BREITLING
1884

SUSTAINABILITY

THE 2021 MISSION REPORT

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INTRODUCTION

MISSION STATEMENT

At Breitling, we are a Squad on a Mission. That means continually exploring ways in which we can create incredible new products that offer casual, inclusive and sustainable luxury and reflect the real aspirations of today's consumers. It also means that we are committed to doing our best to optimize the social and environmental impacts of our business within our sphere of influence, which is why I'm proud to be sharing this: our inaugural Sustainability Mission Report.

In the following pages you'll find information about our overall vision for sustainability, as well as the key issues that we're seeking to address. Of course, a vision is nothing without action – which is why the report also contains detailed information on our performance to date, as well as key objectives going forwards. To give a brief overview, the tangible actions we are taking include:

- **Sustainable sourcing innovation**
- **Transparently reporting on our sustainability progress**
- **Engaging our suppliers to drive sustainability performance**
- **Reducing our carbon footprint**
- **Eliminating plastic waste across our operations**

This is not only the first sustainability report we've produced as a business, but the first in the industry to be aligned with the new World Economic Forum / International Business Council (WEF/IBC) Stakeholder Capitalism Metrics. These metrics were devised in consultation with 120 of the world's largest companies at the 2020 World Economic Forum in Davos. Based on existing standards – including those of the Global Reporting Initiative and the Sustainability Accounting Standards Board – these offer a universal and comparable system by which corporations can align reporting on key environmental, social and governance (ESG) indicators while tracking contributions towards the United Nations Sustainable Development Goals (UN SDGs).

The report looks back on our work over the reporting cycle of fiscal year 2021 (April 2020 – March 2021) and will be issued on an annual basis. What has become clear in putting it together is not only how much work we've done to date – but also how much is left to do. Our Sustainability Mission is one that's only just beginning. But I, for one, am looking forward to seeing where it will take us.

GEORGES KERN, CEO



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MISSION OVERVIEW

Breitling's sustainability mission has been defined by an inclusive stakeholder group and consists of five pillars: Product, Planet, People, Process and Prosperity.

PRODUCT: creating positive impacts along our value chain

We are continually looking for ways to improve the positive social and environmental impacts of our products. Our leading initiatives include sourcing 100% Swiss Better Gold, launching industry-leading 100% upcycled packaging, and engaging our suppliers to create action plans for sustainable transformation.



PLANET: taking action on climate change

We measure, mitigate and neutralize our environmental impacts. As well as reporting annually to the Carbon Disclosure Project (CDP), we are committed to the Science Based Targets Initiative (SBTi), and offset a portion of our direct and indirect emissions. By 2025 we'll extend our use of 100% renewable energy for electricity from headquarters to global operations and aim to be free of plastic waste.



PEOPLE: working together as an inclusive squad

We're engaging our employees on the topic of sustainability to bring the UN Sustainable Development Goals - or SDGs - to life. Each employee receives paid annual nature leave and corporate volunteering days. In 2021 we were recognized as a top 10 employer in Switzerland and we are an equal pay employer as assessed under Swiss regulation.



PROCESS: providing meaningful transparency

We will continue to transparently report on our progress in an annual sustainability mission report, becoming the first in the industry to be aligned to the World Economic Forum / International Business Council (WEF / IBC) Stakeholder Capitalism Metrics.



PROSPERITY: creating shared value

We operate with conscience and accountability, promoting the creation of shared value between our business and wider society through customer-relevant innovation and responsible contributions to the communities in which we operate.

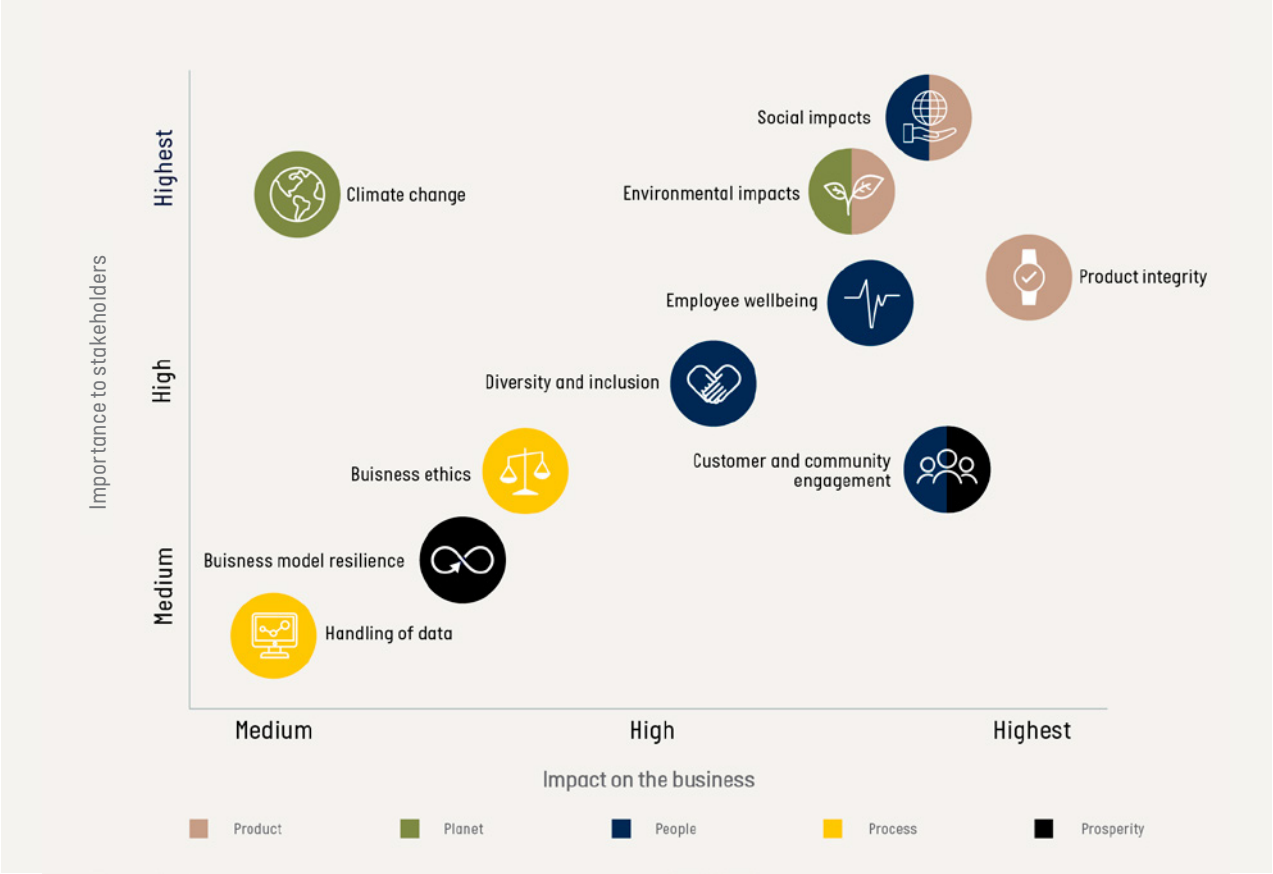


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MISSION METHODOLOGY

Our purpose is to inspire the dream of a casual, uplifting and meaningful life through sustainable products and a tasteful yet approachable luxury style. Our sustainability mission is a key element of our purpose.

Breitling Materiality Matrix



Defining sustainability at Breitling

Breitling formalized its approach to sustainability in 2020 building upon key product innovations - including a partnership with Ocean Conservancy on a co-branded Superocean Heritage collection in 2018 - and the release of the Outerknown ECONYL® strap collection in 2019. To define our sustainability vision, we focused on identifying priority sustainability topics in a broad-based and inclusive materiality assessment.

The Materiality Assessment

Based upon an initial scoping of material topics for our industry and its supply chain, referencing - among others - the Sustainability Accounting Standards Board (SASB) Materiality Map, stakeholder interviews and extensive desktop research, the materiality assessment was conducted from June-September 2020 and engaged a range of internal and external stakeholders - as outlined below - in a remote assessment (necessitated given Covid-19 restrictions at that time), that consisted of an online survey and follow-up interviews. The assessment identified the following key material topics that were also mapped against the United Nations Sustainable Development Goals, or SDGs.

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MATERIAL TOPICS AND RELATED SDGS



SOCIAL IMPACTS ALONG THE VALUE CHAIN

Promoting the wellbeing and economic development of communities and workers affected by our business, preventing exploitation and contributing to inclusive growth.

Related SDGs: 1, 8, 10, 12, 16



ENVIRONMENTAL IMPACTS ALONG THE VALUE CHAIN

Identifying and mitigating the environmental effects of energy usage, natural resource consumption and waste along our value chain.

Related SDGs: 12, 13, 15, 17



PRODUCT INTEGRITY

Managing the design and lifecycle of our products to promote quality assurance, safety, traceability, transparency and animal welfare.

Related SDGs: 12



CLIMATE CHANGE

Limiting our impact on the climate by accounting for and managing our emissions and setting environmental targets.

Related SDGs: 7, 9, 13, 15



EMPLOYEE WELLBEING, ENGAGEMENT, HEALTH AND SAFETY

Providing training, development and wellbeing for employees and engaging them in our sustainability journey.

Related SDGs: 3, 8



DIVERSITY AND INCLUSION

Promoting fairness throughout our business, building awareness of unconscious bias and championing diversity through inclusive employment practices.

Related SDGs: 5, 10



CUSTOMER AND COMMUNITY ENGAGEMENT

Ensuring customer satisfaction through prioritizing privacy, security and attentive service while engaging responsibly in public relations, lobbying, marketing and advertising.

Related SDGs: 8, 17



BUSINESS ETHICS AND GOVERNANCE

Addressing ethical and legal issues including internal controls, transparent management practices and ensuring no fraud, corruption, bribery or anti-competitive behavior.

Related SDGs: 8, 16



BUSINESS MODEL RESILIENCE

Ensuring the resilience of our supply chain and long-term business plan by addressing social, environmental and political issues.

