

SUSTAINABILITY

2024 DOUBLE MATERIALITY ASSESSMENT

DOUBLE MATERIALITY ASSESSMENT

The double materiality assessment allows us to assess both our impact on community and nature alongside the impacts, risks and opportunities these entail for our stakeholders and for Breitling itself. It is a vital tool to ensure regulatory compliance, steer our sustainability strategy in the right direction, and foster long-term value creation. This foundational element guides our actions and informs our reporting structure. In adopting the European Sustainability Reporting Standard (ESRS), we have in turn updated our double materiality assessment, which is described in this document.

BASIS FOR PREPARATION

We have aligned our DMA for the first time in 2024 with the guidance and definitions outlined in the European Union Corporate Sustainability Reporting Directive's European Sustainability Reporting Standard (ESRS) 1: General Requirements, released on July 31, 2023. Building upon our experience gathered from past materiality assessments applied since 2020, we have adopted this fundamental transformation in our non-financial reporting and the development of our sustainability strategy.

The DMA process began in January 2024, closely following the guidance provided by ESRS 1: General Requirements and included the step-by-step process of understanding, identifying, assessing, and determining impacts, risks, and opportunities (IROs) to our business according to financial materiality, or the impact that could be experienced by the Breitling Group and impact materiality, or the impact that could be experienced by Breitling Group stakeholders.

During the process 26 internal subject matter experts were included at various stages of the process to ensure a complete understanding of actual and potential IROs across our value chain. The identification made of material topics, according to financial and impact materiality, was then expanded to a broad external stakeholder group to further assess impact materiality.

STAKEHOLDER IDENTIFICATION

As laid out by the ESRS, an initial step included the identification and classification of two stakeholder groups. Firstly, the affected stakeholders who are individuals or groups whose interests are affected or could be affected by our activities across the value chain. Secondly, users [e.g., readers] of a sustainability statement, who can affect Breitling and/or are primary users of our sustainability statement, such as the annual Breitling Sustainability Mission Report.

Following a stakeholder mapping we identified internal and external stakeholders for both stakeholder groups who were to be included in the assessment, based on the impact Breitling has on the stakeholder and the influence the stakeholder has on Breitling. All stakeholders were scored on a scale from 1 to 10 regarding the extent to which the stakeholders are or could be affected by Breitling and the extent to which the stakeholders affect or could affect Breitling. For the purpose of the DMA, a prioritization of stakeholder groups was done by including stakeholders with a higher score on one or both of the criteria [>5]. The prioritization of stakeholders is set to include the most affected stakeholders and stakeholders that can most affect Breitling.

Our affected stakeholders include our employees [internal], customers [external], local communities [external], suppliers [external] and workers in the value chain [external]. Secondly, Breitling management [internal], investors [external], Breitling sustainability representatives [internal], Breitling subject matter experts [internal], and suppliers [external] were considered to have an influence on Breitling.

UNDERSTANDING OUR MATERIALITY PROCESS

The DMA process is fundamental, and in concert with our stakeholders, and with the support of PwC Switzerland, we deeply engaged in the effort in order to ensure a robust outcome. To support this approach, prior to conducting the assessment, an extensive list of potentially material sustainability matters was created to establish the structure of, and scope the assessment. In this process, a long-list of sustainability matters [topics, sub-[sub-]topics] was created including sector-agnostic sustainability matters covered in topical ESRS, sector-specific topics from the Sustainability Accounting Standards Board [SASB], which establishes industry-based sustainability disclosures, entity-specific sustainability matters from internal documentation and external sources, and previously conducted impact and risk assessments. This was complemented by insights from ongoing stakeholder engagement that was guided by the ESRS framework. Once this step was complete, we combined related and overlapping sub-topics and sub-[sub-]topics into sustainability clusters [topics].

Once the sustainability matters were clustered, we determined focus areas across the value chain, namely, upstream, own operations, and downstream, and business segments [watches & indirect procurement materials, food, beverage and entertainment as well as cross-activities] for each of these clusters. Thereby, we considered where impacts, risks and opportunities are likely to arise, based on the nature of our activities, business relationships, geographies, and other risk factors. This enabled us to visualize the sustainability clusters along the value chain and obtain a list of sustainability clusters and corresponding sustainability matters that are potentially relevant and established the foundation of the second step, the identification of impacts, risks and opportunities [IROs] where we identified IROs for each sustainability matter.

IDENTIFICATION

Impacts in relation to environmental, social and governance matters were considered. This implies, for example, that for a given environmental sub-[sub-] topic there can be an impact on the environment and/or people. Impacts are defined as an impact on either the stakeholder group or the environment or on the effect on wellbeing, welfare, human rights, or state of the environment through our business activities or those of business partners. These are caused directly or contributed to by Breitling or can be linked to our operations, products, and services. Impacts can either be positive or negative, and it is important to mention that negative impacts cannot be “offset” by positive impacts.

Positive impacts are benefits for people and/or the environment caused or contributed to by Breitling, and which have a direct link to our own operations, products, services or our business relationships.

Additionally, a positive or negative impact can be either actual or potential. An impact that has already occurred is defined as actual and an impact which could occur in the future is described as potential.

