

**Sustainability  
Report 2021**  
**#WeCare**



**MONDAINE®**

Swiss  Watch



SWISS  MADE

**M  WATCH®**

**PIERRE CARDIN®**  
PARIS

## Fully CO2 neutral: for YOU and the PLANET

The Mondaine Group is one of the first comprehensively carbon-neutral watch companies in the world, representing a significant achievement for the family-run SME, which was founded in 1951. Greenhouse gases, such as CO2, contribute to global warming and are responsible for the increasing imbalances in the ecosystem with heat waves, flooding's, fires and storms worldwide as a consequence.

The Mondaine Group, and all its 4 brands, has been engaged in efforts to reduce its own carbon footprint for several decades. And, in the year 2020 the watch group achieved its first time co2 neutrality, and we did it again, in 2021. Our carbon neutrality extends to all areas of our business as per scopes 1,2 and 3 of the Greenhouse Gas protocol (GHG). This includes the emissions in the Swiss watch factory, the HQ in Pfaffikon, all Luminor, MONDAINE, M+WATCH and Pierre Cardin watch components, gift boxes, display materials, their shipping to the Swiss factory, packaging, waste materials, electric power, heating and cooling and water as well as business traveling.

For the first time, our eco-balance sheet even includes the shipping of all watches to our direct customers, as part of the request of scope 3 of the GHG protocol. The huge photovoltaic system on the factory roof, unveiled in 2019, the use of hydroelectricity at its headquarters, a reduction in the volume and weight of packaging and the use of eco-friendlier materials in its packaging, casings and straps have all had a positive impact on the reduction of the company's carbon footprint.

For further CO2-offsetting as of 2021, we work with the NPO's GulaGula and OAK (see 'Who we support'). The not avoidable CO2 emissions we created for the year 2021 amounted to 1063 tons-equivalent. We have decided to continue to remove these emissions from the atmosphere with reforestation projects.

Beside our partner Fairventures Global with whom we are working since 2020, we added two more projects: Gula Gula in Indonesia, and OAK in Switzerland with whom we compensate exactly the amount of emissions we created within Switzerland.

**WE ARE COMPREHENSIVELY  
CO2 NEUTRAL AGAIN IN 2021,  
SCOPE 1, 2 AND 3.  
FOR YOU, AND THE PLANET.**



## The Mondaine Group

The Mondaine Group is an independent Swiss watch company, founded by Erwin Bernheim in 1951. It produces and sells Swiss made watches in the middle price ranges. The watch brands include MONDAINE, Luminox and M-WATCH and Pierre Cardin. The Mondaine Group is based in Pfaffikon (Canton Schwyz, Switzerland). The watches are developed and assembled in its own factory in Biberist (Canton Solothurn, Switzerland). Today the company is owned by the founder's sons André and Ronnie Bernheim, both members of the Board of Directors. CEO Niels Møller has been in charge of operations since August 2019. The Mondaine Group's watches are distributed by its own sales organizations - particularly in Switzerland, Germany and the USA - and by highly specialized importers in all other countries, who distribute the watches thru their network of watch retailers. Each brand run its own e-commerce shops. At the end of 2021, the Mondaine Group employed 130 people worldwide, including 92 in Switzerland. A total of 18 people (7 women and 11 men) hold management and specialist functions.



## WE CARE – for you, and the planet

As a family-owned Swiss SME, Mondaine Watch Ltd is a pioneer in the field of sustainability. The company has been actively caring for the environment by taking many innovative steps for almost 50 years. “The WE CARE mission means that we assume social and ecological responsibility with a corporate culture that encourages our consumers, trading partners and employees to act sustainably”, says André Bernheim, Co-owner and Chairman of the Board of Directors and Environmental Officer of the Group. Sustainability is part of Mondaine's DNA. The company is one of the leader in sustainability in the watch industry. “For decades, we have consistently maintained a responsible use of resources, searched for eco-friendly solutions and alternative materials. With our successful track record, we continuously reduce our ecological footprint, step by step. We would like other watch companies to follow our example to support the next generations” says Bernheim, who values open communication. We continuously increase our expertise in sustainability. **As of 2020 the group and all its four brands are co2 neutral, scope 1,2 and and 3.**



## Our sustainability story since 1973

As the world's first watch company, Mondaine produced the first solar-powered analog wristwatch as early as 1973. This was an important first step in terms of ecology and a sustainable value chain. Materials such as wastepaper, cardboard, batteries, PET bottles, plastic, and production waste, such as steel or electrical parts have been consistently separated, collected, and recycled for decades. Mondaine Watch Ltd. has been a member of the Swiss Business Council for Sustainable Development (öbu), since 1992. In 1993 the company received the “Alp Action Corporate Partners Award” at the WEF in Davos for its concept of producing watch cases from 100% post-consumer recycled metal. Well over 10 tons of consumer scrap were melted down and reused in the 1990s. The next innovation followed just three years later: the ReWatch private label watch was provided with a decorative ring made of compressed used beverage cans. Over the past 20 years, various watch models have been made with solar movements, bands of recycled PET (rPET), cotton, natural rubber and cork, watches with bezels from an old Swiss locomotive, and watch cases and bands made of wondertree oil plants and much more. Since September 2019, our factory in Biberist has been covering its annual electrical needs with up to 80% from its own solar power station. 800 m2 of solar collectors on the roof produce green electricity for the manufacturing of the Mondaine Group Swiss Made watches. Since 2020, we are co2 neutral as per scope 1,2 and 3 of the GHG protocol, for each brand and the entire group.



