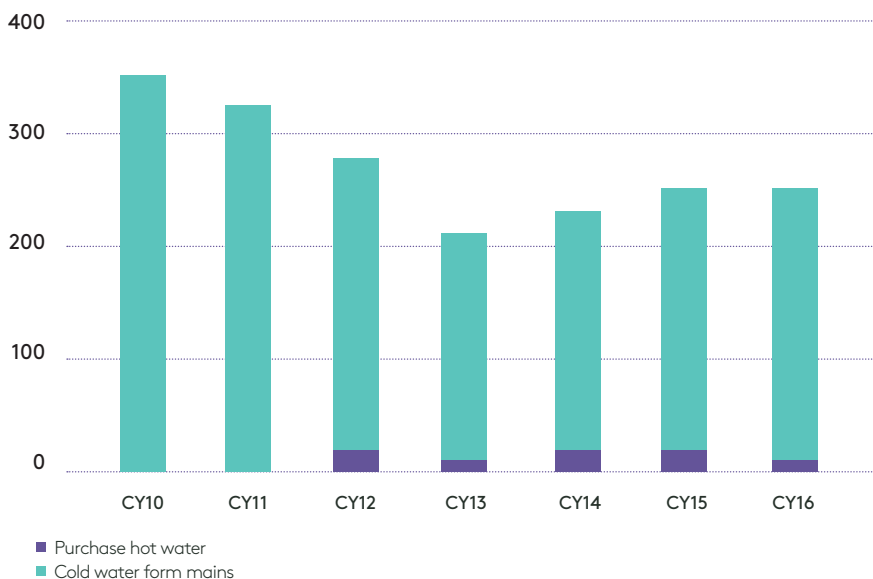
As indicated above, water is not a material issue of environmental concern for us. Our water is sourced from public mains (low risk), is not significantly used in manufacturing (low volume) and is used primarily for welfare facilities (high priority). The potential for significant impacts on the environment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

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

>3,500

DIRECT EMPLOYEES AT OUR FACTORY

Water Use (volume 000m³)



Responsible Manufacturing

cont

Hazardous Materials

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

Waste

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

30

30 YEARS IN-HOUSE
MANUFACTURING EXPERIENCE

Energy & Greenhouse Gases

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

In accordance with EICC requirements, we look for cost-effective methods to improve energy efficiency, minimize energy consumption and minimize greenhouse gas emissions.

We monitor, track and report energy consumption and GHG emissions, and we participate in the Carbon Disclosure Project (CDP). Our reporting procedures are aligned with the CDP reporting requirements, the Global Reporting Initiative (GRI) and the GHG Protocol. We use Intergovernmental Panel on Climate Change (IPCC) emission factors, where relevant. We have reported GHG emissions from our manufacturing operation since 2008, and in recent years we have been developing processes to capture our GHG emissions beyond our manufacturing and in our supply chain.

Manufacturing Performance

In 2013 we set targets to reduce total GHG emissions from our manufacturing operations by 20% and to reduce electricity use by 15%. Both targets were to be achieved by 2018, compared to a baseline year of 2010. Both

targets were absolute targets and were not normalised to take into account potential changes in sales or productivity.

A summary of current performance is provided in the following tables. As shown, total GHG emissions (Scope 1 & 2)¹ have reduced by 4%, compared to 2010 levels. This includes a 54% reduction in absolute Scope 1 emissions, which was accomplished by replacing water heating by natural gas with recycled hot water from a local factory in 2011. Total electricity consumption in 2016 is broadly similar to total electricity consumption in 2010, despite substantial increases in production levels.

In the last year, we adjusted our energy and greenhouse gas inventory to include more historic data on the refrigerants used in our HVAC system. In previous years, we only had data on HCFC-22 consumption since 2013. We have now gathered more historic use data back to 2010 and expanded our 2010 baseline to reflect this information.

¹ **Scope 1** (direct emissions): Activities owned or controlled by our organization that release emissions straight into the atmosphere, (for example, the combustion of fuels in company owned and controlled stationary equipment and transportation, emissions from site based processes and site based fugitive emissions).

Scope 2 (indirect emissions): Emissions released into the atmosphere associated with our consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of our activities but which occur at sources we do not own or control.

Scope 3 (other indirect emissions): Emissions that are a consequence of our actions, which occur at sources that we do not own or control and that are not classed as Scope 2 emissions.

Energy & Greenhouse Gases

cont

Energy & GHG Targets & Performance

	CY18 Target	Performance to Date	
		Versus CY10 (Baseline)	Versus CY15 (Last Year)
Total Electricity Consumption (kWhr)	-15% reduction of CY10 levels by end of CY18	-0.1% Decrease	+11% Increase
Total Scope 1 and 2 GHG Emissions (t CO ₂ -e)	-20% reduction of CY10 levels by end of CY18	-4% Decrease	+11% Increase

The performance data shown in this section reports performance relative to that expanded baseline.

In recent years, we introduced a number of very effective energy conservation and energy efficiency programs at our manufacturing operations. We upgraded old lighting to LED lamps and upgraded compressed air systems to reduce leaks. The improvements that those programs have catalysed are not obvious from the performance data we report because we have used absolute targets to date and we are experiencing a period of unprecedented growth and high sales at present.

We recently commissioned a full third-party energy review of our manufacturing operations to re-evaluate our current approach to energy and GHG goals and targets. The nature of our manufacturing operations has fundamentally changed in recent years: the product mix we routinely manufacture today is very different from that which we manufactured in 2010, and we are increasingly introducing automation of key manufacturing lines.

Our commitment to energy and greenhouse gas management remains consistent: our goal is to proactively identify cost-effective opportunities to reduce our environmental footprint and implement programs that deliver rapid return on investment. The intention for the future is to update our current targets to provide more effective oversight of energy and GHG intensity, rather than absolute targets, and to reflect the factory we have today, not the factory we had in 2010. Last year, we commenced some work in this area, with the calculation of Electricity Intensity² and Emission Intensity³. We initially reported both metrics with reference to COGS (cost of goods sold) from our manufacturing operations. For this year's report we have modified that approach to report Electricity Intensity⁴ and Emission Intensity⁵ in terms of total annual revenue.

