



ASSOCIATION POUR L'ASSURANCE QUALITÉ
DES FABRICANTS DE BRACELETS CUIR



AQC

COMMUNICATION ON ENGAGEMENT

Second report – March 2023

This CoE includes a statement by the President of AQC, as well as the description of actions taken to support the Global Compact Principles, and to further engage with the initiative since the publication of the first CoE, in March 2021.

Neuchâtel, February 10th, 2023

COMMUNICATION ON ENGAGEMENT (CoE)

Period covered from: 1st January 2021 to 31st December 2022

Dear Stakeholders,

As President of AQC, I am pleased to confirm that AQC – Association pour l'Assurance Qualité des Fabricants de Bracelets cuir - reaffirms its full support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this Communication on Engagement, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations.

We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Angelika Duckenfield
President



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1. INTRODUCTION

1.1. About AQC

AQC stands in French for « Association pour l'Assurance Qualité des Fabricants de Bracelets Cuir », Association for Quality Assurance of Leather Bracelets Manufacturers. The Association has been officially established in June 2014 by the five main leather bracelet manufacturers : Brasport, Camille Fournet, Hirsch, Interstrap and Multicuir. Together, the Maison Members of the AQC represent more than 80% of the world's premium production.



The AQC was created to provide an additional service to all value chain Stakeholders, especially Watch Brands and Tanners, by allowing to meet the requirements of traceability and compliance of materials used in the manufactures of leather bracelets.

The 5 AQC Members have partnered to aim for the following vision :



In support of its mission, and to meet the requirements of Watch Brands, the AQC certifies its Members to ensure that the manufacturing of leather bracelet reaches the highest quality standard. Prior to the implementation of AQC certification, nothing was dedicated to this sector. Today, the AQC certification is the only CSR certification for Leather Bracelet Manufacturers.

To be certified, the Bracelet Manufacturers production sites are audited every 2 years by a third party: the *Société Générale de Surveillance* (SGS). The specifications and certificates are available on the [AQC website](#).

With regard to the leather supply chain, the AQC relies on the relevant and recognised certification bodies, like LWG and ICFA.

1.2. How AQC implements the SDGs

The AQC acts in favour of sustainable development by engaging the entire supply chain of leather bracelets. In its efforts to implement the principles of the Global Compact, the Association has selected the 6 most relevant SDGs in the leather bracelet supply chain.

GOAL 6 : CLEAN WATER AND SANITATION

Goal 6.3 : By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

Goal 6.4 : By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

AQC ACTION : Tanneries need water in the tanning process. Here, AQC relies on the expertise and certification of the Leather Working Group (LWG), which verifies the water use management and effective effluent treatment of leather suppliers.

Bracelet Manufacturers do not use water in their manufacturing process.

SDG 12 : RESPONSIBLE CONSUMPTION AND PRODUCTION

Goal 12.2 : By 2030, achieve the sustainable management and efficient use of natural resources.

Goal 12.4 : By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment.

Goal 12.5 : By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

AQC ACTION :

Goal 12.2 : *Alligator mississippiensis* skins (representing 98.2% of the exotic skins delivered to AQC Members in 2021) are sourced from farms that are 100% audited or certified and located in the south-eastern USA, mainly in Louisiana. In this State live approximately 3'000'000 alligators, of which more than 2'000'000 are found in the wild, the wetlands¹. The income from the alligator skin trade allows the investment in the restoration and protection of the bayous (wetlands), since these alligators breed only in their natural environment. Wetlands are also one of the world's ecosystems that store the most of carbon².

Goal 12.4 : For several years, the AQC has been promoting the respect of chemical compliance at international level in Multi-Stakeholder Meetings (welcoming Leather Bracelet Manufacturers, Watch Brands, Tanners, Farmers, Chemical Suppliers, Associations and Commercial Intermediaries). As a reference tool for chemicals, the AQC recommends all its partners to be in compliance with the list of regulated substances in production (mRSL) published by the [Zero Discharge of Hazardous Chemicals \(ZDHC\)](#).