Related SDGs: 12



RESPONSIBLE DATA HANDLING

Adopting best practices when it comes to the use of online data ensuring security and customer privacy.

Related SDGs: 9, 16

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THE SUSTAINABLE DEVELOPMENT GOALS

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." They are part of the 2030 Agenda for Sustainable Development which requires ambitious action in order to deliver the Goals by 2030.

In developing its materiality assessment, sustainability strategy and sustainability reporting, Breitling has referenced the UN SDGs throughout in order to ensure its actions are aligned with this leading global framework. As a part of our overall commitment we are also a signatory of the United Nations Global Compact (UNGC).



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BEHIND THE SCENES

Defining our pillars
The results of the materiality assessment have been categorized into five main pillars defining sustainability at Breitling: Product, Planet, People, Process and Prosperity. In our product pillar we see the intersectionality of sustainability clearly in the top two priorities: social and environmental impacts along the value chain.

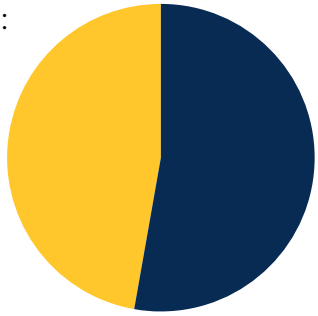
Identifying key tensions
In reviewing the results, we generally saw alignment between internal and external stakeholders on the topics assessed with one exception: climate change. Internal stakeholders felt the topic of "environmental impacts along the value chain" much closer within our scope of influence, and therefore of greater relevance. We have placed high importance on climate change in developing our sustainability strategy, particularly in view of its relevance, also, to our external stakeholders.

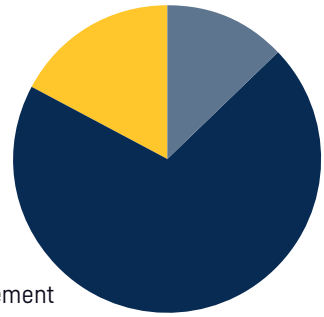
Ongoing assessment
At a minimum, we will recalibrate our materiality assessment on an annual basis with internal stakeholders, and a triennial basis with external stakeholders in order to ensure a relevant approach to sustainability.

Who we talked to
Our materiality assessment included a range of participants that provided a multitude of perspectives, enhancing the resilience of our sustainability strategy.

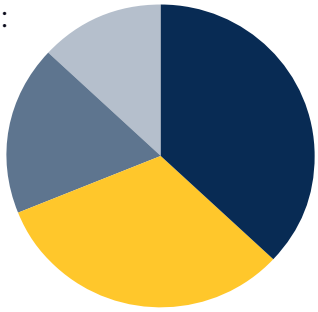
2020 Breitling materiality assessment participants: population characteristics

Internal Stakeholders
47 participants, of which:





External stakeholders
38 participants, of which:



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PRODUCT

CREATING POSITIVE IMPACTS ALONG OUR VALUE CHAIN

Our product sustainability pillar is focused on social and environmental impacts along our value chain and how these in turn shape the integrity of our products. After reviewing these material topics we have focused on supply chain development and supplier sustainability performance.



The Outerknown Econyl®-yarn single-piece strap is repurposed from nylon waste that is retrieved from the ocean, such as ghost fishing nets.

Social impacts along the value chain
Promoting the wellbeing and economic development of communities and workers affected by our business, preventing exploitation and contributing to inclusive growth.

Environmental impacts along the value chain
Identifying and mitigating the environmental effects of energy usage, natural resource consumption and waste along our value chain.

Product integrity
Managing the design and lifecycle of our products to promote quality assurance, safety, traceability, transparency and animal welfare.

Image source: © Breitling SA

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SOCIAL IMPACTS ALONG THE VALUE CHAIN

100% responsibly mined ASM gold
Having prioritized sourcing recycled gold in the past, we will shift our gold sourcing for FY22 to 100% responsible Artisanal Small-scale Mining (ASM) gold to positively influence social impacts along our value chain. In 2020 we became a member of the Swiss Better Gold Association, a non-profit association started by Swiss businesses operating along the gold value chain, including refiners and end users. Swiss Better Gold supports improvement of working and living conditions in ASM communities and helps to create responsible supply chains from ASM operations to the market. It partners with the Swiss State Secretariat for Economic Affairs (SECO) in the Swiss Better Gold Initiative, a public-private partnership providing technical support, organizational training and other means of assistance to ASM operations.

Together with its members, the Swiss Better Gold Association offers incentives to the network of ASM gold producers including fair business terms and direct financial investments in mining communities focused on social and environmental improvements. Swiss Better Gold supports the shift to better ways of working and better conditions for those participating along its value chain and thereby supports the Breitling sustainability goal oriented towards SDG target 8.3, decent work and economic growth.

The premium generated by our purchases (1 USD per gram of gold) is being set aside for use in a range of social and environmental projects under evaluation. These could include - among other things - business training centers for employees and members of the local community or environmental recovery and reforestation projects. In addition to the funds generated by the Swiss Better Gold impact premium, we will also be allocating a portion of our internal carbon fund to help lessen the environmental impact of these mining operations through a discretionary contribution. We will continually review the balance of the social and environmental impacts of our gold sourcing strategy to make sure our approach meets stakeholder interests.



Image source: © Yirka Roldan BGI 2017

ASM GOLD

ASM is low-technology, labor intensive mining that generates employment and income for over 40 million workers in the extractive sector while supporting approximately 100 million people globally. It accounts for 20% of global gold production and through responsible practices, can drive sustainable development in producing communities. Through our investments - financed by a premium of 1 USD per gram of gold purchased - we support projects directly in the communities from which we source our gold and can verify and trace our gold purchases, with on the ground third-party verifications of mines to measure progress against social and environmental sustainability targets. By doing so, we invest in social and environmental improvements within the network of eligible ASM producers.

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SOCIAL IMPACTS ALONG THE VALUE CHAIN

"We are proud of the commitment taken by Breitling in sourcing gold for its masterpieces only from responsible artisanal and small-scale producers. This pledge confirms a strong focus on enhancing a positive social impact along Breitling's value chain. ASM is habitually synonymous with challenging social conditions and environmental impacts, a perception which contributes to a negative and often erroneous perception of the whole sector. The Swiss Better Gold Initiative we run on the ground illustrates that ASM producers can provide a resilient, stable and responsible supply chain downstream companies look for. The ASM sector employs millions of people, to many of whom mining is the only income-generating activity available to feed their families. Understanding the importance of the social implications of artisanal mining in the producing countries, Breitling has initiated collaboration with the Swiss Better Gold Association. Together we are developing and implementing a series of social and environmental impact activities, which will be made possible thanks to Breitling's sourcing strategy and contributions into the Better Gold Fund."
Diana Culillas, Swiss Better Gold Association secretary general



Image source: © Yirka Roldan BGI 2017

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ENVIRONMENTAL IMPACTS ALONG THE VALUE CHAIN

Upcycled straps and packaging
In recent years, we've been introducing key product innovations to shape our environmental impacts along the value chain. In 2019 we launched an Outerknown Econyl®-yarn single-piece strap made of upcycled ghost fishing nets. In 2020 we introduced a new, industry-leading shift in packaging at Breitling: a flat-fold box made from 100% upcycled plastic bottles that halved related logistics emissions and substantially reduced the materials and volume of our packaging. This has been recognized by the Solar Impulse Foundation which has labelled our packaging design as one of its 1,000 Efficient Solutions. Breitling's pre-existing packaging is still available on-demand to customers and for those that prefer this option, we suggest making a contribution to our partner SUGi to offset its impact.

"Breitling considers all parts of the problem, using recyclable straps made of ECONYL®, redesigning its packaging as well as engaging its suppliers in sustainability and reducing its impacts."
Giulio Bonazzi, CEO, Aquafil

"From day one, Outerknown has been committed to sustainability. Together with Breitling, we are pioneering new ways to sustainably source and manufacture materials. In 2018, we partnered to introduce ECONYL® to the luxury watch world, crafting a heritage timepiece with straps made from regenerated nylon and supporting Ocean Conservancy."
Mark Walker, CEO, Outerknown



Breitling's 100% upcycled packaging

Ocean Conservancy
Ocean plastic pollution is ubiquitous. We have worked to drive attention on this topic and are proud to support Ocean Conservancy which has organized tens of thousands of coastal cleanup events for more than 35 years in 153 countries. Since 1986 more than 16 million people have picked up over 340 million pounds of trash as part of Ocean Conservancy's International Coastal Cleanup. Breitling plays an active role in some of Ocean Conservancy's initiatives by participating in its cleanup programs to protect the health of the ocean and works towards a trash-free sea.

Image source: © Breitling SA

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OUR PARTNERS



Solar Impulse Foundation
A shared passion for sustainability is the basis for the partnership between Breitling and Bertrand Piccard's Solar Impulse Foundation. Breitling has a proud history with Bertrand Piccard. In March 1999 Bertrand Piccard completed the circumnavigation of the globe in Breitling Orbiter 3 wearing a Breitling Emergency on his wrist. Bertrand Piccard remains active with Breitling as a member of the Breitling Explorer Squad.

1000 solutions
The premise of Solar Impulse Foundation is that climate change can be tackled most effectively through the lens of profitability. In April 2021, the Foundation reached its goal of identifying 1000 solutions that are profitable for both the environment and our economy reducing CO2 emissions, pollution, and the use of resources while at the same time creating jobs and growth. The Solar Impulse Efficient Solution Label is the only evaluation available today that certifies the economic profitability of products and processes that protect the environment. It is awarded following a rigorous evaluation process carried out by a pool of independent experts. Breitling's new sustainable packaging has been named as one of the 1000 solutions that can protect the environment in a profitable way.

