

# Welcome to your CDP Water Security Questionnaire 2023

## W0. Introduction

### W0.1

**(W0.1) Give a general description of and introduction to your organization.**

Fossil Group, Inc. is a design, innovation and distribution company specializing in consumer fashion accessories. Our products include traditional watches, smartwatches, jewelry, handbags, small leather goods, belts and sunglasses. We design, develop, market and distribute products under our owned brands FOSSIL, SKAGEN, MICHELE, RELIC and ZODIAC and licensed brands ARMANI EXCHANGE, DIESEL, DKNY, EMPORIO ARMANI, KATE SPADE NEW YORK, MICHAEL KORS, and TORY BURCH. Based on our range of accessory products, brands, distribution channels and price points, we are able to target style conscious consumers across a wide age spectrum on a global basis.

### W0.2

**(W0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date
Reporting year	January 1, 2022	December 31, 2022

### W0.3

**(W0.3) Select the countries/areas in which you operate.**

- Australia
- Austria
- Belgium
- Canada
- China
- China, Macao Special Administrative Region
- France
- Germany
- Hong Kong SAR, China
- India
- Italy

Japan  
 Malaysia  
 Mexico  
 Netherlands  
 Republic of Korea  
 Singapore  
 South Africa  
 Spain  
 Switzerland  
 United Kingdom of Great Britain and Northern Ireland  
 United States of America  
 Viet Nam

## W0.4

**(W0.4) Select the currency used for all financial information disclosed throughout your response.**

USD

## W0.5

**(W0.5) Select the option that best describes the reporting boundary for companies, entities, or groups for which water impacts on your business are being reported.**

Companies, entities or groups over which operational control is exercised

## W0.6

**(W0.6) Within this boundary, are there any geographies, facilities, water aspects, or other exclusions from your disclosure?**

No

## W0.7

**(W0.7) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

Indicate whether you are able to provide a unique identifier for your organization.	Provide your unique identifier
Yes, a Ticker symbol	FOSL

## W1. Current state

### W1.1

**(W1.1) Rate the importance (current and future) of water quality and water quantity to the success of your business.**

	Direct use importance rating	Indirect use importance rating	Please explain
Sufficient amounts of good quality freshwater available for use	Important	Important	For direct use, it is mostly to ensure our employees have access to freshwater in our retail stores, warehouse and offices. This is to maintain a comfortable and healthy working atmosphere for our employees. For indirect use, we identify our tier 2 suppliers will require a higher volume of good quality freshwater, due to our manufacturing process that requires cleaning of the raw materials and semi-finished components.
Sufficient amounts of recycled, brackish and/or produced water available for use	Neutral	Important	For direct use, due to water consumption being low when compared to our indirect use, we consider the importance rating to be neutral. For indirect use, we identify our tier 2 suppliers will require mature onsite wastewater recycling facilities, to both comply with local governmental regulations of zero discharge, and to reduce the cost of freshwater intake due to their high consumption of water in their manufacturing process.

## W1.2

**(W1.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?**

	% of sites/facilities/operations	Frequency of measurement	Method of measurement	Please explain
Water withdrawals – total volumes	1-25	Yearly	We measure water withdrawals through collection of monthly water bills.	In 2022, 12% of facilities (including retail stores, manufacturing sites, offices and warehouses) provided water withdrawal information. Information is presented as water bill spend or actual water withdrawal amount. Water rate

				<p>per region is applied as conversion factor to convert water bill spending to litres of water withdrawn. We are working on to expand the collection of water withdrawal information. In addition, the company has also collected water withdrawals consumption data from some T1 and T2 suppliers, the engagement rate is 60% (covered the most critical 85% of T1 suppliers) and 53% of approachable T2 suppliers respectively.</p>
Water withdrawals – volumes by source	Not monitored			<p>We relied on local water suppliers to source our freshwater, which shall align with local water withdrawal regulation.</p>
Water withdrawals quality	Not monitored			<p>We relied on local water suppliers to source our freshwater, which shall align with local water withdrawal regulation.</p>
Water discharges – total volumes	1-25	Yearly	We measure water discharge through collection of	<p>In 2022, 12% of facilities (including retail stores, manufacturing sites, offices and</p>