Risks and opportunities consider exogenous factors and act as the “outside-in lens” of the DMA. Risks are mostly correlated to business performance and could lead to a negative deviation in future expected cash inflows or positive deviation in future expected cash outflows. Opportunities represent the opposite and contribute to positive deviation in future expected cash inflows or negative deviation in future cash outflows. Both risks and opportunities can be derived from past or future events and can be trigger-effects by influencing the ability to continue to use or obtain the resources needed and by affecting the ability to rely on relationships needed in business processes on acceptable terms.

Based on these indicators the core DMA project team, consisting of the sustainability team and key subject matter experts pre-identified IROs based on existing sustainability documentation, Taskforce on Climate and Nature-related Financial Disclosures, risk assessments and previously completed stakeholder consultations. The identification of IROs was further completed by making sure all parts of the value chain were covered per sustainability matter. During workshops with internal subject matter experts this list was further expanded through comprehensive reviews of the pre-identified IROs based on completeness, relevance, and correctness, and adding any missing or deleting any irrelevant IROs. Through this comprehensive approach, we feel confident in the robustness of this DMA baseline, which we will continue to revisit to ensure it is up to date.

For each impact, the scale, scope and remediable character were added, the sum divided by three [if negative] or two [if positive] and multiplied by the likelihood of the impact occurring. This resulted in the impact materiality of each impact. Negative human rights impacts were always considered to have the highest possible likelihood of one, or 100% in the assessment scale, meaning that they were automatically considered to be an actual impact with a high certainty of occurrence given the magnitude of such impacts.

Assessment parameters for identified risks and opportunities were the magnitude of the financial effect and the likelihood. The assessment of the magnitude or financial effect was measured through the quantitative and qualitative risk/opportunity. While the quantitative risk/opportunity referred to a financial term the qualitative risk/opportunity assessed the threat/damage or benefit to relationships with stakeholders and reputation. To calculate the financial materiality, the higher score of either the quantitative or the qualitative risk/opportunity was multiplied by the likelihood. All parameters assessing risks and opportunities were aligned with the Breitling Enterprise Risk Management team and previously conducted risk assessments. When assessing risk and opportunities the actual exposure, or the residual risk remaining after risk mitigation actions were taken into account to duly consider the controls that are in place.

DETERMINATION

Once the assessment was completed, all IROs were aggregated on topic level using the maximum aggregation method, meaning the highest impact materiality and financial materiality score of the IROs under one sustainability topic was used for the aggregation of that sub-topic instead of using an average calculated approach. This method helped us to prioritize and appropriately represent when setting the thresholds the most critical sustainability issues by ensuring the selection of the highest scoring IROs which are likely to have a significant impact on the business and stakeholders. Furthermore, the maximum aggregation method is a transparent way to aggregate topics and helps enable stakeholders to gain a clear understanding on the most impactful sustainability topics.

It is a straightforward and simple approach to identify and prioritize material sustainability issues, particularly for stakeholders such as investors who seek a clear understanding of the most impactful sustainability topics.

The aggregation of IROs was made on a sub-topic level and later aggregated to ESRS topic level by taking the maximum value of the sub-topics. The aggregated list of ESRS topics and their materiality scores was shared with internal stakeholders who were involved in the assessment along with the topics mapped out in a matrix against impact materiality and financial materiality. The results positively resounded with the diverse group of internal subject matter experts and the input they provided, thereby confirming the positioning of the material topics. When determining the threshold, a proactive approach was adopted, which resulted in approximately 50% of ESRS sub-topics being considered material. This approach ensures a complete reporting of our material sustainability topics, improved ability to assess ESG risks and a greater alignment with stakeholders’ expectations by integrating horizon sustainability topics at an earlier stage, with the potential to have a positive impact on all who are potentially affected through this proactive approach.

MATERIAL DISCLOSURE REQUIREMENTS

While drafting the report, disclosure requirements that are mandatory irrespective of the outcome of the materiality assessment [ESRS 2] as well as the disclosures for material sustainability matters were considered and an incorporation by reference approach was chosen by including all ESRS disclosures in the relevant sustainability statement chapters.

EXTERNAL STAKEHOLDER ENGAGEMENT

APPROACH TO STAKEHOLDER ENGAGEMENT

Stakeholder engagement is essential to Breitling. We chose an inclusive approach when defining our sustainability priorities, also to duly reflect our values. We made our external stakeholder consultation available to a diverse set of stakeholders, including our employees, and to the public through a post on the Breitling LinkedIn account. Participants were invited to participate under the condition of anonymity, in order to allow honest and transparent input. In order to include a global perspective, we took the effort to translate the survey into a number of key languages, including English, French, Japanese and Chinese [simplified]. Ultimately, over 200 participants provided a diverse set of perspectives which enhance the resiliency of our sustainability strategy.

SURVEY CONTENT AND GENERAL FINDINGS

We used the opportunity to survey participants on their perceptions of sustainability, areas of hope and concern, material topics, and more. This allows us to better understand stakeholder sentiment regarding sustainability. Overall, our stakeholders indicated a very slightly positive feeling about the outlook for sustainability related topics, with an average of 5.9 on a scale from 1 to 10 [very negative – extremely positive]. At the same time, they expressed feeling very empowered to be a part of sustainability transitions, particularly in their private lives.

