

2023 TIMEX GROUP SUSTAINABILITY REPORT

TIME FOR CHANGE: SHAPE A RESPONSIBLE LEGACY

Keep our planet ticking. our goal is 50% sustainably sourced watches by 2026. crafted to



TIMEXGROUP



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STRATEGIC APPROACH

- CEO Letter
- History
- Business model
- Key Drivers and Milestones
- Roadmap

CEO LETTER

GRI 2-22

We are proud to present Timex Group's first Sustainability Report—a key milestone in our commitment to transparency and accountability. While this is our first official report, it is not the beginning of our sustainability journey. For over 170 years, Timex Group has been guided by values of quality, innovation, and responsibility. Sustainability is not just a goal for us—it is an integral part of our mission to create lasting value for our products, our people, and the planet. This report reflects our ongoing efforts and our vision for a future where Timex Group leads by example, driving meaningful change across our industry and beyond.

This report marks a deeper commitment to sustainability as we continue to evolve and amplify our impact. We know the challenges ahead are significant, but we are ready to take responsibility. Our goal of reducing emissions and achieving net zero by 2050 is grounded in data-driven evidence, ensuring that our decisions are both well-informed and impactful. We recognize the complexities of this journey, but we face these challenges with innovation, resilience, and a belief in our ability to shape a better, more sustainable future.

Strengthening Sustainability Governance

Sustainability governance is at the core of our strategy. We are embedding sustainability across our operations to create long-term value for our stakeholders. This is not just an added layer; it's a key part of how we operate. Our leadership team actively champions sustainability initiatives, ensuring that each decision contributes to our

overarching environmental and social goals.

Our efforts align with global frameworks like the United Nations Sustainable Development Goals (UNSDGs) and regulatory standards such as the Corporate Sustainability Reporting Directive (CSRD). These frameworks keep us accountable, but our focus goes beyond compliance. Sustainability is about creating long-term value for our customers, employees, shareholders, and communities.

Reducing Emissions and Innovating for Impact

One of the pillars of our strategy is reducing emissions. We understand the urgent need to address climate change and are committed to minimizing our carbon footprint. Achieving net zero by 2050 is an ambitious goal, but it is one we are determined to reach. This report transparently shares our current emissions profile and the actions we are taking for further reduction.

Beyond emissions, we are also focused on integrating sustainable materials into our products. This journey requires innovation and creativity as we strive to meet the evolving expectations of our customers while minimizing our environmental impact. We are collaborating with our supply chain and partners to push the boundaries of sustainable product development.

Social Responsibility: Internal and External Commitment

Sustainability also means taking care of people. Inter-

nally, we are building a culture of inclusion, diversity, and employee well-being. We invest in our people through continuous training and programs that support their growth and well-being. Externally, we are proud to support initiatives that uplift the communities where we live and work, from advancing education to promoting fair labor practices across our supply chain.

The Road Ahead

This report is just the beginning. We are committed to continuous improvement and setting ambitious goals that challenge us to do better. Our approach is focused on long-term, meaningful change that benefits our business and the planet. We invite all our stakeholders to join us in this critical journey—one where each step brings us closer to a more sustainable and just world.

Looking ahead, we are excited about the opportunities and challenges that await us. We will continue to innovate, to lead by example, and to strive for positive change in our industry. Guided by our values and commitment to doing what's right, we are confident in building a more sustainable future.

Thank you for your continued trust and support as we embark on this journey together.

Best regards.



Tobias Reiss-Schmidt
President & Chief Executive Officer

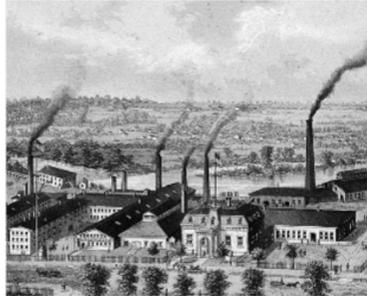
HISTORY

Founded in 1854 in Waterbury, Connecticut, as the Waterbury Clock Company, Timex Group has spanned the entire era of clock manufacturing in the United States and the great waves of American industrial and economic history.

Initially dedicated to the production of table clocks, our company has expanded its offerings over time to include pocket watches, wristwatches, and later lifestyle accessories and sports performance monitoring instruments. Through a constant commitment to innovation, we have moved from mechanical to quartz movements, introducing pioneering technologies and creating new product categories.

Today we continue to move toward innovation and change, building the future on the strength of our history and adopting increasingly responsible practices that benefit our customers and the environment.