2 Total Annual Electricity Consumption divided by Cost of Goods Sold (COGS) at our manufacturing operation.

3 Total GHG Emissions divided by Cost of Goods Sold (COGS) at our manufacturing operation.

4 Total Annual Electricity Consumption divided by Total Annual Revenue generated by Logitech International S.A.

5 Total GHG Emissions divided by Total Annual Revenue generated by Logitech International S.A.

Energy & Greenhouse Gases

cont

Energy & Refrigerant Consumption

	2010	2011	2012	2013	2014	2015	2016
Natural Gas (m ³)	130,783	6,335	0	0	0	0	0
Petrol (L)	23,991	21,840	21,384	21,154	21,106	21,506	18,967
Diesel (L)	15,891	15,213	7,399	6,189	7,124	5,942	7,154
Electricity (kWh)	20,024,864	20,253,367	19,324,974	17,964,012	16,468,665	18,057,215	20,007,694
HCFC-22 (kg)	420	433	355	323	318	162	213
HFC-134a (kg)	62	60	41	50	104	68	80

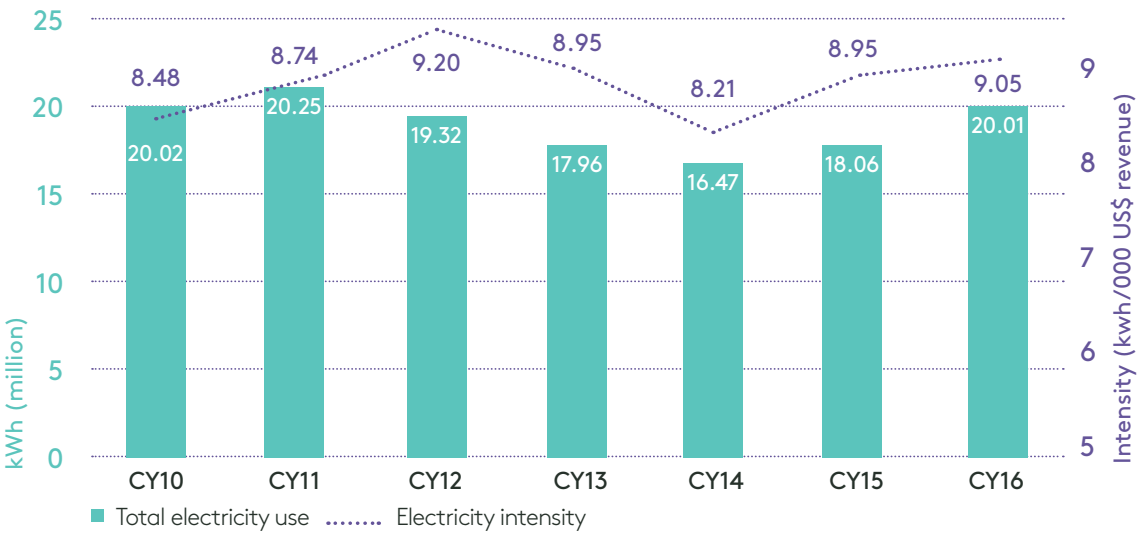
GHG Emissions

	2010	2011	2012	2013	2014	2015	2016
Scope 1 Direct GHG Emissions (t CO₂-e)							
Natural Gas	247	12	0	0	0	0	0
Petrol	55	50	48	48	48	49	43
Diesel	43	23	20	17	19	16	19
HCFC-22	760	784	643	585	576	293	386
HFC-134a	89	86	59	72	149	97	114
Total Scope 1	1,192	954	770	721	791	455	552
Scope 2 Indirect GHG Emissions (t CO₂-e)							
Electricity	15,777	15,957	15,226	14,153	12,975	14,227	15,763
Total All (t CO₂-e)	16,969	16,911	15,995	14,875	13,766	14,682	16,315

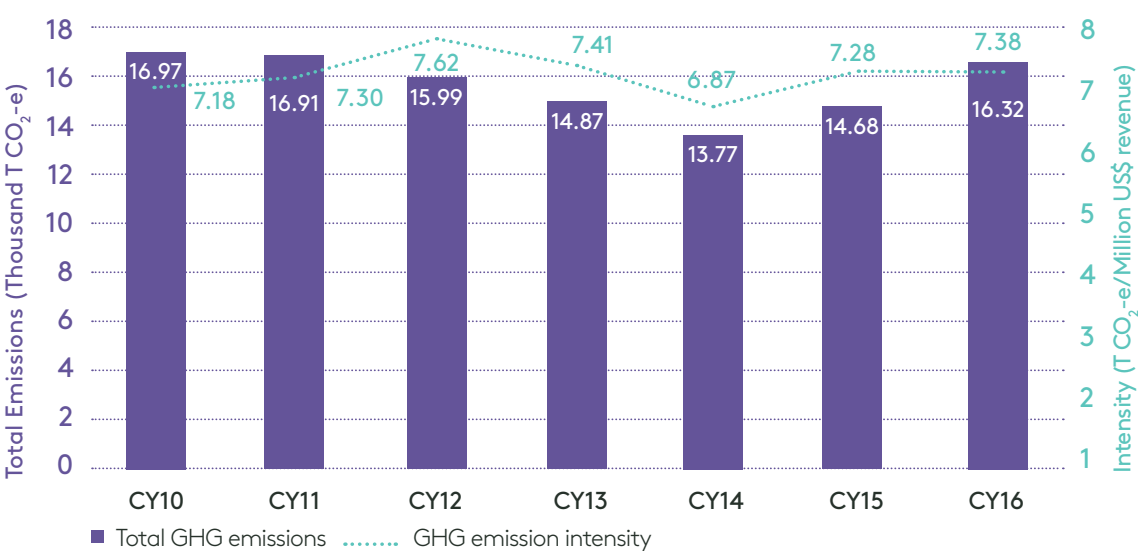
Energy & Greenhouse Gases

cont

Electricity Use (total use and intensity)



GHG Emissions (total emissions and GHG emissions intensity)



Beyond Our Manufacturing

Since 2015, we have been working to develop our Energy and GHG inventory and reporting processes to include our Scope 3 emissions. To maintain our focus on the most material aspects of our carbon footprint, we typically leverage the 80/20 rule and focus on the Scope 3 emissions for the top 80% of our carbon footprint. Further information is given below.

Our Offices

Logitech occupies more than 70 offices across the world. The majority of our offices are leased spaces and our offices can range in size from less than five people to more than 600 people. In 2016, we collected energy data for our Principal Offices⁶ to create an energy baseline. We are working to develop a green office energy management and reduction program for those Principal Offices using this baseline.

We also recently converted our Lausanne office to 100% renewable energy. As a result, 7% of the electricity used by our Principal Offices in CY16 is now sourced from verified sources of renewable energy equivalent to a saving of 1,481 kg CO₂-e. We hope to build on this success in the forthcoming years and continue our efforts to increase use of renewable energy.

Product Distribution and Logistics

Approximately 95% of our products (by weight) were transported to the market by sea freight in 2016. The other 5% of our products are transported by other means (e.g. air freight, train, truck and barge) and this has a disproportionate impact on the greenhouse gas footprint of our transport and logistical activities, accounting for nearly 70% of those emissions. We are working to optimize our approach to product distribution and logistics. In the last year we embarked on a new logistics program to reduce our use of air freight and introduce the Logitech "Silk Road" to transport products from our factory in China to our distribution centre in Europe by rail. This innovation has had a positive impact in terms of logistical efficiency and reliability, cost efficiency, and environmental footprint as the carbon footprint associated with rail transport is significantly lower than that associated with air transport. Our Sustainability Team is working with colleagues to develop a mechanism for collecting, capturing and reporting these improvements and monitoring GHG emissions associated with product distribution and logistics.

Business Travel

Logitech policy is for all business travel to be booked via a number of appointed travel agents. In the last year, we worked with those travel agents to collate and report on GHG emissions with these travel activities⁷. The total GHG emissions attributed to CY16 business travel was 4,303 t CO₂-e.