With regards to sustainability generally [not specific to Breitling], our stakeholders indicated general concern about [plastic] waste, lack of transparency, overconsumption, greenhouse gas emissions, energy consumption, human rights, and marine conservation, among others. Areas of hope were related to growing sustainability commitments, research and development, material innovation, community engagement, setting of SBTi targets, adoption of lab-grown diamonds, transparency, boosting of circular business models, and sensitivity to the topic of sustainability by younger generations. It is worthwhile to note that these areas

closely reflect our sustainability actions and provide evidence of a resonance between our actions and the general interests of our stakeholders.

STAKEHOLDER FEEDBACK SPECIFIC TO BREITLING

With regards to our material topics, survey participants were asked to assess the impact materiality only and not financial materiality due to the lack of information needed to evaluate material topics from this perspective. For three of our material topics, our stakeholders have ranked the impact materiality to be significantly higher for climate change adaptation [increase of approximately three points], and somewhat higher for animal welfare and corporate culture [increase of approximately one point].

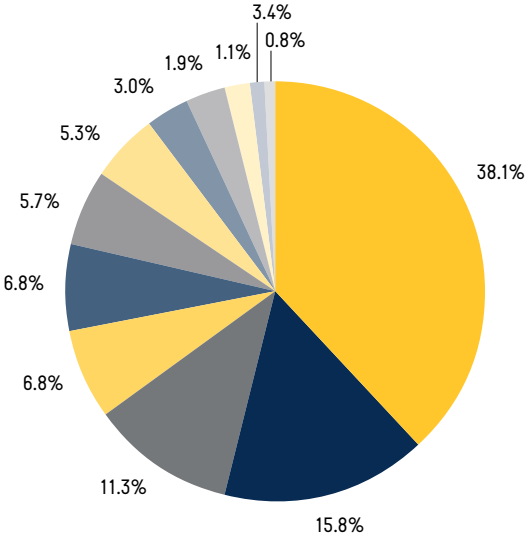
Our survey participants considered our full scope sustainability performance to be above average, with 3.9 on a scale from 1 to 5 [very poor – excellent]. We also invited our participants to share areas of improvement. They indicated the need for the continuation of sustainability awareness raising with customers, increasing accessibility to sustainability initiatives, applying circular business models, and improving efforts related to water and biodiversity, among others.

Performance highlights indicated by stakeholders included material sourcing, community investment, employee engagement, supply chain transparency and traceability, ESG reporting, SBTi target validation, and early adoption of recycled materials. Our survey participants also requested more information and exchange, sharing of learnings, and continued stakeholder sustainability engagement within our own workforce and across the value chain.

As a result of this feedback, we will in the ongoing and future reporting cycles consider how we can duly reflect this stakeholder feedback in our efforts. We would like to sincerely thank each participant who took the time to share their highly valued perspective, which is essential as we continue to guide our efforts.

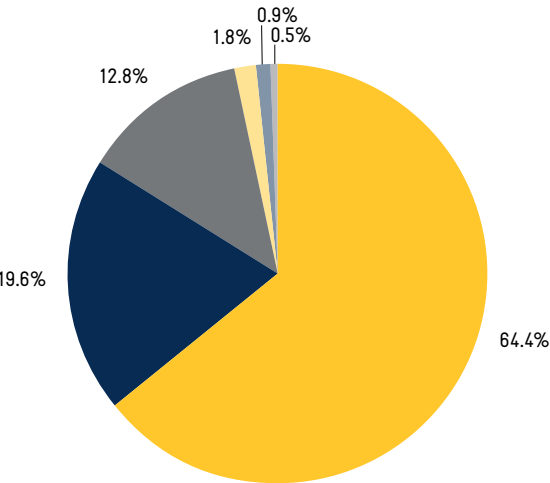
STAKEHOLDER GROUP

- BREITLING EMPLOYEE
- MEDIA REPRESENTATIVE
- SUSTAINABILITY EXPERT
- BREITLING CUSTOMER
- STUDENT
- OTHER
- NON-GOVERNMENTAL ORGANIZATION REPRESENTATIVE
- INDUSTRY REPRESENTATIVE
- SUPPLIER
- REPRESENTATIVE OF NATURE
- SHAREHOLDER
- INVESTOR