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PRODUCT INTEGRITY


ECONYL® yarn made of regenerated waste

"While several sustainability related initiatives have been underway at Sellita, Breitling's initiative pushed us to formalize and intensify our efforts. We're looking forward to mutually driving one another's sustainability performance."
Miguel Garcia, CEO, Sellita

Supplier sustainability benchmarking
In addition to innovation in materials, we are engaging our suppliers in sustainability benchmarking. This will help drive ongoing improvement across a range of indicators related to labor and human rights, ethics, environment and sustainable procurement. By using an independent, third-party sustainability benchmarking platform - EcoVadis - that assesses verifiable claims of performance, we can continually assess risk and drive improvements across sustainability dimensions. We are starting this process with key suppliers and will continually extend our supplier base coverage. *(Full disclosure: Both Breitling and EcoVadis are within the portfolio of CVC Capital Partners).*

OUR SUPPLIER CODE OF CONDUCT
Our independent benchmarking of supplier sustainability performance is complemented by the Breitling Supplier Code of Conduct. This is publicly available on Breitling.com and based on key international guidance and instruments including the OECD Guidelines for Multinational Enterprises, the International Labour Organization Core Conventions, the Universal Declaration of Human Rights and the United Nations Global Compact. It is being rolled out to our key suppliers with broader implementation to follow.

Image source: ECONYL®

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THE 2021 MISSION REPORT PRODUCT TARGETS

After reviewing the areas in which we can make an impact, we have committed to shifting our gold sourcing practices and engaging our suppliers in annual sustainability assessments in order to define roadmaps for ongoing improvement. We have aligned these – and all our targets – with the United Nations 2030 Agenda for Sustainable Development and the Sustainable Development Goals, or SDGs. Where relevant, specific targets related to the goals are indicated.

"By adopting EcoVadis supplier sustainability assessments, Breitling is not only leading its industry but adhering to a methodology adopted by over 700 requesting and 75,000 rated companies. EcoVadis provides an independent, 360º review of supplier sustainability practices that benchmarks performance against peers and provides actionable roadmaps to drive sustainability performance."
Nicole Sherwin, vice president customer success, Ecovadis



Swiss Better Gold sourcing

FY 22

Quantitative Target
Allocate 100% of our gold purchases to Swiss Better Gold

Qualitative Target
Enable gold traceability and pay a fair price for responsibly sourced artisanal gold

Related SDGS
8 – Decent work and economic growth (target 8.3)



Supplier engagement

By 2022

Quantitative Target
Engage 70% of our suppliers by spend in sustainability, in part through an annual EcoVadis sustainability benchmarking assessment

Qualitative Target
Share resources and good practices to improve our sustainability performance along our value chain

Related SDGS
8 – Decent work and economic growth (target 8.3)

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KEY FACTS

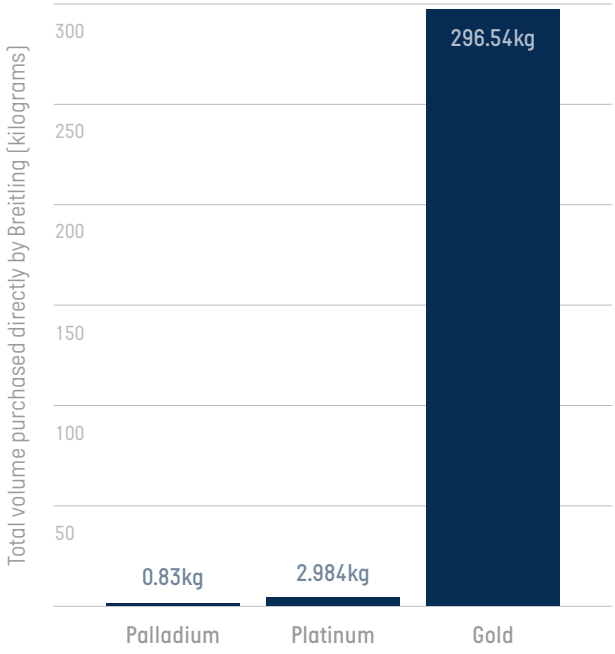
In order to provide more transparency in our sourcing practices we have established our own reporting metrics, focusing upon the sourcing of 3TG minerals (gold, tungsten, tin and tantalum), platinum group metals, diamonds and gemstones. Breitling sources low volumes of these materials. However, conflict minerals are an important topic, for which issues like child labor, human rights, or modern slavery could arise. Our due diligence and engagement activities will focus on these aspects, along with the environmental impacts of these industries.

In the reporting cycle, we worked with the following refiners for the purchase of gold and platinum group metals: Argor Heraeus (listed on the London Bullion Market Association (LBMA) Good Delivery List, the London Platinum and Palladium Market Good Delivery List, SBGA Member and Responsible Minerals Alliance Process (RMAP) conformant), PX Precinox (listed on the LBMA Good Delivery List, SBGA Member and RMAP conformant) and Varinor. Each holds Responsible Jewellery Council (RJC) Chain of Custody (COC) and Code of Practices (COP) certifications.

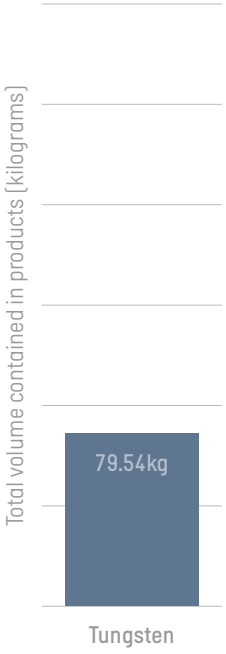
Tungsten, which is used in our oscillating weights, has been sourced by a tier 1 supplier from two responsible raw material sourcing counterparts, both of which apply key frameworks of the Responsible Minerals Initiative, such as reporting according to the Conflict Minerals Reporting Template and being RMAP conformant. Additionally, a trace amount of tantalum can be found in our quartz movements. To our knowledge, no tin is contained in our products. Further platings of precious metals and metals used in the production process may not be accounted for in the volumes reported below.

Through its suppliers, Breitling sources diamonds and colored gemstones. Our suppliers have confirmed that all diamonds have been procured in accordance with the Kimberley Process Certification Scheme, with the majority of suppliers being certified against the RJC COP standard. The sourcer and cutter of the colored gemstones used in our products is a member of the RJC and is currently seeking certification against its COP Standard. We will continue to review our gemstone sourcing practices to ensure adherence to existing and emerging guidelines and standards.

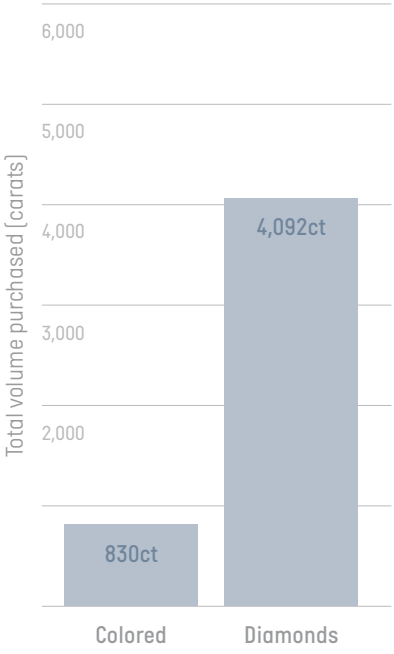
GOLD AND PLATINUM GROUP METALS



TUNGSTEN



DIAMONDS AND COLORED GEMSTONES



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PLANET

TAKING ACTION ON CLIMATE CHANGE

Our planet sustainability pillar is focused on environmental impacts along the value chain and fighting climate change. We have issued our first annual report to the Carbon Disclosure Project (CDP) and committed to the Science Based Targets initiative (SBTi).



A diver prepares to retrieve ghost fishing nets

Environmental impacts along the value chain
Identifying and mitigating the environmental effects of energy usage, natural resource consumption and waste along our value chain.

Climate change
Limiting our impact on the climate by accounting for and managing our emissions and setting environmental targets.

Image source: © Breitling SA

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ENVIRONMENTAL IMPACTS ALONG THE VALUE CHAIN

Measuring and reducing our impact
As a first step we have accounted for our own emissions (GHG Protocol Scopes 1 & 2) along with those associated with our Scope 3 emissions from external boutiques, and travel and logistics originating from our headquarters. These emissions represent the scope of our carbon neutrality in this reporting cycle. Using secondary data and average emissions factors, we have also established a baseline measurement for our scope 3 emissions resulting from purchased goods, which is our largest category. This estimate is being used to guide and inform our future measurement and mitigation efforts. While this process has been the focus of our assessment to date, in future we will extend both the scope of our GHG emissions measurements and the scope of other key environmental indicators contributing to our overall environmental impact.

We're always working to reduce the environmental footprint of both our direct and indirect operations. In our direct operations, our efforts have resulted in substantial results, particularly at Breitling Chronometrie, where our timepieces are manufactured. Between 2013 and 2018, our total energy consumption was reduced by nearly 50% by installing LEDs, automatic blind systems and automatic timers. Since that time, we've continued to make reductions - guided by installations to monitor local energy consumption and complemented by the broader deployment of LED lighting.

Moving forward we will also establish key measures in order to eliminate plastic waste across our operations. By 2025 we will engage our suppliers of plastic-containing materials to collaborate on circular processes for unavoidable plastic use and/or replace the material. We'll also be encouraging our employees to reduce their plastic use by raising awareness with events and enabling more sustainable consumption habits on-site. We will extend our practice of sourcing 100% renewable energy for electricity across our headquarters operations to our global energy procurement practices by 2025. In addition, we are reviewing our procurement practices in order to ensure that the paper-based products we source globally are Forest Stewardship Council (FSC)™ certified.

FSC www.fsc.org — The mark of responsible forestry FSC® N003682

CARBON INSETTING

Our shift to sourcing artisanal and small-scale (ASM) gold for FY22 will result in an increased carbon footprint compared to the sourcing of gold produced through different means, including recycled gold. Given the chance for this shift to have positive social impacts along the value chain and the potential to co-create environmentally responsible practices with our suppliers, we will allocate a portion of our internal carbon fund to support insetting projects within our gold sourcing value chain in order to mitigate these emissions, while working with our value chain to more directly measure their impact. We will continually review the balance of the social and environmental impacts of our gold sourcing strategy in order to ensure an approach that best meets stakeholder interests.

