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From vision to action: some pills of our sustainability strategy

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Sustainability of Timex Group

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11.06.2024



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TIMEX

FURLA
SINCE 1927 ITALY

GUESS

TED BAKER
LONDON

NAUTICA



PLEINSPORT

VERSACE

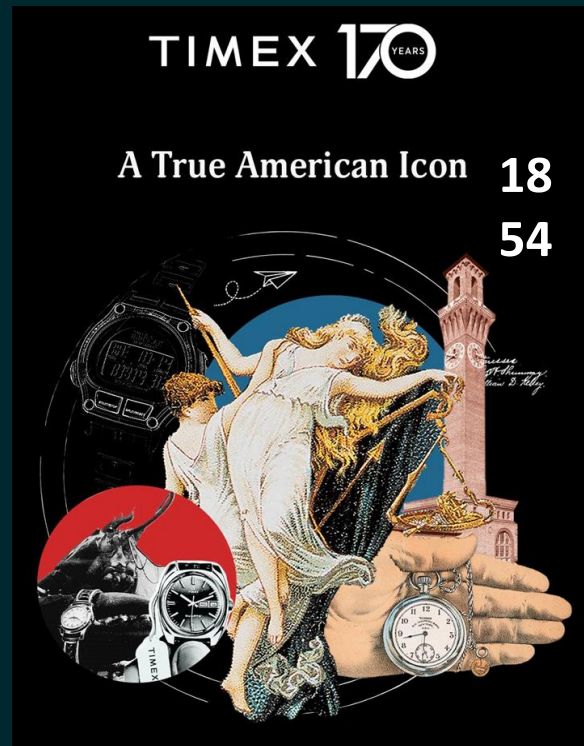
PHILIPP PLEIN

FERRAGAMO

DANIEL
WELLINGTON

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CIKIS STUDIO

CIKIS STUDIO

We are specialised in sustainability consulting in luxury and lifestyle, with a focus on results and tailor-made solutions

"Precise and thorough in their consulting work. Attentive to the specific needs of our company."

"Concrete expertise that did not exist in the company at the beginning of the project."

"Cikis is dynamic and has proven beyond expectations in terms of quality of the work, support and thinking outside the box approach"

"Highly knowledgeable team in the specific sector, a young and dynamic company that gives you the sense they can dedicate a lot of attention to your project, unlike big corporations."

[Discover our work!](#)



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UEFA

and world-leading luxury brands

What are the most prestigious watch brands in the world?



The most prestigious watch brands in the world are renowned for their exceptional craftsmanship, innovation, heritage, and exclusivity. Here are some of the top names that are widely recognized as the pinnacle of luxury and prestige in the watchmaking industry:

Swiss Brands

- Patek Philippe**
 - Known for: Exceptional craftsmanship, complex complications, and timeless designs.
 - Notable models: Calatrava, Nautilus, Aquanaut.
- Rolex**
 - Known for: Precision, reliability, and iconic designs.
 - Notable models: Submariner, Daytona, Datejust.
- Audemars Piguet**
 - Known for: Innovative designs and high-end complications.
 - Notable models: Royal Oak, Royal Oak Offshore.
- Vacheron Constantin**
 - Known for: Historic significance and intricate craftsmanship.
 - Notable models: Patrimony, Overseas, Traditionnelle.