In agreement with the partnership for the objectives and to ensure the chemical compliance of the materials, the [AQC technical working group](#) defines and regularly updates the lists of regulated chemical substances. Quality controls are carried out by several [laboratories referenced](#) by the AQC according to selected and normalised analytical methods.

¹ [Louisiana Department of Wildlife and Fisheries](#)

² [United Nation Environment Programme](#)

This allows the AQC to create and publish on its [website](#) Restricted Substances Lists (RSL) relevant to the leather watch bracelet and all its components.

Goal 12.5 : Through its [certification](#) AQC is raising awareness among its Members to implement waste management and circularity in production. During meetings with all Stakeholders, experts are invited to promote circularity.

In early 2023, the AQC also committed to defining an industry-recognised life cycle assessment for bracelets, with the aim of improving their environmental impacts.

SDG 13 : CLIMATE ACTION

Goal 13.3 : *Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.*

AQC ACTION : Bracelet Manufacturers, Members of AQC, are committed to assessing and reducing their greenhouse gas (GHG) emissions. The presence of this engagement is verified during AQC certification audits.

AQC also promotes the reduction of GHG emissions within the supply chain, and in particular within Tanneries, through the organisation of events and its active participation in LWG working groups and consultations.

As an employer, AQC is committed to a sustainable development policy aimed at drastically reducing the impact of its activities on the climate. Moreover, all collaborators are strongly engaged and encouraged to act in favour of this policy, with for example the financial incentive to use public transportation.

SDG 14 : LIFE BELOW WATER

Goal 14.1 : *By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.*

AQC ACTION : Tanneries need water in the tanning process. Here AQC relies on the expertise and certification of LWG which verifies the water use management and effective effluent treatment of leather suppliers.

Bracelet Manufacturers do not use water in their manufacturing process.

SDG 15 : LIFE ON LAND

Goal 15 : *Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.*

AQC ACTION : Thanks to an annual mapping of the supply chain, both for exotic leathers (98.2% mississippiensis alligator ; 1.8% other exotic skins, including South African ostriches from certified farms³) and for bovine leathers, AQC identifies for its Members the risks linked to the deterioration of the life on land (deforestation, lack of traceability, species caught in the wild, etc.).

³ Exotic leathers deliveries to AQC Members in 2021

The supply of alligator leather, all bred in the American Southeast, is in full compliance with [CITES](#) regulations⁴. As the International Union for Conservation of Nature stated in a [letter to the CEOs](#) of the luxury fashion industry, this supply chain helps to preserve species and their natural habitat.



SDG 17 : PARTNERSHIPS FOR THE GOALS

Goal 17 : Strengthen the means of implementation and revitalise the global partnership for sustainable development.

AQC ACTION : To ensure a leather bracelet with the highest level of safety and to act for a responsible global supply chain, one of the main roles of AQC is to strengthen the collaboration between Leather Bracelet Manufacturers, Watch Brands, Tanners, Farmers, Chemical Suppliers, Associations and Commercial Intermediaries.

To this end, the Association organises specific working groups and Multi-Stakeholder Meetings. Moreover, AQC maintains numerous contacts and regularly shares information with the industry via various communication channels.





⁴ *Alligator mississippiensis* are listed in [CITES appendix II](#), which lists species that are not necessarily now threatened with extinction, but that may become so, unless trade is closely controlled.




1.3. AQC Members' Pledge

In 2022, the AQC Members have further strengthened their commitment to a responsible global supply chain. They have officially formalised their commitment, as shown in the document copied underneath.

These engagements formed the basis for the evolution of the Bracelet Manufacturers standard.