			<p>monthly sewage bills.</p>	<p>warehouses) provided water discharge information. Information is presented as sewage bill spend or actual water discharge amount. The low percentage of data obtained can be explained because most of our operating sites are offices and retail stores, and the sewage processing is held by the property management company. Therefore, we have low accessibility of the sewage data. However, for the sites that we identified as likely having the highest volume of sewage discharge, namely our company operated manufacturing sites, we have obtained water discharge information for all of these sites. Although not under our operational control, we have conducted additional onsite visit to T2 suppliers, because the manufacturing</p>
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				process for components are considered water-intensive.
Water discharges – volumes by destination	Not monitored			We relied on local sewage discharge suppliers to discharge our sewage, which shall align with local regulation.
Water discharges – volumes by treatment method	Not monitored			We relied on local sewage discharge suppliers to discharge our water, which shall align with local regulation.
Water discharge quality – by standard effluent parameters	Not monitored			We relied on local sewage discharge suppliers to discharge our water, which shall align with local regulation.
Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)	Not monitored			We relied on local sewage discharge suppliers to discharge our water, which shall align with local regulation.
Water discharge quality – temperature	Not monitored			We relied on local sewage discharge suppliers to discharge our sewage, which shall align with local regulation.
Water consumption – total volume	26-50	Yearly	We set an assumption to estimate water	We identified our manufacturing site in Switzerland and

			<p>consumption by subtraction of water withdrawal and water discharge</p>	<p>India as being water intensive. Water consumption will be subtracting the water withdrawal and the water discharge volume obtained from water and sewage bills. Since the rest of our operating sites are offices, warehouses or retail stores, where the water discharge bill is not accessible to us, we have assumed the water consumption equals to water withdrawal in the year 2022. We will gradually improve the data quality by requesting water discharge data from our property managers. However, the typical water consumption in non-manufacturing sites are for drinking and cleaning purposes, which we anticipate having low water consumption.</p>
<p>Water recycled/reused</p>	<p>Not relevant</p>			<p>No water recycling or water reuse is currently implemented in our manufacturing sites. We will</p>

				actively consider the possibility of installing water recycling or reuse facilities.
The provision of fully-functioning, safely managed WASH services to all workers	100%	Yearly	Annual CSR audit.	In our direct operation, we provide clean drinking water access to our employees. In our indirect operation, we also conduct an annual audit to ensure our tier 1 suppliers have provided clean drinking water for their workers.

## W1.2b

**(W1.2b) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?**

	Volume (megaliters/year)	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Please explain
Total withdrawals	134	Much lower	Change in accounting methodology	Lower	Change in accounting methodology	We are working towards the goal to improve data quality by requesting water vendors to provide concrete data that reduce the normally



						over-estimated conversion from spend data to consumption.
Total discharges	119	Much lower	Change in accounting methodology	Lower	Change in accounting methodology	We are working towards the goal to improve data quality by requesting water vendors to provide concrete data that reduce the normally over-estimated conversion from spend data to consumption.
Total consumption	12	Higher	Change in accounting methodology	Higher	Change in accounting methodology	We have previously assumed most non-manufacturing sites' water discharge rate being identical to water withdrawal due to the data unavailability. This leads to the estimation of water consumption to be close to 0. In 2022, we have improved the

							data quality to collect more water discharge data from more sites. We anticipate gradual improvement in our data quality, which shall increase the total consumption estimation to align closer to actual consumption rates.
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### W1.2d

(W1.2d) Indicate whether water is withdrawn from areas with water stress, provide the proportion, how it compares with the previous reporting year, and how it is forecasted to change.

	Withdrawals are from areas with water stress	% withdrawn from areas with water stress	Comparison with previous reporting year	Primary reason for comparison with previous reporting year	Five-year forecast	Primary reason for forecast	Identification tool	Please explain
Row 1	Yes	11-25	Lower	Change in accounting methodology	Lower	Other, please specify engagement activities with manufacturing site to increase water use efficiency	WRI Aqueduct	Preliminary assessment based on the WRI Aqueduct, about 11% of the water consumption is from

								countries with “extremely high” or “high” water stress concerns. We plan to closely monitor the water consumption activities in these regions, and plan to implement educational campaigns to increase water use efficiency.
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### W1.3

**(W1.3) Provide a figure for your organization’s total water withdrawal efficiency.**

	Revenue	Total water withdrawal volume (megaliters)	Total water withdrawal efficiency	Anticipated forward trend
Row 1	1,680,000,000	134	12,537,313.4328358	We anticipated a decrease in water withdrawal due to an improved data quality and a higher awareness to reduce water consumption within our employees through an internal education campaign.