1854

Timex is founded as the **Waterbury Clock Company** in Waterbury, Connecticut USA. The company produces a variety of shelf and mantle clocks based on more expensive, imported designs but at a price able to provide Americans with stylish yet affordable, timepieces for their homes.

1880's

Waterbury Clock Company's sister company, Waterbury Watch Company, invents the first affordable mechanical pocket watch.

1890's

Ingersoll Brothers invents the "Yankee" pocket watch, sold then for just \$1. It grows to become the world's best-selling watch and is known as "the watch that made the dollar famous." It is produced by Waterbury Clock Company, which later takes over and Ingersoll.

1917

At the request of the U.S. Army, Waterbury Clock re-tools the Yankee pocket into a wristwatch that can be worn more conveniently by soldiers. After the war, the watch caught on quickly amongst civilians and started to appear on wrists across the country.

1930's

Waterbury Clock Company enters into license agreement with Walt Disney to create the iconic Mickey Mouse series of clocks and watches, bolstering spirits during the Great Depression.



1940's

Waterbury Clock is renamed **U.S. Time Company** and does its part for the war effort. It converts its factories to wartime manufacturing, producing high-quality mechanically-timed artillery and anti-aircraft fuses.

1959

The U.S. Time Company debuts the Timex, the world's first inexpensive, yet reliable, mechanical watch. At the time only two out of seven people in the country had wristwatches. Advertising campaigns depict a variety of "torture tests," in which Timex watches are strapped to Mickey Mantle's bat and frozen in an ice cube tray, coining the motto, "takes a licking and keeps on ticking."

1960's

Timex develops as a household name brand, entering the fashion arena and introducing its first women's brand, the Cavatina, which included interchangeable straps and faces. During this time, the Company introduces electric watches for men and women and its first quartz model.



1969

Acknowledging the extraordinary brand recognition of its most famous product, U.S. Time becomes **Timex Corporation.**

Until 1978

Timex produced nearly all Polaroid Cameras. Production of fuses for the Korean and Vietnam War led the Company to produce Gyrocompasses for missiles.

1980's

In the early '80s Timex produces the first low cost computer SINCLAIR along the entry of the digital world for many. Despite growing competition both domestically and internationally, Timex enters the digital watch area, introducing the Ironman Triathlon series in 1986. Within a year of its launch, Timex Ironman Triathlon is America's best-selling watch and goes on to become the world's best-selling sport watch.



1990's

Timex enters an era of expansive technological growth, headed by the invention of their INDIGLO backlight the world's first electroluminescent watch face. The characteristic blue glow of INDIGLO becomes one of the most recognizable and desirable features of Timex watches.

1991

Timex creates a new watch category with the introduction of the outdoor brand, Timex Expedition.

1997

Timex acquires Callanen International, the fashion watch company which held the license for **Guess Watches.**

1998

The Waterbury Watch Company merges into **Callanen International** bringing with it the licenses for **Nautica** and **Timberland.**

2000's

Timex takes technology further by equipping timepieces with high-performance functions, including speed, distance calculators, heart rate monitors, compasses and altimeters, GPS, and other applications of state-of-the-art connectivity.

2002

Timex Group is created to manage both its own brands and those for which it held licenses.

2005

After the acquisition of Versace SA from Versace SpA, the company creates the Timex Group Luxury Division that comprises renowned fashion houses including Versace, Versus, Salvatore Ferragamo and Nautica.



2006

The new company, **SEQUEL AG**, is headquartered in Switzerland to oversee the design, marketing and distribution for GUESS and Gc licensed watch brands.

2007

Timex Group creates its own centralized Design Center, in the heart of fashion capital Milan. The Giorgio Galli Design Lab aims to focus on delivering tailor made designs for each brand of Timex Group and Timex Luxury Group.

2015 - 2016

Timex Group becomes a player in the connected watches segment industry, launching contemporarily Timex Metropolitan +, Timex IQ +, Guess Connected and Ferragamo F80 Motion Smart Watch.



2019

Timex Group signs a License agreement with the Italian brand **MISSONI** to reinforce the Swiss Made brands (Versace and Ferragamo). We expand our Atelier in Lugano adding new operations as internal Swiss made movement assembling, logistic operations and laser engraving and launch the first GIORGIO GALLI COLLECTION.



2020

Timex Group signs a License agreement with **ADIDAS**.

2008

Following the tradition of Innovation Technology, Timex Group launches its first series of complication movement, called Intelligent Quartz. This movement adds to Timex watches many functions found only in the mechanical watchmaking world.