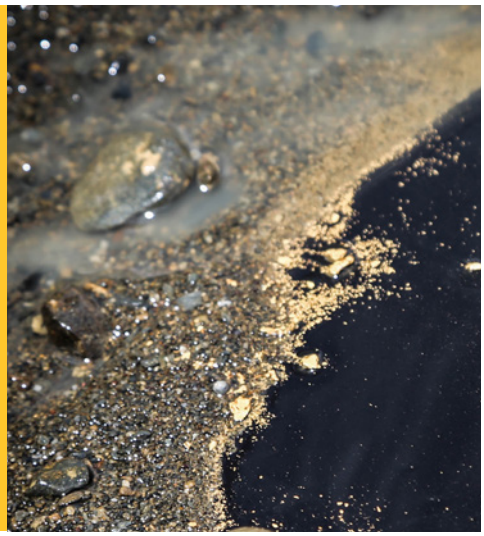


Image source: © Yirka Roldan BGI 2017

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PRODUCT CARBON FOOTPRINT ASSESSMENT

The Navitimer B01 Chronograph 46 footprint
To better understand the environmental impacts along our value chain, we have conducted the industry's first product carbon footprint assessment taking our iconic Navitimer B01 Chronograph 46 as a subject. This assessment was produced in collaboration with the Coalition on Materials Emissions Transparency (COMET) an RMI-led coalition that includes the Columbia University Center on Sustainable Investment and the Payne Institute for Public Policy at the Colorado School of Mines.

COMET's analysis incorporated several key principles from life cycle assessment methodologies to assess the carbon impact associated with the materials that comprise Breitling's Navitimer B01 Chronograph 46.

The analysis investigated the carbon footprint of each component of this Navitimer from the steel case and bracelet to the sapphire glass, giving us new insights into the environmental impacts of our upstream value chain and identifying which elements of this product are responsible for the majority of these impacts. COMET found that the cradle to gate greenhouse gas emissions embodied in the materials of this Breitling Navitimer amount to roughly 1.2kg of carbon-dioxide: less than the emissions required to produce the average bottle of wine.

IN BRIEF: COMET AND RMI

The Coalition on Materials Emissions Transparency (COMET) accelerates supply chain decarbonization by enabling producers, consumer facing companies, investors and policy makers to better account for all supply chain emissions in harmony with existing methods and platforms. COMET collaboration at RMI is coordinated by the Climate Intelligence Program which is accelerating decarbonization through climate data, insights, and action.

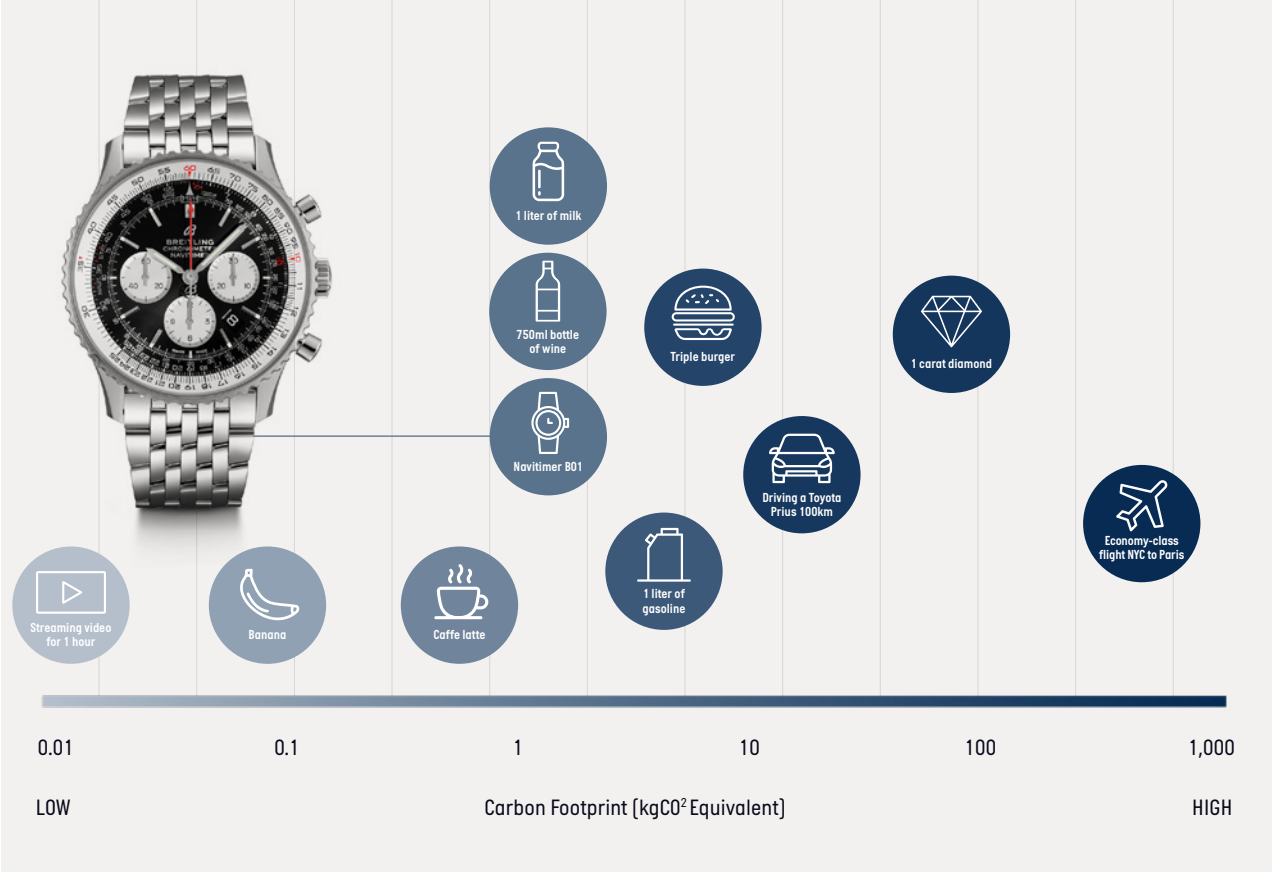
We are proud to be at the forefront of our industry in assessing its product carbon footprint. While it is imperative that we minimize our own emissions as much as possible, we also see value in supporting a leading global initiative to harmonize GHG calculation frameworks of great relevance to our industry and supply chain and greatly support the efforts of RMI and COMET to create these global frameworks.

Click here to learn more about COMET and the RMI Climate Intelligence Program.

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PRODUCT CARBON FOOTPRINT ASSESSMENT

GHG MATERIALS EMISSIONS OF NAVITIMER B01 CHRONOGRAPH 46, COMPARED WITH OTHER PRODUCTS/ACTIVITIES



"RMI and the COMET partners are heartened by Breitling's effort to quantify the embedded greenhouse gas emissions in its best selling watch. In order to halve industrial emissions by 2030 and stay on a 1.5°C pathway, we need to define how to measure emissions and how to use this information to decarbonize the wide variety of products people use every day."

Paolo Natali, principal, RMI Climate Intelligence Program

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CLIMATE CHANGE



Image source: Unsplash

TCFD, SBTi and CDP

Our approach to climate change management is based upon a step-by-step, cyclical process of measuring, mitigating and neutralizing the environmental impacts along our value chain. While our work in this regard has started with carbon, we will expand our scope to consider further related impacts, recognizing the interconnectedness of the range of natural capital upon which our survival depends. In order to effectively govern our approach to climate change, we are implementing the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD), which has developed disclosure recommendations to promote informed investment decisions and enable understanding of exposure to climate-related risks. Breitling has implemented the majority of the TCFD recommendations and will complete implementation within three years' time.

The results of our first TCFD assessment, conducted in FY21 based on data gathered in FY20, have informed the deliberations of the Breitling Board of Directors ESG Committee which in turn reports to the Board after each meeting – these happen on a bi-monthly basis. The chairman of the ESG Committee has responsibility for climate change at the board level. In our 2021 risk inventory, climate change was included in sustainability area risks which are assessed overall as a medium risk.

In our TCFD assessment we considered two scenarios: one in which we are collectively able to limit global warming to 1.5° (known as a transition risks scenario); and one in which global warming reaches 4° (known as a physical risks scenario). As our assessment has clearly demonstrated, we have low negative and high positive risk exposure in a transition scenario. In a physical risks scenario, we anticipate unknown yet potentially high risk for our business. At this stage we have not quantified the financial risks associated with climate change in the long term.

In 2021, considering this assessment, we committed to reducing our carbon footprint in line with the Science Based Targets Initiative (SBTi), which defines best practice in emissions reductions aligned with climate science and the goals of the Paris Agreement. We intend to reduce 100% of our Scope 1 and 2 emissions in line with the 1.5° scenario. To address our Scope 3 emissions, we will engage our suppliers to set Science Based Targets and work together to implement key insetting projects to reduce our impact. In order to measure our progress related to climate and environmental impact, we will report annually to the Carbon Disclosure Project (CDP).

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OUR PARTNERS



Image source: SUGi

SUGi forest

As a complement to our commitment to offsetting our environmental impacts Breitling is proud to support SUGi, which offers a sustainable, scalable, and successful framework for addressing ecosystem loss while generating employment by empowering indigenous communities. SUGi is the only platform that focuses on biodiversity building and rewilding in urban environments. It has created more than 80 forests in 12 countries around the world via the proven Miyawaki Method. Miyawaki forests are 100% native and quickly become 30x denser and 100x more biodiverse than those planted by conventional methods. They also capture 16x the carbon. SUGi is also a part of the Trillion Tree Initiative, launched by the World Economic Forum in 2020, which is a platform promoting a global movement to conserve, restore and grow one trillion trees by 2030. Since partnering with SUGi in 2020, Breitling has planted 10,500 trees of 200+ native plant species on 3,000 square meters across four forests in 14 countries restoring 195 species, with more forests to follow in 2021.