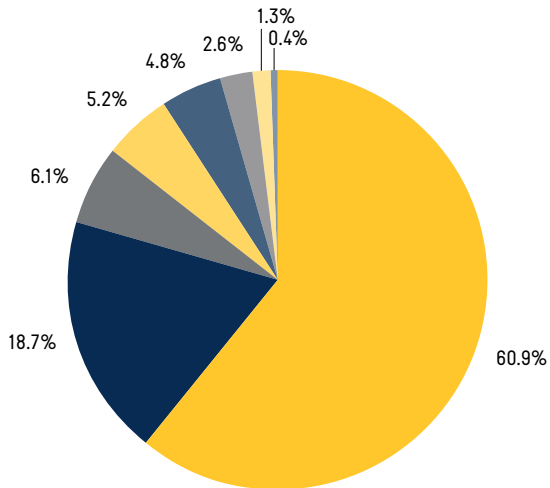
GEOGRAPHIC DISTRIBUTION

- EUROPE
- ASIA
- NORTH AMERICA
- PREFER NOT TO SAY
- OCEANIA
- SOUTH AMERICA



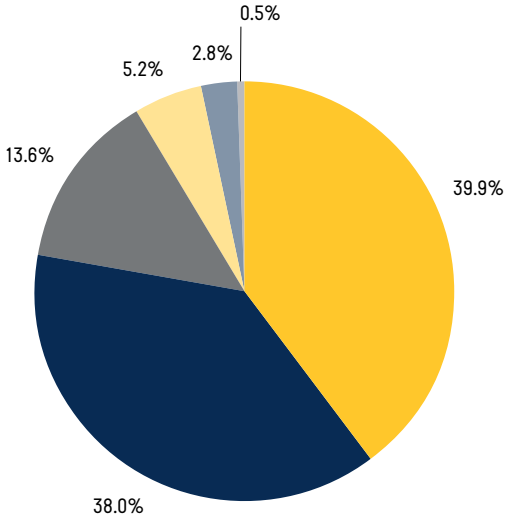
ETHNIC DISTRIBUTION

- WHITE/CAUCASIAN
- ASIAN/PACIFIC ISLANDER
- HISPANIC
- MULTIPLE ETHNICITIES
- PREFER NOT TO SAY
- INDIGENOUS
- OTHER
- BLACK



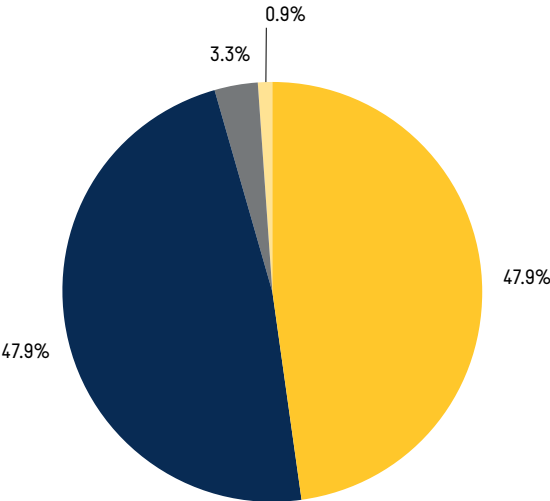
AGE DISTRIBUTION

- GENERATION X
- MILLENNIAL
- GENERATION Z
- BABY BOOMER
- PREFER NOT TO SAY
- SILENT GENERATION
- GREATEST GENERATION



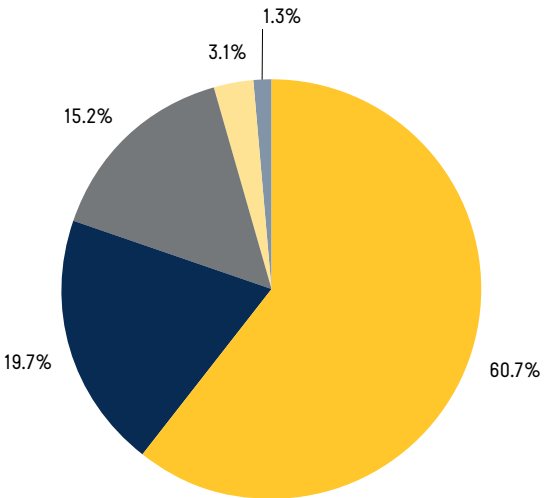
GENDER DISTRIBUTION

- FEMALE
- MALE
- PREFER NOT TO SAY
- OTHER
- NON-BINARY



SOCIO-ECONOMIC DISTRIBUTION

- MIDDLE CLASS
- UPPER CLASS
- PREFER NOT TO SAY
- LOWER CLASS
- OTHER



MATERIAL TOPICS AND RELATED UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The change in reporting frameworks from the World Economic Forum International Business Council Stakeholder Capitalism Metrics to ESRS/CSRD is accompanied by a change in methodology, and hence, in material topics. The table below illustrates the material topics we had until 2023 mapped against the new material ESRS topics to ensure comparability with previous reports.

Furthermore, adopted by all United Nations (UN) member states in 2015, the UN Sustainable Development Goals, or

SDGs, are a “universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere.” We continually reference the UN SDGs to align our actions with those of the 2030 Agenda for Sustainable Development and mapped them against our new material ESRS topics.

As a part of our overall commitment, we are also a signatory of the United Nations Global Compact (UNGC) Switzerland & Liechtenstein.