## OUR SUSTAINABILITY STORY



World's first solar-powered analog wristwatch

1973

Starting recycling paper, carton, glass, batteries, metals



Member of öbu (ecology minded company leadership)  
[www.oebu.ch](http://www.oebu.ch)

1980s

1992

Alp Action Corporate Partners Award. Watch case made from 100% consumer scrap metal, a true upcycling of waste material



First solar powered Mondaine/railway watch

1993

1996

reWatch  
Watch bezel made of used drinking cans: true upcycling



60 years of unchanged design of swiss railway clock - sustainable design

1999

2004

First leather alternatives such as rPET felt and nylon, linen, Cotton, cork, etc



Gottardo tunnel opening: bezel made out of old locomotive, true upcycling

2015

2016



Solar panels installed on the Mondaine Factory roof (Solothurn, Switzerland)

[Link to the Movie](#)



First time CO2 neutral, scope 1, 2 and partially 3



New Mondaine box, recycled cardboard, >50% less volume and weight

2017

Launch of Mondaine essence, case and strap made of wondertree oil

[Link to the Movie](#)



2019

Launch of the #TIDE watch, made of recycled ocean waste plastic (Luminox)

[Link to the Movie](#)



2020

2020

Extensive CO2 neutral, incl shipping to direct customer: scope 1, 2 and 3



2021

2021

Start shifting from animal leather straps to vegan grape leather straps, a full upcycling

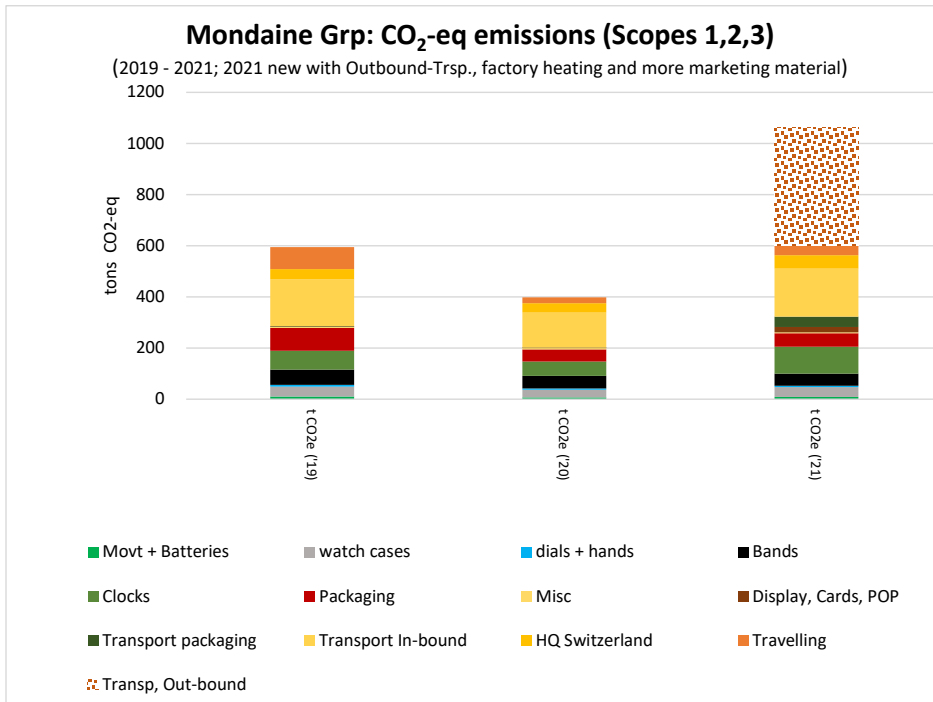


2022

## Mondaine Group’s Eco balance sheet

The watches of all our brands, and the Group in total, are CO<sub>2</sub> neutral, as per Scope 1, 2 and 3 of the Greenhouse Gas Protocol. This gives our consumers the comfort that their watch does not burden the environment further, we have taken care of this, to the benefit of our planet, and at no extra cost to the consumer. **Only a CO<sub>2</sub> neutral watch is a good watch in terms of sustainability.**

Here an extract of our eco-balance sheet as it had been calculated by the external specialized Company E2 Management Consulting AG, <https://www.e2mc.com/en>.

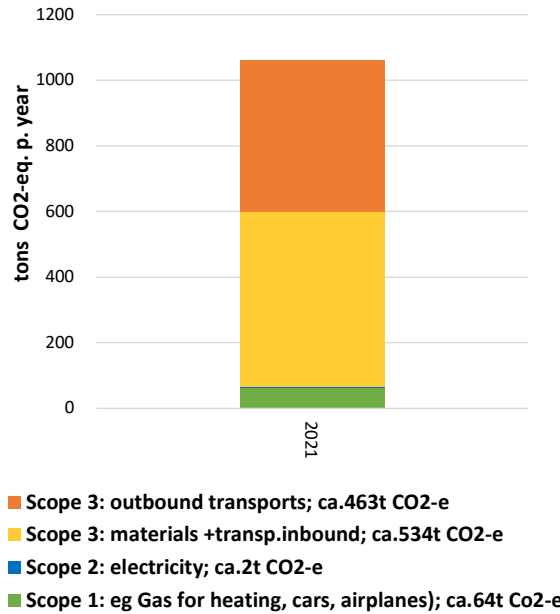


The comparison of the pre-covid year 2019, compared to the year 2021 shows improvements in our footprint reduction, eg packaging, but also shows the reduction in travelling emissions due to covid restrictions. The clock sales have been very favorable which led to an increase in emissions, obviously.

In 2021, the outbound shipping of all our watches was included into our eco balance sheet, having a big influence on our footprint which we had to compensate for.

