

A close-up photograph of a hand holding a dark metal tool over a glowing orange molten glass piece. The glass is being shaped in a dark, textured mold. The background is dark and out of focus, showing industrial equipment.

LALIQUE  
GROUP

# Sustainability Report 2021

# Sustainability Report

Lalique Group takes responsibility for the environment and society at large, whether as a fair employer, as an actor in the luxury goods segment developing products without health risks for customers, or as a company helping to shape a sustainable future in a fast-moving world.

## Dear Reader

We are aware of our responsibility to society and the environment. That's why we stand for sustainable performance along the entire value chain: as a fair employer to our employees and a responsible economic player who has healthy corporate development as a priority. In terms of environmental sustainability, we focus on the efficient use of our resources, reduce waste and use the latest technologies to reduce our impact on the climate. In 2021, we also paid particular attention to job security.

Our sustainability strategy is based on three pillars:

- Product management and sourcing
- Employees
- Environment and resources

Many consumers are sensitive to the questions of responsible consumption and a sustainable way of life. Addressing sustainability issues is a major concern of ours. In order to continually improve our performance in this respect, we invest know-how and resources by integrating all parts of the company into an effective sustainability management system. Sustainability must be integrated into the work of our teams on site and increasingly become part of the Group's DNA. We are addressing the issue together—at a strategic and operational level.

Our ESG strategy is aligned with the United Nations Sustainable Development Goals (SDGs) agenda and these goals serve as important indicators.



**ROGER VON DER WEID**  
Chief Executive Officer

Sustainability is a key element of Lalique Group's corporate strategy. The company attaches importance to acting sustainably. The cornerstones of the sustainability strategy comprise:

- Product management and sourcing
  - Products without health concerns
  - Sustainably and ecologically manufactured products
- Employees
  - Fair working conditions
  - Occupational health and safety
  - Employee training and development
- Environment and resources
  - Consumption of energy and resources
  - Emission of air and water pollutants
  - Recycling and waste disposal

Lalique Group has reinforced the understanding of its priorities in these areas and initiated measures to increase environmental and social sustainability. The Group has set itself the goal of steadily developing its sustainability strategy along the entire value chain and is committed to contributing to a sustainable future.

### 1. About Lalique Group

Lalique Group is a niche player in the creation, development, marketing and global distribution of luxury goods. Its business areas comprise perfumes, cosmetics, crystal, jewellery, high-end furniture and home accessories, along with art, gastronomy, hospitality and single malt whisky. Founded in 2000, the company employs some 700 staff (FTE) in 9 countries and has its headquarters in Zurich. The Lalique brand, from which the Group derives its name, was created in Paris in 1888 by the master glassmaker and jewellery designer René Lalique. The registered shares of Lalique Group SA (LLQ) are listed on the SIX Swiss Exchange.

The following chart shows a simplified Group value chain—from the sourcing of raw materials to the end-consumer.



### 2. Sustainability strategy

As a responsible company, Lalique Group is committed to protecting its employees, customers, partners and the environment. The Group takes this responsibility seriously and faces up to the challenges in the realm of sustainability. To create the basis for its sustainability strategy, the Group identified the most relevant issues and defined key areas of action.

In the sustainability strategy, the issues were divided into the following three fields:



### Product management and sourcing

Lalique Group is committed to sustainable manufacture of environmentally friendly products that can be utilized and applied without risks to health. The focus is on products without potential health concerns.



### Employees

Lalique Group strives to be an attractive employer for staff that is committed to social responsibility. To this end, the company focuses primarily on providing fair working conditions, occupational health and safety as well as the training and personal development of employees.



### Environment and resources

Lalique Group takes account of its environmental impact and use of resources. The resources of primary concern are water, air and soil protection. The Group has also introduced radical recycling and waste disposal measures.

#### Current status

Lalique Group’s Board of Directors and Group Executive Management are unwavering in their commitment to sustainable business practices: Sustainability is firmly anchored in our corporate strategy. The impact of the COVID-19 crisis has delayed certain individual sustainability projects. As a result, it has not yet been possible to compile the data as intended, and some projects have had to be postponed. Work on these will resume in 2022. At the same time, new long-term sustainability goals are being defined to decarbonize the activities of the Group itself and operations along its supply chains.