MATERIAL TOPICS IN 2023	ESRS MATERIAL TOPIC 2024	UN SDGs
Social impacts along the value chain	<ul style="list-style-type: none"> S2: Working conditions – workers in the value chain S2: Other work-related rights – workers in the value chain S3: Community rights S3: Rights of Indigenous Peoples 	3, 4, 5, 6, 8, 9, 10, 11, 16
Environmental impacts along the value chain	<ul style="list-style-type: none"> E1: Climate change adaptation E1: Climate change mitigation E3: Water E4: Direct impact drivers of biodiversity loss 	6, 7, 9, 13, 14, 15
Product integrity	<ul style="list-style-type: none"> E5: Resource inflows, including resource use E5: Resource outflows related to products and services S4: Information-related impacts for consumers and/or end-users 	9, 12
Climate change	<ul style="list-style-type: none"> E1: Climate change adaptation E1: Climate change mitigation 	7, 9, 13, 15
Employee wellbeing, engagement, health and safety	<ul style="list-style-type: none"> S1: Working conditions – own workforce 	5, 8, 10
Diversity and inclusion	<ul style="list-style-type: none"> S1: Equal treatment and opportunities for all – own workforce 	5, 8, 10
Customer and community engagement	<ul style="list-style-type: none"> S4: Information-related impacts for consumers and/or end-users 	12
Business ethics	<ul style="list-style-type: none"> G1: Corporate culture G1: Protection of whistle-blowers G1: Animal welfare G1: Management of relationships with suppliers G1: Corruption and bribery 	8, 12, 15
Business model resilience	<ul style="list-style-type: none"> Business model resilience was fundamentally incorporated into the 2024 DMA double materiality assessment by considering the security of our supply chain resilience and our long-term business plan by addressing social, environmental and political issues 	-
Responsible handling of data	<ul style="list-style-type: none"> Not material according to the 2024 DMA 	-

BREITLING CONSOLIDATED DOUBLE MATERIALITY MATRIX

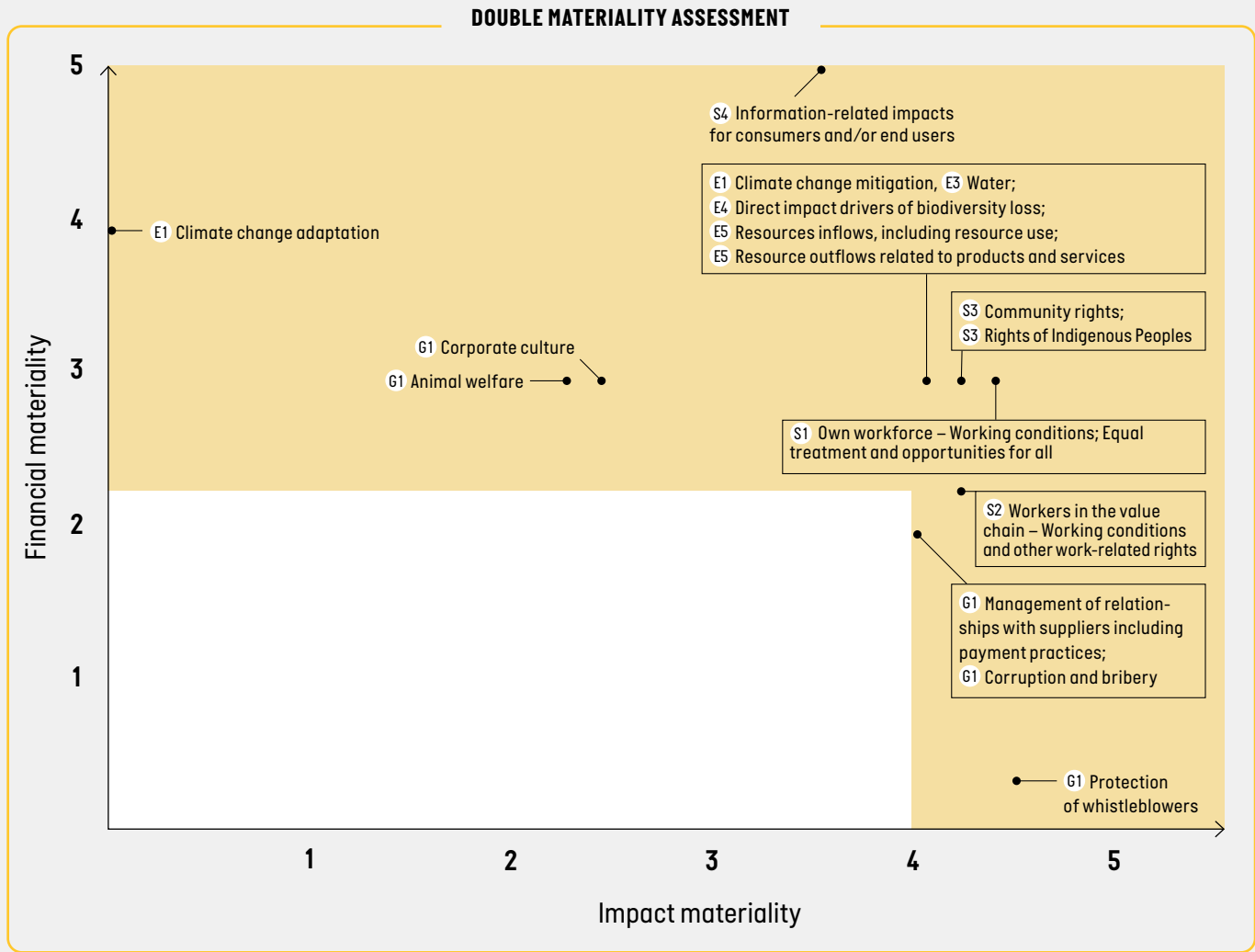
Since formalizing Breitling’s sustainability approach in 2021, we conducted our third materiality assessment in the beginning of 2024.