Supplier Manufacturing

In recent years we have been working with our Core Suppliers⁸ to develop oversight of material Scope 3 emissions from supplier manufacturing. We have estimated the total greenhouse gas emissions associated with supplier manufacturing through life cycle analysis of our top products, and we have also successfully collated hard data accounting for 55% of our direct spend on supplier manufacturing. That work has helped us identify a number of opportunities for improvement. Over the coming year, we will continue those efforts to build out a full baseline for Core Suppliers and encourage target setting and energy improvement opportunities.

⁶ The biggest offices, which account for at least 80% of total office-based headcount.

⁷ Calculated in consideration of total air mileage (km) of Logitech employees in 2016 as recorded by our travel agents, using emission factors referenced from the "GHG Protocol - Mobile Guide".

⁸ Our Top Suppliers accounting for 80% of our direct spend, as defined by EICC.

People and society





Governance, Ethics and Transparency

Our approach to governance, ethics and transparency reflects international best practice and stakeholder expectations is driven by legal compliance requirements, good practice standards and the expectations of stakeholders, including customers and shareholders.

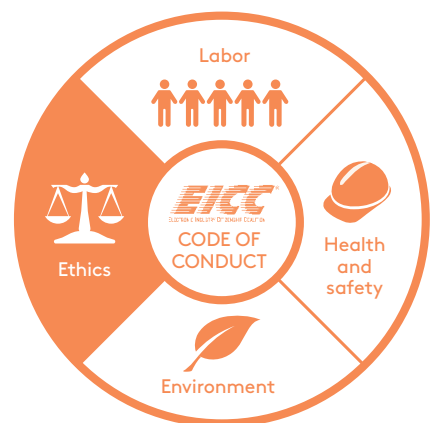
As a company publicly offering securities in the US and Switzerland, we comply with the laws and rules of the U.S. Security Exchange Commission (SEC) (the Securities Act of 1933, Securities Exchange Act of 1934 and the Sarbanes-Oxley Act of 2002) as well as the laws and rules governing the SIX Swiss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

Our commitment to the 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.

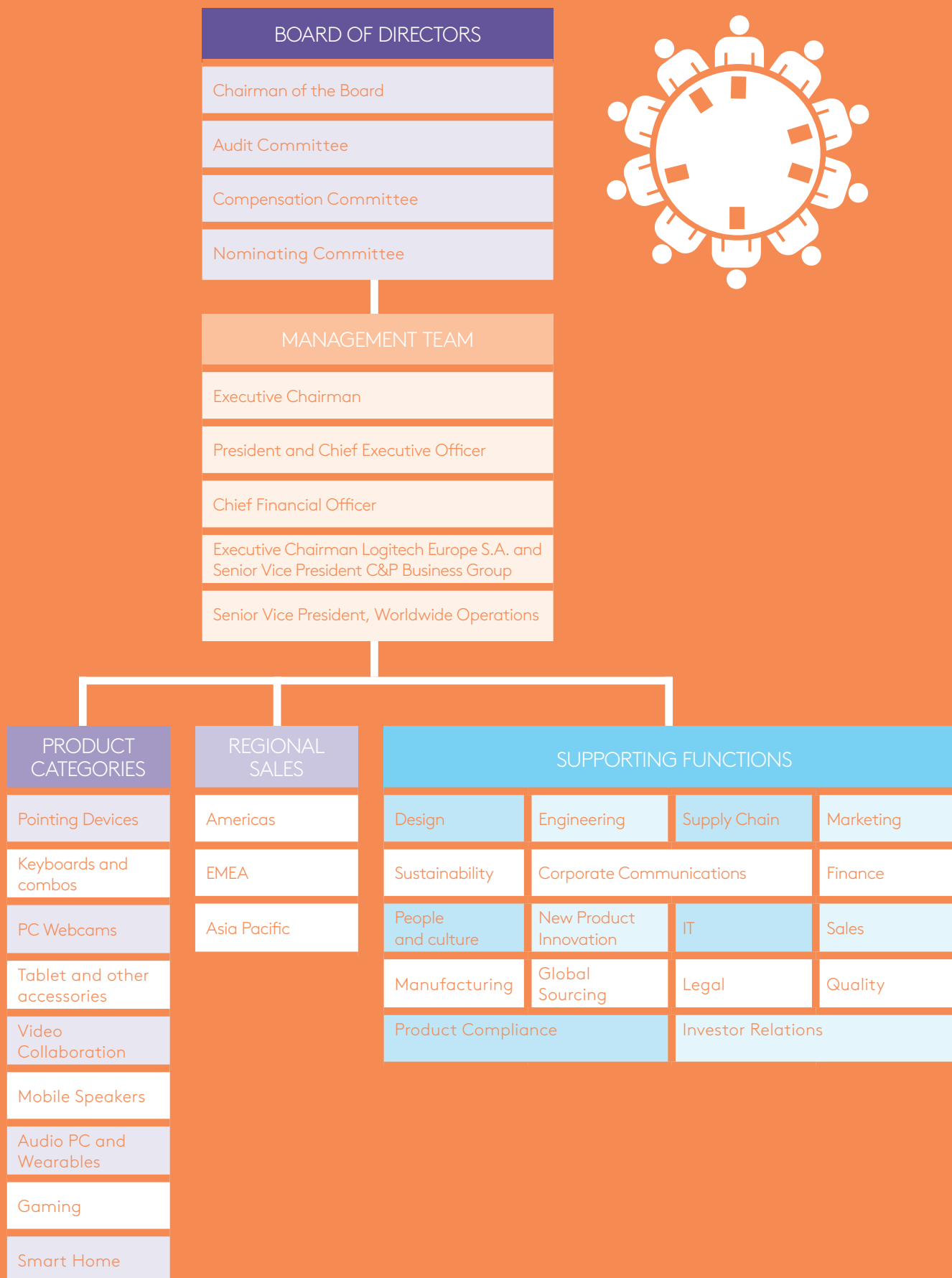
Good governance is driven by strong, effective and committed leadership. Our management structure includes a highly qualified and experienced Board of Directors and Management Team. Corporate governance, and related senior-level decision-making is informed and supported by a number of board-level committees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