The AQC's 5 member companies are transparently and collaboratively contributing to the United Nations 2030 Agenda and SDGs

PLANET


- We are committed to measuring and reducing our carbon footprint
- We support the circular economy and renewable energy
- We are developing strategies to preserve natural resources and biodiversity and to contribute to reforestation
- We are limiting chemical risk and ensuring chemical compliance

PEOPLE


- We are cooperating with all the stakeholders in the leather bracelet value chain
- We are verifying working conditions and inclusion thanks to supplier certification and commitment
- We are contributing to the transmission and the preservation of the leather bracelets artisanal craft
- We are proactively sharing solutions for chemical compliance based on our high level of competence and long experience

PRODUCT


- We are committed to the transparency of our leather supply chain
- We pledge to take our bracelets life cycle into account and minimise its impact
- We guarantee the promises of our pledge with AQC certifications




6 CLEAN WATER AND SANITATION




12 RESPONSIBLE CONSUMPTION AND PRODUCTION




13 CLIMATE ACTION



14 LIFE BELOW WATER



15 LIFE ON LAND



17 PARTNERSHIPS FOR THE GOALS

BRASPORT
SWITZERLAND — SINCE 1946

**CAMILLE
FOURNET**
PARIS

HIRSCH
The bracelet since 1765

HERZAP
L'ARTISAN CUIR

MULTICUIRS
GENEVE

2. AQC ENGAGEMENT WITH UNGC

2.1. The beginnings



It all started in 2018, the 21st of June when Antonio Hautle, CEO of UN Global Compact Network Switzerland and Lichtenstein, participated as a keynote speaker to the first AQC Multi-Stakeholder Meeting, in Neuchâtel.

Thanks to Mr. Hautle, almost 100 representatives of the leather bracelets supply chain, had the opportunities to learn more about the United Nations 10 principles, and the United Nations Sustainable development goals.

Following this successful meeting, the Membership and commitment of the AQC to UN Global compact was established on the 27th of February 2019.

Since then, the collaboration between AQC and UN Global Contact Network Switzerland and Lichtenstein is excellent. AQC follows closely UN Global Contact's communication and regularly participates to online events.

AQC's commitment to the Ten Principles of the United Nations Global Compact :



2.2. From words to actions

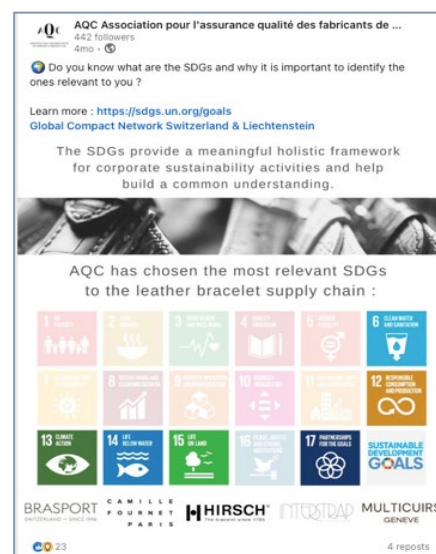
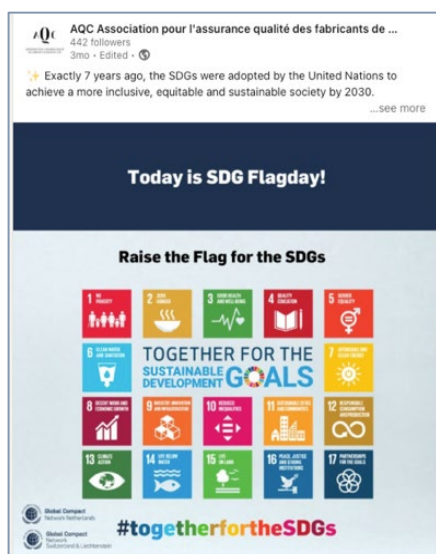
This sub-chapter describes the concrete steps taken to support the Global Compact. The period here covers the last CoE publication in 2021 to December 2022.