Lalique Group also tests sustainable innovations with suppliers and other partners: in 2021, for example, the Group developed the fragrance Soleil Vibrant, which is made from socially responsible and sustainably sourced ingredients.

#### Sustainable Development Goals

Our ESG strategy is aligned with the United Nations’ list of Sustainable Development Goals (SDGs). These serve as important indicators. In this chapter, we have indicated where we consider specific SDGs align with the data supplied, although this is not exhaustive.







## Product management and sourcing

### TOPIC AREA I

- **Products without health concerns**
- **Sustainably and ecologically manufactured products**

### RELEVANCE AND GOALS

Health and safety are top priorities at Lalique Group. The Group wants to develop and produce ecological and fair products for its customers. The company makes every effort to ensure that its products do not cause skin irritations or allergies or pose other risks to health. The main focus is on Ultrasun sun care products and perfumes, given that cosmetic and beauty products may provoke allergic reactions. Also, the chemical ingredients of such products may be harmful to the environment.

Lalique Group is pursuing the goal of developing its cosmetics range with products that offer added value, for example through certification. The company relies first and foremost on established industry standards that are in demand from customers and industry players. Lalique Group's cosmetic and beauty products have to meet minimum ecological and health standards and should enable a conscious consumer choice by both existing and prospective customers.

### MEASURES

#### Product labels and memberships

Lalique Group is committed to supporting specific labels such as aha! Allergy Centre Switzerland, Natrue certification and membership of organizations like the International Fragrance Association (IFRA). That is why the company strives to continually improve and expand its range of label products wherever possible. The Group relies on fair and workable regulation that fosters the safe use and enjoyment of fragrances in accordance with IFRA guidelines. These stipulate that no products or ingredients may be tested on animals and no natural ingredients of animal origin used in the formulation of perfumes and sunscreens. Animal by-products customarily employed by the industry—of which beeswax is one example—are exempted from this rule for the time being.

For the production of its perfumes, Lalique Group works with renowned perfume houses, which strictly adhere to sustainability requirements. The Group's new products use ingredients from environmentally and socially responsible sources through traceable supply chains.

The Group's recently launched fragrances for Lalique and Brioni are free from artificial colouring, vegan, cruelty-free and mostly made in France. The alcohol used is also natural, vegan and manufactured in France from agricultural ingredients such as beetroot and wheat. It contains no genetically modified organisms (GMOs) and has not been tested on animals.

Moreover, there are standards for cosmetic products which evaluate UV filters using neutral methods. The chemical company BASF has developed a new neutral method known as the EcoSun Pass which can be used in the sun protection field to test the environmental impact of UV filters in sunscreen products. The EcoSun Pass allows transparent evaluation of eight different parameters, from biodegradability and aquatic toxicity to potential endocrine disruption. The system thus takes into account not only environmental factors for individual UV filters, but also permits a comprehensive environmental assessment of the filter systems—another step for BASF towards a more sustainable future. Ultrasun's product line for sensitive skin types was the first brand worldwide to be awarded the EcoSun Pass label by the BASF corporation. The label stands for particularly eco-friendly sunscreen protection.



Ultrasun is also marketing a product line with mineral-only, chemical-free filters that is certified by Natrue. Compared with its competitors, Ultrasun is the sun care brand that has the most sunscreen products certified by aha! Switzerland (the label of the Swiss Allergy and Asthma Association) within its line-up. aha!-labelled products and services offer customers added value by ensuring increased safety and simplifying their everyday life. Additionally, 13 out of 15 palm oil ingredients are already RSPO-certified. The RSPO (Roundtable on Sustainable Palm Oil) is an NGO established in 2004 with the objective of promoting the growth and use of sustainable palm oil products through global standards and multi-stakeholder governance.



EcoSun Pass is either a registered trademark or a trademark of BASF SE in the European Union and/or other countries.

The entire perfume filling and logistics operation of Laliq Beauty Services is ISO 22717 certified (Cosmetic Good Manufacturing Practices). This standard assesses the safety and quality standards of perfume products. It takes into account all the relevant factors along the whole supply chain, including the processing of products and the date when they are first packaged.