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THE 2021 MISSION REPORT PLANET TARGETS



SBTi
2023

Quantitative Target
100% of our Scope 1 and 2 emissions will be reduced in line with the 1.5º scenario

Qualitative Targets
We will set our SBTi targets by 2023

To address our Scope 3 emissions, we will engage our suppliers to set Science Based Targets and work together to implement key insetting projects to reduce our impact

Related SDGS
13 – Climate action



Renewable energy
2025

Quantitative Target
100% renewable energy procurement globally

Related SDGS
7 – Affordable and clean energy

13 – Climate action



Plastic waste free
2025

Quantitative Target
Generate zero plastic waste across operations by 2025

Qualitative Target
By working with our suppliers and all our stakeholders to create circular solutions, identify plastic alternatives and shift our consumption patterns we will eliminate plastic waste across our operations

Related SDGS
12 – Sustainable consumption and production

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KEY FACTS

In FY21 Breitling has included the emissions outlined below in our carbon accounting scope. Our disclosures in this area will also be issued on an annual basis to the Carbon Disclosure Project. In future years we will take into consideration further environmental indicators.

INDICATOR (TONS OF CARBON DIOXIDE EQUIVALENT - TCO2E)	FY21
Scope 1 HQ emissions: Direct emissions	36
Scope 2 HQ and internal boutiques emissions: Electricity and heating	690
Scope 3 emissions: External boutiques	537
Scope 3 emissions: HQ originating logistics	813
Scope 3 emissions: HQ originating travel	35
The emissions listed above represent the scope of our carbon neutrality in FY21	
Scope 3 emissions: Purchased goods	6,978
Total scope 1-3 emissions accounted in FY21	9,089
Tons of CO2 offset (FY21 emissions)	2,111
Shadow price on carbon (CHF/TCO2E)	30

INDICATOR	FY21
Scope 1 HQ energy consumption (MWh)	47
Scope 2 HQ and internal boutiques energy consumption (MWh)	4,724
Scope 3 external boutiques energy consumption (MWh)	1,447
Total scope 1-3 energy consumed in FY21 (MWh)	6,218
HQ water consumption (mega liters)	6.2

In the reporting cycle, we have offset a portion of our emissions: Scope 1 & 2 emissions occurring at our headquarter facilities and internal boutiques and a portion of our indirect emissions associated with our external boutiques and business travel and logistics originating from our headquarters.

To reduce emissions and support multiple UN Sustainable Development Goals, Breitling's carbon fund is supporting the Concosta REDD+ Project in Colombia by avoiding unplanned deforestation and degradation. This project mitigates climate change, protects rich biodiversity, and generates sources of income for struggling communities through forest governance, capacity building and productive activities that will prevent selective logging of native forests, avoiding degradation and deforestation. Our carbon fund related to FY21 emissions will also support a pilot insetting project along our gold value chain working directly with our sourcing partners to support projects which reduce environmental impacts.

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PEOPLE

WORKING TOGETHER AS AN INCLUSIVE SQUAD

We are always seeking to engage the intrapreneurial spirit of our people – customers, employees, business partners, community members and others – with an inclusive approach. Key topics in our people sustainability pillar are: employee engagement, wellbeing, health and safety, diversity and inclusion, and customer and community engagement.



Click here to discover the Breitling Spotlight Squad

Employee engagement, wellbeing, health and safety
Providing training, development and wellbeing for employees and engaging them in our sustainability journey.

Diversity and inclusion
Promoting fairness throughout our business, building awareness of unconscious bias and championing diversity through inclusive employment practices.

Customer and community engagement
Ensuring customer satisfaction through prioritizing privacy, security and attentive service while engaging responsibly in public relations, lobbying, marketing and advertising.

Image source: © Breitling SA

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EMPLOYEE ENGAGEMENT, WELLBEING, HEALTH AND SAFETY

Listening to our employees
In 2021, Breitling launched its first global employee engagement survey. Featuring 23 questions covering all aspects of employee engagement, the survey achieved a participation rate of 85% world-wide, highlighting the willingness of our employees to contribute to the ongoing improvement of our company. Highlights included Breitling Squad Members expressing a pronounced sense of belonging and confirming that collaboration within and across teams is our strong suit. Also underlined was a firm trust in the leadership of Breitling as well as its prospects. The overall engagement score was exactly on benchmark with 900 companies world-wide and across industries, at 74. Breitling has heard its employees on the topic of personal growth and will undertake efforts to make possible even more success stories like the below.



Daniel Phillips, boutique manager, Breitling New Bond Street

"Having joined Breitling Bond Street in 2016 as a sales professional, I have had the chance to realize several promotions within the company. In 2019, after establishing the retail set up of our Outlet in Bicester Village, I subsequently went on to manage the Breitling Bicester Boutique before returning to lead Breitling New Bond Street, as boutique manager earlier this year. From day one of my career with Breitling I have had opportunities to gain valuable experience in a variety of settings. I have been inspired to take on new projects and events that have challenged me, culminating in my personal growth and development which has always been professionally recognized."

Image source: © Breitling SA

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DIVERSITY AND INCLUSION

Equality in the workplace

As an inclusive brand, we seek to ensure that in our own business practices we are living these values. In the last employee engagement survey, the sense of belonging and inclusion was ranked three points above benchmark, with 75% of the participants affirming that they feel a sense of belonging at Breitling. In the reporting cycle, we focused our efforts on assessing our performance in gender equal pay and established clear targets to guide our work in this area moving forward. In 2021 we launched an equal pay survey at our headquarters, showing no statistically relevant difference in pay. The results of this will be audited and, in FY22, similar surveys will be rolled out to major markets. To further develop our capacities to support diversity and inclusion in the workplace, we will engage employees involved in hiring and succession processes in unconscious bias training by 2022.

CUSTOMER AND COMMUNITY ENGAGEMENT

Taking time and taking action

At Breitling, we use our voice to amplify key sustainability topics and engage our stakeholders. We have engaged customers in our sustainability mission through raising awareness on ocean plastic as well as in our support of SUGi. Our employees are given one day of paid leave per year to spend in nature in order to better connect with the environment (and during which they are encouraged to pick up trash or conduct another service for the environment) and one day of paid leave to spend on corporate volunteering projects. Looking ahead, we will be collaborating with collaboratio helvetica to develop ways of engaging the Squad in tangible initiatives that bring the UN Sustainable Development Goals to life and reduce our plastic footprint.



BEST EMPLOYER AWARD

In 2021 Breitling was ranked in the Top 10 of the 2021 "Best Employer Award" and reached place number two in the "watches / jewelry" segment in a Swiss-wide study done by Statista, Le Temps and the Handelszeitung. This study considers the opinion of more than 200,000 salaried people in Switzerland and comprises an extensive analysis on a range of topics.

BENEFITS

Breitling works with insurance brokers across all of its markets to ensure that employee benefits in terms of medical and healthcare services are on benchmark or better. For example, at our headquarters where a large share of Breitling's workforce is employed, Breitling provides non-occupational coverage with its insurance partners that is above the legal minimum and in-line with benchmark.

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THE 2021 MISSION REPORT PEOPLE TARGETS

For each of our material people pillar topics, we have established targets to guide progress.



Employee engagement

By 2022

Target
Top 20% Global Benchmark in the Glint Engagement Survey

Related SDGS
8 – Decent work and economic growth



Customer and community engagement

By 2022

Target
500 hours of employee corporate volunteering

Related SDGS
17 – Partnerships for the goals



Diversity and inclusion

By 2024

Target
No statistically significant difference in pay between men and women

Related SDGS
5 – Gender equality



Training

By 2024

Target
Allocate funds equivalent to 1% of salary spend to training

Related SDGS
8 – Decent work and economic growth

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KEY FACTS

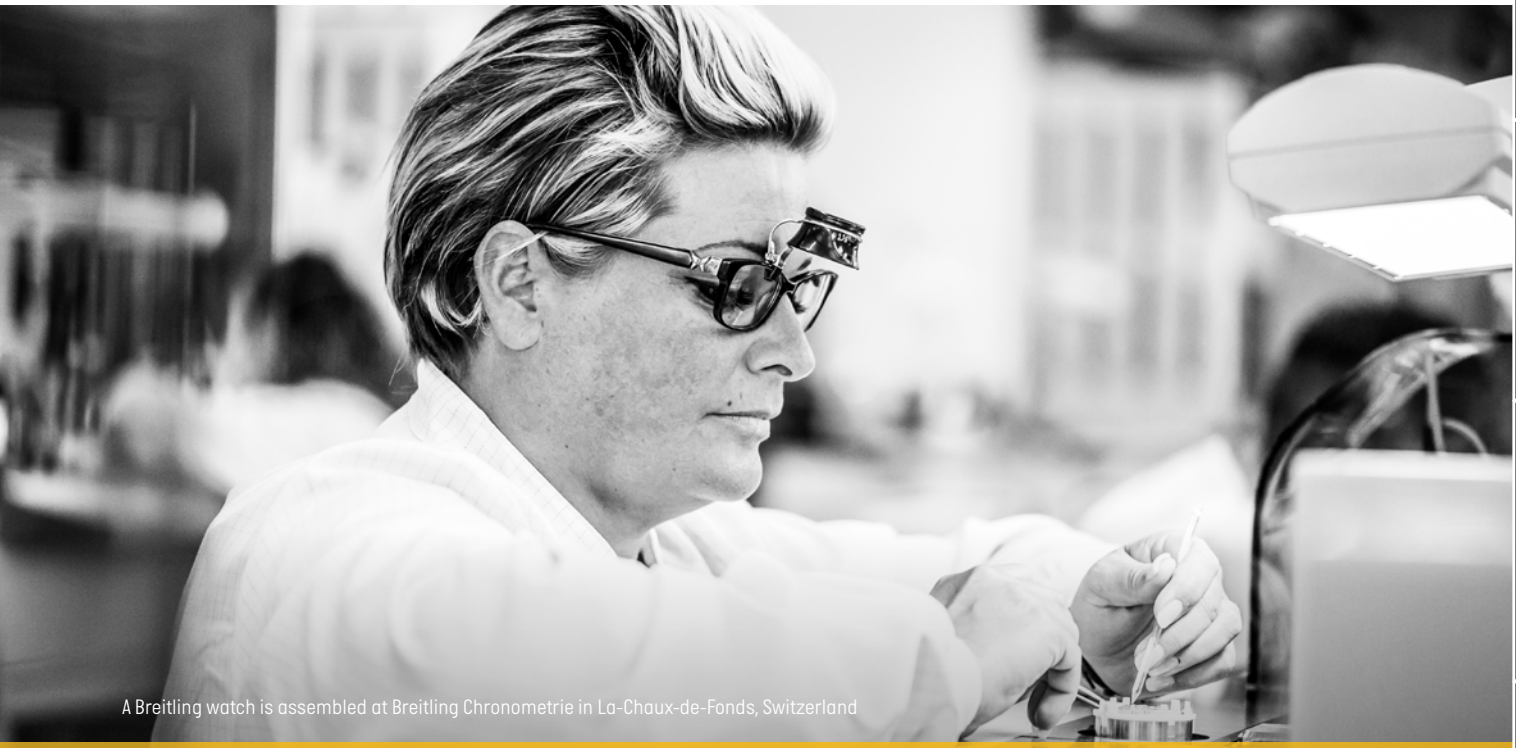
INDICATOR	FY21
Diversity and inclusion	45% of all employees are women 30% of all managers are women
Dignity and equality: pay equality	No statistically relevant difference in pay between men and women in Switzerland according to the Swiss federal Logib standard analysis tool (audit pending and evaluation world-wide on-going)
Wage level *Ratio of standard entry level wage by gender compared to local minimum wage in Switzerland (applies to male and female)*	1.24
Health and safety *The number and rate of fatalities as a result of work-related injury* *High-consequence work-related injuries (excluding fatalities)* *Recordable work-related injuries* *Main types of work-related injury are finger injuries, resulting during watch assembly*	 0 0 12
Living wage *Current wages against the living wage for employees and contractors in Switzerland*	2.11
Absenteeism	3.6%