Copilot

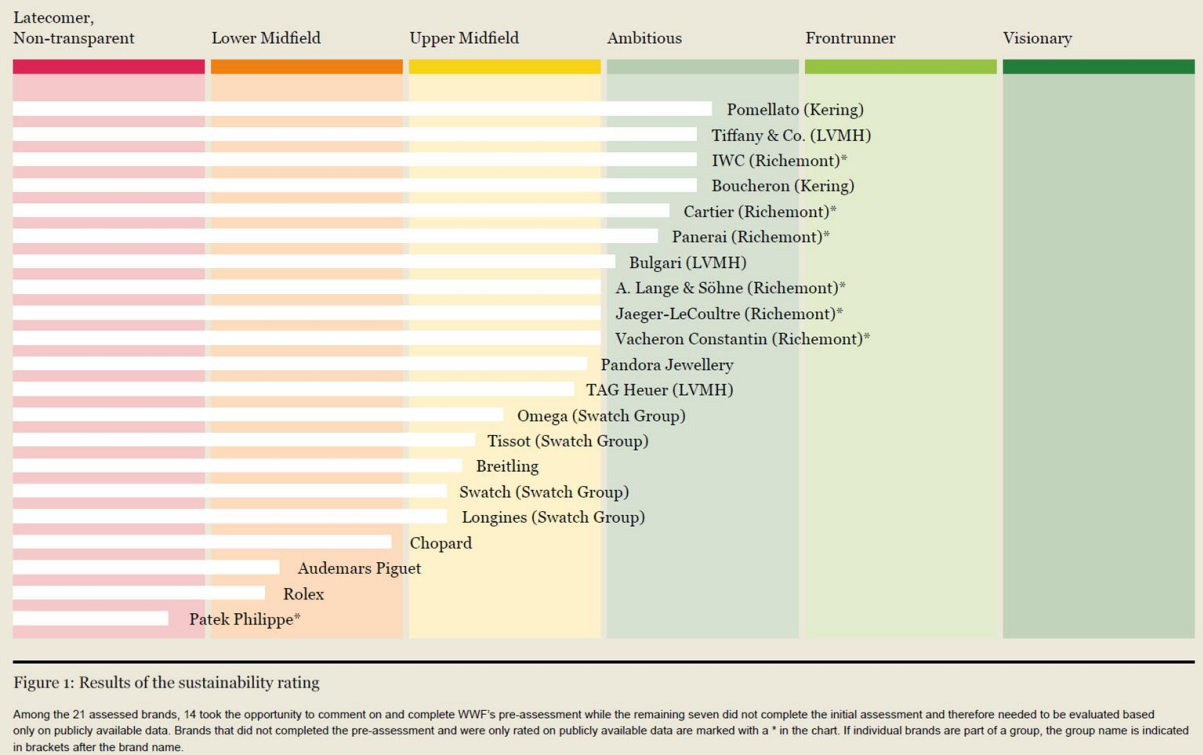
Certainly! When it comes to prestigious watch brands, several names stand out. Let me share some of the most renowned ones:

- Rolex:** Known for its timeless designs, exceptional craftsmanship, and robust build quality, Rolex is a symbol of luxury and status. The **Rolex Submariner** and **Daytona** models are particularly iconic.
- Omega:** As the official timekeeper for the Olympics and the first watch on the moon (worn by astronauts during the Apollo missions), Omega has a rich history. The **Speedmaster** and **Seamaster** collections are highly regarded.
- Patek Philippe:** A pinnacle of Swiss watchmaking, Patek Philippe creates exquisite timepieces. Their watches are often considered family heirlooms due to their timeless elegance and intricate movements.
- Audemars Piguet:** The **Royal Oak** is their standout model, revolutionizing luxury sports watches. Audemars Piguet balances tradition with innovation, appealing to collectors worldwide.

There are a few contenders for the title of most prestigious watch brand in the world, but there's a trio that consistently stands out:

- Patek Philippe:** A Swiss watchmaker founded in 1839, Patek Philippe is renowned for their impeccable craftsmanship, innovative complications, and timeless designs. They are credited with creating the very first wristwatch, and their watches are often passed down through generations as heirlooms.
- Audemars Piguet:** Another Swiss brand, Audemars Piguet was founded in 1875 and is known for their avant-garde designs and complex mechanisms. They are a leader in the field of *Haute Horlogerie*, which refers to the highest level of watchmaking.
- Vacheron Constantin:** The third member of the "Holy Trinity" of watchmakers, Vacheron Constantin is another Swiss powerhouse founded in 1755. They are known for their ultra-thin watches and intricate complications.
- Rolex:** A Swiss brand known for their iconic designs and durability. Their watches are considered to be a status symbol and are a popular choice for collectors.

Time for change: demanding more responsibility in the watch and jewellery sector, especially for top brands - WWF