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



Organizational Structure



Governance, Ethics and Transparency

cont

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

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

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

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

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



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

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

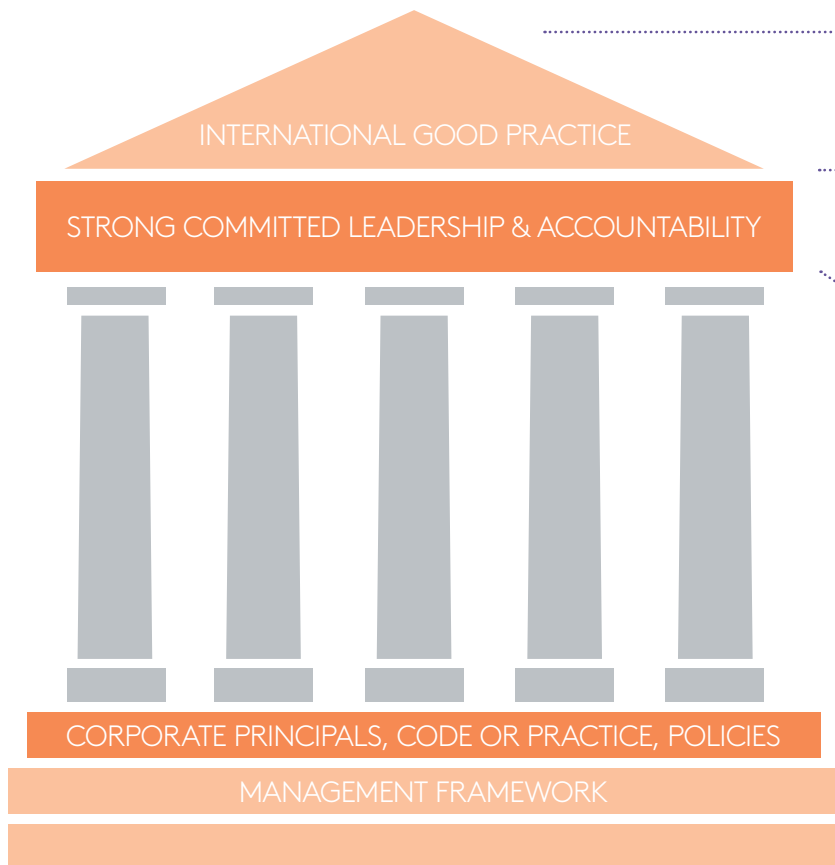
Management Framework

EICC Code of Conduct
All Relevant Legislation

Board of Directors
Compliance (Ethics) Committee
Board-Level Committees
Management Team

Logitech Code of Conduct
Corporate Governance Principals
Anti-Corruption Policy
Insider Trading Policy
Information Systems Acceptable Use Policy

- | | |
|---------------------------|------------------------------------|
| Key Elements: | + Auditing |
| + Training | + Periodic Review and Benchmarking |
| + Auditing | + Performance Reporting |
| + Communication | |
| + Whistle-blowing Hotline | |



Governance, Ethics and Transparency

cont

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 to U.S. securities laws or Swiss laws. 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 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 Sarbanes-Oxley (SOX) Assessments. The results of the risk assessment are incorporated in an Annual Audit Plan, which is reviewed and approved by the Board-Level Audit Committee.

In addition the Internal Audit team is responsible to the Audit Committee for overseeing the company's Sarbanes-Oxley Act of 2002 compliance program, investigating allegations that are raised through internal requests or our Whistleblower Mechanism (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 EthicsPoint. This hotline facility provides employees with a whistle-blowing mechanism to confidentially and anonymously report any issues they identify or observe. Any reports to the hotline are investigated and managed under a framework established and overseen by the Legal, People & Culture and Internal Audit functions. The identities of individuals reporting any issues are protected and Logitech maintains a no retaliation policy.

In FY2016, there were no reported incidents requiring reporting to any regulatory entity. No major monetary fines or non-monetary sanctions were imposed. Six potential incidents were reported via our hotline and another seventeen were reported via other means. Approximately 50% of the reports we received were substantiated and appropriate corrective and preventative actions were taken to resolve and address those that were substantiated and minimize the risk of recurrence.

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

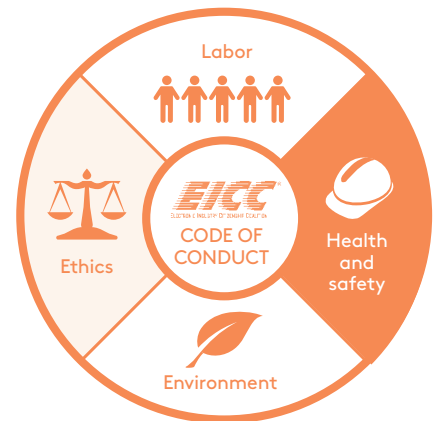
Employee Safety, Health and Wellbeing

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

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

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

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



OHSAS 18001 CERTIFIED
YEAR-ON-YEAR SINCE

2004

Employee Safety, Health and Wellbeing

cont

A number of health and safety initiatives were delivered during FY2016 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 & 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; and
- + Drills and other tests of our emergency response provisions and procedures for various hazards (fire, first aid, spills etc) to improve employee awareness of procedures and provide refresher training; and
- + We were delighted to achieve Level 2 Industrial Safety Certification for our manufacturing facility in June 2016, as a result of our continued commitment to factory safety and the safety, health and wellbeing of factory workers at our manufacturing facility.

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

We believe health and 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 to help employees obtain and maintain continued good health. Depending on the location, employees can take advantage of biometric screenings, flu shots, wellness events and seminars, and our wellness initiatives around the globe continue to grow year-on-year.

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

We look to safeguard the safety, health and well-being of every member of the Logitech team. We want to ensure everyone feels cared for.



Conflict Minerals

Conflict minerals are minerals that are mined in areas of armed conflict and human rights abuse, which are sold, traded or financing armed groups. As an active member of EICC, Logitech utilizes best practice tools and processes to exert the full influence of the electronics sector on smelters worldwide, and promote responsible sourcing and avoidance of conflict minerals.

US legislation and OECD due diligence guidelines currently define Conflict Minerals as cassiterite (tin), coltan (tantalum), wolframite (tungsten) and gold (or derivatives of these minerals), which have been mined in the Democratic Republic of Congo (DRC) or adjoining countries, and which fund conflict in the area. These four minerals are commonly referred to collectively as 3TG. In 2008, the EICC 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, the EICC played an active role in drawing together the relevant stakeholders to map out the key challenges and opportunities associated with tracing 3TG chain 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 program, 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 publicly trading companies, which are subject to SEC reporting, to produce an annual report detailing any use of conflict minerals in their products. This rule is currently under review following legislative action to suspend or repeal it.

Our Conflict Minerals Management Program

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

2008

EICC LAUNCHED AN
EXTRACTIVES WORK GROUP

2011

WORLD'S FIRST CONFLICT
FREE SMELTER PROGRAM

Conflict Minerals

cont

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

regulated mining can continue to provide livelihood opportunities to those in need, while eliminating any direct or indirect support of conflict and human rights abuses.

Recent Developments

Over the last four years, we have worked to engage suppliers and raise awareness with respect to the risk of Conflict Minerals and our requirements for compliant good practice. Each year, we review our Tier 1, direct suppliers, identify those that supply materials at risk of containing 3TG, and use the EICC/GeSI Conflict Minerals Report Template (CMRT) to request information and identify 3TG smelters in our supply chain. As noted in our Conflict Minerals Policy ([here](#)), we typically use the Compliant Smelter List of the EICC/GeSI's Conflict Free Smelter Program (CFSP) to screen smelters/refiners¹. Where relevant, we work with our suppliers to develop Due Diligence Plans showing the actions our suppliers will take, to engage, request and encourage smelters to join CFSP or an equivalent certification program, and obtain evidence of conflict-free status. We only accept 3TG minerals from smelters that are certified as conflict-free, or engaged in the CFSP or an equivalent program, and working towards conflict-free status.

The response rate of our suppliers has increased year-on-year as suppliers have become more

familiar with our requirements and expectations. In the last year, we initiated deeper engagement with our suppliers with a series of audits and supplier workshops. Those efforts extended to include suppliers accounting for 67% of our supplier spend in CY16. As reported last year, we achieved a 100% response rate from our suppliers for the first time in CY15. We are pleased to report 100% of the suppliers who we contacted again in CY16 again provided the information we requested and supported our due diligence efforts.