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PROCESS

MAINTAINING BETTER BUSINESS PRACTICES

Our values of integrity, respect and responsibility guide our business conduct, alongside our sustainability purpose: to craft responsible products while optimizing our social and environmental impact and acting with principles of inclusion and transparency. Our values are outlined in our corporate ESG Policy which further references our Employee Code of Conduct and our Supplier Code of Conduct, each of which are publicly available on Breitling.com.



A Breitling watch is assembled at Breitling Chronometrie in La-Chaux-de-Fonds, Switzerland

Business ethics and governance
Addressing ethical and legal issues including internal controls, transparent management practices, and ensuring no fraud, corruption, bribery or anti-competitive behavior.

Responsible handling of data
Adopting best practices when it comes to the use of online data, ensuring security and customer privacy.

Image source: © Breitling SA

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BUSINESS ETHICS AND GOVERNANCE

Our board of directors

Our group's parent operating entity, Breitling SA, is overseen by a Board of Directors made up of four shareholder representatives and one independent board member, all of which are non-executive. There are two board committees: the Audit Committee and the ESG Committee, the latter of which brings together corporate leaders across Breitling to oversee the status and implementation of ESG related topics at Breitling. Board members have expertise in finance and banking, operations, marketing, business development, digital innovation, e-commerce, merger and acquisitions, corporate responsibility, governance, legal, compliance and general management, among others, across a wide scope of B2C and B2B industries.

Dr. Alexander Dibelius (chairman, since 2018, Ph.D. in medicine) is a managing partner at CVC Advisers (Deutschland) GmbH and was a partner in McKinsey and Goldman Sachs (other board memberships include KION Group, Diebold Nixdorf, Douglas, Messer Industries, Syntegon, ironSource Mobile, DKV Mobility Services and Tipico).

Dr. Daniel Pindur (vice-chairman, chairman Audit Committee, since 2018, Ph.D. in finance) is a partner at CVC Advisers (Deutschland) GmbH with previous positions at Goldman Sachs and as CFO at Sunrise Communications (other board memberships include Douglas, Messer Industries, ironSource Mobile, DKV Mobility Services and chairmanship at Tipico).

Jérôme Luciat-Labry (chairman ESG Committee, since 2017, master's in engineering), is a partner at CVC Advisers (Benelux) SA/NV and held positions at Schlumberger, was partner at McKinsey, chief marketing officer and then chief commercial officer of GE Oil & Gas, CEO of Lufkin and president of GE Well Performance Services (other board membership at Syntegon).

Can Toygar (Audit Committee, since 2017, master in business administration and management) is a managing director at CVC Advisers (Deutschland) GmbH and was previously with J.P. Morgan (other board memberships include Douglas, Messer Industries and Syntegon).

Dr. Christian Wenger (ESG Committee, since 2017, master in law), is a partner at Wenger & Vieli AG and founded Swiss Startup Invest, Bluelion Incubator and digitalswitzerland (member of the steering committee); chairman of the Board of Trustees of the UZH University of Zurich Foundation, chairman of Swiss Entrepreneurs AG, member of the Foundation Board of Zoo Foundation Zurich and member of the patronage committee of ROKPA Support Foundation (other board memberships include chairmanship at Aevis Victoria, SIGNA Retail Selection, UCC Immobilien and membership at Chemolio Holding, Hempel Special Metals, Trisport, UCC Holding and Xeltis).

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BUSINESS ETHICS AND GOVERNANCE

"By using Speak Up, Breitling encourages its 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."
Carolina Amezcua Alvarado, organizational consultant at People Intouch



SPEAK UP

SpeakUp, a "whistleblowing" system developed by People Intouch, offers a low-barrier platform through which employees can register potential breaches of the Code of Conduct and any concerns related to environmental, social or corporate governance issues. The platform can be accessed 24/7 by phone or web in any native language. Reports may be made anonymously if so chosen: a crucial element in supporting an accessible and safe culture of speaking up.

Anti-corruption measures

In the reporting cycle Breitling launched its Employee Code of Conduct and an international Speak Up line, the latter of which is available to all employees and can be used to report any suspected breach of laws or internal policy. Each employee worldwide has been trained on both of these tools and provided with quick reference documentation. Two reports have been received in the reporting cycle and each has been investigated and measures taken to address the points raised. No incidents of corruption were confirmed during the current year, either related to this year or previous years. No monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice or violations of other related industry laws or regulations have been recorded in the reporting cycle.

Image source: Adobe Stock

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RESPONSIBLE HANDLING OF DATA

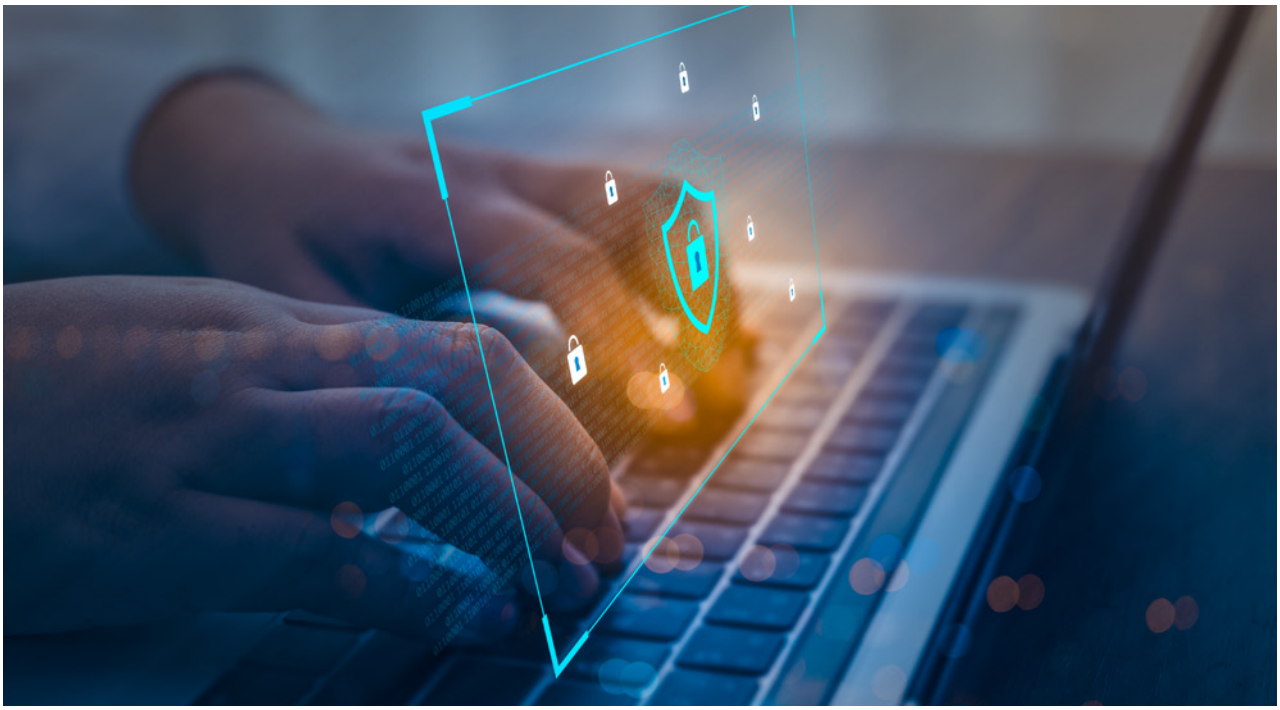


Image source: Adobe Stock

Data protection governance

We comply with relevant global regulatory frameworks (e.g, the GDPR, ePrivacy Directive, Swiss FDPA and FDPO) and apply the most rigorous regulation available to our global activities through the roll-out of data protection policies and training. We have a centralized data protection officer with an experienced external partner, and all group companies have a local representative for data protection topics.

