



ORIGINALLUXURY

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BREITLING



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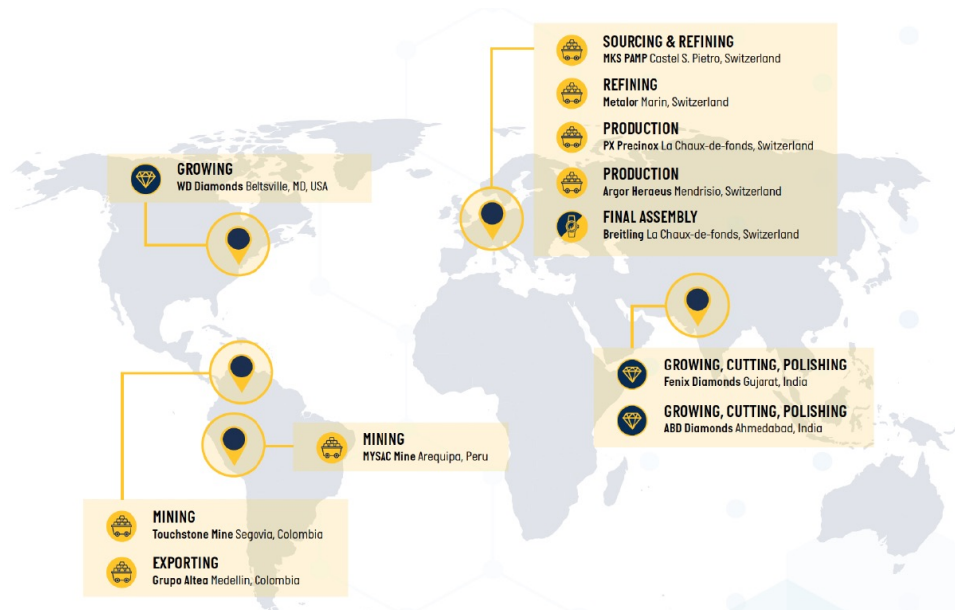
Founded in 1884, Breitling is a leading Swiss watchmaker. The innovative company invented the modern chronograph and pioneered the navigational tool watch. Today, it's still breaking new ground as a casual, inclusive, and sustainable luxury brand with more than 200 industrial-loft-inspired retail locations around the world. Breitling's collections center around air, land, and sea pursuits, all captured in the brand's unmistakable modern-retro style. The exceptional quality of every watch movement is confirmed by its status as a COSC-certified chronometer, and the brand remains one of only a handful of independent watchmakers to produce its own manufacture calibers. Combining classic watchmaking with the latest innovations, Breitling is both a company with history and one that's ahead of its time.

PRODUCT INTEGRITY



Breitling has a strong commitment to creating beautiful products and experiences with better materials, better manufacturing, and better packaging. Following their industry-leading launch in October 2022 of the proof-of-concept Super Chronomat Automatic 38 Origins – Breitling's first traceable watch, they have continued to implement the road map established by that release and to onboard even more suppliers to their sustainability efforts. To signify those products containing better gold and/or better diamonds, the Breitling Origins label was introduced.

Understanding the provenance of raw materials, goods, and services along the value chain is essential to assess sustainability performance. To develop its traceability and transparency capabilities, Breitling partners with Sourcemap to verify chain of custody and certifications along the way. Key artisanal and small-scale gold and lab-grown diamonds value chain partners are detailed in its extended Sourcemap, which is publicly available. The product owner is also provided with a blockchain certificate for the watch enriched with sustainability data.



In addition to this, Breitling works with key suppliers, including gold and diamond suppliers, on initiatives related to social and environmental impact.

IMPACT PREMIUM FUND

Through the distribution of its impact premium fund, which is paid on each gram of gold sourced, Breitling has been able to support community health services in the remote community of Ispacas, Peru, near a mining operation from which gold is sourced. This will support the rural communities of Alpacay and La Barrera near the MYSAC mine which operates in a remote location 3008 meters above sea level. It is estimated that the total number of beneficiaries will be approximately 6000, of which 51% are women. Currently, an estimated 20% of this population does not have access to health services. Most diseases reported today in the region are gastrointestinal and respiratory infections, as well as different skin diseases, all of which can be treated within the new center. The center will offer specialised health care in different medical areas, as well as nursing, dentistry, obstetrics, nutrition, and psychology.



Its impact premium also contributed to the installation of a wastewater treatment plant (WWTP) containing a Moving Bed Biofilm Reactor (MBBR) on a mining site. The plant recovers wastewater from the mine and treats it so it may be reused for irrigation or industrial purposes in the mining operations and the five mining camps. The MBBR, an effective system to treat wastewater demonstrating several economic and environmental advantages, can process 120 m³/day.

The use of the WWTP systemically contributes to a range of sustainability factors. It allows water to be reused on site, thus reducing the need for the transport of fresh water and related CO2 emissions. It considerably decreases the production of waste sludge and thus helps to eradicate viruses and bacteria, such as hepatitis, cholera, typhoid, among others, while also eliminating bad smells. Finally, the water treated by the WWTP will be reused for industrial purposes during the mining process and, as it meets Peruvian legal standards related to irrigation, it will also be used to maintain and cultivate green spaces on the mine site, as well as to water the dusty roads to contain and reduce dust contamination.

In the region surrounding the Touchstone mine in Colombia, from which Breitling sourced gold to produce the Super Chronomat 38 Origins, a key need identified by the community and in its visits was educational access. Generally, illiteracy rates in the region are high. It has also been strongly affected by the armed conflict which has led to an absence of state institutions, including educational facilities. The few children in this community who do attend school often walk long hours to study in other villages or abandon their home village and move to live with relatives in urban areas. Most adult inhabitants have not attended school and due to their lack of education and skills often work in informal sectors.



