

SPECIAL REPORT

Cutting-edge research & latest news in sustainability industry

"Creating a strong business and building a better world are not conflicting goals - they are both essential ingredients for long-term success." - Bill Ford



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+852 2388 9262 (Cantonese)
+852 8192 9790 (Mandarin)
esg@greenco-esg.com



www.greenco-esg.com

The background of the advertisement is a black and white photograph of a textured fabric, likely a tweed jacket, with a close-up of a watch face visible on the right side. The watch has a dark dial and a metal case. The overall aesthetic is sophisticated and classic.

IWC

TIME TO GO GREEN: HOW GREEN IS YOUR WATCH?

"Luxury needn't be synonymous with waste or excess, and it's immensely gratifying to be able to design with sustainability in mind while still meeting our highest standards of quality and craftsmanship." – Christian Knoop, Director Creative Center of IWC Schaffhausen

“United by a shared belief that responsible business is good business, we are working together to create a globally sustainable future for our industry.” - RJC



For a long time, people’s impressions of luxury goods have been negative images such as profligacy and waste. But in recent years, as people around the world have begun to awaken their environmental awareness, the sustainability of various types of products, including luxury goods, has gradually attracted attention. The Responsible Jewellery Council (RJC), founded in 2005, whose goal is to establish responsible standards for the entire jewellery and watch supply chain, from the extraction of raw materials through their processing, to the retailing of the merchandise. In 2020, IWC Schaffhausen was one of the few big-name brands that were committed to complying with the RJC’s “Code of Practices” and got certified. In the following passage, let’s dig deep into what IWC has contributed towards sustainability and how has IWC been performing so far in ethical and ecological responsibility.



Precious metals and diamonds can present some of the most glaring contradictions: beautiful materials can have a background of great social and environmental harm. To ensure it has not contributed to such damage, IWC has enforced a thorough sustainability management system which covers all of its business chains and is led by its Sustainability Committee. The main focuses of IWC’s sustainability management system are identified through stakeholders’ engagement, from which issues under Sourcing, Environment, Employment and Community Investment these four categories were identified as the most concerned issues in IWC.

In 2018, basing on the 2017 baseline, IWC set eight sustainability targets to be reached in 2020, which provide it with a traceable, measurable roadmap for taking actions. Working in a 2-year-cycle, IWC review and report on the progress biennially so as to keep track on an ongoing basis. In 2020, IWC has successfully fulfilled the promises made two years ago, and has gone a step further to set the goals for the next cycle (2022). The table below shows the highlights of IWC’s sustainability approaches and its performance:



ASPECT

TARGETS FOR 2020

ACTION/PROGRESS

TARGETS FOR 2022

SOURCING

- Achieve Responsible Jewellery Council (RJC) Code of Practices recertification
- With reference to the Organisation for Economic Co-operation and Development (OECD) framework, implemented a concrete due diligence process for assessing supplier risks
- Suppliers meetings were held every 1-2 month to ensure they are in compliance with regulations and the Code of Conduct signed with IWC
- 50 key suppliers were invited every year to Schaffhausen to know more about IWC's sustainability approaches
- All precious metals leftovers were returned to the refiner for reusing to reduce the sourcing amount
- Gold sourced currently are 100% recycled content
- Achieve RJC Chain of Custody certification of watch components
- Only source from certified suppliers starting from the next 1-2 years

ENVIRONMENT

- Reduce the average volume and weight of primary packaging by 30%
- Reduce the greenhouse gas emissions by 10%
- Developed an Environmental Management System (EMS) Manual to improve energy efficiency, water usage, waste disposal and recycling processes in IWC's daily operations
- Opened new Manufacturing Center and Headquarter which were designed with green building features and were powered by renewable energy and generated energy via rooftop solar panels
- Innovated newly designed packaging boxes which contained 90% less plastic and 80% of plastic remained is recycled plastic
- Embraced the idea of "circular economy" through pioneering the "take back" approach for customers to trade in their old watch for new watch
- Fought deforestation by using FSC-certified shopping bags and changing its design to allow customers to recycle them after use
- Purchase 100% renewable energy globally
- Develop and implement a Green I.T. strategy
- Phase out purchase of non-FSC (Forest Stewardship Council)-certified forestry products
- Develop and pilot a blueprint for sustainable events