Sustainability Rating and Industry Report 2023

Good news

From 15 to 21

General move to “ambitious” for Kering, LVMH and Richemont groups brands

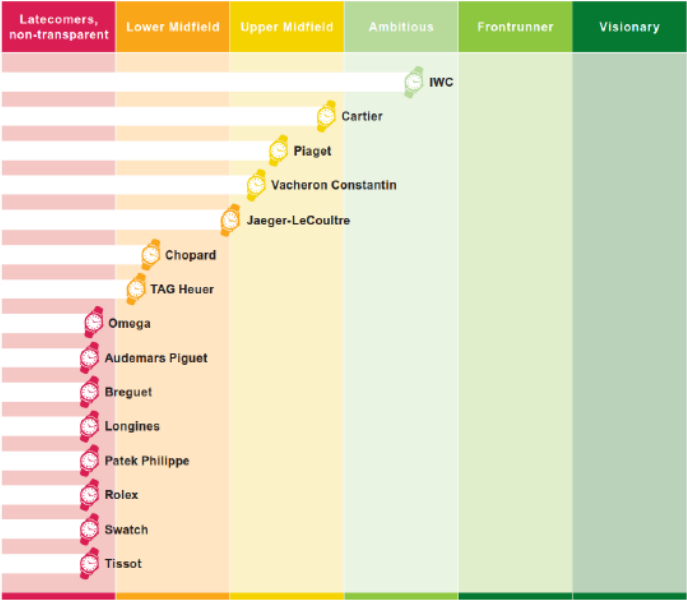


Figure 1: Results of environmental rating

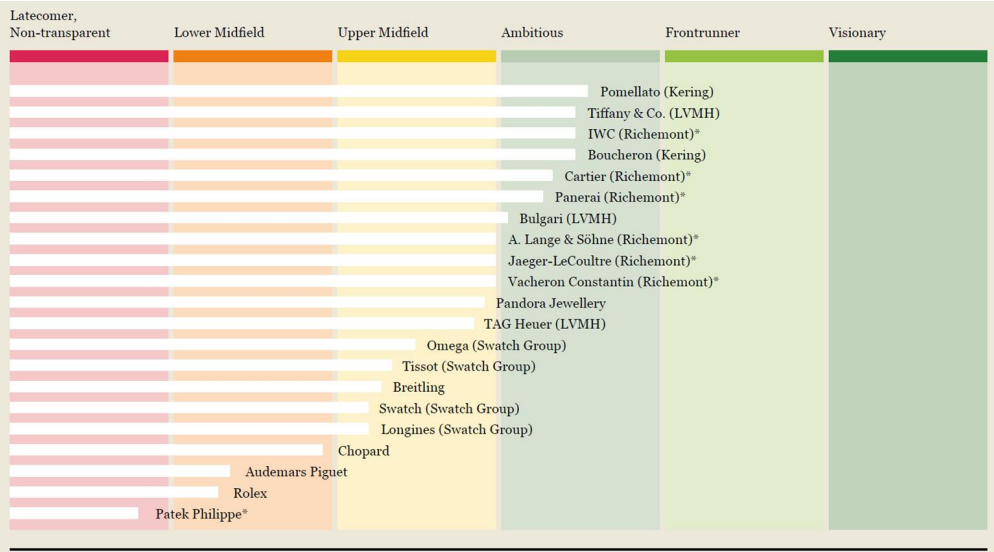


Figure 1: Results of the sustainability rating

Among the 21 assessed brands, 14 took the opportunity to comment on and complete WWF's pre-assessment while the remaining seven did not complete the initial assessment and therefore needed to be evaluated based only on publicly available data. Brands that did not complete the pre-assessment and were only rated on publicly available data are marked with a * in the chart. If individual brands are part of a group, the group name is indicated in brackets after the brand name.

Sustainability Rating and Industry Report 2018

Sustainability Rating and Industry Report 2023

1

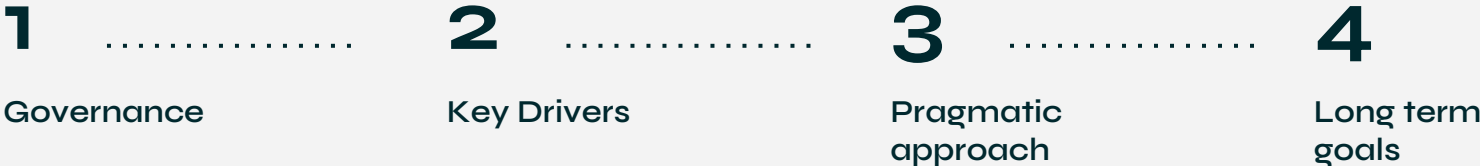
Time to do it right:
Some pills of our sustainability strategy

In 2023 we defined our sustainability roadmap



Vision 2023

The founding principles of our strategy



Combining action with measurement

Actions

- Supplier Packaging program
- Circular Watch program
- Preferred watch components
- Vendors Score Cards

The value of taking action

- - 1.5M of water use
- - 55 T of waste material
- - 2M kWh of electricity reduction
- > 75% watches with preferred components