As can be seen in the materiality matrix below, nine out of ten ESRS topics are material to Breitling at the proactive threshold we have selected. By adopting a proactive approach, we included approximately 50% of ESRS sub-topics, and ensured the inclusion of the most relevant topics while aiming to narrow down the scope. The only ESRS topic currently considered not material is pollution, however the topic is nonetheless assessed in our Taskforce on Nature-related Financial Disclosures reporting in the [2024 Sustainability Mission Report](#) and the [2025 Sustainability Mission Report](#). The DMA was conducted on a sub-topic level

and in the following tables the material topic and sub-topic level impacts, risks, and opportunities are described. For each IRO, we indicate whether they affect our own operations, our upstream or downstream operations (or multiple aspects) and indicate whether the impacts are negative or positive.

There are no significant changes in material topics compared to previous materiality assessments, except for the responsible handling of data which was previously considered material and will not be addressed for now due to it not being material according to this latest double materiality assessment.

Material topics clustered according to their materiality and proximity are indicated by a box



MATERIAL IMPACTS,
RISKS AND OPPORTUNITIES

The following table lists all impacts (positive and negative), risks and opportunities that exceeded the threshold for financial and/or impact materiality and are thus considered material. As indicated in the matrix on page 43, nine out of ten ESRS topics are material. The tables below provide details about these IROs on the sub-topic level. For each IRO we indicate its time horizon and the element of the value chain it applies to. In the case of impacts, we further clarify whether they are actual or potential.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
E1 - Climate change			
Climate change adaptation			
Risk – upstream	Areas subject to extreme weather events	Short-to-long-term	Areas that will be subjected to increased temperatures and rainfall in future. Conditions will be more variable, cycling between severe wet and dry periods. Changing weather patterns will lengthen dry periods, leading to increased drought risk. In contrast, weather systems which do arrive in the area will bring increased severe rainfall, which can be a proxy for pluvial flooding risk. By cycling through extremes, increased stress will be placed on infrastructure, transportation, and agriculture in the affected regions.
Risk – upstream	Increase in leather prices	Medium-to-long-term	Increase in leather prices due to yield losses due to heat and water stress, and hurricanes (especially in the USA).
Climate change mitigation			
Opportunity – upstream, own operations, downstream	Meeting climate objectives	Long-term	Meeting climate objectives (science-based targets to meet the targets of the Paris Agreement), and satisfying key stakeholders across the value chain like investors and customers.
Risk – downstream	Increased cost of alternative materials development	Short-to-long-term	Increased cost of development for alternative materials to reduce dependency on natural resources (lab-grown diamonds, alternative leather, recycled steel or aluminum)
Negative impact – own operations [actual]	Breitling scope 1 and 2 GHG emissions	Short-to-long-term	We generate Scope 1 and 2 emissions primarily through mobile combustion (vehicle fleet) stationary combustion (natural gas for heating) and electricity usage for usage for manufacturing, offices and internal boutiques. The emissions associated with these activities have a negative impact on climate change.
Negative impact – upstream, own operations [actual]	Breitling Scope 3 GHG emissions	Short-to-long-term	Our value chain generates Scope 3 greenhouse gas emissions, stemming from activities such as business travel, purchased goods and services, employee commuting, upstream logistics, franchises, and energy & fuel related services, administration and production premises/facilities. The emissions associated with these activities have a negative impact on climate change.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
Negative impact – upstream [actual]	Breitling food, beverage, and entertainment business Scope 3 GHG emissions	Short-to-long-term	Our food, beverage, and entertainment business activities generate Scope 3 emissions. Upstream production of food, transportation of food, the construction of capital goods and production of furniture for the restaurants result in those Scope 3 emissions. The emissions associated with these activities have a negative impact on climate change.
Negative impact - upstream [actual]	Breitling watches and indirect procurement materials business Scope 3 GHG emissions	Short-to-long-term	Our watches and indirect procurement materials business generates Scope 3 emissions, particularly in the extraction and production of raw materials and the associated logistics. Upstream activities such as mining, transportation of materials, and manufacturing processes conducted by suppliers result in these scope 3 emissions. The emissions associated with these activities have a negative impact on climate change.
Positive impact – upstream, own operations [potential]	Reduction of Scope 3 GHG emissions	Short-to-long-term	Breitling has the potential to generate a positive impact by actively pursuing initiatives to reduce Scope 3 greenhouse gas emissions. For instance, identifying lower impact sources of gold and supporting low carbon transition in the gold sector, funding ongoing investments in alternative fuel sources, sourcing high-quality recycled and alternative materials for the boutiques, and adopting recycled materials across the value chain.
ESRS E3 - Water and marine resources			
Water			
Risk – upstream	Diamond mining activities	Medium-to-long-term	The extraction, processing, and dust suppression activities from diamond mining need substantial water resources, that may become scarce in water stressed areas. <i>Note: By transitioning to lab-grown diamonds, Breitling is mitigating this risk.</i>
Negative impact – upstream [actual]	Disruption of natural water flow due to sedimentation in diamond sourcing	Short-to-medium-term	Sedimentation (deposition of sediment in bodies of water in diamond sourcing) disrupts the natural flow of water, causing changes in hydrological patterns that can harm aquatic ecosystems.
Negative impact – upstream [actual]	Disruption of natural water flow due to sedimentation in gold mining	Short-to-medium-term	Sedimentation (deposition of sediment in bodies of water in gold mining) disrupts the natural flow of water, causing changes in hydrological patterns that can harm aquatic ecosystems.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
ESRS E4 – Biodiversity and ecosystems			
Direct impact drivers on biodiversity loss			
Opportunity – upstream	Shift to lab-grown diamond sourcing	Short-to-long-term	Lab-grown diamonds provide a sustainable alternative to traditional diamond mining. This strategic shift reduces the ecological footprint associated with conventional diamond extraction, addressing environmental consequences such as soil erosion, land degradation, and habitat disruption.
ESRS E5 –Resource use and circular economy			
Resource inflows related to products and services			
Opportunity – own operations	Use of recycled materials	Short-to-long-term	Opportunity to move to the use of recycled materials in Breitling boutiques.
Resource outflow related to products and services			
Positive impact – own operations [actual]	Managing design and lifecycle of our watches	Short-to-long-term	Managing the design and lifecycle of our products to promote quality assurance, safety, traceability, transparency and animal welfare.