## W1.4

**(W1.4) Do any of your products contain substances classified as hazardous by a regulatory authority?**

	Products contain hazardous substances
Row 1	Yes

## W1.4a

**(W1.4a) What percentage of your company’s revenue is associated with products containing substances classified as hazardous by a regulatory authority?**

Regulatory classification of hazardous substances	% of revenue associated with products containing substances in this list	Please explain
Annex XVII of EU REACH Regulation	More than 80%	<p>In order to obtain the functionality in our products that our customers have come to expect, it is sometimes necessary to use chemicals. At Fossil, our approach to chemicals is grounded in ensuring compliance with global laws and regulations as well as protecting the health and safety of our employees, consumers and the environment. Product testing provides guardrails for Fossil and its suppliers to manage the responsible use of chemicals. It also informs our decisions on sourcing, manufacturing and innovation.</p> <p>We expect our suppliers to ensure that their components and materials comply with applicable requirements before use in our products and we outline this expectation in our Manufacturer’s Agreement. Each supplier is provided with Product Guidelines and a Restricted and Declarable Substance List (RDSL) which identifies potentially harmful chemicals used in our industry and specifies safe concentration limit values. Our RDSL complies with applicable global regulations for safe levels of substances of highest concern in our products, including, but not limited to, REACH (Registration, Evaluation, Authorization and Restriction of Chemicals), RoHs (Restriction of Hazardous Substances Directive 2002/95/EC) and California Proposition 65. This list was developed with the guidance of outside experts.</p>

## W1.5

**(W1.5) Do you engage with your value chain on water-related issues?**

	Engagement
Suppliers	Yes
Other value chain partners (e.g., customers)	Yes

## W1.5a

**(W1.5a) Do you assess your suppliers according to their impact on water security?**

Row 1

### Assessment of supplier impact

No, we do not currently assess the impact of our suppliers, but we plan to do so within the next two years

### Please explain

In 2022, we are building relationships with our tier 1 and key tier 2 suppliers, from which we gathered primary water procurement data from the most critical 85% of tier 1 and 53% of our approachable tier 2 suppliers. We anticipate working with a water stewardship consultant within two years to analyse our suppliers' water consumption pattern and their geographic location to understand their impact on water security.

## W1.5b

**(W1.5b) Do your suppliers have to meet water-related requirements as part of your organization's purchasing process?**

	Suppliers have to meet specific water-related requirements	Comment
Row 1	No, but we plan to introduce water-related requirements within the next two years	Our current manufacturing agreement with our suppliers requires that they provide us with ESG data upon request, which will be a starting point to support our collection of water consumption/withdrawal data to map our suppliers' consumption/withdrawal habits.

## W1.5d

**(W1.5d) Provide details of any other water-related supplier engagement activity.**

### Type of engagement

Information collection

### **Details of engagement**

Collect water management information at least annually from suppliers

Collect water quantity information at least annually from suppliers (e.g., withdrawal and discharge volumes)

Collect WASH information at least annually from suppliers

### **% of suppliers by number**

51-75

### **Rationale for your engagement**

Although the % of suppliers by number is 60%, this covers suppliers that manufacture at least 85% of our products. Our supplier engagement strategy is based on the Scope 3 component of our science-based target to be submitted, which suggests we should at least cover 70% of our T1 supplier distribution. We increase our coverage to 85% per product group to ensure we obtain adequate data for water-related issues.

In 2022, it is our first time to perform sustainability engagement with some of our T2 suppliers.

### **Impact of the engagement and measures of success**

Prior to 2022, we were not able to collect data from all product categories. The impact of our engagement is our improvement on water-related data collection; that we were able to estimate water withdrawal intensity across all of our product categories in 2022.