We collect consent for the processing of customers' personal data in a clear, informative and explicit manner. We require a double opt-in for Breitling communications - including e-mail verification - and our data management system prohibits mass exports. Customer data is neither sold nor communicated. It is always possible to conduct checkout as a guest and there are always unsubscribe buttons in our communications. The Breitling call center can delete customer records upon request. During the reporting period, we had no breaches of customer privacy that needed to be escalated to a supervisory authority.

Information security

Information Security is a top priority at Breitling. We follow best practice guidelines for cyber security and align with CIS (Center for Internet Security) and Critical Security Controls for Effective Cyber Defense. We have also taken several actions in this area following a roadmap aligned to the ISO 27001 information security management framework. These include regular penetration testing, 24/7 SOC (Security Operational Center) support and BCM (Business Continuity Management). We commission regular internal and external audits and have put an Information Security Awareness program in place to regularly provide training to all our employees.

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PROSPERITY

CREATING SHARED VALUE

We promote the creation of shared value between our business and wider society through responsible corporate citizenship and economic contributions based both upon our business performance and philanthropic activities. Our key topics in the prosperity pillar are business model resilience and customer and community engagement.



Breitling celebrates one year of support for Qhubeka

Customer and community engagement
Ensuring customer satisfaction through prioritizing privacy, security and attentive service, responsibly engaging in public relations, lobbying, marketing and advertising.

Business model resilience
Ensuring the resilience of our supply chain and long-term business plan by addressing social, environmental and political issues.

Image source: © Breitling SA

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CUSTOMER AND COMMUNITY ENGAGEMENT

Supporting Covid-19 relief
In the reporting cycle Breitling made contributions to support Covid-19 relief activities, the South African-based charity Qhubeka, Ocean Conservancy, the Solar Impulse Foundation and SUGi, among others. In May 2020 we released the Superocean Heritage '57 Limited Edition II and donated part of the proceeds from sales – totaling CHF 500,000 – alongside an additional donation of CHF 100,000 from CVC Capital Partners to six organizations working to address the Covid-19 health crisis, splitting the funds equally. The organizations we donated to were Fondation de France in France, Humanitas in Italy, The National Center for Global Health and Medicine in Japan, The Ministry of Health in Spain, NHS Charities Together in the UK and Direct Relief in the United States.

"As a lifelong watch collector, I genuinely appreciate Breitling's focus and dedication to sustainability. From upcycled packaging, reduced CO2 emissions to supplier and partner choices, you can see Breitling's commitment to creating a better, more sustainable future."
Benjamin Spiegel, global chief digital officer, beauty at Procter & Gamble



Image source: © Breitling SA

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CUSTOMER AND COMMUNITY ENGAGEMENT



Qhubeka Breitling Bicycle Handover, Cape Town

Qhubeka

Breitling is proud to support Qhubeka, a global charity that connects communities through bicycles across Africa. People earn Qhubeka bicycles through community programs, improving their access to schools, clinics and jobs. In the face of poverty, bicycles can change lives by helping to address socioeconomic challenges at the most basic level: helping people to get where they need to go. Breitling has a storied history in cycling, sponsoring the most famous races and riders throughout the last 70 years, and continues to tell that story with the Breitling Triathlon Squad. Since partnering with Qhubeka in 2018, Breitling fundraising initiatives have donated over 2,000 bicycles to disconnected communities.

Image source: © Breitling SA

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BUSINESS MODEL RESILIENCE

As a local brand, Breitling is close to its markets. In the reporting cycle, a key element of our prosperity strategy has been to further local acquisitions and employment. This means that we've been able to bring both our retail distribution and after-sales network closer to the customer, shortening response times, providing service in the local language and building trust while generating local employment. What's more, these developments have given us a greater understanding of local markets and integrated a greater portion of profitability. Meanwhile, we have continually invested in product innovation through research and development, meaning we are continually improving our performance in customer-relevant innovation.

Our reporting cycle overlaps with the Covid-19 crisis, through which we remained very active, launching new products and promoting digitization and e-commerce. Employee health and wellbeing remained a top priority during this time and within our operations, we had to cease production for three weeks (in late March and early April) and then reduce our production capacity. This meant that some members of our headquarters production staff worked part-time. Between March and June, it also affected our administrative staff. After that work schedules were adapted - especially in our production area - to ensure that we were in full compliance with all health and safety regulations. Throughout the entire period of part-time work, salaries were paid out 100%. While some small structural adjustments were made, these had very little impact on the normal anticipated annual staff turnover.

"At CVC, we know that sustainable growth is built on strong ESG principles and have been working on the topic for many years. Breitling's sustainability actions will strongly contribute to ongoing performance and value creation, for the benefit of all its stakeholders."
Jérôme Luciat-Labry, partner, CVC Capital Partners and chairperson, Breitling Board ESG Committee

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BUSINESS MODEL RESILIENCE

Tax governance approach
We are committed to complying with all applicable tax laws and regulations without exception. While we aim to be efficient when it comes to tax, we do not enter into any artificial arrangements and do not undertake aggressive tax planning.

Economic contribution
Through our operating costs, we directly create value for our suppliers along the value chain, from raw material sourcing to selling and distribution (rents on boutiques, captial expenditures, retail development, logistics), advertising and promotion. Our capital structure includes debt on which we pay interest, generating income in the process. Within the reporting period, Breitling received limited financial assistance from the government in the context of the Covid-19 crisis.

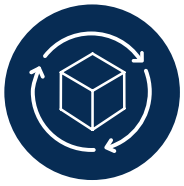
NEGATIVE AND POSITIVE RISKS IDENTIFIED



Policy and legal: increased pricing of greenhouse gas emissions, enhanced ESG reporting obligations, mandates on and regulation of existing products and services, exposure to litigation.



Technological: substitution of existing products and services with lower emissions options, unsuccessful investment in new technologies, costs to transition to lower emissions technology.



Market and operational: changing customer behavior, uncertainty in market signals, increased cost of raw materials, compliance of suppliers along the supply chain to ESG principles laid out by Breitling.



Physical risks: increased severity of extreme weather events such as cyclones and floods, changes in precipitation patterns and extreme variability in weather patterns, rising mean temperatures, rising sea levels.

RISK AND OPPORTUNITY OVERSIGHT

Our corporate growth pathways are guided by relevant risk management frameworks. Risk management is overseen by the Breitling Board of Directors and Management, including the determination of risks acceptable to the organization and mitigation measures, while further responsibility is devolved close to operations in order to foster accountability among those who operate closer to potential risks. Risk management is evaluated by an independent internal audit function, which monitors the design, efficiency and effectiveness of internal controls. This fosters a clear view of the residual risks remaining after our efforts to mitigate these. We employ the ISO 31000 Risk Management framework and a risk management maturity model based on this standard.

We consider sustainability risks from both direct operations and the supply chain in our management and Board level risk assessment processes. In our most recent risk assessment, we have identified these material economic, environmental and social issues.

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KEY FACTS

INDICATOR (TCHF)	FY21
Total number and rate of new employee hires	235,4 FTE / 19.2%
Total number and rate of employee turnover	239 FTE / 19.5%
Revenues	485,187
Employee wages and benefits	114,507
Community investment	999
Total capital expenditures minus depreciation	2,995
Total costs related to research and development	4,092

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ASSURANCE

Independent Limited Assurance Report

on Breitling's selected Core metrics and disclosures and on selected FY21 GHG Information to the Management of Breitling SA, Grenchen

We have been engaged by the Management of Breitling SA to perform assurance procedures to provide limited assurance on the compliance of the selected Core metrics and disclosures and on preparation of the selected Greenhouse Gas emissions data for the period ending 31 March 2021 published in the 2021 Sustainability Mission Report of Breitling SA and its subsidiaries (collectively "Breitling SA").

Scope and subject matter

Our limited assurance engagement relates to the following two subject matters:

- Breitling's compliance for the selected Core metrics and disclosures with the WEF Stakeholder Capitalism white paper published by the World Economic Forum in September 2020 (the 'White Paper') and its application to the 2021 Sustainability Mission Report for the year ended 31 March 2021. The disclosures are divided into the four pillars: Principles of Governance, Planet, People and Prosperity and summarised in the index on page 51 of the 2021 Sustainability Mission Report.
- Greenhouse Gas (GHG) emissions data (scope 1 HQ emissions, scope 2 HQ and internal boutique emission scope 3 emissions: external boutiques, scope 3 emissions: HQ originating logistics, scope 3 emissions: HQ originating travel) of Breitling SA (referred to as 'Selected FY21 GHG Information ') for the period ending 31 March 2021 as disclosed in the 2021 Sustainability Mission Report on page 27 in respect to the determinatior of the selected FY21 GHG Information and its aggregation. We have not carried out any work on any GHG data not indicated here as a subject matter, GHG data reported for prior reporting periods and/or in respect tc any projections or targets.

Criteria

The evaluation criteria for our assurance work were as the following:

- Procedures as defined within the WEF Stakeholder Capitalism Metrics in its application guidance (chapter 2.1 Application of recommended metrics). Procedures, by which the data is presented and accordingly referencec as the selected Core metrics and disclosures of the White Paper.
- The management reporting processes with respect to the selected FY21 GHG information were prepared by Breitling SA in accordance with the requirements of the Greenhouse Gas Protocol.

Inherent limitations

The preparation of the selected Core metrics and disclosures and the accuracy and completeness of the selected FY 2' GHG Information in the 2021 Sustainability Mission Report are subject to inherent limitations given their nature and methods for determining, calculating, estimating and presenting such data. GHG quantification is subject to inherent uncertainty, because of the incomplete scientific knowledge used to determine emissions factors and the values neede to combine emissions of different gases. Our assurance report should therefore be read in connection with the White Paper and the requirements of the Greenhouse Gas Protocol.