**In 2021, our company caused 1063t CO<sub>2</sub>-equivalent emissions, which we fully compensated with certificates from 3 organizations engaged in reforestation, taking CO<sub>2</sub> out of the air again.**

**Mondaine Grp: 1063t CO2-eq emissions 2021 by Scopes 1,2 and 3**



The calculation of our eco balance sheet demonstrates the huge impact of the shipping, both inbound of watch components and giftboxes, as well as outbound shipping of our watches to direct customers.

The emissions in scope 2, mainly for electricity of our Swiss factory (powered by a photovoltaic power plant on its roof) and our headquarters are relatively minimal (2t CO2-equivalent) and therefore not visible in above graph.

As it becomes very evident, the inbound shipping of the parts as well as the outbound shipping of the watches and other materials make up the bulk of all our emissions. Reason, obviously, where we are trying to improve, eg by using trains for components coming from Asia to Switzerland but due to Covid, we had to switch often to sea shipping in 2021.

Our international distributors in all countries are paying for shipping and therefore also deciding on the way of transport. Within Europe, goods are mainly shipped by truck, whereas internationally, for timing reason, mainly by air. However, some overseas distributors like USA, Japan etc are getting their giftboxes by Sea in bulk shipments, saving shipping costs, and saving on emissions.

Note E2 Management Consulting AG: Corporate environmental performance assessments may be based on more extensive or more limited calculations. The Ecoinvent database (V2.2 including upgrades) was used as the source of emissions data. The company's environmental performance was assessed in respect of its greenhouse gas emissions as well as its overall environmental impact (EIP 13). In relation to greenhouse gas emissions, the evaluation covered the most significant processes from Scope 1 (company processes) and Scope 2 (company electricity purchase), as well as material supply chains, including plane journeys and company auxiliary processes, within Scope 3.

**SUSTAINABILITY IN BUSINESS**

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To whom it may concern

Zürich, 8th of June 2022

**On the greenhouse gas calculation 2021 for Mondaine Group Ltd.**

E2 Management Consulting AG (E2), Zurich, has been supporting companies and other organizations on sustainable management since 1995. As part of this, E2MC has gained experience and competencies in environmental life cycle assessment (LCA) and greenhouse gas (GHG) emission calculation.

E2 has been commissioned by Mondaine Group Ltd. since 2019 to calculate the latter's LCA and GHG balance. This document concerns the analysis for 2021. Mondaine again provided the data on material inputs and outputs for their watches, incl. transportation, and for the own processes in the factory in Solothurn and the headquarters in Pfäffikon/SZ, such as electricity, heat and water use, business travel, etc.

Relative to the 2019 and 2020 analyses, the system boundaries have been enlarged and the following aspects has been newly included in the analysis for 2021:

- Outbound transports of watches from the factory gate to the country-of-sale
- Natural gas use for heating of the factory in Solothurn
- PV electricity production from factory roof in Solothurn (for own use and sell-back to grid)
- Marketing material use

To determine the Group's environmental and climate footprint, E2 used background data from the Ecoinvent database (Ecoinvent 2.3 / KBOB:2016).

In terms of the Greenhouse Gas Protocol and ISO 14064, the analysis covers Scopes 1, 2 and 3: Scopes 1 and 2 contain the offices at Pfäffikon (SZ) and the factory near Solothurn, plus business travel by car. For Scope 3 the following sub-scopes are included: 3.1 Purchased goods, 3.3 own fuel and energy related activities (outside of scope 1&2), 3.4 upstream transport services, 3.5 treatment of own waste, 3.6 own business travel (plane travel, road infrastructure), 3.9 downstream transports to the country of destination. Data for Scopes 1 and 2 are mostly measured, Scope 3 data are partly measured (e.g. material use), and partly estimated (e.g. some logistics data).

The system boundaries used for 2021 can be read as covering the watches until their country of destination after sales.

For 2021, E2's calculation resulted in total emissions of 1063 tons of CO<sub>2</sub>-equivalents.

Compared to 2020, this more than doubles the value, which is due partly to the expanded system boundaries (esp. outbound transports, scope 3.9), partly to the business rebound after Covid in 2020.

E2 confirms that it has performed the calculation to the best of its knowledge and belief and aligned to current standards. In doing so, E2 also randomly checked the plausibility of the information received from Mondaine.

E2 Management Consulting AG

Arthur Braunschweig, Dr. oec. HSG  
Managing Partner





Green Map Icons matched with Sustainable Development Goals  
version 2 – January 2018



## Direct Contributions by Mondaine Group (by SDG numbers):



Affordable and clean energy: PV on our factory roof, producing upto 80% of our electricity consumption.



Decent work and economic growth: Our factory employs people from two foundations for psychologically handicapped people. In recognition, we received the award for social work called “Sozialstern Solothurn” from the State of Solothurn.



Industry, Innovation and Infrastructure: Climate neutral watches (Scopes 1, 2 and upstream scope 3, since 2021 also downstream (direct customers of the Group).



Sustainable Production and Consumption: Reduce, Reuse and Recycle in the factory and HQ of the Mondaine Group as well as along the supply chain. Make use of more eco-friendly materials for e.g. bands, cases and giftboxes, as well as eg a 50% reduction of weight and volume of giftboxes.



Life below water: close collaboration with Scott Cassell, who is engaged in saving the oceans, mainly shark population awareness. Reusing and upcycling material for cases and straps from ocean plastic from “Tide” company who collects plastics in the SE-Asia waters and recycles it to usable materials.

## Indirect Contributions by Mondaine Group, via financial support to our partners Fairventures Worldwide, GulaGula, OAK, WfW, Scott Cassell:



No poverty



Zero hunger



Good health and wellbeing



Education



Clean water (and sanitation): supporting WfW (Water for Water) in Sambia and Mozambique. The drinking glass and bottles in our factory and HQ carry the WfW logo in order to remind our staff every day of the value of clean water and sustainability in general.