Measurement

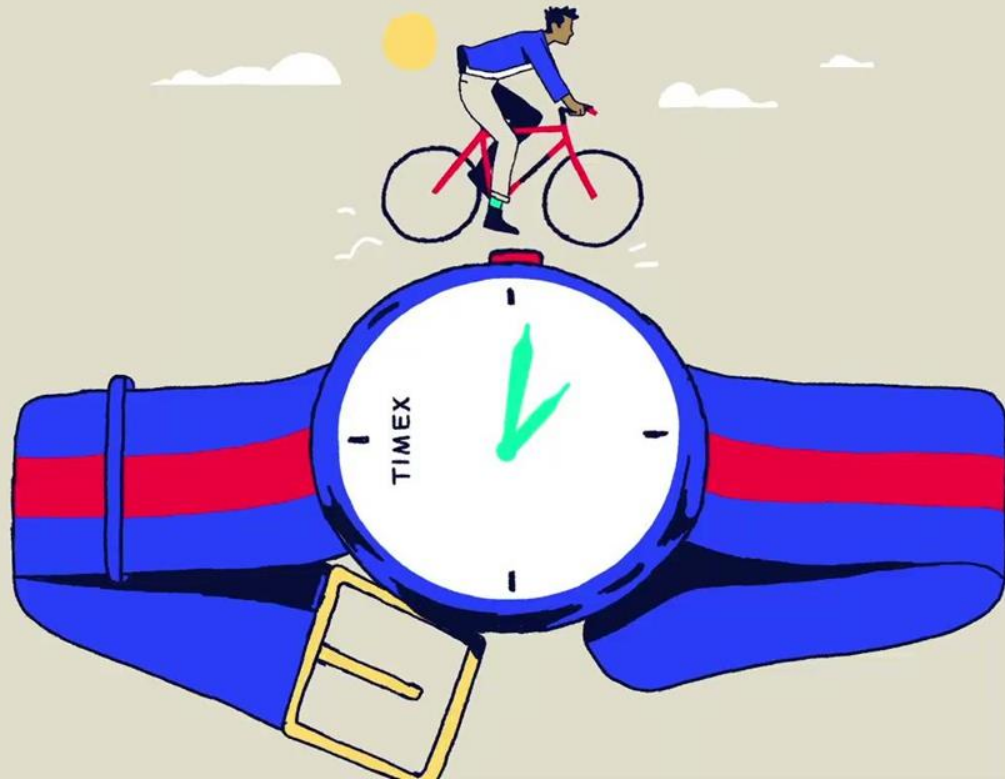
- GHG Emission Calculation Scope 1,2 and 3
- Decarbonisation strategy
- Water Footprint
- LCAs
- Materiality Analysis and Reporting

The value of measurement

- Mapping and understanding the entire organization
- Making informed decisions
- Opportunity to become more efficient - Sustainability and Profitability

Action 2024: An example

YOU'VE SPENT

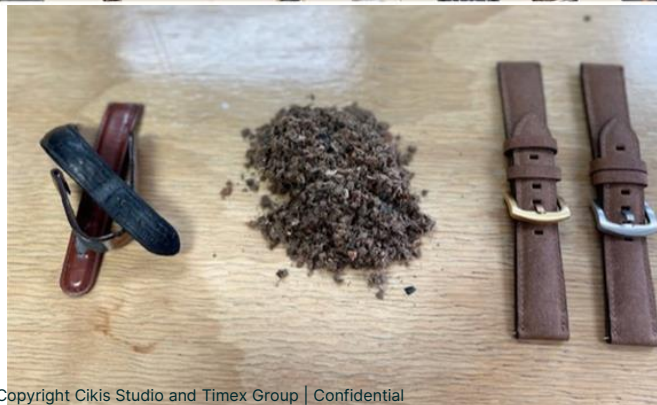


WE HAVE SAVED
12,477
WATCHES
FROM LANDFILLS



TIMEX
neuvound

Material Upcycling under
exploration



2

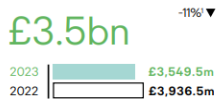
Time to do it right:
Our result-driven approach

Financial reporting VS Sustainability reporting

Key financial measures

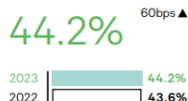
Group revenue

Retail sales, delivery receipts and other revenues from continuing operations



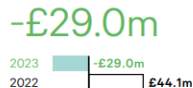
Adjusted gross margin²

Adjusted gross profit as a percentage of adjusted revenue



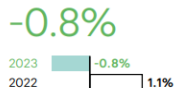
Adjusted EBIT²

Adjusted earnings before interest and tax



Adjusted EBIT margin²

Adjusted earnings before interest and tax as a percentage of revenue



Focus on Revenue and EBITA: the number of Countries where an e-commerce platform is active is irrelevant if there are no sales

No Decarbonization without E-Mobility

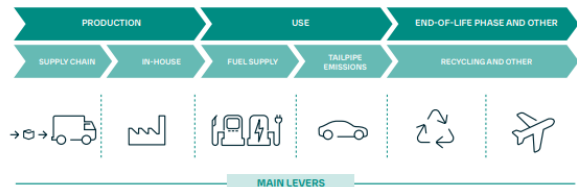
From today's perspective, around 90% of the decarbonization targeted by the Volkswagen Group can be realized through electrification of the fleet and switching to renewably generated energy. Electric vehicles therefore play a key role in this context. These do not cause any local emissions during use – and therefore have an advantage compared to cars with combustion engines in terms of tailpipe emissions. The same applies to the entire life cycle: Current calculations show that the carbon footprint of electric vehicles is already better on average in Europe in most markets than comparable gasoline or diesel vehicles.