In 2022, we have built an extended connection with our T2 suppliers to obtain reference data of our component manufacturing, and to understand their manufacturing process and water-saving or wastewater treatment initiatives implemented. The 2022 T2 engagement rate is 53%.

Success will be measured by percent of supplier's engagement.

### **Comment**

## **W1.5e**

**(W1.5e) Provide details of any water-related engagement activity with customers or other value chain partners.**

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### **Type of stakeholder**

Customers

### **Type of engagement**

Other

### **Details of engagement**

Other, please specify

materiality assessment survey

**Rationale for your engagement**

We distributed a questionnaire to our customers in our ESG materiality assessment. Based on the results, the highest priority for our customers is our water management performance in our products.

**Impact of the engagement and measures of success**

In 2022, we started pilot project preparation work to disclose the environmental data behind our products. We selected one of our own brands for the pilot. Water-related data is one of the data types that we intend to disclose to our customers in the future to meet their expectations.

Success will be measured by percent of supplier’s engagement.

## W2. Business impacts

### W2.1

**(W2.1) Has your organization experienced any detrimental water-related impacts?**

No

### W2.2

**(W2.2) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?**

	Water-related regulatory violations	Comment
Row 1	No	For our manufacturing site in India, we ensure compliance with local water-related regulations by regular auditing and annual training to update the latest water-related regulations. For our manufacturing site in Switzerland, we collect discharge data annually that includes whether there are water-related regulatory violations.

## W3. Procedures

### W3.1

**(W3.1) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?**

	Identification and classification of potential water pollutants	Please explain
Row 1	No, we do not identify and classify our potential water pollutants	Throughout our value chain, we identified the key source of water pollutants to be our tier 2 suppliers. We expect all our suppliers to follow the wastewater testing requirement stated in their local regulation. Therefore, classifying potential water pollutants within our own operation is not the priority in our water management initiatives.

### W3.3

#### (W3.3) Does your organization undertake a water-related risk assessment?

No, water risks-related are not assessed

### W3.3c

#### (W3.3c) Why does your organization not undertake a water-related risk assessment?

	Primary reason	Please explain
Row 1	We are planning to introduce a risk assessment process within the next two years	<p>Based on our peer benchmarking exercise, the scale of water our usage has been aligned with other fashion brands with similar operating capacity.</p> <p>For our company-owned operation, the highest potential source of water-related risk is attributed to our two manufacturing units, one in Switzerland and one in India. The company recognizes the need to go further to explore the water-related risks in these two manufacturing sites. In 2022, we collected primary data from these two sites and mapped the manufacturing processes that consume the highest amounts of water.</p> <p>The company has also requested data from our tier 1 assembly facilities to understand the water usage of the assembling process. Based on the 2022 collected data, the water usage across our tier 1 suppliers are not considered material within our value chain.</p>

## W4. Risks and opportunities

### W4.1

#### (W4.1) Have you identified any inherent water-related risks with the potential to have a substantive financial or strategic impact on your business?

No



## W4.1a

**(W4.1a) How does your organization define substantive financial or strategic impact on your business?**

Not available.

## W4.2b

**(W4.2b) Why does your organization not consider itself exposed to water risks in its direct operations with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Risks exist, but no substantive impact anticipated	The company conducted a material assessment and “Water Pollution” was one of the material topics. The processes were reviewed and no immediate water risks were identified. We believe the greatest water risks in our business are associated with tier 2 or beyond in the supply chain. Therefore, no high risk area is identified in the company’s direct operations.

## W4.2c

**(W4.2c) Why does your organization not consider itself exposed to water risks in its value chain (beyond direct operations) with the potential to have a substantive financial or strategic impact?**

	Primary reason	Please explain
Row 1	Not yet evaluated	Materiality assessment was conducted in 2022 to understand how company stakeholders view water-related issues. The results show the risk of water pollution is identified by stakeholders. We will prioritize wastewater management in our value chain because we see it to have a strategic impact on the company. Other water risks shall be assessed at a later stage. Based on the 2022 preliminary risk assessment, we identify tier 2 suppliers in our value chain, which produced our product components being intensive in water consumption. Therefore, in 2022, we conducted onsite visits for our key tier 2 suppliers, and collected primary water data for the first time from 53% of our approachable tier 2 suppliers. We are currently establishing a wider network to increase our engagement rate with tier 2 suppliers, in order to begin evaluating the water risk along our value chain.