2017

Timex signs a Joint Venture agreement with French technology firm **SilMach** to create and produce the first Nano Technology powered watch movement.

2021

Timex Group signs a License agreement with **PHILIPPE PLEIN**.

2023

TIMEX launches the world's first circular program for watches, Timex ReWound. TIMEX GROUP joins the Leather Working Group (LWG).

2009

Timex collaborates with renowned and prestigious fashion brands, creating successful exclusive collections with J.Crew, Todd Snyder, Red Wing, Engineered Garments, Staple Pigeon. Opening of our new atelier in Lugano, dedicated to the assembly of Swiss Made timepieces for our group. This new space marks a significant milestone in our commitment to excellence and craftsmanship, reinforcing our dedication to Swiss watchmaking heritage.



2018

Timex Group signs a License agreement with London based fashion house **Ted Baker**.



OUR BRANDS

TIMEX

VERSACE

GUESS

FERRAGAMO

PHILIPP PLEIN



TED BAKER
LONDON



NAUTICA

PLEIN **SPORT**

FURLA
SINCE 1927 ITALY

BUSINESS MODEL

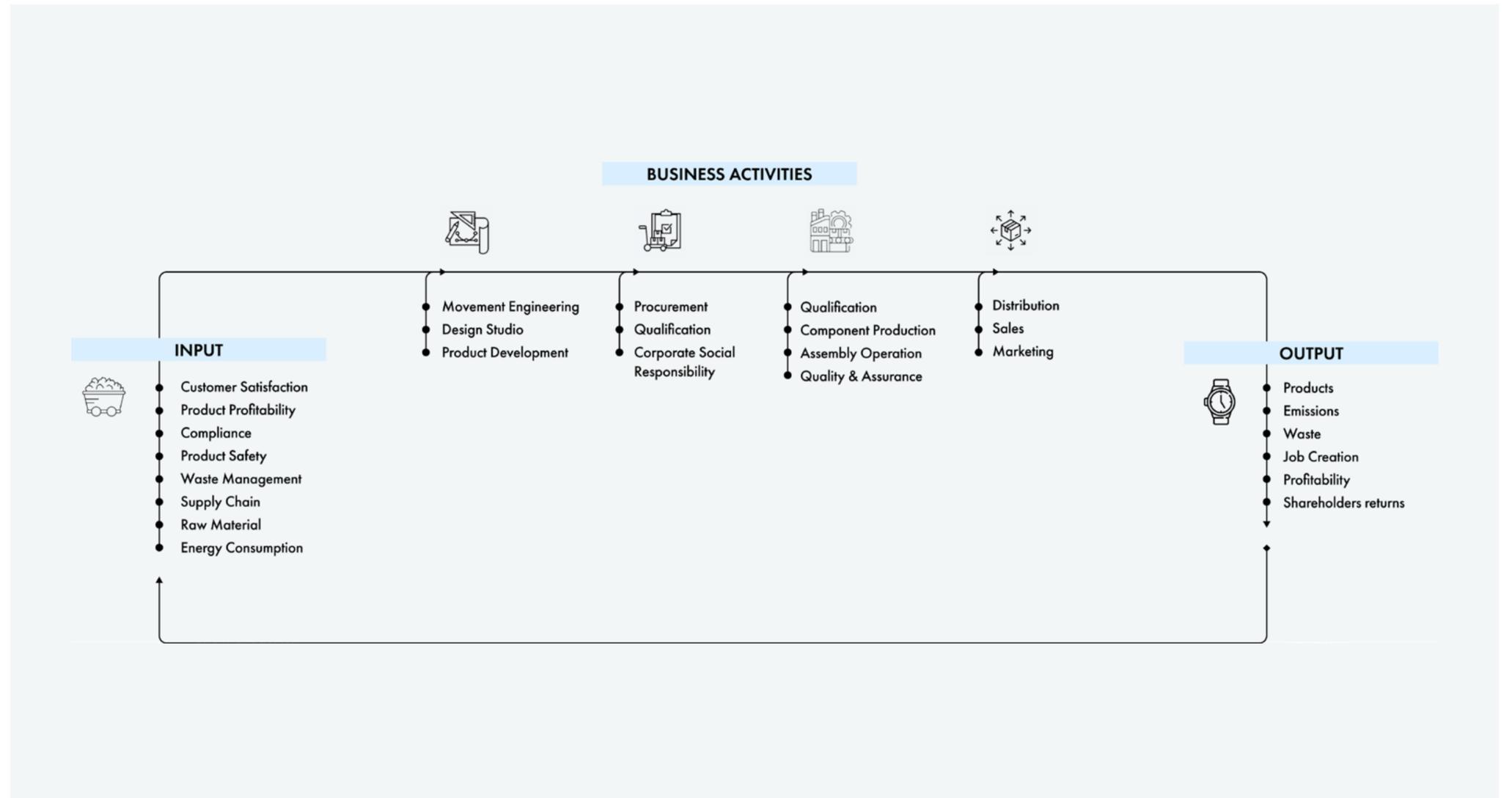
GRI 2-1

GRI 2-6

Timex Group operates a global manufacturing network with 26 sites spread across several countries, including proprietary plants in the Philippines, Switzerland, France, and India, and qualified partnerships with suppliers in China, Italy, and Japan. Notably, 93.5% of watches are assembled in-house between Switzerland and the Philippines. With this integrated structure, Timex Group can maintain high standards of quality and control throughout the entire production chain, differentiating itself from competitors.

Additionally, based in the heart of design capital Milan, the Timex Lab orchestrates a world of elite watch making and jewelry design that is inspired by, and immersed in, the Timex heritage, curating collections that harmonize style and technological innovation. At the creative epicenter of the Timex family, the Lab's team originates more than 400 watches each year for brands across the Timex Group including Timex, Expedition, Ironman, Nautica, Versace, Versus and Ferragamo. Under the directorship of Giorgio Galli, the Lab ensures that Timex is enduringly at the forefront of watch making.

Timex Group's global distribution network consists of 11 distribution centers, managed in collaboration with 8 strategic partners, and positioned in key markets such as Hong Kong, Mexico, and the United States. This widespread presence ensures optimal coverage, enabling us to respond effectively to the needs of our customers in more than 60 countries.





KEY DRIVERS AND MILESTONES

GRI 2-22