Encourage our Members to join the UN Global Compact

- Promotion of UN global compact on AQC website www.aqc-asso.ch
- Promotion of UN global compact in the AQC presentations to its Members

Promote the UN Global Compact Ten Principles within the Leather Bracelets Supply Chain

- Integration of the Ten principles and reference to UN global Compact into all AQC specifications
- Promotion of the SDGs in all AQC presentation to its Members
- Promotion of the SDGs in all AQC presentations to the leather bracelet Stakeholders
- Promotion of the SDGs in LinkedIn posts
- Support of the SDG Flagday on LinkedIn



Support UN Global Compact business participants in implementing and reporting on their sustainability efforts

- Two reports “Commitment on Engagement”

Organise dialogue events, workshops, and training for our Members on the UN Global Compact and specific topics relevant to corporate sustainability

- 2021-2022 : Online
 - 5 AQC PODs on chemical compliance and transparency
- 2022 : In person events promoting sustainability in the leather bracelet supply chain and encouraging partnership for the goals
 - 11 November, Geneva : AQC Multi-Stakeholder Meeting (~80 participants).
 - 6 October 2022 : Milan : Tanners Working Group (~30 participants).
 - Throughout 2022 : AQC Member's Tour (~100 participants in Austria, France, Switzerland).

Provide expertise and/or be the voice of our Members to UN Global Compact working groups and special initiatives

Participation of AQC in Global Compact Webinars :

- 2021 March 30 : “Elaborating a COP”
- 2021 April 12 : “Regulatory Trends”
- 2021 May 3 : “Introduction to UNGC and CSR/RBC”
- 2021 June 15-16 : “Global Compact Session on climate”
- 2021 July 6 : “Regulatory Trends”
- 2021 November 2 : “Regulatory Trends”
- 2022 January 26 : “Neuropolitics and Sustainability Talk Series”
- 2022 February 7 : “Regulatory Trends”
- 2022 March 31 : “SDG 12 Benchmarks: Zero Waste and the Circular Economy”
- 2022 Mai 9 : “How does the TCFD's approach influence sustainable regulations”
- 2022 Mai 16 : “Regulatory Trends”
- 2022 June 13 : “The Swiss Code of Obligations and the TCFD”
- 2022 September 5 : “Regulatory Trends”
- 2022 September 6 : “Introductory Webinar: How to develop a sustainable strategy”
- 2022 November 8 : “Introduction to reporting requirement in Switzerland”
- 2022 November 22 : “EU Whistleblowing Directive”
- 2022 December 5 : “Regulatory Trends”

Participation of AQC in Global Compact Training

- 2021 – 6 months : Climate Ambition Accelerator

Support the development and activities of a Global Compact Local Network

- Payment of Membership fee
- Promotion of global compact events to AQC Members

3. THE TEN PRINCIPLES & PRACTICAL ACTIONS OF AQC

DEFINITION OF THE SCOPES OF APPLICATION OF AQC

A. AQC ORGANISATION

- AQC's 4 collaborators

B. LEATHER BRACELET SUPPLY CHAIN

Represents :

- The 5 Leather Bracelet Manufacturers Members of AQC
- The leather suppliers in the scope of AQC (99.7% of AQC Members' alligator leather supply and 95% of AQC Members' bovine leather supply)

3.1. Actions related to the Human Rights principles

Respect for human rights is an integral part of the AQC's activities and the management of the organisation.

The internal rules of AQC and the specifications addressed to Stakeholders cover integrity, ethical behaviour, anticorruption, respect of people, dignity (no discrimination, no harassment) and conflict of interest.

HUMAN RIGHTS

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2

Make sure that they are not complicit in human rights abuses.

A. AQC ORGANISATION

Status 31.12.22 – quality system

- Implementation of the internal rules
- Control, measurement and continuous improvement of business practices are in place and verified by independent auditors for ISO 9001 certification
- AQC's ISO 9001 certifications :
 - 20.12.2019 AQC is certified ISO 9001
 - 20.10.2022 AQC is recertified ISO 9001

Indicator to measure actions (status 31.12.22)

- 100% of AQC collaborators have signed the internal rules.

B. LEATHER BRACELET SUPPLY CHAIN

Leather Bracelet Manufacturers

Since 2017, the specifications for Bracelet Manufacturers requires the Respect of Human Rights and fundamental freedoms, for instance through the implementation of a code of conduct.