## W4.3

**(W4.3) Have you identified any water-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

No

## W4.3b

**(W4.3b) Why does your organization not consider itself to have water-related opportunities?**

	Primary reason	Please explain
Row 1	Evaluation in progress	Based on our 2022 materiality assessment results from customers, we understand the potential market opportunity and reputational opportunity we have with improvements in our water-related management strategies. We are currently in the data preparation stage in order to evaluate opportunities to improve our brand image and attract customers to purchase our products. We require more evaluation before we can identify the details of the water-related opportunities.

## W6. Governance

### W6.1

**(W6.1) Does your organization have a water policy?**

Yes, we have a documented water policy that is publicly available

### W6.1a

**(W6.1a) Select the options that best describe the scope and content of your water policy.**

	Scope	Content	Please explain
Row 1	Select facilities, businesses, or geographies only	Commitment to reduce water withdrawal and/or consumption volumes in supply chain Commitment to water stewardship and/or collective action	Our current manufacturing agreement with our suppliers requires that they provide us with ESG data upon request, which will be a starting point to support our collection of water consumption/withdrawal data to map our suppliers' consumption/withdrawal habits. In 2022, we released a commitment to engage 100% of our direct suppliers to meet the water stewardship policy set by our company.

### W6.2

**(W6.2) Is there board level oversight of water-related issues within your organization?**

Yes

## W6.2a

**(W6.2a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for water-related issues.**

Position of individual or committee	Responsibilities for water-related issues
Chief Executive Officer (CEO)	Our CEO currently chairs the ESG Council, which oversees water-related issues.
Board-level committee	The Audit Committee has an indirect reporting line from the ESG Council to oversee the climate-related issues. The Nominating and Corporate Governance Committee is responsible for the enterprise risk, which includes climate risk issues.
Other, please specify ESG Council	The ESG Council is composed of members from the executive leadership team and typically reports directly to the CEO. The CEO is currently the chair for the ESG Council.  The ESG Council is accountable for the enterprise's ESG strategy, provides strategic direction to the ESG working group and makes enterprise-level ESG-related decisions. The Council has a direct reporting line to the Executive Leadership Team (ELT) and an indirect reporting line to the Audit Committee.

## W6.2b

**(W6.2b) Provide further details on the board's oversight of water-related issues.**

	Frequency that water-related issues are a scheduled agenda item	Governance mechanisms into which water-related issues are integrated	Please explain
Row 1	Scheduled - some meetings	Overseeing and guiding public policy engagement Overseeing major capital expenditures Overseeing the setting of corporate targets Overseeing value chain engagement Reviewing and guiding risk management policies	ESG Council, chaired by the company CEO, has dual reporting lines. One is reporting to the Executive Leadership Team (ELT), which is composed of our C-suite executives plus senior leaders. The council has a dotted line to the Audit Committee who is chaired by a board member.  There are 3 core teams under the ESG Council to direct the ESG strategy in environmental, community and social issues. All water-related initiatives are driven by the "Good for the Planet" core team.

## W6.2d

**(W6.2d) Does your organization have at least one board member with competence on water-related issues?**

	<b>Board member(s) have competence on water-related issues</b>	<b>Primary reason for no board-level competence on water-related issues</b>	<b>Explain why your organization does not have at least one board member with competence on water-related issues and any plans to address board-level competence in the future</b>
Row 1	No, and we do not plan to address this within the next two years	Important but not an immediate priority	<p>The sustainability team has been sharing trends, knowledge and insight of water-related issues in the quarterly held ESG council meeting and occasionally at the board meetings.</p> <p>Our executive leaders would develop their competence of the topic through appraising and making decisions on the water-related initiatives. For example, our CEO and senior leaders learned about the net-zero topic when we were committing with the Science-Based Targets Initiative in 2022.</p>

## W6.3

**(W6.3) Provide the highest management-level position(s) or committee(s) with responsibility for water-related issues (do not include the names of individuals).**

**Name of the position(s) and/or committee(s)**

Other, please specify  
ESG Council

**Water-related responsibilities of this position**

Setting water-related corporate targets  
Monitoring progress against water-related corporate targets  
Managing value chain engagement on water-related issues  
Integrating water-related issues into business strategy  
Managing annual budgets relating to water security

**Frequency of reporting to the board on water-related issues**

Quarterly

**Please explain**

ESG Council, chaired by the company CEO, has dual reporting lines. One is reporting to the Executive Leadership Team (ELT), which is composed of our C-suite executives plus senior leaders. The other reporting line is to the Audit Committee, which is reporting to the board.