The year 2023 marks Timex Group’s commitment to strengthening its approach to conscious resource management—combining ethics with proactive compliance to evolving regulations, customer expectations, and investor interests. What was once seen as merely a moral obligation has now become a strategic driver and a growth opportunity.

ETHICS AND RESPONSIBILITY

Our vision centers on responsibility to both the planet and its people. We recognize our influence on future generations and are dedicated to minimizing the environmental impact of our production processes, fostering fair working conditions, and prioritizing raw materials with reduced environmental and social impact. These are not just principles but tangible actions that define how we do business.

REGULATORY REQUIREMENTS AND MARKET EXPECTATIONS

The introduction of the Corporate Sustainability Reporting Directive (CSRD), along with other recent legislation, establishes stricter standards for transparency and accountability—standards we are fully committed to meeting. Additionally, many partners and brands now require sustainability certifications to combat greenwashing. Aligning with these demands not only strengthens our market position but also builds trust with customers and employees alike.

BUSINESS ADVANTAGES

Integrating practices to mitigate environmental and social risks addresses the increasing demands of conscious customers and consumers. This strategy drives internal innovation, enhances operational efficiency, lowers long-term costs, and ensures brand competitiveness in a rapidly evolving industry. For instance, adopting eco-design practices supported by Life Cycle Assessment (LCA) studies will help us reduce waste throughout the production chain and make wiser use of natural resources.

HIGHLIGHTS 2023

In 2023, Timex Group launched several key initiatives to establish robust governance foundations and chart the next steps in its business transition journey:

INTERNAL AND EXTERNAL CONTEXT ANALYSIS

We conducted a comprehensive benchmarking analysis of the sustainability practices adopted by competitors, licensee brands, and industry leaders, identifying best practices to inform our strategy. This activity provided valuable insights into our performance and highlighted areas for improvement. Simultaneously, we mapped internal initiatives, prioritizing those already underway and aligning them with the corporate vision to ensure strategic coherence.



DEFINING SUSTAINABILITY GOVERNANCE

To drive the effective implementation of our strategies, we established a dedicated Steering Committee and formed seven specialized working groups, involving over 60 employees and managers. These teams are tasked with monitoring progress, fostering collaboration across business areas, and ensuring alignment with the Group's overarching vision. Further details on the Committee's activities can be found in the Governance chapter.