The consistent electrification of our vehicle fleet opens up the path to net carbon-neutral mobility for our customers. The new electric vehicles are manufactured at 18 sites in Europe, China and the US. The modular electric drive matrix (MEB) serves as the technical backbone of the e-offensive and is used in many more of our electric models. In the

second half of the decade, the e-offensive will be supplemented by the Scalable Systems Platform (SSP).

2023 saw the market launch of additional e-models from various brands, including the Volkswagen ID.7 and the ID. Buzz LWB (long wheelbase). In addition, some models have been upgraded in terms of their sustainability and efficiency. These include the Volkswagen ID.3, ID.4 and ID.5, the Tiguan eHybrid and the Škoda Kodiaq. Moreover, the all-electric compact car ID.3, for example, is delivered in a net carbon-neutral way. In addition, the vehicle interior of the ID.3 will now no longer include materials of animal origin. The ID.4 and ID.5 have a more powerful and efficient electric drive-train that has up to 60 kW more power, whereas the third-generation of the Tiguan eHybrid now has an all-electric range of up to around 100 km thanks to a larger battery and higher charging capacity. And for the second generation of the Škoda Kodiaq, we are also offering a plug-in hybrid drive for the first time.

Decarbonization along the Life Cycle




40-pages document, >20k words qualitatively describing dozens of projects, 10-20 indicators

Financial indicators VS Sustainability indicators

Revenue and EBITA: 100% of
companies obsessively monitoring
them

S1+2+3 emissions, lives saved,
freshwater quality and quantity and
other biodiversity indicators:
only 24% of companies monitoring
them in Italy
51% among UNFCCC signatories, but
only 14% when considering Verified
Scope 1&2 with base year 2019 or later

Report Moda e Sostenibilità 2023, Cikis Studio
<https://unfccc.int/sites/default/files/resource/230329%20BLS23055%20UCC%20Climate%20Action%202023%20v06.pdf>

An aerial photograph of a desert canyon, showing intricate, layered rock formations in shades of brown, tan, and dark red. The lighting creates deep shadows and highlights the textures of the rock walls.

At Cikis Studio, we don't believe in doing things just for the sake of it. We follow a result-driven approach.

Some examples of focus-shift: certifications

Classic sustainability approach

Quote of a client



Issue

"I am satisfied because, compared to our competitors, we have more certified products."

If we analyze the materials used, these products actually offer fewer guarantees of reducing environmental impact and social risks.

So, what truly matters?

Result-driven approach used by Cikis Studio and Timex Group

Result-driven approach



What we are doing with Timex Group

1. You determine how much to change your materials to reach Net Zero, etc

2. You verify if your changes are sufficient

This approach also helps you identify when average data is adequate.

Actions: > 75% watches with preferred components.

Measurement:
Conduct LCA on multiple models to support product design.

Some examples of focus-shift: supply chain monitoring

Classic sustainability approach

Quote of a client

"We monitor our suppliers: all of them sign our Code of Ethics."

Issue

We need monitoring based on actual risks, aimed at identifying and resolving real issues, not just declaring that a procedure is in place.

Result-driven approach used by Cikis Studio and Timex Group

Result-driven approach

1. You get to know your risks
2. You set the minimum standard
3. You monitor your supply chain against the standard

Thanks to this approach it will also become natural to monitor also your subcontractors.

What we are doing with Timex Group

Actions: audits + vendor scorecard.

Measurement: rating system under development.

Some examples of focus-shift: carbon footprint

Classic sustainability approach

Quote of a client



Issue

"We run an organisational carbon footprint since year X / we perform carbon footprint on X products"

Only 8.1% of surveyed Italian companies have set reduction targets.

You are spending some thousands of euros to achieve nothing.

Result-driven approach used by Cikis Studio and Timex Group

Result-driven approach



What we are doing with Timex Group

You do your CF for a reason: decarbonisation strategy.

Actions: - 1.5M of water use, - 55 T of waste material, - 2M kWh of electricity reduction.

Measurement: decarbonisation strategy to reach Net Zero.



Power is the ability to achieve goals. Power
is the ability to make changes.
(Martin Luther King)