Decent work and economic growth



Industry, Innovation and Infrastructure



Climate action



Life below water: close collaboration with Scott Cassell as we as using up-cycled material for Luminox cases and straps from ocean plastic from “Tide” company.



Life on land



Partnerships for the goals

## Social commitment

Acting responsibly does not stop with the production. It runs like a thread through our company. For us this also includes social engagement. In 2013 Mondaine Watch Ltd was awarded the “**Social Star of Solothurn**”, which honors the commitment of companies that maintain or create jobs for the mentally impaired people. The social criteria to which Mondaine is committed are set out in the Code of Conduct. We have also monitored compliance of our suppliers since the 1990s (see Code of Conduct). The Code of Conduct was reviewed in 2019. Our social and ecological cycle is certainly not perfect yet, but year after year we strive to improve and make progress, staying on top of our industry.



## MONDAINE brand: minimalistic, timeless watches made in Switzerland

Mondaine wrist watches, wall, table and pocket watches with the design of the licensed “Official Swiss Railways Watch / SBB” have been manufactured and exclusively sold world- wide since 1986. The design was created in 1944 by an engineer of the Swiss Federal Railways and has remained unchanged ever since. Mondaine’s philosophy is just as sustainable as the Swiss trains: In the 1990s, at a time when the topic of ecology did not nearly have the importance it has now, we already produced metal watch cases from 100% post-consumer recycled metals. In the mid-1990s, Mondaine equipped the first Mondaine railway watch with a solar watch movement. Since 2015, Mondaine has been using bands made from leather alternatives such as recycled rPET felt, rPET nylon, cork, organic cotton, wondertree (Castor) oil plants, and linen. In 2016, when the Gotthard Base Tunnel opened, we launched the limited “Gottardo 2016” collection. As a special feature of the Mondaine railway watches, the bezel were made from the original doors of the obsolete Swiss Ae 6/6 locomotive.



The Mondaine “Classic” models launched in 1986 are still as popular today thanks to their minimalist, timeless and modern design. As of January 2021, Mondaine changed its giftbox, from a previous plastic box to a very attractive recycled hard cardboard box. We are able to save more than 50% in volume and weight compared to the previous box. Reduce, Recycle and Reuse in perfect harmony – saving a lot of CO<sub>2</sub>, and offering an attractive, worthy box for consumers at the same time.

In 2022, Mondaine wrist watches will start with a great alternative to cow leather: **Grape leather**, based on the waste materials of the Italian wine industry. As of winter 2022, the classic collection will be fitted with this great innovation, all other models will follow during the course of the year. Consumers will not feel the difference, but it is a very important move towards the animals, and the environment – it reduces a great deal of our CO<sub>2</sub> footprint, which is giving a good feeling for consumers, too, and obviously vegan/animal free. The quality, touch and feel are at least as good as cow leather, proven in lab tests and wearing tests. The good news is, they are not more expensive than our previous straps. Good for you, and the planet.



## MONDAINE essence

In 2017, Mondaine presented what is probably the world’s most sustainable watch with the “essence” collection in the iconic Swiss Railway station clock design. The watch case is made from 70% natural raw materials, namely from the oil of the wondertree plant (castor oil) and glass powder. We deliberately avoid bands made out of leather for this collection. The replaceable bands optionally consist of 50% wondertree oil or 100% recycled PET bottles.

The backside of the strap is lined with natural cork. Even the packaging of the essence models was made of more than 96% recycled PET bottles and is also useable as a case for a cell phone or eyewear. But we do not rest on our laurels: the cases and the bands are constantly being developed to become more sustainable, and the search for new, eco-friendly materials and production methods is in full swing. Mondaine uses no diamonds and only a few grams of gold per year (PVD case and bands). Assembled with PV power, CO<sub>2</sub> neutral watches same as the entire brand and company.



## Luminox:

### Ultimate Outdoor and Adventure Watches made in Switzerland, 25 years Always Visible

For the watches from our Swiss Luminox brand, we largely avoid using leather. 90% of all models are vegan. Luminox does not use diamonds or gold like most brands in the luxury segment, often linked to inhuman way of mining and eco-unfriendly.

Luminox strives to excel in sustainability and the newest collection of watches in partnership with Bear Grylls is the perfect example of our efforts. The new Bear Grylls Survival Master series uses #tide upcycled plastic from water bottles reclaimed from the ocean for its case, bezel and straps. Not willing to rest upon our laurels, we continue to push forward to design a more sustainable product with this collaboration. With the new Master Series, Luminox meets the challenge in both watch and packaging, so there is no longer a need to choose between functionality, durability and sustainability. Both a survivalist and environmentalist, Bear Grylls is the symbol of the quest for sustainability.

Bear Grylls said, "Sustainability has a special meaning to me as I spend so much time in the wild on my many adventures. This new timepiece from Luminox is both great for keeping time and for helping the environment by utilizing #Tide upcycled materials."



## M+WATCH

In 1983 we launched the M+WATCH, the parts of which can be recycled individually, and which - unlike many other plastic watches in the low-price segment - can also be repaired. We started making M+WATCH gift boxes out of recycled cardboard and separated rPET bottles in the early 1990s already. Together with the French oceanographer and filmmaker Jean-Michel Cousteau, M+WATCH launched a water resistant watch collection in 1999. Its quartz movement was powered by solar energy. The housings of the six models were made of 100% post-consumer recycled metal.



## PRODUCTION

### Solar energy for our watch production

Since September 2019, the Mondaine Group has been operating a photovoltaic solar system on the roof of its own factory in Biberist, Switzerland. The electricity generated from solar energy covers up to 80% of our total annual needs, the remaining amount of energy is covered by green energy, provided through a hydroelectric power plant.: Green electricity for a greener environment. In the summer months, the factory sells excess energy to the local electric company. 120,000 kWh of PV energy is generated annually. Mondaine thus saves around 77 tons of CO2 emissions every year.