There are 3 core teams under the ESG Council to direct the ESG strategy in environmental, community and social issues. All water-related initiatives are driven by the “Good for the Planet” core team.

## W6.4

**(W6.4) Do you provide incentives to C-suite employees or board members for the management of water-related issues?**

	Provide incentives for management of water-related issues	Comment
Row 1	No, and we do not plan to introduce them in the next two years	By preliminary assessment, the company identifies water-related issues that do not pose significant risk to the company. We consider the oversight of the ESG council, which closely monitors our water activities and reports regularly to the Board sufficient to maintain high awareness within the board management.

## W6.5

**(W6.5) Do you engage in activities that could either directly or indirectly influence public policy on water through any of the following?**

No

## W6.6

**(W6.6) Did your organization include information about its response to water-related risks in its most recent mainstream financial report?**

No, but we plan to do so in the next two years

## W7. Business strategy

### W7.1

**(W7.1) Are water-related issues integrated into any aspects of your long-term strategic business plan, and if so how?**

	Are water-related issues integrated?	Long-term time horizon (years)	Please explain
Long-term business objectives	Yes, water-related issues are integrated	5-10	Based on our stakeholder materiality assessment performed in 2022, water pollution has been identified as one of the strategic issues for the company.

Strategy for achieving long-term objectives	Yes, water-related issues are integrated	5-10	The company is implementing an IT solution platform to improve the water-related data quality and management approach. We also set up a short-term goal to engage 100% of our tier 1 suppliers by 2025.
Financial planning	Yes, water-related issues are integrated	5-10	Financial planning is critical for us to achieve and fund our strategic goals. Considering our goals to improve water-related qualities, we allocate a financial budget annually for maintaining our IT solution platform.

## W7.2

**(W7.2) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?**

Row 1

**Water-related CAPEX (+/- % change)**

**Anticipated forward trend for CAPEX (+/- % change)**

**Water-related OPEX (+/- % change)**

0

**Anticipated forward trend for OPEX (+/- % change)**

0

**Please explain**

We consider the annual OPEX remains unchanged as we require preparation time to improve our data quality gradually. The OPEX will be funding the usage of the IT solution platform that motivates our company to store high-quality water-related data.

## W7.3

**(W7.3) Does your organization use scenario analysis to inform its business strategy?**

	Use of scenario analysis	Comment
Row 1	No, but we anticipate doing so within the next two years	The key priority in 2022 was to improve the internal water data quality. We anticipate a future partnership with a water-stewardship consultant who will assist us in estimating the anticipated financial risk for the company related to water.

## W7.4

### (W7.4) Does your company use an internal price on water?

#### Row 1

#### Does your company use an internal price on water?

No, and we do not anticipate doing so within the next two years

#### Please explain

We have evaluated the possibilities to implement an internal price on water. However, after considering that direct operation of our business is not water intensive, we consider water pricing to not be a key priority for our business model. We consider some non-monetary incentive, such as additional holidays as reward to motivate our staff to use freshwater more efficiently in our facilities.

## W7.5

### (W7.5) Do you classify any of your current products and/or services as low water impact?

	Products and/or services classified as low water impact	Definition used to classify low water impact	Please explain
Row 1	Yes	A leather supplier reports that Litehide™ leather saves up to 60% of the fresh water usage when compared to the traditional wet salted, dry salted and wet blue leather tanning processes.	Litehide™ is a process which uses less water in the tanning process. This shows our choice to adopt raw materials with lower water impact. In 2022, we have successfully replaced more than 30% of traditional leather with Litehide™ in our handbags, backpacks, and watch straps.