Laliq Beauty Services and the Laliq crystal manufacturing site are committed to upholding national and international safety standards (R.E.A.C.H. Regulation). Reach is a European Union regulation which was issued to improve the protection of human health and the environment from the potential impact of risks posed by chemicals.

#### ASSESSMENT AND OUTLOOK

The Group aims to empower consumers to take informed, environmentally compatible decisions. Survey findings show that consumers are willing to pay a premium for eco-friendly products. Laliq Group has set itself the goal of producing sustainable products with sustainable packaging at competitive prices and keeping consumers informed about these innovative products. For its fragrances, the Group wants to focus even more on sustainably sourced ingredients in the future, with a particular focus on the vegan range. The Group is constantly exploring other innovative and environmentally friendly initiatives.

Against this background, the Group is well on course to operating on a sustainable basis, developing appropriate products and further broadening the sustainability of its operations.

**The Group aims to empower consumers to take informed, environmentally compatible decisions.**



# Employees

## TOPIC AREA II

- **Fair working conditions**
- **Occupational health and safety**
- **Employee training and development**

## RELEVANCE AND GOALS

Employees not only drive the implementation of the business strategy, but also represent the Group externally. Employee satisfaction and motivation are equally important and shape loyalty to the company. The modern working world is in a state of constant flux, which requires flexibility and adaptability from Lalique Group and its employees. The acquisition of new knowledge and skills and attainment of additional qualifications have a positive effect on performance, motivation and employability.

Lalique Group is conscious of its responsibility—both towards its own employees and wider society. The Group places exacting requirements on the manufacture of top-quality products, be they beauty products or luxury goods. As part of this process, employees who take responsibility and make corresponding decisions are the key to success and the Group wants to offer its employees attractive prospects. The Group focuses on the following issues:

- Acting responsibly as an employer and increasing its appeal by offering attractive working conditions and gender equality.
- Targeted personal development and continuing education as well as individual further training and internal succession planning. The retention of qualified personnel is relevant to the company's success as a manufacturer, particularly with regard to crystal glass products.
- Safeguarding employees' health, along with reduction of absences and downtime due to occupational accidents.
- Improving occupational safety and health protection: some employees at the production sites are performing physically demanding tasks.

## MEASURES

### Conditions of employment

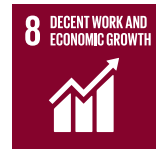
The Group is committed to offering attractive conditions of employment, competitive pay and remuneration systems as well as welfare benefits, particularly at its two production sites in France (Lalique crystal in Wingen-sur-Moder and Lalique Beauty Services in Ury), as well as at its single malt whisky distillery in Scotland. The long-term retention of employees is important to Lalique Group. Staff turnover is monitored at all sites. If striking fluctuations are noted, structured interviews are conducted with departing employees and relevant measures considered. The various employee representative organizations are important stakeholders.

### Occupational health and safety

Measures are focused on occupational safety and safeguarding health at all Group production sites. To ensure that employees remain healthy and motivated over the long term, Lalique Group promotes occupational safety measures and attaches great importance to prevention and early recognition.

All employees at the production sites—and particularly those newly recruited—are introduced to all relevant safety measures and regularly receive further on-the-job training in safety matters. During this further training, they are informed about the sorting and handling of waste products at all the production sites.

Employees at all production sites are provided with the necessary safety gear, work and safety clothing, ear protectors and ergonomic equipment. All employees and managerial staff in production and administration receive training and awareness-raising coaching in health protection, ergonomics, occupational safety and hygiene. Company units have their own occupational safety manuals which are regularly updated to reflect changes in occupational health and safety regulations.







To protect employees in the production units from muscle strain and back pain, further ergonomic workplaces and implements are being installed on a continuous basis to make physically demanding tasks easier and less onerous. Employees also receive awareness-raising training and instruction on an ongoing basis to prevent muscle strains and back problems. Trained personnel make up part of the medical service at the production sites and are on hand with the necessary specialist knowledge.

All investments in new working equipment by the production units are in compliance with the latest CE regulations.

#### **Nurturing young talent and training opportunities**

Structured Group-wide staff performance reviews are held once a year. These are used to plan individual training programmes. This measure is designed by the Group to reduce the turnover of local specialist staff and boost employee motivation.