ASPECT

TARGETS FOR 2020

ACTION/PROGRESS

TARGETS FOR 2022

COMMUNITY INVESTMENT

- Double IWC's annual corporate volunteering hours
- Mainly focuses on areas: education, sports and arts
- Through global partnerships and local sponsorships, until 2020, IWC has conducted over 200 projects and involved more than 5.9 million young people around the world
- Organised employees to join volunteering activities with Be My Eyes and FSC to help disable people and to improve the forest environment respectively
- Offered a broader and more flexible range of volunteering opportunities, including half-day options and indoor activities
- Double IWC's annual corporate volunteering hours compared to a 2020 baseline

EMPLOYMENT

- Reduce the absence rate by 10% by promoting health and well-being among employees
- Achieve gender equality in training as measured by average hours per year
- Double the share of women in management positions (Not completely achieved in this cycle)
- Set employment framework : "We at IWC: guidelines on how to work together" and "Standards of Business Conduct" to guide staff in cultivating collaborative and successful workplace culture
- Launched the employee net promoter score (eNPS) globally to measure employees' satisfaction towards the organisation
- Established the intra-preneurial "Bright Ideas" programme to let employees voice their thoughts towards the issues across all areas of IWC
- Allowed flexible working hour/ remote working in supporting female workers' family responsibilities to strengthen the female talent pipeline
- Maintain "Great Place to Work" certification
- Achieve Equal Pay certification
- Double the share of women in management positions compared to a 2017 baseline



“When people ask me what drives the committee, the answer is simple: we care. We care about our impacts – the effect our business has on our communities and our planet.” – Franziska Gsell, CMO and Sustainability Committee Chair of IWC Schaffhausen

IWC manages its social and environmental impacts through the oversight of its Sustainability Committee. This Committee, which meets quarterly, is made up of Executive Committee members such as CFO, CMO, COO, etc. and representatives from each department who together manage every aspect of IWC's business. Committee members are empowered to ensure that sustainability risks and opportunities are evaluated and report to the CEO directly. The establishment of this committee helps IWC move towards sustainability as a whole. Since the senior management can get authentic feedback from the Committee from time to time, they are able to make the most appropriate and timely responses to any sustainability issues arise. Meanwhile, because of the participation of the heads of various departments, each department is also more aware of what kind of role and responsibilities they play in the company's value chain, and they have the opportunity to understand the operation processes of other departments, thus increasing the possibility of cross-department cooperation. Together, IWC's CEO and Sustainability Committee set the organisation's sustainability targets and activities.



The outstanding performance of IWC shows the importance of having a governance team with a clear structure and clear goals and directions to the sustainable development of the entire group. See the big from the small, no matter whether other companies are in the jewellery and watch industry, they can learn from the successful examples of IWC. Adopting a top down approach, starting from the senior management, they unify the goals of the entire group, and lead various subsidiaries and departments to practise sustainable development management in daily operations. Even if there is no ability to establish a sustainability committee, the establishment of a sustainability management team or even a sustainability task force can also achieve similar results. What's most important is that, maintaining a simple and refined leadership, which is the core of successfully embarking towards sustainability.

Some people may wonder, what is the use of sustainable development for certain luxury brands that are not common among the general public? Are these not just public relations projects for brand "greenwashing"? The answer this article wants to give is, "Yes, it's useful." Because, when luxury brands that have traditionally never paid attention to sustainable development also begin to pay attention to these issues, this will greatly raise people's awareness of these aspects. These actions of luxury brands also send a clear message to the market and even to society that no any area of life or part of society can ignore the urgency of protecting the environment and protecting the planet. It is a good thing for different industries, including the jewellery and watch industry, to start taking sustainable development actions, but there are still a lot of work to do before we can achieve the overall well-being of all mankind and the planet.

Source:

1.IWC Schaffhausen Sustainability Report 2020,

<https://www.iwc.com/en/company/sustainability-at-iwc/digital-report-2020.html>

2.Responsible Jewellery Council, <https://www.responsiblejewellery.com/about/vision-2030/>

3.How Green is My Watch? How Watch Brands Are Embracing Sustainability, <https://www.watchtime.com/featured/how-green-is-my-watch-how-watch-brands-are-embracing-sustainability/>

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