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

Over the last number of years, we have worked with our suppliers and other EICC members to exert the full influence of the electronics industry on smelters worldwide, and encourage smelter participation in credible certification programs such as the CFSP. The results of our combined efforts have reaped tangible outcomes for our own supply chain already, as the number of smelters participating in third party audit programs and certified as conflict-free has

increased year-on-year. For CY16, we are delighted to report 84% of our smelters are now participating in certification programs and 80% are certified conflict-free. This is a 5% increase on last year when 75% of our smelters were certified conflict-free.

Over the forthcoming year, we will continue to watch the emergence of the European Conflict Minerals Regulations with interest. We are also proactively monitoring challenges to the Dodd Frank Act

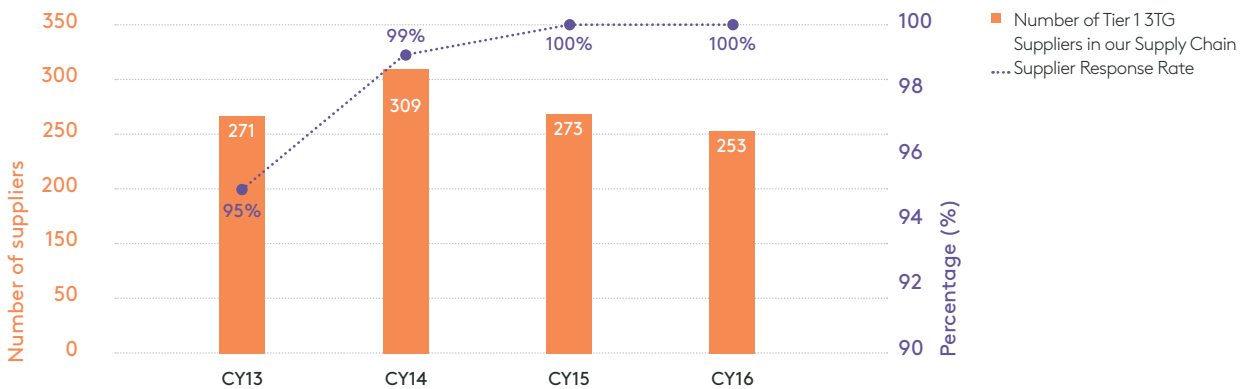
in the US. Even if legal reporting requirements in the US are suspended, we remain committed to our goal of 100% conflict free and good practice Sustainability Reporting of material issues, including conflict minerals.

As a responsible and ethical company, we are committed to responsible sourcing. This commitment drives us to look beyond legal requirements to align with international good practice and continue our

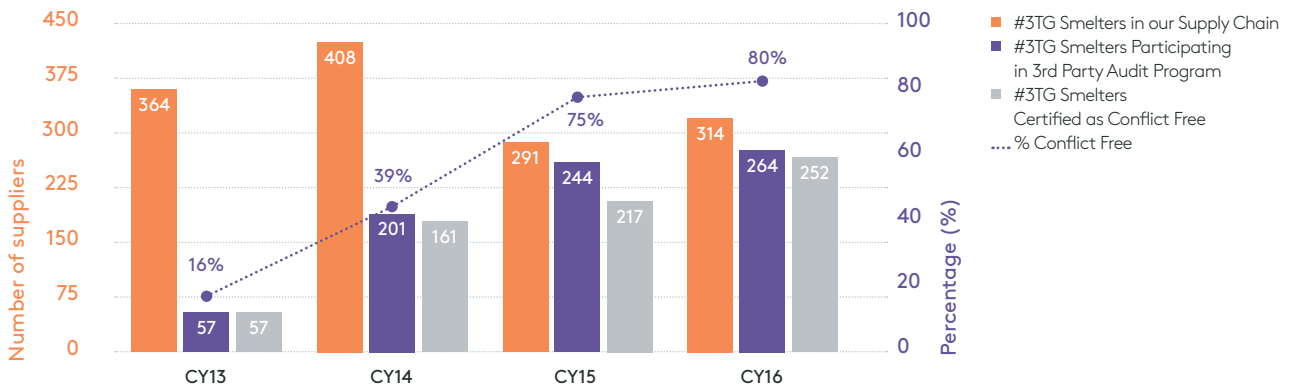
efforts to grow our program from strength to strength in partnership with our suppliers.

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

Supplier Response Rate



Progress Towards Conflict Free Status



Human Rights and Labor

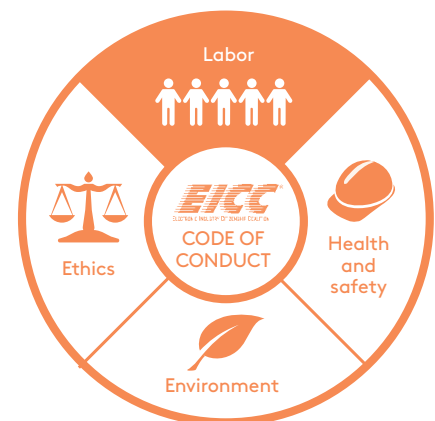
The EICC Code of Conduct (“the Code”) is our framework for management of human rights and labor. The Code is aligned with international norms and standards including international norms and standards including the Universal Declaration of Human Rights, ILO International Labor Standards, OECD Guidelines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

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

As a 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 ethical Code of Conduct includes clear statements of commitment to ethical good practice and explicit reference to our requirements with respect to labor and human rights.

Our manufacturing facility is subject to periodic audits to review compliance with the EICC Code of Conduct, including requirement relevant to human rights and labor management. 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.



2009

EICC VALIDATED AUDIT PROCESS (VAP) ESTABLISHED

EICC Validated Audit Process (VAP)

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

“priority”. All three categories of findings have specified periods of time during which the facility must remedy the findings and implement systems to prevent recurrences. Remedy and prevention plans are part of corrective action plans (CAPs).

- + VAP audits are shared with other EICC members in order to minimize audit burden and allow members to check suppliers that are shared and used by multiple members.
- + The most recent VAP audit of our manufacturing facility resulting in a GREEN rating reflecting the high levels of performance and low SER risk. This result is valid for a two year period and will be checked and verified by internal audits during that period.
- + The scope of our Human Rights and Labor Program is summarised in the following figure. The remainder of this section provides an overview of some of the key human rights and Labor aspects we proactively manage at our own manufacturing operations. Further information describing our approach to management of human rights and Labor performance across our supply chain is provided in the Supplier Development section of this report.

Human Rights and Labor Program



Human Rights and Labor

cont



Child Labor & Young Workers

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



Freely Chosen Employment

Our requirements in relation to Freely Chosen Employment reflect EICC requirements and include Zero Tolerance for forced, bonded or indentured labor, involuntary prison labor, slavery or trafficking of persons. As part of the hiring process, workers are provided with a written employment agreement in their native language. This agreement describes the terms and conditions of employment; workers are free to terminate their employment at any time. Holding employee documents (IDs, passports, work permits etc) is strictly forbidden and workers are not required to pay recruitment fees or other related fees.

We audit for the presence of forced or compulsory labor as part of our 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 recruitment companies and have

Human Rights and Labor

cont

communicated our requirements for vigilance and due diligence checks. We also carry out worker interviews as part of new-hire orientation and check if workers have paid any recruitment fees as part of this process.