In the forthcoming version (applicable from 1st March 2023) a specific item about inclusion has been added.

Indicator to measure actions (status 31.12.22)

- 12/13 of AQC Bracelet Manufacturers sites are third party audited and certified by AQC.
- All 13 sites are expected to be certified in the first half of 2023.

Leather Suppliers

Nowadays, AQC recognises and supports the evolution of the LWG certification standard for leather manufacturers. A mandatory third-party social audit will be implemented in version 8 of the LWG protocol.

3.2. Actions related to the Labour principles

The AQC strongly promotes the preservation of life and limb in the workplace, both to its employees and to the Leather Bracelet Stakeholders.

A. AQC ORGANISATION

From May 2019

- Implementation of the AQC Health and Safety policy

By implementing the Health and Safety Policy (HSP), the AQC states its commitment to providing a safe and healthy work environment for all, as well as the intention to comply with HSP laws and regulations.

The AQC HSP also mentions how to achieve a safe and healthy workplace and the roles and responsibilities of everyone, including workers.

Targets of the AQC HSP Policy

- Be in total compliance with legal obligations
- Provide all people with a quality working environment and conditions that optimally preserve their health and safety
- Maintain the frequency of occupational accidents and diseases at a low level, by carrying out accident and near-miss analyses with the implementation of corrective or preventive measures
- Reduce the frequency of non-professional accidents, by carrying out prevention campaigns or awareness-raising actions, if necessary

From 2019, the implementation of the Human Resources policy includes :

- Respect of people
- Non-discrimination
- Transparency and honesty
- Team spirit
- Breaks and holidays
- Health and security of workers
- Protection of personal data
- Integration of new employees
- Training plan

Indicator to measure actions (status 31.12.22)

- Annual employee absence rate follow-up
- Annual employee accident follow-up
- Annual interview of collaborators

B. LEATHER BRACELET SUPPLY CHAIN

The AQC certification and recognised certifications (ISO 45001; LWG) cover :

- Health and safety at work : PP Equipment, clean working places,
- General Employment Terms
- Worker's organisation
- Non-discrimination
- Child Labour / Young Workers
- Discipline

LABOUR

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4

The elimination of all forms of forced and compulsory labour;

Principle 5

The effective abolition of child labour; and

Principle 6

The elimination of discrimination in respect of employment and occupation.

Indicator to measure actions (status 31.12.22)

Bracelet Manufacturers

- 12/13 of AQC Bracelet Manufacturers sites are third party audited and certified by AQC.
- All 13 sites are expected to be certified in the first half of 2023.

Leather Suppliers

- In 2021, a health and safety certification mapping of the supply chain has been implemented. It is updated weekly.
- Alligator tanneries : 28% certified ISO 45001 (health and safety at work); 89% AQC certified; 98% LWG certified
- Bovine tanneries : 9% certified ISO 45001 ; 28% AQC certified; 69% LWG certified

3.3. Actions related to the Environment principles

AQC aims to follow and to promote good practice to reduce the environmental impact of all its activities and to help Clients, Partners and Stakeholders to do the same.

Protecting the environment and promoting a broader sustainability agenda, such as traceability, is an integral part of AQC's business activities and the management of the organisation.

A. AQC ORGANISATION

ENVIRONMENT

Principle 7

Businesses should support a precautionary approach to environmental challenges;

Principle 8

Undertake initiatives to promote greater environmental responsibility; and

Principle 9

Encourage the development and diffusion of environmentally friendly technologies.

In 2022, implementation of a sustainability policy for the internal activities of the Association.