### Material recycling

Materials such as wastepaper, cardboard, batteries, PET bottles, plastics from various types of packaging, production waste, such as steel or electronic parts, have been consistently separated and collected in our factory and at our headquarters for decades, and handed over to recycling facilities. They are recycled and gradually reduce the use of new material. We also intend to reduce plastic bottles, aluminum and plastic waste from food products both in our factory and at our headquarters, collect them consistently and recycle them.

## Watch recycling

All our watches of our four brands are repairable, and can be repaired under the international service organization, called MISO. We are carrying a huge stock of components for many years to support the repair work for our consumers benefit. This alone is already an important step for sustainability, as if a watch is repairable, it is recyclable into its parts, too. Until 2019, a watch recycling did not yet exist in the watch industry. The Mondaine Group has therefore taken the first step. We are the world's first watch company to offer a free watch recycling, at our Swiss factory. Customers can send in the watches they no longer use, except plastic watches from third parties. In our factory, these watches are then broken down into their individual parts. Many of its materials can be recycled. The intention is to expand this service to other countries, too. We are gradually working toward creating a closed product cycle with minimum waste, as a step towards "cradle to cradle".

## SUPPLY CHAIN AND MATERIALS

### Materials for watch bands and cases

Intensive research is being conducted for more sustainable leather and leather substitutes. Given the problems surrounding animal farming and the tanning of leather, we are constantly looking for alternatives to animal-based leather for all brands of the Mondaine Group. After having evaluating and testing e.g. bamboo, grape, pineapple, banana, and apple fibers, we found in lab and physical tests that grape leather is the best choice to replace animal leather. Grape leather straps perform in quality as well as in touch and feel at least as good, and the price is not higher than animal leathers. In winter 2022, we started fitting grape straps to all our Mondaine Classic models, and will gradually shift all straps to the vegan alternative.

For years, we have been using rPET felt and rPET nylon, cork, cotton, and wondertree oil for the bands on various Mondaine models already, which are not only more environmentally sustainable than the materials commonly used in the watch industry, but also extremely comfortable to wear, durable and usually not more expensive than common bands.

We do not use the leather from so-called "leather cows" for leather bands; where we still are using leather, it is a side product of the meat production and are tanned without chrome (ROHS standard).

Our steel material already uses a significant percentage of recycled steel. We are trying to further increase this percentage gradually in the long term.

For additional material for watch cases and bands, we have successfully carried out tests in specialized laboratories as well as wearing tests using what is known as ocean plastic waste. In September 2020, and again in 2021 the case and strap of special Luminox models are made of this 100 % ocean waste plastic material, - a true upcycling. The material is collected in the world's oceans by the award-winning "Tide" company and processed into new plastic material. Local fishermen collect the plastic in Southeast Asia.

They are specially trained and paid for this. In collaboration with the Swiss non-profit organization Jan & Oscar Foundation and the International Union for Conservation of Nature, the material is registered, washed and shredded. New products such as our watches are made from the plastic obtained – upcycling at its best.



**#tide**  
OCEAN MATERIAL

[www.tide.earth](http://www.tide.earth)

## Material declaration list

### Watches

Watches of all our brands are **repairable**, and profit from MISO-Mondaine International Service Organisation. We keep components for our watches for many years in order to allow the repair of the watches. As our watches are repairable, we also can recycle its main components.

### Movements

All our movements can be repaired, however for quality reasons, we often replace the movements in our official service centers. We are collecting unusable movements, to be recycled as much as possible by specialize companies, especially the electronic parts.

For Luminox, Mondaine and M-Watch, we are using Swiss Made movements made, with metal plates. All our batteries, except about 5% of the batteries which are made with Lithium for extended life span, are silver-oxid batteries, which do not have heavy metals inside. Therefore, the batteries could be disposed of as trash as they are not hazardous. All our service centers will hand used batteries over to the battery recycling facilities in order to recuperate the precious silver and Lithium.

### Cases

**Stainless steel** case and bracelet factories are buying from various steel traders. We are using stainless steel 316L for Mondaine and Luminox, 304L for M-Watch and Pierre Cardin. Up to 80% of the steel is recycled steel. We are still fighting to get a clearer statement from our suppliers. The target is to increase the %-age of recycled material. The watch recycling offered by the group allows us to have old stainless steel case material being recycled again, supporting our circular economy.

**“CARBONOX®”** The special compound material was used by the Mondaine group first time in the mid 90’s, and used for Luminox since 2006 in various grades. Carbonox uses, depending on model, 10% to 30% carbon. The balance material is either PC (polycarbonate) or PPS (polyphenylene sulfide). Carbon makes the case much harder then normal fossil oil materials used in the watch industry, which offers a longer lifespan as well.

**“CARBONOX+®”** The special compound material was used by the Mondaine group first time in the mid 90’s, and used for Luminox since 2006 in various grades. Carbonox+ contains 40% Carbon, which makes the case very hard and offers a long lifespan, comparable to stainless steel. Carbon is often used in other high-tech industries for weight, hardness and durability reasons. The balance material is PPS (polyphenylene sulfide).

**“Tide”** Ocean Material (<https://tide.earth/>) is a material gained from plastic collected from the ocean, then sorted and re-used as a granulate for cases injection or yarn for straps for weaving.

**Castor oil compound** material is being used for Mondaine ‘essence’ series for cases: a special compound material developed by BASF and adapted to our needs in terms of durability, stability and water resistance by adding 40% glass fiber. Therefore, over 70% of the essence cases are natural materials.