## W8. Targets

### W8.1

#### (W8.1) Do you have any water-related targets?

Yes

## W8.1a

**(W8.1a) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.**

	Target set in this category	Please explain
Water pollution	No, and we do not plan to within the next two years	Based on preliminary assessment, our major areas of risk for water pollution through the water discharge are found in tanneries and tier 2 suppliers over which we do not have direct operational control. Due to the low risk in our direct operations, we have not set targets in our direct operation. For our indirect operation, our suppliers are provided with Product Guidelines and a Restricted and Declarable Substance List (RDSL) which identifies potentially harmful chemicals used in our industry and specifies safe concentration limit values. In 2022, we have also conducted tier 2 supplier engagement to understand their wastewater discharge habits. We are working on encouraging the higher risk suppliers to implement water pollution prevention initiatives.
Water withdrawals	No, and we do not plan to within the next two years	Based on preliminary assessment, our direct business operation does not intensively withdraw water, as most of them are retail stores and offices. Therefore, we don't consider the water withdrawal as a material issue for target-setting.
Water, Sanitation, and Hygiene (WASH) services	No, and we do not plan to within the next two years	Based on preliminary assessment, all of our direct operations have provided WASH service to employees. Therefore, we don't consider this topic as a material issue for target-setting.
Other	Yes	

## W8.1b

**(W8.1b) Provide details of your water-related targets and the progress made.**

**Target reference number**

Target 1

**Category of target**

Other, please specify  
Supplier Water Stewardship Engagement

**Target coverage**

Suppliers

**Quantitative metric**



Other, please specify

Increase in the proportion of suppliers in compliance with water-related requirements

**Year target was set**

2021

**Base year**

2021

**Base year figure**

90

**Target year**

2025

**Target year figure**

100

**Reporting year figure**

85

**% of target achieved relative to base year**

-50

**Target status in reporting year**

Underway

**Please explain**

Although we have a 5% reduction in tier 1 supplier stewardship when compared to the base year, we have allocated our time to expand our engagement to tier 2 suppliers in 2022 to understand additional details of their water management procedures. We will work on improving the engagement % to meet the 2025 targets.

## W9. Verification

### W9.1

**(W9.1) Do you verify any other water information reported in your CDP disclosure (not already covered by W5.1a)?**

No, but we are actively considering verifying within the next two years

## W10. Plastics

### W10.1

**(W10.1) Have you mapped where in your value chain plastics are used and/or produced?**

	Plastics mapping	Value chain stage	Please explain
Row 1	Yes	Direct operations Supply chain	<p>In our direct operation, we anticipate the plastic usage to be mainly in our warehouse. In 2022, we will collect the volume of plastic packaging purchased by our warehouse, including plastic bags and plastic wraps.</p> <p>In 2022, we have mapped the varieties of plastics used in more than 85% of our products manufactured by suppliers, across all product categories (traditional watch, connected device, straps, mass market watch, leather goods and packaging goods). The identified plastic type includes silicone, polycarbonate, PVC, PU, acetate, recycled plastic, castor oil plastic, plastic bag, plastic wrap and high-density polystyrene.</p>

### W10.2

**(W10.2) Across your value chain, have you assessed the potential environmental and human health impacts of your use and/or production of plastics?**

	Impact assessment	Value chain stage	Please explain
Row 1	Yes	Direct operations	<p>In 2022, we evaluated the plastic packaging used in our manufacturing unit in India. We have identified the need to increase the proportion of compostable plastic bags to meet the local governmental regulation. We have not identified any environmental or human health impacts in our plastic bags handling process.</p>

### W10.3

**(W10.3) Across your value chain, are you exposed to plastics-related risks with the potential to have a substantive financial or strategic impact on your business? If so, provide details.**

	Risk exposure	Value chain stage	Type of risk	Please explain
Row 1	Yes	Direct operations Supply chain	Regulatory	In 2022, we faced the new ban of single-use plastic in India. This required us to transition to a supply chain model that uses compostable plastic bags, instead of conventional plastic bags. We assessed the disruption to our repackaging factory in India, and the increased cost due to the switch to more sustainable material choice, that by the company's definition has the potential to have a substantive financial or strategic impact.  We anticipate more countries will increase their plastic packaging related regulations. Since most of our product includes primary or secondary plastic packaging, we anticipate the tightening of local regulation will increase our cost for packaging with more sustainable elements.