ESRS S1 – Own workforce			
Working conditions			
Opportunity – own operations	Commitment to salary benchmarking	Short-to-long-term	Our commitment to salary benchmarking, equal pay surveys, and unconscious bias training demonstrates a proactive approach to maintaining fair compensation practices and fostering a workplace free of discrimination.
Equal treatment and opportunities for all			
Positive impact – own operations [actual]	Commitment to salary benchmarking and unconscious bias training	Short-to-medium-term	Our commitment to salary benchmarking and the conduct of equal pay surveys demonstrates a proactive approach to maintaining fair compensation practices. We work to build sensitivity among employees involved in hiring and succession processes on unconscious bias and its effects.
Positive impact – own operations [actual]	Non-discrimination and continuous education	Short-to-medium-term	We actively promote a positive impact through ensuring non-discriminatory access to opportunities for education, training, employment and career development.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
Opportunity – own operations	Training programs	Short-to-long-term	Providing training, development and wellbeing for employees and engaging them in our sustainability journey. Our training program includes Breitling apprenticeship programs, sales training, After-Sales-Service technician training, internal and external f2f training programs in the Breitling eLibrary: Coursera, Get Abstract, language courses and coaching.
Opportunity – own operations	Employee engagement	Short-to-long-term	The creation of the Employee Engagement Survey platform fosters open communication and the exchange of information on matters of common interest related to employee policy, ensuring diverse perspectives are considered in decision-making processes.
ESRS S2 – Workers in the value chain			
Working conditions			
Positive impact – upstream [actual]	Lab-grown diamond sourcing	Short-to-long-term	Sourcing lab-grown diamonds enables traceability and allows us to confidently confirm that our lab-grown diamonds are produced free of human rights abuses.
Negative impact – upstream [actual]	Gold sourcing	Short-to-long-term	The gold mining industry, as reported by the International Labour Organization (ILO), stands as one of the most dangerous professions globally. Despite comprising only 1% of the world’s labour force, the industry contributes to 5% of on-the-job fatalities. Workers in gold mining face significant risks, including dangers such as rock falls, tunnel collapses, fires, and heat exhaustion.
Negative impact -upstream [potential]	Health and safety in the diamond value chain	Short-to-long-term	Negative health and safety impacts on workers in the diamond value chain (mined diamonds), such as mining accidents, chemical exposure, risks of incidents with occupation hazards.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
Other work-related rights			
Negative impact – upstream [potential]	Forced labor in gold and diamond mines	Short-to-long-term	<p>In some gold and diamond mines, adults and children have become victims of forced labor and human trafficking. Forced labor is understood as a situation where an individual works involuntarily and under “menace of penalty.” Those who attempt to leave may face violence and other abuse. Human trafficking occurs when a person is recruited or transported by force, threat, or deception for the purpose of exploitation.</p> <p><i>Note: Breitling is not aware of such issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>
Negative impact – upstream [potential]	Workers in the value chain	Short-to-long-term	<p>Impacts on workers in the value chain through pressure on availability of adequate housing, as well as water and sanitation supply, as a result of operations.</p> <p><i>Note: Breitling is not aware of such issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>
Negative impact – upstream [actual]	Child labor in the gold value chain	Short-to-long-term	<p>Children work globally in artisanal and small-scale mining, in violation of international human rights law, which defines work underground, underwater, or with dangerous substances.</p> <p><i>Note: Breitling is not aware of such issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>
Negative impact – upstream [potential]	Child labor in the gemstones value chain	Short-to-long-term	<p>Child labor during the extraction and production of precious stones can be a prevalent issue. Children are employed in different stages of the mining process including digging, sifting through gravel, and sorting gemstones. They can also be involved in the cutting and processing of gemstones.</p> <p><i>Note: Breitling is not currently sourcing colored gemstones, and is aware of no such prior issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>
Negative impact – upstream [potential]	Forced labor in the gemstones value chain	Short-to-long-term	<p>Workforces in the mining and production of gemstones can labor under exploitative conditions</p> <p><i>Note: Breitling is not currently sourcing colored gemstones, and is aware of no such prior issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
ESRS S3 – Affected communities			
Community rights			
Negative impact – upstream [potential]	Local communities affected through mining activities	Short-to-long-term	<p>Negative impact on local communities due to mining companies and governments abusing the rights of local residents when clearing land for exploration and mining.</p> <p><i>Note: No such issues are known within Breitling supply chains, but this potential negative impact is included for the purpose of completeness.</i></p>
Positive impact – own operations [actual]	Promotion of wellbeing and economic development	Short-to-long-term	<p>Positive impact on affected communities by promoting wellbeing and economic development of communities affected by our business activities, preventing exploitation and contributing to inclusive growth.</p>
Opportunity – upstream	Commitment to community engagement	Short-to-long-term	<p>Opportunity for greater product storytelling on our commitments to community engagement, leading to higher brand engagement.</p>
Rights of Indigenous Peoples			
Negative impact – upstream [potential]	Mining-related activities	Short-to-long-term	<p>Mining-related activities, encompassing both gold and other materials, contribute to social conflicts in the region. Mining and trade could help finance violent and abusive armed groups, including through money laundering. The absence of legal recognition for Indigenous Peoples as owners of their lands exacerbates vulnerabilities. In instances where mining leases are granted, Indigenous communities face the threat of eviction, leading to social unrest. This lack of legal protection perpetuates an unjust cycle, with Indigenous populations disproportionately affected by the consequences of mining activities.</p> <p><i>Note: No such issues are known with Breitling supply chains, but this potential negative impact is included for the purpose of completeness.</i></p>
Negative impact – upstream [potential]	Violation of rights of Indigenous Peoples in mining operations	Short-to-long-term	<p>Mining operations can cause violations of the rights of Indigenous Peoples, by for example failing to secure free, prior, and informed consent from Indigenous communities before doing exploration, which in violation of international human rights standards.</p> <p><i>Note: Breitling is not aware of such issues in its supply chains, but includes this potential negative impact for the purpose of completeness.</i></p>