As part of demonstrating our commitment to Freely Chosen Employment, and in response to the legal requirements of the California Transparency in Supply Chains Act, we introduced a Statement on Slavery and Human Trafficking in 2012 and updated this statement to reflect the requirements of the UK Modern Slavery Act in 2016. The 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. Our VAP audits and internal audits have not identified any non-conformities relating to Freely Chosen labor in the last three years.



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. Our VAP audits and internal audits have not identified any non-conformities relating to Equality and Freedom of Discrimination in the last three years.



Labor Relations, Engagement and Consultation

We understand the importance of good labor relations, stakeholder engagement and consultation. Ensuring open, two-way dialogue between managers and employees helps us build and maintain trusting, loyal and long-lasting relationships between individuals who care about our activities and business success. We look to foster an open collaborative environment where people feel empowered to give and solicit candid feedback – to understand what works and gain insight. We communicate this philosophy and approach as part of employee induction and orientation. Workers typically speak to their line manager or local leader, in the first instance. Senior Leaders also carry out Listening Tours where they visit particular sites for form 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. Our VAP audits and internal audits have not identified any non-conformities relating to labor Relations, Engagement and Consultation in the last three years.



Wages and Benefits

Our requirements are fully aligned with the 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 changed in 2015 such that some additional changes to our existing organizational procedures were required and

were put in place. Our internal audits have not identified any non-conformities relating to Wages and Benefits since those changes were made.



Working Hours

Eliminating excessive overtime is a key requirement of the 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. 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.

Our VAP and internal audits indicate 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.

Human Rights and Labor

cont



Conflict Minerals

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



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. 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 adhere to EICC requirements for Freedom of Association. Our goal is to develop and maintain long-lasting relationships with employees based on common values of trust and integrity. To this end, and in compliance with local law, we respect the right of all workers to form and join trade unions of their own choosing, to bargain collectively and to engage in peaceful assembly as well as the right of workers to refrain from such activities. We maintain an open door policy and provide workers opportunity to openly communicate and share their ideas and concerns with management regarding working conditions and management practices without fear of discrimination, reprisal, intimidation or harassment. Our key mechanisms of engagement are explained further in the Stakeholder Engagement section of this report. Our 2014 VAP

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 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 CY2014 our VAP audit identified one opportunity for improvement with respect to our existing emergency response programs – 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. No other issues have been identified to date.



Welfare Arrangements

Our internal and VAP audit program includes full consideration of any sanitation, food and housing facilities provided to workers. The facilities that we provide include ready access to clean toilet facilities, potable water and sanitary food preparation, storage, and eating facilities, in accordance with 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. In the last three years,

our VAP and internal audits have not identified any issues relating to Welfare Arrangements. 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 programs 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 Findings¹ under the EICC Code of Conduct, and any human rights violation triggers our requirements for Corrective Action Reports setting out the immediate actions needed to address the issue identified and uphold our duty of care to any affected parties, as well as the longer-term preventative actions required to minimize the risk of recurrence.

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

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

Supplier Development

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

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

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

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

Supplier Auditing Activities and Performance

Compliance with the EICC Code of Conduct (including all provisions relating to Human Rights and labor) is a condition of all Significant Investment Agreements¹. To this end we:

- + Screen 100% of new suppliers as part of our established prequalification process to check and verify the supplier is capable of compliance with the Code; and

- + Screen 100% of our Core Suppliers on an annual and/or six-month basis to check and verify continued compliance with the Code.

We have an established prequalification process for new suppliers. 100% of potential new suppliers are audited to determine their compliance with Priority Aspects² of the EICC Code of Conduct and legal requirements. This audit process results in an SER score indicating the supplier's compliance with EICC's requirements for Social and Environmental Responsibility (SER). This score influences the supplier's capacity to win business with us. Prior to commencing mass production with a new Finished Goods Supplier, we carry out a full compliance audit against all aspects of the EICC Code of Conduct and applicable legal requirements. With this audit process, we replicate the Validated Audit Process (VAP) that is implemented and advocated by EICC, including use of the VAP Audit protocol and tools.

100%

NEW SUPPLIERS
ARE AUDITED

For our existing suppliers, we utilise the 80-20 Rule and focus our auditing effort on material “Core Suppliers” (i.e., the suppliers who account for 80% of our direct spend). Our Core Suppliers do not typically change year over year and our relationships with Core (Component) Suppliers and Core (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 program for existing suppliers is also risk-based. In addition to applying the 80-20 rule, we also identify any High Risk suppliers using the EICC’s Self-Assessment Questionnaire (SAQ) and Risk Assessment Tool. The supplier uses these tools to carry out a self-evaluation of their performance and to disclose pertinent information regarding its business activities and organization. We carry out a desk-based review of that information to verify accuracy and completeness, and determine the level of risk and need (or value) of on-site audit. EICC defines any supplier with a score below 65% as High-Risk and any such High Risk suppliers are included in our audit plan for the year. In FY17, we completed 34 supplier audits to cover 100% of our Core Suppliers (i.e., 80% of our direct procurement spend). All of our audits result in an SER score, which is reviewed and discussed as part of a

Quarterly Business Review (QBR) process. SER Performance is allocated a 20% weighting in the overall review process and can significantly affect a supplier’s capacity to continue to win work with Logitech and grow its portfolio of work for us. Our audit process includes a fully established process for corrective action planning, tracking and reporting, including termination of the agreement with the supplier, if needed.

Supplier Capability Building

Compliance with the EICC Code is a contractual requirement of our purchase agreements with Tier 1 suppliers, and those suppliers are required to manage their supply chains in accordance with the EICC Code. We provide training for suppliers via hosted Supplier Capability Building Events, where we facilitate discussions of Logitech standards and international good practice, while helping suppliers to share best practices and lessons learned, with each other.

In CY15, we announced the inaugural launch of an annual Sustainability Torch Award to incentivise continual improvement of supplier sustainability performance. 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. Our

onsite engagement program of capability building and audits continued in CY16 to help suppliers understand our requirements for international good practice, identify where improvements could be made, and develop real and measurable improvement plans to enhance the lives of real people, their communities and the environment.

1 This GRI term “Significant Investment Agreement” is used to describe contractually-binding Supplier Agreements that we established with our suppliers.

2 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.

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We strive to focus on the 'whole person', not just the person as an employee or manager. We explore ways to keep Logitech in that sweet spot of feeling like a small company no matter how big our ambitions are.

Kirsty Russell
Head of People & Culture

”



Our people play a critical role in delivering on Logitech's purpose and strategy. Our leadership team fully acknowledges the importance of how our culture provides the right base for people to play that role. These two beliefs are the key reasons I joined Logitech in 2016.

Logitech exists to help people create, achieve and enjoy more and so it feels natural that we centre our purpose around helping our own people create, achieve and enjoy more.

Using Logitech's culture as the foundation, we strive to focus on the "whole person," not just the person as an employee or manager. We want our people to create capabilities that contribute to both Logitech and their own careers, we focus on helping our people unlock their potential to achieve professionally and personally, and we're engaging our colleagues to enjoy our products and company.

In 2016, we involved and asked over 2,000 of our colleagues to share what matters to them. What came out was a passion for being open and ourselves, connecting diverse perspectives supporting personal growth, and leaving a positive legacy for people, society and the environment. As you read through our Sustainability Report, you'll see signs of that passion reflected in our handprint programs.