GOAL SETTING AND EXTERNAL PARTNERSHIPS

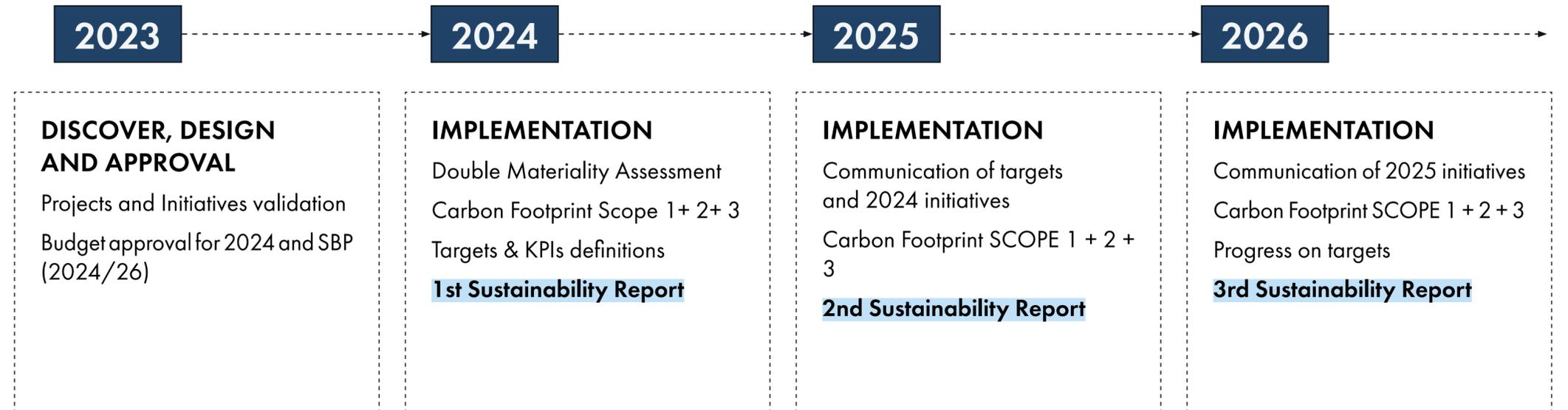
In 2023, we defined an initial set of ESG (Environmental, Social, and Governance) goals and forged strategic partnerships with external technical advisors. These partnerships equip us to tackle future challenges proactively while adhering to international standards.



ROADMAP

In 2023, we outlined a comprehensive Roadmap highlighting key milestones on our journey toward more responsible, forward-looking management, with a vision extending to 2050. This initiative demonstrates our commitment to meeting the expectations of our customers, partners, and the communities we serve, while actively contributing to the global shift toward a low-carbon economy.

With the Sustainability Roadmap 2023-2026, we established clear objectives across two main phases: Discover, Design & Approval and Implementation. This strategic approach aims to systematically reduce environmental impacts and social risks across the value chain, with interim milestones to ensure transparent monitoring and progress reporting.



KEY PRIORITIES IN THE ROADMAP

Progressive Alignment with CSRD Requirements:

Implementing a Double Materiality analysis for the upcoming sustainability report to align with European reporting standards and enhance information transparency.

Carbon Footprint Measurement and Decarbonization Pathway:

Monitoring emissions across the value chain (Scopes 1, 2, and 3), setting reduction targets, and defining actionable steps. This includes evaluating joining the Science Based Targets initiative (SBTi). Our decarbonization efforts also incorporate the adoption and expansion of eco-design practices to enhance product sustainability, supported by Life Cycle Assessment (LCA) studies.

Water Footprint Management:

Calculating the Group’s total water footprint, including production sites, and establishing concrete reduction targets and measures.

Supplier Collaboration:

Actively engaging suppliers to align with our water management policies and environmental standards while optimizing our monitoring systems (refer to the “Supply Chain” chapter for details).