PricewaterhouseCoopers AG, Birchstrasse 160, Postfach, CH-8050 Zürich, Switzerland
Telefon: +41 58 792 44 00, Telefax: +41 58 792 44 10, www.pwc.ch

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Breitling's responsibility

The Management of Breitling SA is responsible for both the Subject Matter and the Criteria as well as for the selection, preparation and presentation of the selected data and information in accordance with the criteria. This responsibility includes the design, implementation and maintenance of related internal control relevant to this reporting that is free from material misstatement, whether due to fraud or error.

Our independence and quality controls

We are independent of Breitling SA in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) that are relevant to our audit of the financial statements and other assurance engagements in Switzerland. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

PricewaterhouseCoopers AG applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the compliance of the selected Core metrics and disclosures and preparation of the selected FY 21 GHG Information. We planned and performed our procedures in accordance with the International Standard on Assurance Engagements (ISAE 3000) (Revised) '*Assurance engagements other than audits or reviews of historical financial information*', and, in respect of greenhouse gas emissions, with the International Standard on Assurance Engagements (ISAE 3410) '*Assurance Engagements on Greenhouse Gas Statements'*. These standards require that we plan and perform the assurance engagement to obtain limited assurance, in all material aspects, on the compliance of the Core metrics and disclosures evaluated against the White Paper and on the selected FY21 GHG Information that were prepared in accordance with the Greenhouse Gas Protocol.

A limited assurance engagement under ISAE 3000 (Revised) and ISAE 3410 is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Consequently, the nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement and therefore less assurance is obtained with a limited assurance engagement than for a reasonable assurance engagement. The procedures selected depend on the assurance practitioner's judgement.

Summary of the work performed

Our assurance procedures included, amongst others, the following work:

- *Assessment of the Materiality*
  Interviewing personnel responsible for internal procedures used to conclude on the materiality of sustainability matters and its presentation with a materiality matrix which served as a basis for the metrics selection;
- *Questionnaire on implementing the White Paper in the 2021 Sustainability Mission Report*
  Interviewing personnel responsible for the 2021 Sustainability Mission Report in order to understand the process steps, decisions and conclusions taken and assessing the implementation of the selected Core metrics in the report evaluated against the White Paper;
- *Compliance review*
  Reviewing the compliance (comply or explain principle) of selected Core metrics and disclosures presented in the 2021 Sustainability Mission Report against guiding principles defined in the White Paper;
- *Review of the application of Breitling SA guidelines and processes*
  Reviewing the application of the Breitling SA internal policies and procedures used in determining the Selected FY 21 GHG Information and assessing these processes for compliance with the Greenhouse Gas Protocol;
- *Management inquiry*
  Interviewing personnel responsible for internal non-financial reporting and data collection to determine the understanding and application of Breitling SA guidelines;
- *Assessment of the key figures*
  Performing tests on a sample basis of evidence supporting the Selected FY 21 GHG Information concerning completeness, accuracy, adequacy and consistency;

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- *Assessment of the processes and data consolidation*
  Reviewing the management and non-financial reporting processes for Selected FY 21 GHG Information, and assessing the aggregation process of data at Breitling SA level.

We have not conducted any work on data other than outlined in the subject matter as defined above. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on our work performed nothing has come to our attention causing us to believe that in all material respects:

a) the selected Core metrics and disclosures in the 2021 Sustainability Mission Report for the fiscal year ended 31 March 2021 are not disclosed in accordance with the WEF Stakeholder Capitalism Metrics white paper published by the World Economic Forum, September 2020.

b) The selected FY 21 GHG Information are not stated in accordance with the Greenhouse Gas Protocol interpreted by Breitling.

Other matter

This independence limited assurance report replaces our report dated 24 September 2021. Our conclusion is not modified in respect of this matter.

PricewaterhouseCoopers AG

Stephan Hirschi Kevin Meadwell

Zurich, 17 December, 2021

'The maintenance and integrity of the Breitling SA website is the responsibility of the Management; the work carried out by the assurance providers does not involve consideration of the maintenance and integrity of the Breitling SA website and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported sustainability information or criteria since they were initially presented on the website.'

This version replaces the version from September 24, 2021

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This report was prepared in line with the World Economic Forum / International Business Council Measuring Stakeholder Capitalism: Towards Common Metrics and Consistent Reporting of Sustainable Value Creation, released in September 2020. Metric sources (in addition to and as defined by the WEF / IBC) are included within the index for ease of reference.

Breitling selected the WEF / IBC Stakeholder Capitalism Metrics in order to adopt a future-proofed structure for consistent and concise reporting that integrates existing reporting good practice for comparability. In this cycle, Breitling has reported according to the core metrics established therein. Those metrics that are included in this reporting cycle will form the basis of reporting in future cycles to enable comparability. Where relevant, further information concerning the boundary and treatment of metrics is specified below.

Unless otherwise stated, the boundary of the Sustainability report is Breitling SA. Financial statements are however consolidated, reviewing Breitling Holdings S.à r.l. and Breitling SA. The timeframe the report assesses includes in its range 1 April 2020 – 31 March 2021. This version was published in revised form on 17 December 2021. In order to provide current data going forward, Breitling intends to issue a sustainability report on an annual basis.

The contact point within Breitling concerning this report is
Aurelia Figueroa
Head of Sustainability
aurelia.figueroa@breitling.com

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Report Chapter and/or WEF / IBC Pillar	Report page(s)	Metric	Further declarations / notes	Metric sources
Introduction, Governance	6, 7, 8, 9	**Material issues impacting stakeholders**		GRI 102-21, GRI 102-43, GRI 102-47
Product, People	16	**Risk for incidents of child, forced or compulsory labour**	No Breitling operations are considered to have significant risk in this area. In the future we will consider value chain impacts. Our key suppliers are currently completing a comprehensive assessment including labor and human rights.	GRI 408-1b, GRI 409-1a
Product	18	**Consumption of key materials**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics.	None
Planet	27	**Greenhouse gas (GHG) emissions**	No further GHG emissions have been identified as relevant to date for Breitling beyond carbon dioxide.	GRI 305:1-3, TCFD, GHG Protocol
Planet	24	**TCFD implementation**		Recommendations of the TCFD; CDSB R01, R02, R03, R04 and R06; SASB 110; Science Based Targets initiative
Planet	NA	**Land use and ecological sensitivity**	No sites are owned, leased or managed by Breitling or its affiliates in or adjacent to protected areas and / or key biodiversity areas. This core topic is thus excluded from our reporting scope. In the future we will consider value chain impacts.	GRI 304-1
Planet	NA	**Water consumption and withdrawal in water-stressed areas**	Among our direct operations, no significant water consumption occurs in regions with high or extremely high baseline water stress. In the future we will consider value chain impacts.	SASB CG-HP140a.1, WRI Aqueduct water risk atlas tool https://www.wri. org/aqueduct
Planet	24, 26	**Climate change (expanded)**	Breitling has committed to the Science Based Targets initiative (SBTi).	Science Based Targets initiative
Planet	27	**Tons of carbon offset**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics.	GRI 305-5
Planet	27	**Shadow price carbon (CHF / tCO2e)**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics.	None
Planet	27	**Energy consumed within the organization**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics.	GRI 302-1
Planet	27	**Water consumed within the organization**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics. The figure provided is limited to headquarter operations.	GRI 303-5
People	33	**Diversity and inclusion**	Our diversity and inclusion disclosures in this reporting cycle focus particularly on gender and will be expanded in the future.	GRI 405-1b
People	33	**Pay equality**	Our equality disclosures in this reporting cycle focus particularly on gender and will be expanded in the future.	Adapted from GRI 405-2
People	33	**Wage level**	Ratios of standard entry level wage compared to local minimum wage are provided for Switzerland and are valid for both genders. Figures related to individual personnel compensation are not disclosed due to confidentiality reasons.	GRI 202-1, Adapted from Dodd-Frank Act, US SEC Regulations
People	31, 33	**Health and safety**	Number of hours worked are not available in this reporting cycle.	GRI:2018 403-9a&b, GRI:2018 403-6a
People	32	**Training provided**	Training hours are not available in this reporting cycle. Training is the subject of a 2024 target and reporting will be expanded in the future.	GRI 404-1, SASB HC 101- 15
People	33	**Absenteeism**	This is a disclosure provided in addition to the WEF-IBC Stakeholder Capitalism Metrics.	GRI 403-9
Process, Governance	6	**Setting purpose**		The British Academy and Colin Mayer, GRI 102-26, EPIC and others.
Process , Governance	36	**Governance body composition**	All of Breitling's Board members are male and none represent under-represented social groups.	GRI 102-22, GRI 405-1a, IR 4B
Process , Governance	37	**Total percentage of governance body members, employees and business partners who have received training on the organization's anti-corruption policies and procedures, broken down by region.**	All Board and senior management members as well as employees have been trained on Breitling's Employee Code of Conduct and Speak-Up line, containing our anti-corruption policy.	GRI 205-2, GRI 205-3
Process , Governance	37	**Protected ethics advice and reporting mechanisms**		GRI 102-17
Prosperity	44	**Integrating risk and opportunity into business processes**	A historical review of how risks and opportunities have moved over time is not available in this reporting cycle.	EPIC, GRI 102-15, World Economic Forum Integrated Corporate Governance, IR 4D
Prosperity	45	**Absolute number and rate of employment**		Adapted to include other indicators of diversity, from GRI 401-1a&b
Prosperity	44, 45	**Economic contribution**	Figures related to operating costs, payments to providers of capital, payments to government and financial assistance received from the government are not disclosed due to confidentiality reasons.	GRI 201-1, GRI 201-4
Prosperity	43, 45	**Financial investment contribution**	As an unlisted company, we do not engage in typical market share buybacks. Dividend payments, along with the strategy for returns of of capital to shareholders are not disclosed due to confidentiality reasons.	As referenced in IAS 7 and US GAAP ASC 230
Prosperity	45	**Total R&D expenses**	Consists of prototype costs, direct R&D and product development expenses, staff costs and depreciation.	US GAAP ASC 730
Prosperity	NA	**Total tax paid**	Figures related to tax paid are not disclosed due to confidentiality reasons.	Adapted from GRI 201-1

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