Feeling inspired by a company's purpose and being able to make a contribution that matters are key tenets that underpin employee engagement. At Logitech, we're also looking beyond that, and are building a culture that's hungry and humble. One that always stays in that sweet spot of feeling like a small company, no matter how big our ambitions are. That needs to be in our blood, so we'll stay focused on that. In addition, we're focused on creating a work environment that nurtures the whole person. We're exploring ways to help employees enjoy, not just our products and company, but their whole lives.



Kirsty Russell
Head of People & Culture

2,000+

EMPLOYEE SURVEY TO
UNDERSTAND WHAT REALLY
MATTERS TO US

Diversity & Inclusion

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

We foster an inclusive culture where employees can bring their whole selves to work and fully contribute their skills and talents.

We want our employees to be valued and supported both at work and in their communities.

In FY17, we implemented diversity metrics into our Organization and Talent Reviews to ensure the leadership team understood the gender (global) and ethnicity (US only) demographics of their organizations. Each leader reviewed trends and workforce plans and set actions in place to support our Diversity and Inclusion Strategy.

At Logitech, we seek to enable and support our diverse employees by fostering visibility, capability and community. We seek to increase visibility of women and underrepresented minorities in role model positions at Logitech. We sponsor and encourage attendance at development sessions, conferences and events globally including TEDxLausanne, Watermark Conference for Women, Tokyo International Women's Day Spotlight. Our

growing employee affinity groups help employees create community, develop as leaders, share opportunities and organize participation in local/regional events.

We engage all of our employees to positively impact diversity and create inclusive environments both internally and externally. We continued our engagement with the LGBT gaming community by sponsoring 20 scholarships for students, developers and others who would otherwise be unable to attend GaymerX, an LGBTQ-focused gaming convention. We again provided resume assistance and mock interviews at the Veterans Career Transition Day. The program is designed to help U.S. veterans in the San Francisco Bay Area transition from the military to civilian careers. We grew our engagement with communities of color by sponsoring the inaugural Breaking Glass Women of Color Conference and speaking and participating in Latino Tech Summit.

At our Swiss headquarters, we have an ongoing partnership with EPFL to encourage and support the teenage girls in STEM. Hosting students in our Lausanne offices and exposing them to product development and prototyping and reliability testing. Additionally, we provided in-kind support for other Girls in STEM programs including the United Nations Foundation WiSci STEAM (Science Technology Engineering Arts Mathematics) Camp in Peru.

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



Employee Development

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

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

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

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

capability-building of front-line workers. A flavour of some of our current learning programs is provided below:

Genius Maker

A workshop-based, leadership development program, which engages potential leaders from across the company, to help them understand how they can amplify the talent, creativity, capability and enjoyment of those around them. Since 2015, the program has been delivered in more than 15 locations worldwide and more than 1,225 employees have participated, equating to more than 20,000 training hours. The program has received national acclaim and helped Logitech win the 2016 Positive Business Award from the University of Michigan's Ross School of Business.

Dedicated Training Center

At our manufacturing facility, we have a dedicated training facility, which includes workshop facilities, presentation areas and mock production lines for workers to try out new skills. New employees receive a comprehensive

1,225

EMPLOYEES IN GENIUS
MAKER PROGRAM

20,000

TRAINING HOURS

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

orientation and focused skills training to build specific competencies e.g. hand welding, assembly, testing, packaging, quality checks etc. This is followed by on-the-job training and on-line practice, with periodic refresher training and testing. Our supervisors look for opportunities to encourage, train and develop employees, where possible to grow and retain talent.

E-blasts

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

Inspire Speaker Series

Monthly talks from inspirational Thought Leaders and Innovators, from outside Logitech, with stories to tell, to inspire and motivate. All talks are housed on a Logitech Youtube channel so global employees can access. Thirteen talks were delivered in 2016, and over 1,000 employees attended the session or watched the recordings.

Positive Deviant Series

90-minute workshops that are hosted on a global platform and provide actionable insights to reinforce a culture of innovation, agility, and creative problem solving. In 2016, we held a workshop on building high performing teams. In 2017, we

hosted a global decision-making workshop. Both sessions had worldwide participation by 500+ employees.

Leading at Logi

A six-month program for new managers that includes learning the foundational management skillset and mindset, receiving 1:1 coaching, and social learning through a cohort-based model. The program runs twice a year. More than 55 managers attended in year one and 90 signed up in 2017. Together, the training will have reached more than 60% of all new managers worldwide. In March 2017, the program was featured in a "Chief Learning Officer(R)" article entitled How to Modernize Management Development.

Manager Boost

A two-day program for seasoned managers that accelerates leadership impact. The session includes a comprehensive 360° assessment, 1:1 coaching, and leading edge tools from neuroscience and positive psychology. To create deep, personal change. Nearly 60 managers attended the program in 2016, and more than 580 hours of 1:1 coaching time were delivered in FY17.

Employee Development

cont

Solution Storming

Targeted training for managers, to provide specific tools and resources, to help build a more effective team and strengthen team engagement. To date more than 100 managers across 20+ countries worldwide have received this training.

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, to create greater self-awareness and accountability, and help leaders lead and live in an authentic, values-based way. The session has been attended by 21 global executives to date and more than 200 colleague "observers" have provided 360° assessments of those leaders.

We dislike bureaucracy when it stifles us. We encourage individuals to put themselves forward for development opportunities and simply sign-up, in the majority of cases. Line managers identify individuals who may be slow to put themselves forward and support and encourage them, where appropriate.

Our efforts in this area are already delivering great outcomes. Feedback from employees indicates the learning opportunities are well received. In 2016, we were also a grand prize winner of the University of Michigan's Positive Business Project competition – an annual contest celebrating organizations that excel in their positive business practices. The award recognized our work to create a community where employees are invigorated by their work, attuned to their passions, and awakened to the potential impact each and every individual can create. More specifically, the award recognised the efforts our dedicated Learning and Development team have made to develop personal job crafting sessions and workshops that help employees define their best selves, build high quality connections, and cultivate gratitude. We believe this work helps create a shared identity through meaningful and memorable experiences that have open our employees minds and hearts to new ways of leading and living. We continue to be ranked as an Attractive Employer by Universum Global Switzerland and we look to continue that trend and position ourselves as an Employer of Choice.

100

MANAGERS ATTENDED
TEAM BUILDING
ENGAGEMENT

2016

POSITIVE BUSINESS AWARD
MICHIGAN PROJECT

Logi Learner's year in Review

EMPLOYEE DEVELOPMENT

GENIUS MAKER FLAGSHIP PROGRAM



1,250

Employees



15

Locations Worldwide



+600

Team purpose
statements created



5.51

Signature strengths
identified



20,000

Training hours



6

E-blasts



1,000

Employees engaged in
Inspire Speaker Series
(13 events)



+500

Employees engaged in our
Positive Deviant Series

MANAGER DEVELOPMENT



LEADING AT LOGI FOR NEW MANAGERS

90

Managers



MANAGER BOOST FOR SEASONED MANAGERS

580

Hours of 1:1 coaching



SOLUTION STORMING A MANAGER TOOLKIT

+20

Countries

LEADERSHIP DEVELOPMENT

THE LEADERSHIP LEAP LEADERSHIP DEVELOPMENT PROGRAM



21

Senior Leaders



+200

360° observers

Giving back

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

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

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

During CY16, Logitech employees organized twenty-seven Logitech Cares initiatives and events across 10 cities in eight countries worldwide, including Taiwan, The Netherlands, India, the US, Mexico, Singapore, Ireland and Switzerland. The rapid growth of the Logitech Cares program, since its early beginnings in 2014, is an indicator of the support it receives inside Logitech.