M-Watch plastic cases are mode of **PU**.

**Bands**

Leather straps for all our brands: our leather origins mainly from suppliers approved by LWG – leather working group <https://www.leatherworkinggroup.com/>. This NPO (non for profit organization) entrusts leather factories to adhere to strict transparency rules of leather origin and work labor applied during the processes, including carrying out audits at leather suppliers.

We are only using leather originated from the food industry, thus not from so called “leather cows” who only are bred for gaining their skins.

Mondaine has started as of February 2022 replacing the cow leather material with “**grape leather**”, which is made out of the waste material of the wine industry. It is a compound of grape waste and bio-oil (55%), water-based PU (45%) for the upper side of the strap, and 100% recycled polyester or grape leather for the backside. All watches will therefor soon be entirely animal free, vegan.

Mondaine essence series is using the BASF compound **castor oil (wonder-tree)** material, with over 50% castor oil. Mondaine also uses recycled PET nylon and felt, cork, linen, cotton for several watch straps of their collections.

Luminox is mainly using TPU and Silicon for their straps, as well as **recycled ocean plastic trash from Tide** (<https://tide.earth>)

M-Watch plastic straps are made of PU.

**Dials**

Dials for all our brands are made of brass material.

**Hands**

Hands for all our brands are made of a special aluminum material or brass.

**Batteries**

The batteries used for all our brands are either silver-oxide, which are harmless to the environment but contain valuable materials such as Silver. On special models of the Luminox brand, we are using Lithium cells, which got a much longer life span of up to 10 years. No batteries shall be disposed of in the garbage but handed over for recycling of their materials to our official service center.

**Giftboxes**

Mondaine brand was using rPET felt giftboxes essence collection, and as of January 2021 we introduced a new giftbox for all watches with less than half the weight, material used and volume compared to the previous plastic box. This new giftbox is made of recycled cardboard and is less than half in weight and volume, thus reducing our co2 emissions tremendously.

Luminox: in 2021 we have introduced the ECO-box (FSC) for our ECO products (#Tide Ocean Material). Weight reduction >50%.

The weight reduction is more than 50%, reducing our emissions accordingly.

All other Luminox giftboxes are made of recycled ABS material since 2021.

M-Watch giftboxes are made of 50% recycled cardboard and 50% PE.

Pierre Cardin giftboxes are made of 50% PE/50% GK. Alternatively a PVC backpack (i.e a second use of the giftbox), with a recycled cardboard.

**Paper work**

Paper: the entire group is using FSC certified paper, for office use, but also for all marketing materials like catalogues, protection sleeves for gift boxes, etc.

## Transports

The goal in the medium term is to achieve a cycle that is as emission-reduced as possible. The components we are buying in Asia are transported to Switzerland by sea, if possible. We already started using the newly opened railway connections for the transports between Asia and Europe in 2019 and expended this route as much as possible in 2020 and 2021. Of course, we are trying to source closer to our Swiss factory when reasonably possible.

## Watch packaging

Watch packaging must fulfill various functions. It must protect the watch for transport, it should be of minimum volume and weight from an ecological point of view, it should consist of sustainable materials, and it must be gift-worthy and valuable. The best packaging from an ecological perspective is 'no packaging'. There are already consumers who prefer and ask for 'no packaging'. We pay the utmost attention to fulfilling all of these criteria above. For the Mondaine essence series launched in 2016, we offered a pouch which is more than 50% smaller and lighter than our normal packaging and is made from recycled PET bottles, and it even has a secondary use as a mobile or eyewear pouch. These efforts have allowed us to significantly improve our environmental footprint.

The Mondaine brand introduced in January 2021 a new gift box for all their watches, fulfilling all above criteria: valuable, gift worthy, more than 50% smaller and lighter than the previous square box made of plastic, now being recycled hard cardboard and rPET. Obviously, we are saving more than 50% of the emissions compared to the previous box, in production as well as in shipping. For the Luminor watches, a more sustainable material has been introduced in 2021 as well, now made of 100% recycled ABS.

For all our brands we eliminated in 2021 almost all printed papers like instruction manuals, warranty terms booklet, etc. They now all can be easily found on our websites. All printed paper (catalog, printer, necessary watch enclosures) is FSC certified, i.e., from sustainable and social forestry. More than five years ago the Mondaine Group switched over entirely to recycled paper for brochures and printer paper.



## Code of Conduct for Suppliers

Our code of conduct, which covers all human rights rules for employees - has been a central element of our company since the early 1990s. The relationship with our parts manufacturers is based on fairness, trust, supervision, and sustainable practices. With our Code of Conduct, our suppliers commit to creating a safe work environment that is characterized by respect for the employees and compliance with human rights. The ecological aspects that are important to us are also part of this CoC and are intended to guide our primary suppliers to take a more ecological approach overall. We regularly train and visit all major parts suppliers, and jointly we set goals for improvements, step by step.

The Code of Conduct is available from us upon request. Our Code of Conduct includes e.g., compliance with the principles of the International Labor Organization (ILO) and the Charter of Sustainable Development of the International Chamber of Commerce (ICC), the prohibition of discrimination, compensation claims for overtime work, a ban on child labor, a safe workplace, a ban on exploitation, a responsible environmental management, fair competition and the protection of intellectual property.

## OFFICE

### Recycling

We collect not only PET at our workplaces and in the cafeterias when our employees bring PET bottles etc, but also glass, aluminum, batteries, paper / cardboard and all other materials that can be recycled are being collected and handed over to recycling companies. Separating materials to reuse them provides an important contribution to environmental protection, known as circular economy. Of course, we are also collecting all production yield loss and get them either back to the suppliers for recycling, or a specialized recycling company. The world's resources are precious and finite. Therefore, we care about them.