Based on this, in the reporting cycle a project to support a long-term education program in El Pescado was launched by Touchstone Colombia, supported by the impact premium generated by Breitling gold purchases through the Swiss Better Gold Association. This long-term program aims to facilitate education for children, teenagers, and adults with the purpose of fostering skills and knowledge and achieving graduation within the national educational system.

The holistic program includes classes on subjects ranging from mathematics, physical education, computer skills, and social skills. Classes are held in the community house in the village which was supported by Swiss Better Gold (SBG) in 2021. Furthermore, the primary school program was accompanied by a series of workshops for the children's parents in the Escuela de Padres which sought to complement the learning process of the children by teaching their parents how to support them, including classes about nutrition and children's health. During its first phase, the project also included an educational program for 16 employees of Touchstone Colombia, many of them former illegal miners, who had not finished their basic education.



During the 2022 school year, different school grades were offered, with participants being graded before the program started to determine their level. In February 2023, 9 children and 22 teenagers and adults graduated from their respective category.

Following the first phase of this project, Touchstone Colombia stopped its operations. As a result, efforts to educate employees had to be concluded. However, both Breitling and SBG remained committed to continuing the program and a second phase was recently launched in May 2023. In this phase, efforts are underway to ensure the continuity and resiliency of the project. To support this, Touchstone Colombia has, among other things, signed an agreement with the municipality and the schooling provider which establishes the eventual takeover of the education program by local authorities, ensuring continuation in the long run.

This second phase is being monitored by a professional in social project management who is a former member of the Touchstone team and will also maintain the connection among the community, the school, the municipality, and SBG for at least the next two years. This role is essential to ensure the long-term success of the project once it is assumed by the municipality.

Environmental impacts along the value chain are also a key consideration in which Breitling engages its suppliers. The second phase of the educational program that is currently running directly benefits 10 children and 20 teenagers and adults of the community. A further important activity in this second phase is the installation of solar panels in the community house where schooling and other community activities, such as social gatherings and workshops on income generation, take place. The solar panels provide the necessary electricity given its remote location and lack of community resources.

The solar panels were financed in full by SBG and will benefit the 22 families in the community. Community members will be trained in the functioning and the maintenance of the solar panels to raise awareness about the responsible use of resources and to create a sense of responsibility among the community members. Direct beneficiaries of these activities to date include 10 children and 20 teenagers and adults of the Pescado El Vereda community. As the solar panels positively impact the community center, a further 22 families from the community also benefit from the installation of these as the center supports broader community activities.

In addition, a range of programs addressing climate, biodiversity and water impacts are being developed with local stakeholders and supported by the Breitling Carbon Fund, which places a voluntary price on carbon of CHF 40 / ton of carbon dioxide equivalent, to support reduction measures, known as insetting, along its value chain.

LAB-GROWN DIAMONDS

To facilitate its transition to traceable precious materials, Breitling made the decision to switch to lab-grown diamonds for all new main collection products and to ensure each diamond grower is accredited according to a relevant standard. This shift, in development since 2020, enables traceability and allows Breitling to confidently confirm that its lab-grown diamonds are produced free of human rights abuses. At the same time, it removes the environmental impacts of diamond mining, whether above ground or on the seabed.



Lab-grown diamonds are identical in appearance to mined diamonds and have the same physical and chemical composition. They are subject to the same rigorous quality testing. In sourcing its lab-grown diamonds, Breitling applies the SCS-007 Jewelry Sustainability Standard – Sustainability Rated Diamonds, the first comprehensive, independent, third-party certification standard developed for the diamond sector. It establishes unprecedented benchmarks of performance and transparency across five key aspects: Origin traceability, ethical stewardship, sustainable production practices, net zero carbon footprint, and sustainability investments.

To limit the environmental impacts of its lab-grown diamond sourcing, Breitling works with its suppliers to continually improve their environmental performance and support their shift to a greater share of renewable energy in the production process. Presently, one key supplier has already completed this shift. Another has transitioned to 25% renewable energy and will complete the transition by 2025 with the support of Breitling.

IMPACT DIAMOND FUND

Breitling's switch to lab-grown diamonds benefits not only its customers with a high-quality product featuring fully traceable type-IIa diamonds for which it is able to attest to social and environmental measures taken along the value chain, but also local sourcing communities. For each lab-grown diamond carat purchased, Breitling has established an Impact Diamond Fund which allocates 30 CHF per carat purchased to support positive social and environmental impact along the supply chain. Its first disbursements are already underway.



Breitling is prioritizing the following three objectives in allocating the Impact Diamond Fund. These are women's economic empowerment, social entrepreneurship for economic development, and regeneration in former diamond mining areas. Through stakeholder consultations, these have been identified as powerful levers for Breitling to contribute to the systems in which its current diamond supply chains operate, while also addressing the negative impacts of diamond mining in a meaningful manner.

Its activities related to women's economic empowerment and social entrepreneurship for economic development will take place in the state of Gujarat, in western India, where a substantial portion of the Breitling lab-grown diamond value chain is based. Known for its spirit of entrepreneurship, Breitling will work as a member of this system to contribute resources to support entrepreneurs working in areas of positive social and environmental impacts.

To carry out its work in this area Breitling is proud to be partnering with Amani Institute, a leading global non-profit organization supporting entrepreneurs globally, especially in the global south. Amani Institute has built substantial expertise in the topic, including in India, and will be helping Breitling lead its efforts to engage local entrepreneurs in Gujarat, India. In early 2024, Breitling will welcome the inaugural class of Breitling Legendary Future Entrepreneurs who will participate in an upskilling program that is foreseen to boost several key business performance indicators that in turn support greater employment, productivity, and inclusion.



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**Pioneering Transparency Through
Technology in the Luxury Sector**