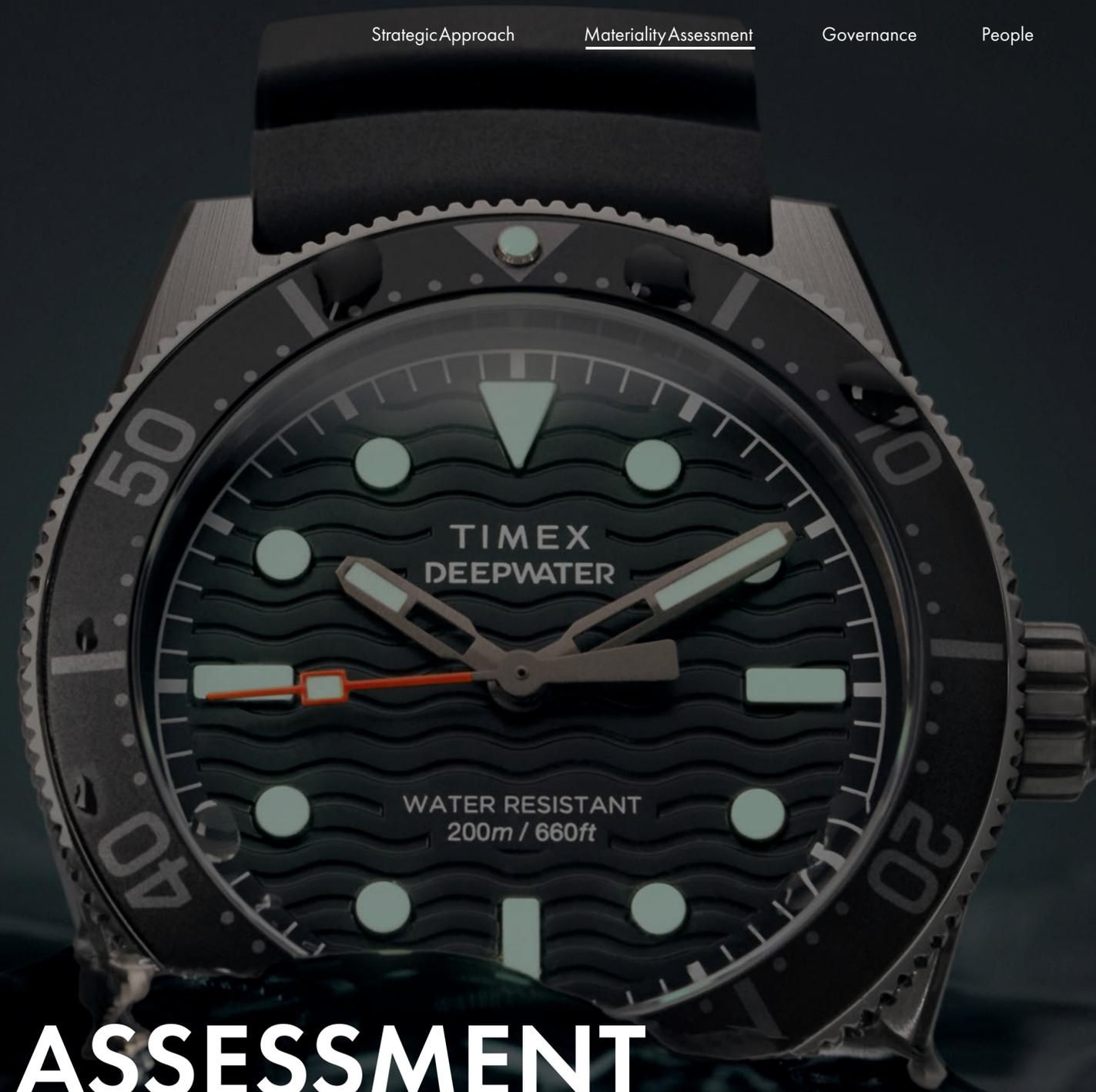
CURRENT STATUS: INITIATIVES IN PROGRESS

The table below outlines the key ESG (Environmental, Social, and Governance) initiatives that Timex Group is currently implementing to advance environmental sustainability, social well-being, and corporate governance transparency. It provides an overview of each initiative’s progress and the results achieved to date.

| Timex Group Pillar | Goals | ESG | UN SDGs | Initiatives | Status YTD |
|--------------------|---|--|--|--|--|
| PRODUCT | 2030 100% of our watches will be made - to a significant degree - from environmentally preferable materials. | ENVIRONMENT: Waste and Recycling |  | Tracking Sustainable Materials on products Automatic / Solar Movement; Recycled PET (Ocean Tide Plastic); Recycled Stainless Steel; Leather Working Group (LWG); Apple Skin / Vegan Leather; Ecco DriTan Leather; Bio TPU; ECOCERAMIC; Biobased Nylon; Lab Grown Diamonds; Farm MOP ¹ | ONGOING THROUGH THE YEAR FW 2023: 73 %  |
| | 2030 Complete Life Cycle Assessment (eventually by third-party certification/validation organization) for category of products for their sustainability benefits (e.g., recycled content, sustainably sourced origins, recyclability, degradability). | ENVIRONMENT: Waste and Recycling | | | SS 2024: 85%  |
| | 2030 Use 100% circular packaging (e.g. recyclable and/or reusable) throughout supply chain transport. | ENVIRONMENT: Waste and Recycling | Leather Working Group (LWG) Membership | COMPLETED | |
| | 2030 Fully roll out our global REWOUND program . | ENVIRONMENT: Waste and Recycling | Green Marking | COMPLETED | |
| | 2030 Full traceability of our suppliers to ensure transparency and responsibility within supply chains. | GOVERNANCE: Procurement Practices | Rewound | COMPLETED | |
| | | | | Waste Label for EU (all Brands) | COMPLETED |
| | | | | Inbound packaging optimization (CEBU/TGLD) | COMPLETED |