### “Minergie” (low-energy) building

Our headquarters in Pfaffikon, Switzerland are located in a Minergie building. As a company that deals with time, we also keep up with it. Therefore, we deliberately chose a Minergie building with low energy consumption. Both the exterior facade of the building and the inside are known for excellent insulation. The needed energy for our headquarters is covered by green energy provided through a hydroelectric power plant. Thanks to circulating air, which provides cooling in summer without air conditioning and heating in the cold season, we achieve the smallest possible ecological footprint, just like with our watches.



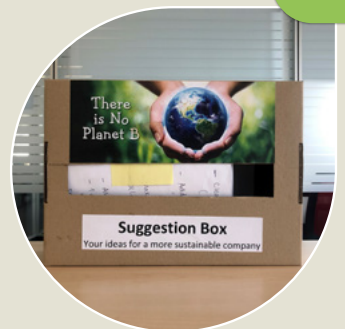
### Drinking water

Our goal is to make our employees aware of water consumption, same as of sustainability in general, and activate it every day. Therefore, we have eliminated PET bottles at our headquarters in Pfaffikon, Switzerland, as well as in our factory in Biberist, Switzerland. Drinking water only comes from the tap. Each employee received a drinking glass and a bottle with the logo of the “**Water for Water**” NGO. We also support this NGO financially with CHF 7,000 per year. With our contribution to WfW, a non-profit organization (NGO), we support the people of Zambia and Mozambique so that they have access to clean drinking water (see also “Who we support”). Overall, this step enables us to prevent the previous consumption of almost 6000 PET bottles per year.



### Eco mailboxes

Both at the headquarters and in our factory in Switzerland we have eco mailboxes where the employees can suggest ideas for more sustainability. More than 20 innovative ideas have already been received. These are evaluated and implemented, if found to be feasible and reasonable. For example, the cooperation with the reforestation Fairventures NGO was one of these ideas (see “Who we support”). The suggestion to switch to Ecosia, which plants a tree for every five searches, instead of using Google as our search engine, was also suggested by our employees and helps us to further reduce our carbon footprint.





## WHO WE SUPPORT

### Smiling Gecko Foundation

[www.smilinggecko.ch](http://www.smilinggecko.ch)

The non-profit organization Smiling Gecko based in Dübendorf, Switzerland, supports women, children and adolescents in Cambodia who previously had to live on waste dumps. Smiling Gecko's goal is to provide direct help and self-help. After a lecture by founder Hannes Schmid at Mondaine, the company decided to support Smiling Gecko. Over the past four years over CHF 20,000 have been donated to this very important non-profit organization.

### Fairventures Worldwide, reforestation

[www.fairventures.org](http://www.fairventures.org)

In 2020, Mondaine launched a collaboration with the non-profit organization Fairventures Worldwide. The NGO is committed to reforestation in a very socially responsible manner in endangered areas, such as the Indonesian island of Borneo. In spring 2020, Mondaine launched special WE CARE models of the Mondaine essence line. CHF 20 from every model sold, which are probably the world's most ecological watches (see Mondaine essence), go directly to Fairventures. The progress of the reforestation project can be followed on an interactive webmap on the NGO's website. The area to be reforested by Mondaine is marked with the "Mondaine" label. In order to also demonstrate the sustainability of this project, Mondaine has signed a multi-year agreement with Fairventures.

With the support of Fairventures, Mondaine set-off all its non-avoidable CO<sub>2</sub> emissions of the year 2020 by and received a certificate from Fairventures, certifying that 400t CO<sub>2</sub>-e have been offset.

Please enjoy the interactive 3D video here

<https://www.youtube.com/watch?v=eFAXJm0QZiQ>

### Water for Water Foundation

[www.wfw.ch](http://www.wfw.ch)

Mondaine Watch Ltd. is a supporter of the NGO "Water for Water". We support the non-profit organization financially, but we are also involved within our own four walls (see "Drinking Water"). The donations go to sustainable projects in Switzerland, Zambia and Mozambique. In Africa, "Water for Water" provides safe access to clean water, sanitary facilities and promotes vocational training in the water sector. In 2019, Mondaine signed an agreement for CHF 7,000 annual support.

Almost 6000 PET bottles have been saved in-house by eliminating PET bottled water. Tap water is the most environmentally friendly drink possible. Every liter of tap water that is consumed instead of branded water protects the environment and saves the enormous expenses for transporting bottled water in PET bottles.

### Gula Gula, reforestation, Indonesia

[www.gulagula.org](http://www.gulagula.org)

Our group has added the shipping of watches and giftboxes to our direct customers into our eco balance calculation for first time in 2021, which is part of scope 3 of the Greenhouse Gas protocol. The other part of scope 3, the production and shipping of the components to our warehouse, had been integrated in our eco balance already in 2020. As probably one of the only watch companies, we **fulfill scope 1,2 and partially 3**. The additional emissions from shipping of our goods to the customers, we were searching for a great project for off-setting these emissions. We wanted a NPO (non-for-profit organization) that is doing reforestation which is reducing the CO<sub>2</sub> in the air overtime, in a bio-diverse manner, and supporting local people in education, long term income and respects the human rights. We have found what we were looking for, similar to Fairventures Global, in the Gula Gula project, and signed a long-term contract with them.

### OAK, improved forest management, sustainability, Switzerland

[www.oak-schwyz.ch](http://www.oak-schwyz.ch)

As our company is based in Switzerland, more precisely in the state of Schwyz, we were looking for an organization which is taking care of the forest. We are proud to announce our collaboration with Oberallmeindkorporation Schwyz (OAK).