Highly specific know-how and skills are required for the manufacture of crystal objects. To this end, the Group began over a decade ago to develop a dedicated internal training course (known as “École Lalique”) in collaboration with the French government agency “Pôle Emploi” and other public training and employment agencies located in the Alsace region. The aim of this training course is to teach and pass on the highly specialized know-how required for handcrafting crystalware. At any one time, École Lalique will have up to ten young school-leavers training in the art and craft of glassmaking. This specialist training is very successful and has already borne fruit: one of the trainees was awarded the title of “Meilleur Ouvrier de France”—Best Craftsman of France. Altogether seven Lalique Group artisans bear this title for their exceptional skills in glass manufacture. For some years, the relevance of training young people has been growing in importance because some of the highly specialized glass artisans at the crystal factory in Wingen-sur-Moder are nearing retirement age.

**At any one time, École Lalique will have up to ten young school-leavers training in the art and craft of glassmaking.**

#### **ASSESSMENT AND OUTLOOK**

Training and development activities will be further reinforced, and additional training needs will be determined in the coming year.

Performance indicators and information about headcount, sickness levels and occupational absences are recorded. Company units also conduct employee surveys to assess expectations and identify potential improvements. The Group is further working on applying and standardizing these performance indicators across all Group segments and divisions.

Occupational safety and measures to protect health are largely decentrally organized and accordingly no measurable targets have so far been defined on a Group-wide basis. Target attainment can be monitored and checked indirectly by means of performance indicators in the individual company units. This includes the number of occupational accidents and absences due to accidents and sickness. These performance indicators are recorded, collated and evaluated in the systems of the individual corporate units.

The thrust of Lalique Group’s approach is to achieve continuous improvement of employee health and safety. The Group is striving by means of systematic accident prevention to further reduce the number of occupational accidents and rate of absences.





## Environment and resources

### TOPIC AREA III

- Consumption of energy and resources
- Emission of air and water pollutants
- Recycling and waste disposal

### RELEVANCE AND GOALS

Lalique Group considers global climate change to be one of the key indicators of resource overexploitation and depletion today. The Group has therefore adopted various measures to promote climate-conscious operations and environmentally aware product manufacture. The Group has a direct influence on the emission of greenhouse gases primarily through the energy sources used in the manufacturing facilities. Lalique Group can limit the output of greenhouse gases through the reduction of its reliance on fossil energy sources, thereby increasing energy efficiency.

Packaging protects products. However, it is only used once and quickly becomes waste. “Avoid, reduce and reuse” is therefore the approach to sustainability favoured at Lalique. It applies wherever packaging is used—in production, logistics and as part of sales operations. In specific terms, the product development and purchasing departments are focusing increasingly on the use of lighter packaging made from sustainable materials with a high recycling component.

Fresh water is a valuable resource that is coming under pressure due to increasing demand. The manufacture of crystal glass requires large volumes of water. Lalique Group is promoting sustainable practices in water consumption to preserve the quality and availability of this vital resource in the long term. Regulations to protect drinking water and conserve resources are steadily increasing in all the countries where Lalique operates. There are also increasing requirements regarding water abstraction and pre-treatment of wastewater.

Over the past years, there has been a transition from conventional cars powered by fossil fuels to electric vehicles. Lalique Group is no exception, and increasingly uses electric cars wherever possible—for example at The Glenturret, where the Group is seeking a viable alternative to the agricultural vehicle used on site.

The three Lalique restaurant-hotels in France and the recently opened Lalique restaurant at The Glenturret in Scotland also pay attention to sparing and efficient use of raw materials and foodstuffs in order to maintain the smallest possible ecological footprint.

The Group annually monitors implementation status and target attainment in respect of energy, greenhouse gas emissions, water and waste disposal at regular intervals. This will contribute to further optimization of the Group’s energy and water management and the reduction of process water output.

### MEASURES

#### Energy consumption

The production sites do everything possible to detect further sources of cost savings in energy consumption. Modern equipment is used wherever possible and investments are made in new and environmental installations. Energy consumption is calculated at all sites and any discrepancies are rapidly revealed. In addition, an energy audit is conducted every four years, pinpointing possible sources of cost saving.

The efficient use of waste and process heat in the production centres is playing an increasingly important role. Waste heat recovery systems are already in operation.