Tri City

Tri City is a Food Bank that distributes up to seven million pounds of food annually, to support more than 4,000 families each month. The Tri City Food Bank is run as a non-profit and staffed entirely by local volunteers. Last year, Logitech Cares volunteers in Fremont California volunteered at the Food Bank for one day and helped to break down boxes, sort food and non-food donations, feed more than 275 families and do our part to contribute to better, stronger and healthier communities.

St. Joseph's Home

St. Joseph's Home provides a friendly, caring and loving environment for elderly members of the community.

A team of volunteers from our Hsinchu office in Taiwan organized two volunteering events in the last year – to help with gardening, cleaning and house-keeping at the facility

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



300+

VOLUNTEERS

27

GIVING BACK EVENTS



Giving back

cont

Make-A-Wish

A Logitech Cares team in Lausanne encouraged colleagues to take the stairs instead of using the elevators to raise money for the local "Make-A-Wish" Foundation, which works to give hope strength and joy to children with serious health conditions.

Any employee who used the stairs, instead of the elevator, earned a token for the cause, and the total number of tokens at the end of the event was matched by a donation from the local management team. More than 150 people participated in the challenge, raising a total of 4,641 swiss francs.

Clark County Food Bank

The National Association of Letter Carriers (NALC) carries out an annual food drive "Stamp Out Hunger" to collect non-perishable food, which is left by customers at their mailboxes. The NALC collect the food and deliver it to food banks across the United States.

Volunteers from our Camas office sorted and repackaged more than 6,000 pounds of food received by the Clark County Food Bank from the NALC food drive, to create more than 5,000 meals for people in need.

Second Harvest Volunteering

Second Harvest distributes more than one million pounds of fresh produce and food each week to low-income people in need including seniors and low-income families. Second Harvest also helps individuals find Food Assistance Programs and learn about proper nutrition.

Logitech Cares volunteers from our Newark office sorted and inspected more than 7,000 pounds (3,175 kilograms) of canned food and other items donated across the Bay Area in the last year.

Food Bank Volunteering

Food Bank Singapore acquires donated food, much of which would otherwise be wasted, from farms, manufacturers, retail stores, and other sources, and makes it available to people in need via a network of distributors and beneficiaries.

Volunteers from our Singapore office donated their time in the last year to unpack, sort, record and organize food donations received by the organization.



Giving back

cont

Casa de la Amistad

Casa de la Amistad helps children and young adults under 22 years old that have cancer and cannot afford treatment costs including housing for them and their parents while they are getting treatment.

Our Logitech Cares team in Mexico came together for a good cause and between them gathered 250 gifts to give out. They visited Casa De La Amistad and spent quality time with the kids and planned activities and games for everyone to enjoy.

Clothing Donations

Wardrobe for Opportunity (WfO) works in partnership with communities to help low-income individuals "Find a Job, Keep a Job, and Build a Career".

To date, WfO has provide in-depth professional development support for more than 30,000 low-income men and women. Logitech Cares volunteers donated more than 200 articles of professional clothing and textiles to this worthy cause last year.

The Society of St Vincent de Paul

The Society of St Vincent de Paul (SVP) is an international voluntary organization dedicated to tackling poverty and disadvantage by providing direct practical assistance to people in need. SVP teams across the world provide clothing, hot meals and other support to the homeless and hungry across the world.

Employees at our Cork office helped SVP in Ireland by donating more than 120 bags of employee clothing and making a financial donation of more than €700.

Care for the Elderly

Babuji Home for the Elderly is a housing a care facility for more than 30 elderly individuals, many of whom do not have anyone to take care of them.

Logitech Cares volunteers from our Chennai office visited the home last year, and met with residences to show our interest, support and care for their welfare and wellbeing.



Giving back

cont

Habitat Terrace

We are a 28-home community of affordable homes being developed by Habitat for Humanity in the Ocean View neighbourhood of San Francisco. Logitech Cares volunteers donated their time and carpentry skills to nail, paint and build homes. A great effort was made by the team to deliver a labor-intensive day.

Habitat for Humanity also runs a number of ReStores, which are not-for-profit stores and donation centers, which sell new and "gently-used" furniture, appliances, home accessories and more, at a fraction of the retail price, to people in need. A team of Logitech Cares volunteers donated, cleaned and restored a number of items for ReStores last year, and delivered in-store product demonstrations, help at the check-out, and support to customers on the shop floor.

The Clark County Veterans Assistance Center

Stand Down is an annual event hosted by The Clark County Veterans Assistance Center (CCVAC) that helps Veterans with a hand up, not a hand out. The mission is to provide a welcome and safe environment to assist Veterans and their families in obtaining benefits, services and resources to meet basic needs.

Logitech Cares volunteers from Camas donated their time to support this event and amazing group of individuals. The work of the team helped veterans obtain benefits, services and resources to meet their basic needs.

Pluryn's Community Health

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



Giving back

cont

Future Plans

As our Logitech Cares community continues to grow in size and in engagement, it is evident that the idea of giving back and engaging in social responsibility activities is a key part of our culture. Last summer Logitech Cares sponsored a Wish Tree campaign at 14 of our campuses across the world. We asked employees to identify and share the causes they are most passionate about, to help us rally around those causes and have a greater impact across the globe.

It was no surprise when “Children” were identified as one of the top causes of interest. Starting this year, we are organizing a dedicated, annual Month of Giving when we will all come together to support, advance and nurture less fortunate children in our communities, with the aspiration to make a big





About this Report





About this Report

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

This report was finalized August 2017 and covers Financial Year 2017 (01 April 2016 to 01 April 2017), except where otherwise noted¹. Financial data is given in U.S. dollars.

Our last Sustainability Report was issued in September 2016 and related to calendar year 2015. To download or access Sustainability Reports for previous years, please visit the sustainability section of our 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 programs that we have initiated as part of demonstrating our continued commitment to people and the environment and we talk about our programs to reduce our environmental footprint and social handprint, as described further in the “About Us” section of this report. Within Logitech the terms SER (Social, Environmental, Responsibility) and ESG (Environment, Social and Governance) are synonymous

with Sustainability. SER is the term used by the EICC. ESG is the term used by our Investors. Our sustainability programs addresses all material aspects of sustainability, SER and ESG.

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



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

Stakeholder Inclusiveness

As described in the Stakeholder Engagement section of this report

Materiality

As described in the Materiality Assessment section of this report

Sustainability Context

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

Completeness

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

Contact Us

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

¹ In some cases, data in this report relates to Calendar year 2016 (i.e. 01 January 2016 to 31st December 2016) as this the time period that our external stakeholders have asked for. In all cases where this occurs, the reporting report is clearly specified.



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