Scope

- Use and re-use : paperless alternatives, recycling, dishware reusable
- Employees engagements : education, feedback
- Energy saving : electricity is produced from renewable energy sources
- Transportation : public transports are preferred both for internal and external meetings
- Financial incentives to use public transport are offered to collaborators
- AQC events are located close to public transport and all information needed to use it is provided to guests

Indicator to measure actions (status 31.12.22)

- Yearly follow-up report and related action plan (if targets not met)

B. LEATHER BRACELET SUPPLY CHAIN

The specifications for **Bracelet Manufacturers** and for **Leather Suppliers** include :

- Regulation of Endangered Species of Wild Fauna and Flora (CITES)
- Compliance with regulations related to dangerous substances
- Management of waste and waste emission

For Bracelet Manufacturers only :

- Use of renewable energy sources
- Calculation and reduction of CO₂ emissions
- Circularity in production

For tanneries :

In 2021, AQC fully recognised LWG certification from protocol P7 as satisfactory to ensure the respect of the environment.

For alligator farms :

In 2022, AQC verified the compliance of the ICFA and LVMH certifications and the Hermès cuirs précieux (Hcp) audit, with the international animal welfare standard applicable to the slaughter of reptiles (OIE chap. 7.14).

Nowadays AQC Members purchase from certified alligator farms. *Alligator mississippiensis* accounts for 98.2% of the exotic leather supply.

Indicator to measure leather supply (status 31.12.22)

LEATHER DELIVERIES AT AQC MEMBERS

Deliveries 2018

- 56% of alligator farms identity known
- 0% of alligator farms ICFA certified
- 50% country of bovine slaughterhouse known

Deliveries 2019

- 90% of alligator farms identity known
- 3% of alligator farms ICFA certified
- 65% country of bovine slaughterhouse known

Deliveries 2020

- 100% of alligator farms identity known
- 61% of alligator farms ICFA certified
- 88% country of bovine slaughterhouse known

Deliveries 2021

- 100% of alligator farms identity known
- 78% of alligator farms ICFA certified
- All other alligator farms are either LVMH certified, or Hcp audited
- 77% country of bovine slaughtering country known
- 55% name of the bovine slaughterhouse known

It should be noted that, as bovine leather is a by-product of the food industry, its supply chain mapping is complex to achieve. The leather industry is aware of the need for traceability and is seeking solutions.

Mapping the alligator leather supply chain is facilitated by both its openness and the CITES tag.

3.4. Actions related to the Anti-Corruption principles

The reputation of AQC is one of its most valuable assets, it must be nurtured and protected.

The AQC internal rules go beyond compliance with laws. They demonstrate the Association commitment to act ethically and with integrity, while respecting individual rights.

ANTI-CORRUPTION

Principle 10

Businesses should work against all forms of corruption, including extortion and bribery.

The AQC specifications define the way in which Members, Suppliers and Collaborators must behave in general, but also in situations in which certain actions could have serious consequences on the reputation of the Association, its Members and interested parties.

AQC organisation

The AQC internal rule takes into consideration

- Integrity and ethical behaviour : good faith, honesty, integrity, due diligence
- Anticorruption measures : avoid conflicts of interest and limitation of gifts or advantages

Indicator to measure actions (status 31.12.22)

- 100% of AQC employees and 100% of AQC Board Members have signed the internal rules

The leather bracelet supply chain

Since 2017, the specifications for Bracelet Manufacturers Members of AQC set requirements related to anti-corruption. This is checked during AQC certification audits performed by the SGS.

In 2020, these requirements were also implemented in the specifications for the Leather Suppliers.

Indicator measurement (status 31.12.22)

- 12/13 of AQC Bracelet Manufacturers sites are third party audited and certified by AQC.
- All 13 sites are expected to be certified in the first half of 2023.

4. CONCLUSION

We are proud of the important efforts made by AQC Members and the Supply Chain Actors to implement the Ten Principles of the United Nations Global Compact. To protect our planet, its people and its biodiversity, these efforts must continue.

By fostering strong collaboration between industry actors, and through meaningful projects, the AQC carries on to actively act for a responsible global supply chain.

We deeply thank Global Compact Network Switzerland & Liechtenstein team for their significant and dedicated work, and for the great collaboration over the years.



BRASPORT
SWITZERLAND – SINCE 1946

**CAMILLE
FOURNET**
PARIS

HIRSCH
The bracelet since 1765

INTERSTRAP
MANUFACTURE

MULTICUIRS
GENEVE