## W10.4

**(W10.4) Do you have plastics-related targets, and if so what type?**

	Targets in place	Target type	Target metric	Please explain
Row 1	Yes	Plastic packaging	Increase the proportion of plastic packaging that is recyclable in practice and at scale  Increase the proportion of plastic packaging that is reusable	We have publicly set a target to use 100% circular packaging (e.g., recyclable and/or reusable) by 2030. Based on 2022 data, 8% of our current packaging material is plastics. In 2022, we worked with our internal team to improve the quality of data related to raw materials purchased to increase the transparency with respect to the proportion of recyclable or reusable plastic packaging.

## W10.5

**(W10.5) Indicate whether your organization engages in the following activities.**

	Activity applies	Comment
Production of plastic polymers	No	We only purchase plastic polymers but we don't produce our own plastic polymers.
Production of durable plastic components	No	We only purchase plastic components but we don't produce our own plastic components.

Production / commercialization of durable plastic goods (including mixed materials)	Yes	We sell products that consist of durable plastic goods, including mixed materials. This includes watches with plastic straps or cases, and handbags, bags, wallets and other items made out of PU or PVC.
Production / commercialization of plastic packaging	Yes	We distribute packaging made of high density polystyrene materials and plastic cuffs for our watches.
Production of goods packaged in plastics	Yes	Most of our products are wrapped in a plastic bag or a layer of plastic film to protect the product surface from stretching.
Provision / commercialization of services or goods that use plastic packaging (e.g., retail and food services)	No	We only use paper shopping bags in our retailing activities.

## W10.7

**(W10.7) Provide the total weight of plastic durable goods/components sold and indicate the raw material content.**

### Row 1

**Total weight of plastic durable goods/components sold during the reporting year (Metric tonnes)**

966

**Raw material content percentages available to report**

% virgin fossil-based content

% virgin renewable content

**% virgin fossil-based content**

98

**% virgin renewable content**

0.32

**Please explain**

We assumed the plastic sold equals the amount of plastic goods produced in 2022. We have identified plastic products that consist of recycled plastic and castor oil plastic which lowers the fossil-based content of our plastic materials.

## W10.8

**(W10.8) Provide the total weight of plastic packaging sold and/or used, and indicate the raw material content.**

	Total weight of plastic packaging sold / used during the reporting year (Metric tonnes)	Raw material content percentages available to report	% virgin fossil-based content	% virgin renewable content	Please explain
Plastic packaging sold	309	None			We assumed the plastic packaging sold equals to the amount of plastic packaging goods produced in 2022. Our current data quality is not high enough to have recorded the recycle content of our plastic packaging sold. We are working on to request additional data from our sourced suppliers in 2023.
Plastic packaging used	20	% virgin fossil-based content % virgin renewable content	99.9	0.1	This will include our company purchased plastic packaging in our warehouses. Supplier plastic packaging used is excluded as it is not directly controlled by our company. However, we aim to provide data from suppliers in the coming few years to understand the recyclability and reusability of our product packaging in the entire value chain.

## W10.8a

**(W10.8a) Indicate the circularity potential of the plastic packaging you sold and/or used.**

	Percentages available to report for circularity potential	Please explain
Plastic packaging sold	None	In 2022, we identified our current material database has not stored the circularity of our packaging materials. Therefore, we have begun to work with internal teams to expand the details of

		the data stored, to request suppliers to provide us the material circularity. We desire to initiate this project in 2024.
Plastic packaging used	None	In 2022, we identified our current material database has not stored the circularity of our packaging materials. Therefore, we have begun to work with internal teams to expand the details of the data stored, to request suppliers to provide us the material circularity. We desire to initiate this project in 2024.

## W11. Sign off

### W-FI

**(W-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### W11.1

**(W11.1) Provide details for the person that has signed off (approved) your CDP water response.**

	Job title	Corresponding job category
Row 1	Director, Sustainability	Other, please specify Director

## Submit your response

**In which language are you submitting your response?**

English

**Please confirm how your response should be handled by CDP**

	I understand that my response will be shared with all requesting stakeholders	Response permission
Please select your submission options	Yes	Public

**Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

Yes, CDP may share our Main User contact details with the Pacific Institute

**Please confirm below**

I have read and accept the applicable Terms