The climate project of this corporation is contributing to the CO<sub>2</sub> reduction in the air. Thru their improved forest management, they ascertain sustainably all functions of the forest: protection against natural hazards (like rockfall or landslide), wood production, biodiversity, recreation, clean drinking water, etc.

With OAK, we are offsetting all our non-avoidable **emissions created directly in Switzerland**, including the factory, our Headquarters, and all travelling of our sales representatives in Switzerland. With this collaboration, all our swiss emissions are compensated and it operates **climate neutral**.

### Scott Cassell

[www.underseavoyagerproject.org](http://www.underseavoyagerproject.org)

As an extreme diver, underwater researcher and head of the NGO project Undersea Voyager Project, Scott Cassell is committed to protecting the aquatic world and especially that of marine life. With his actions, he raises awareness of the disturbing condition of the oceans, particularly the eradication of sharks, which greatly endangers the ecological cycle. Luminox has been at his side since 2009 with a series of special edition watches that withstand the extremes of the underwater world. Some of our proceeds go to Scott Cassell's projects. So far we have been able to support Scott Cassell with over CHF 130,000.

## Ecosia search engine

[www.ecosia.org](http://www.ecosia.org)

We are always looking for environmentally conscious and sustainable solutions for our production. It is logical that we apply this to all areas of work, including the Internet. Instead of working with common search engines like Google, we are increasingly relying on Ecosia. This search engine provider plants a tree for every five searches financed by advertising revenue.

## Our online consumer's support

Proudly we can report that in 2021 already 30% of our consumers voluntarily donated an amount to their purchases on our online shops in Germany, Switzerland, Austria and UK. This amount was directly donated to Fairventures Worldwide, and thus helped planting more trees. As we ourselves already compensated all our CO2 emissions, these additional funds and planting thanks to consumers contribute to an overcompensation of the group's footprint.

## Project Aware

[www.projectaware.org](http://www.projectaware.org)

Project AWARE® is a global movement for ocean protection powered by a community of adventurers. With a mission to connect the passion for ocean adventure with the purpose of marine conservation, Project AWARE brings together a dedicated team of individuals around the world who share a passion for ocean protection and adventure to secure real and direct environmental victories. Project AWARE is a registered non-profit organization with offices in Australia, UK and USA.

Luminor is directly donating a portion of the retail price from each sale of its Bear Grylls X #tide watch – a timepiece made from 100% recycled plastic ocean materials - to Project Aware. In total, CHF 45,000 has been donated to Project Aware from the proceeds of the limited edition timepiece in 2020.

# NEXT GOALS

## OUR GOALS

### Next goals

As most likely the **WORLD'S FIRST WATCH COMPANY**, we achieved **CO2-neutrality** in the year 2020, through efforts in the sustainability area, the 3R (reduce, recycle, reuse) and thru compensating the non-avoidable emissions. In 2021, we added the emissions for shipping our products to our direct customers, which is also part of scope 3 of the GHG protocol – the shipping of the components to us were already accounted for in 2020. We are co2 neutral accounting **all 3 scopes of the GHG protocol and will remain to be CO2 neutral in the coming years.**

On the way to becoming better and better in terms of sustainability, we are continuously improving our products, use as much as possible solar power from our photovoltaic plant on the roof of our factory in Biberist/Switzerland, reduce and recycle more and more material, optimize the transport routes and switch to more environmentally friendly materials for watches and packaging. Many more initiatives will follow.

Our next goals for 2022 is to replace the leather straps of our brands successively with non-animal-based, **vegan** materials. Our Mondaine brand started using a plant-based material for their straps as of winter 2022 instead of cow leather. After many months of evaluating and testing various options, we decided to use **grape skin leather for our straps**, a by-product of the Italian wine production, which up till now was thrown away as useless. A true **upcycling material** for our straps, which touches and feels like cow leather, the quality is absolutely comparable, and... **it does not cost more than cow leather.**

**What a great feeling buying a watch which is sustainable, the strap is vegan, production is powered by our own photovoltaic solar system and the brands and the group are CO2 neutral.**

Shipping of the components to our factor, and of our watches to our direct customers is a big part of our total CO2 emissions which we want to reduce further in 2022 and beyond, by using the railways whenever possible instead of sea or even air, mainly for the bulkier and heavy parts.

Another target is to expand our watch recycling program, which we started in 2019, to more countries in 2022/2023.

# LONG-TERM GOALS

## Long-term goals

Like the hands of a watch, the development of Mondaine moves only one way - forward. Therefore, the search for additional environmentally and socially relevant opportunities for improvement will continue in the long term, same as the expansion of the sustainability strategy in our value chain.

Our long-term goal is to get as close as possible to a cradle-to-cradle cycle. Cradle-to-cradle also means that the materials used will not become waste and are retained instead, as valuable materials. They are either reused technically or they are biologically composted. In the future, we want to continue to work largely with renewable energies in our factory and use even more often sustainable materials, reduce our CO<sub>2</sub> emissions as a company overall as well as on brand level, and remain carbon neutral for all 3 scopes 1,2 and 3 through compensation in collaboration with NPO in the field of deforesting and/or other projects which remove CO<sub>2</sub> from the atmosphere.

We are researching for a way to source stainless steel with a high percentage of recycled material for our steel cases, which is a long-term goal. Further, we want to motivate and support our component suppliers even stronger to become socially and ecologically better.

André Bernheim, Co-owner and Sustainability Officer of the Mondaine Group, is in contact with various environmental organizations and with an independent environmental expert in order to implement more concrete long-term goals, within the possibilities of our SME.

His goal is: the Mondaine Group and all its four brands shall stay in the lead of sustainability in the watch industry for as long as possible.

**“In terms of sustainability, only no watch (and no mobile phone) is sustainable. The next best option is a watch from the Mondaine Group”.**