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
ESRS S4 – Consumers and end-users			
Information-related impacts for consumers and/or end-users			
Opportunity – downstream	Transparency	Short-to-long-term	By being transparent, Breitling builds trust among our customers leading to increased engagement with the brand including through sales and net-promotion.
Opportunity – own operations	Customer engagement	Short-to-long-term	Ensuring customer satisfaction through prioritizing privacy, security and attentive service while engaging responsibly in public relations, lobbying, marketing and advertising.
Opportunity – downstream	Brand awareness through sustainability initiatives	Short-to-long-term	Potential to gain entirely new customers for the brand who learn about it through headline sustainability initiatives.
Opportunity – downstream	Sustainability education	Short-to-long-term	Sustainability education to be more receptive towards sustainability related topics increases acceptance and demand for our USP in this area.
Opportunity – downstream	Gain understanding of customer needs and wants	Short-to-long-term	Listening to customers on sustainability related matters leads to a better understanding of customer needs and wants.
ESRS G1 – Business conduct			
Corporate culture			
Opportunity – own operations	Cultivating positive corporate culture	Short-to-long-term	Cultivating a positive corporate culture at Breitling, characterized by integrity, transparency, and ethical business practices, serves as a strategic opportunity. This alignment with strong values and a clear code of conduct enhances employee morale, engagement, and a sense of purpose within the organization.
Protection of whistle-blowers			
Positive impact – own operations [actual]	Grievance mechanism in own operations	Short-to-medium-term	By using SpeakUp, we encourage our employees to be an active part of a culture that is confident to raise concerns in a productive and safe manner. This allows the leadership team to intervene as early as possible to protect its employees, stakeholders, and society.
Positive impact – upstream, downstream [actual]	Grievance mechanism in the value chain	Short-to-medium-term	An effective whistleblowing protection program encourages our employees and suppliers to raise concerns in a productive and safe manner. This allows us to intervene as early as possible to protect our employees, stakeholders and society.

IRO	NAME OF IRO	TIME HORIZON	DESCRIPTION
Animal welfare			
Risk – upstream	Leather production	Short-to-long-term	The production of leather, particularly through traditional methods like cattle farming, raises significant concerns about animal welfare. This could result in rising costs and new regulations in the supply chain.
Management of relationships with suppliers including payment practices			
Positive impact – own operations [actual]	Trade compliance	Short-to-long-term	We place emphasis on trade compliance in the employee code of conduct and ESG policy, adhering to export controls, embargoes, sanctions, and customs regulations.
Positive impact – upstream, own operations [potential]	Supplier engagement	Short-to-long-term	By establishing and maintaining effective, transparent, and mutually beneficial interactions with suppliers, Breitling fosters a collaborative environment built on trust and openness. Fair payment practices ensure that suppliers receive timely and equitable compensation for goods and services provided.
Corruption and bribery			
Positive impact – own operations [actual]	Addressing ethical and legal issues	Short-to-medium-term	Addressing ethical and legal issues including internal controls, transparent management practices, and ensuring no fraud, corruption, bribery, or anti-competitive behavior.
Positive impact – own operations [actual]	Fostering positive corporate culture	Short-to-long-term	We actively foster a positive corporate culture by emphasizing the avoidance of situations involving personal interest or conflicts. The CoC is part of our onboarding.