¹ The calculation is made based on the ratio of SKUs containing at least one preferred material in one of the main components (movement, case, bracelet/strap) to the total number of SKUs launched in the same season.

| Timex Group Pillar | Goals | ESG | UN SDGs | Initiatives | Status YTD |
|--------------------|---|---------------------------------------|---|--|--------------------------|
| PLANET | 2028: Double the adoption of clean energy sources with our operations and suppliers (base line to be defined). | ENVIRONMENT: GHG Emissions |   | Locations (Energy Optimization) | ONGOING |
| | 2028: Engage 100% of our direct suppliers to meet the water stewardship policy set by Timex Group. | ENVIRONMENT: Water Use |  | Sample and Beyond Repair Watches | ONGOING |
| | 2040: Continue collaborating with and financially supporting charitable and non-profit programs aligned with our values. | SOCIAL: Local Communities |   | Charity Activities | ONGOING THROUGH THE YEAR |
| PEOPLE | 2025: Increase all women, BIPOC leadership representation. | GOVERNANCE: Board Diversity |  | Newsletters | ONGOING |
| | 2025: Create an inclusive experience that engages, retains, and provides opportunities for all employees. Grow our individual and collective knowledge of diversity, equity, and inclusion principles and practices. Explore intersectionality to learn how to better welcome different perspectives, cultivate trust, and improve engagement. | SOCIAL: Diversity and Equality | | Corporate Social Responsibility Program | ONGOING |
| | 2025: Drive accountability, results, and transparency across the organization. | SOCIAL: Employee Relations | | Code of Conduct | COMPLETED |
| | 2024: Expand transparency efforts by reporting on our website the number of annual audits performed on our significant Tier 1 and 2 factories and the risk assessment results of those audits (CSR Program). | GOVERNANCE: Risk Management |  | US Relocations | ONGOING |
| | 2024: Pursue university collaborations and scholarship / training programs. | SOCIAL: Working condition |   | | |
| | 2024: Recognize and provide training on unconscious bias. | SOCIAL: Working condition | | | |
| | | | | | |



MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

GRI 2-29
GRI 3-1
GRI 3-2

The Double Materiality approach enabled us to thoroughly examine the environmental, social, and governance (ESG) impacts and risks most relevant to our business. This multi-step process actively engaged both internal and external stakeholders, capturing and comparing their diverse perceptions and priorities.

We began by mapping our key stakeholders—including employees, customers, suppliers, institutions, and local communities—and defining tailored methods of interaction for each group. To assess internal perceptions, we conducted individual interviews with senior management and distributed an anonymous survey to all employees. Simultaneously, we planned engagement activities for external stakeholders, including a survey and a benchmarking analysis of sustainability trends among direct and indirect competitors.

The insights gathered from internal stakeholders were then compared with those from external stakeholders. This allowed us to pinpoint the issues of greatest importance to the company and its stakeholders.

As a result, we identified a shortlist of key ESG priorities, including:

- **Compliance**
- **Product Safety**
- **Labor and Human Rights**
- **Diversity**
- **Anti-Corruption**
- **Protection of Privacy**
- **Workers' Health and Safety**
- **Supply Chain Management**
- **Customer Satisfaction**
- **Transparency of Communication**
- **Environmental Assessment of Suppliers**
- **Social Assessment of Suppliers**
- **Waste Management**
- **Product Profitability**
- **Water Management**
- **Chemical Substances**
- **Energy Consumption and Emissions**
- **Raw Materials and Materials**

GRI Content index, at the end of this Report, shows the co-response between the most relevant topics and relevant GRI indicators. Concerning “Product profitability” for privacy reasons we decided to not disclose any data in this report.

This comprehensive process provided a clear foundation for prioritizing ESG initiatives and aligning them with both stakeholder expectations and business objectives.