At the Lalique crystal manufacturing plant in Wingen-sur-Moder, air compressors are deployed to improve the energy balance. They allow energy recovery for pre-heating of process water. A lot of heat is generated during the manufacture of crystal glass, and major investments have been made to enable warming of process water and heating of office space by using waste heat from furnaces.



During operational maintenance of machinery and systems, the Group attaches great importance to a systematic approach. At the perfume production site in Ury, production machinery has been replaced by more efficient systems, LED lighting installed, and the building insulation improved. Further measures include renewal and extension of the air conditioning and ventilation systems.

At The Glenturret, 80% of the internal lighting has been replaced with LED fittings, with a commitment to replacing the rest within the next two years. Around 80% of the external lighting has also been upgraded to LED. Additionally, motion sensors and timers are in place to ensure outside lights are off when not required. All the internal lighting in The Glenturret's cask warehouses is LED-based and the area is on an isolated circuit so the power can be shut off completely when not required.

The Glenturret has a large, modern production boiler, which was installed only recently. It uses natural gas to create steam and has a maintenance programme to ensure it always runs at its most efficient. The Glenturret's production processes are also designed to maximize efficiency. The electricity supply contract is due for renewal soon and the Group is working with a global energy provider to look at sustainable options for the power supply.

The Group has set itself the goal of monitoring energy consumption more systematically.

#### **Mash tun refurbishment at The Glenturret**

In 2022, a new mash tun will be installed at The Glenturret. It will allow greater production volumes at the site whilst reducing the impact on the environment. The average energy consumption when making the spirit for whisky distilling is currently 12.0 kWh/LOA (kilowatt hours per litre of alcohol). After the refurbishment of the production process, this is expected to fall to around 8.5 kWh/LOA.

The Glenturret will be implementing certain changes to the distillation process in the first half of 2022. A new and more efficient heating system will be installed inside the stills and the stillhouse is to be equipped with a pre-heating system to utilize the waste that is left after distillation (hot water at approx. 99.8° C). The energy from this will be used to increase the temperature of the next batch from 25° C to around 80° C before distilling, thus saving both energy and time.

#### **Water consumption**

For the Group, sustainable water management means analysing and optimizing operations to ensure efficient water consumption. Operational cooling processes and also the sanding process in crystal glass manufacture entail large-volume water consumption and contamination.

The Group has set itself the goal of recording water consumption more systematically in the future. This will facilitate the timely recognition of fluctuations in consumption and adoption of appropriate measures.

#### **Wastewater**

The crystal manufacturing site has its own wastewater treatment plant which processes industrial effluents. A new treatment plant is under construction and will become operational in the current year. The new plant will reduce pollutants in the effluent water by a further 30%.

The new acid-polishing workshop lowers the levels of water and acid consumption. The state-of-the-art installations allow constant automated monitoring of these levels. Additional external checks are carried out. The company invested a total of EUR 3.4 million in the renewal of the wastewater treatment plant and acid-polishing workshop. The Group is working steadily to further improve wastewater values and reduce the consumption of process water.

**For the Group, sustainable water management means analysing and optimizing operations to ensure efficient water consumption.**



### **Water at The Glenturret**

The Glenturret has a licence to abstract water from the river to cool the stills. Approximately 500 cubic metres of water is used every day, 100% of which is returned to the river.

At the Glenturret, the changes resulting from refurbishment of the mash tun will have a major impact. The size of the mash will be increased, but less water will be used to extract the sugars. Reducing the amount of water means that less energy is required to heat it up. The sugar extraction process will consequently be 50% more efficient. As the wash (the finished product of the fermentation which goes on to be distilled) is more concentrated, less needs to be distilled. This also results in energy savings. With less water being used, less waste is generated. This natural waste can be used as a fertilizer, however there are costs associated with that which can be avoided in the future. It is also important to note that the improved efficiency of the process results in a reduction in the amount of chemical agents used.

### **Air pollution levels**

The exhaust air from the manufacturing site at Wingen-sur-Moder contains some pollutants which have to be cleaned up. With the aim of reducing pollutant levels and purging noxious substances and airborne particles from the air, the Group has installed washing towers. Such washing towers are the most effective way of achieving a substantial improvement in the quality of exhaust air and reliably complying with legal requirements.

There are 20 washing towers currently operating in Wingen-sur-Moder. The facilities are subject to regular inspections by public authorities.

### **Recycling and waste management**

Every production site has different requirements for waste disposal. Waste is sorted according to type and waste fractions disposed of through separate channels.

Auxiliary and operating materials are systematically used in a sustainable way. Crystal glass is recycled locally at the manufacturing site. Glass is sorted according to colour, melted down in different kilns and recycled. Other waste materials produced during daily operations, such as cardboard, wooden pallets, metal and plastic waste are disposed of sustainably in accordance with legal requirements. The same applies to industrial waste.

In 2021, The Glenturret removed plastic from its e-commerce packaging and from its export packaging for the 2022 release. Furthermore, all future dry goods purchasing must not only be plastic-free but also sourced from the closest location to reduce the carbon footprint caused by transportation. The Glenturret pursues a policy of minimizing the amount of site waste going to landfill and recycles glass, food, cardboard, paper and casks. The waste from the mashing process, the draff, is fed to local cattle with no further processing required. Further options are being investigated with a view to selling it for use in boilers.

For its fragrance portfolio, the Group works exclusively with prestigious glassmakers committed to sustainable manufacturing techniques. The flacons are recyclable and the production process ensures that no glass is wasted and the water used is completely cleaned afterwards. The raw materials used to decorate the bottles are water-based and therefore environmentally friendly. The boxes for recently launched products are recyclable and have obtained FSC (Forest Stewardship Council) certification.

The sun protection brand Ultrasun prints product information directly on the inside of the packaging, which is made of FSC paper, thereby eliminating the need to use additional paper for package inserts.

#### **Electric cars**

In recent years, there has been a transition from conventional, fossil-fuel powered cars to electric vehicles, as technological advancements together with government policies and targets lead the way to a greener future. 30% of The Glenturret's company vehicles are now electric with a target of 75% by 2024. The Group is seeking a viable alternative to the agricultural vehicle used on site. 2022 will see the installation of the first two electric-vehicle charging points at The Glenturret with plans to add to these as EV use increases.

#### **Food waste and regional cuisine**

The kitchen teams at the Group's own restaurants make every effort to avoid wasting food. Whenever possible, they use regional and seasonal produce. Food waste is reduced to an absolute minimum. The restaurants have their own kitchen gardens growing vegetables and herbs and engage in regional foraging. Lalique hotels and restaurants and the Lalique Beauty Services production plant work with regional beekeepers who manage hives on the properties. The honey produced is enjoyed by hotel and restaurant guests and used for employee gifts.

The restaurant operations do their utmost to keep food waste to a minimum. By-products and leftovers are not thrown away, but, if possible, further processed. In addition, defective and surplus production of dishes is avoided as far as possible by monitoring appropriate performance indicators and by the training of employees.

Chef Jérôme Schilling (Hotel Restaurant Lalique at the Château Lafaurie-Peyraguey domain in the Bordeaux region) is an ambassador for the Less Saves The Planet movement, which was founded in 2020 in France and has already attracted much attention. This label helps caterers and hoteliers operate their kitchens in accordance with sustainable principles.

#### **ASSESSMENT AND OUTLOOK**

Current efforts will be continued and intensified. The Group monitors the status of measures implemented and the achievement of targets in the areas of energy, greenhouse gas emissions, water and waste disposal on an annual basis. The aim is to optimize energy and waste management across the Group and further reduce the consumption of process water. The company considers itself to be heading in the right direction with the measures already adopted.

**The restaurants have their own kitchen gardens growing vegetables and herbs and engage in regional foraging.**

## Social commitment and outlook

Lalique Group has been supporting the Look Good Feel Better foundation in Switzerland since 2021. This charity operates throughout Switzerland to organize free workshops for cancer patients. In a relaxed atmosphere, participants can learn ways of coping with the visible effects of their therapy. They receive valuable information on facial care and have an opportunity to talk to each other about their experiences. The workshops help build self-confidence and enhance enjoyment of life.

Lalique Group's goal is to make sustainability issues an even stronger part of its corporate strategy. It plans to launch new innovative products, focused on achieving sustainability and doing justice to increasing demands for sustainable products and packaging. Further discussions and joint projects with suppliers and partners are planned as a basis for realizing eco-friendly innovations together.

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