For each relevant issue, we conducted an in-depth analysis of positive and negative impacts through a workshop involving key business functions. Each

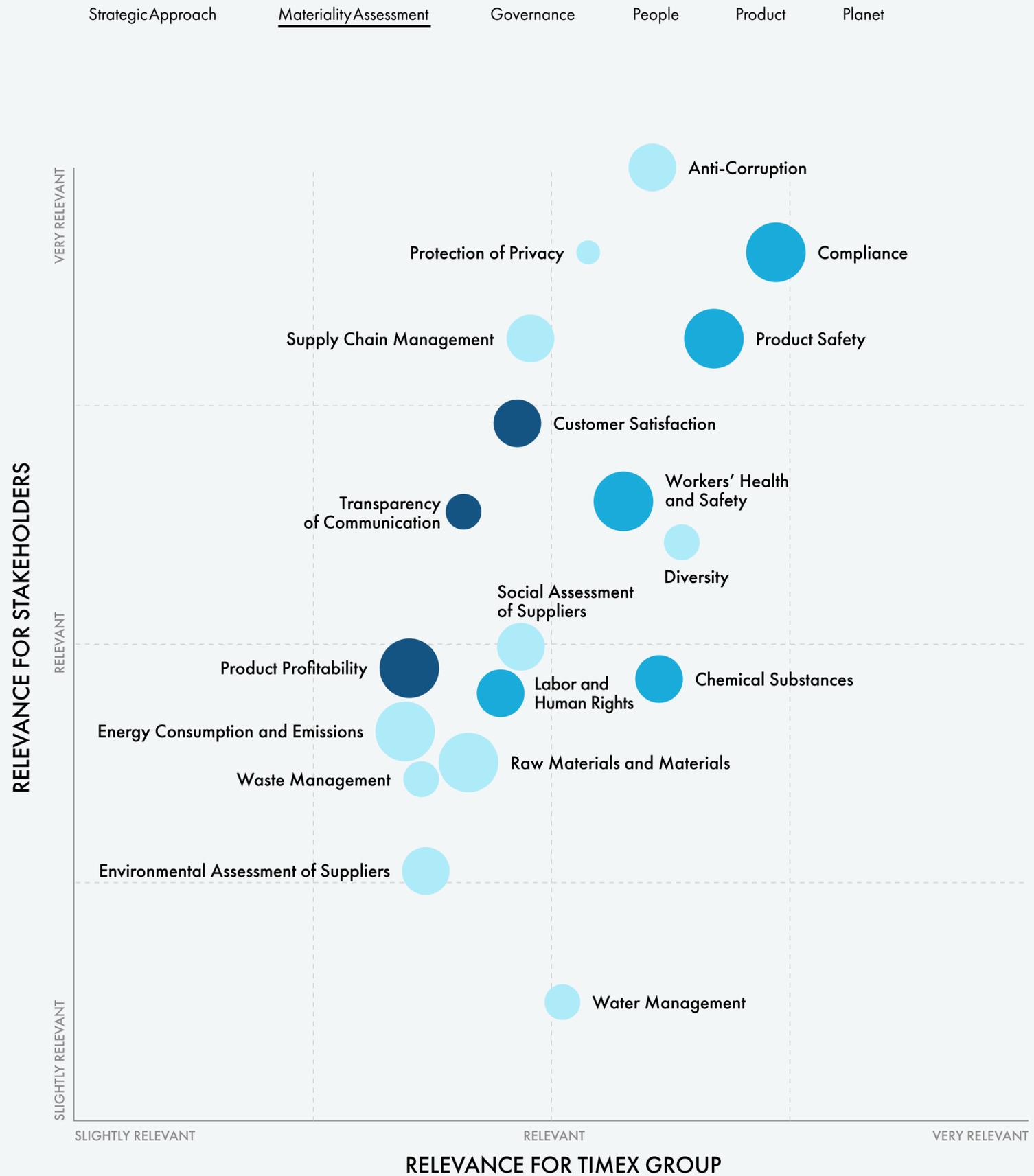
impact was assessed using a five-level scale (from Critical to Minimal), evaluating scale and scope of every thematic impact. Finally, negative impacts were evaluated in terms of remediability.

This analysis enabled us to prioritize the various issues and clearly define the operational and reputational risks associated with each impact. This is commonly referred to as “Financial Materiality,” which is explored further in the “Risk Management” chapter of this Report. Detailed tables outlining the identified positive and negative impacts, along with associated risks, are included in the thematic macro-sections of this document.



Aside, we present the Double Materiality Matrix, a key tool that connects the most relevant ESG (Environmental, Social, and Governance) issues with their impact magnitude and the budget investments allocated in 2023. This matrix helps us evaluate both the significance of each issue to our company and its impact on the external environment.

| Materiality assessment of impacts | |
|-----------------------------------|-------------|
| > 12 | Critical |
| 10 < x < 12 | Significant |
| 8 < x < 10 | Important |
| 5 < x < 8 | Informative |
| < 5 | Minimal |

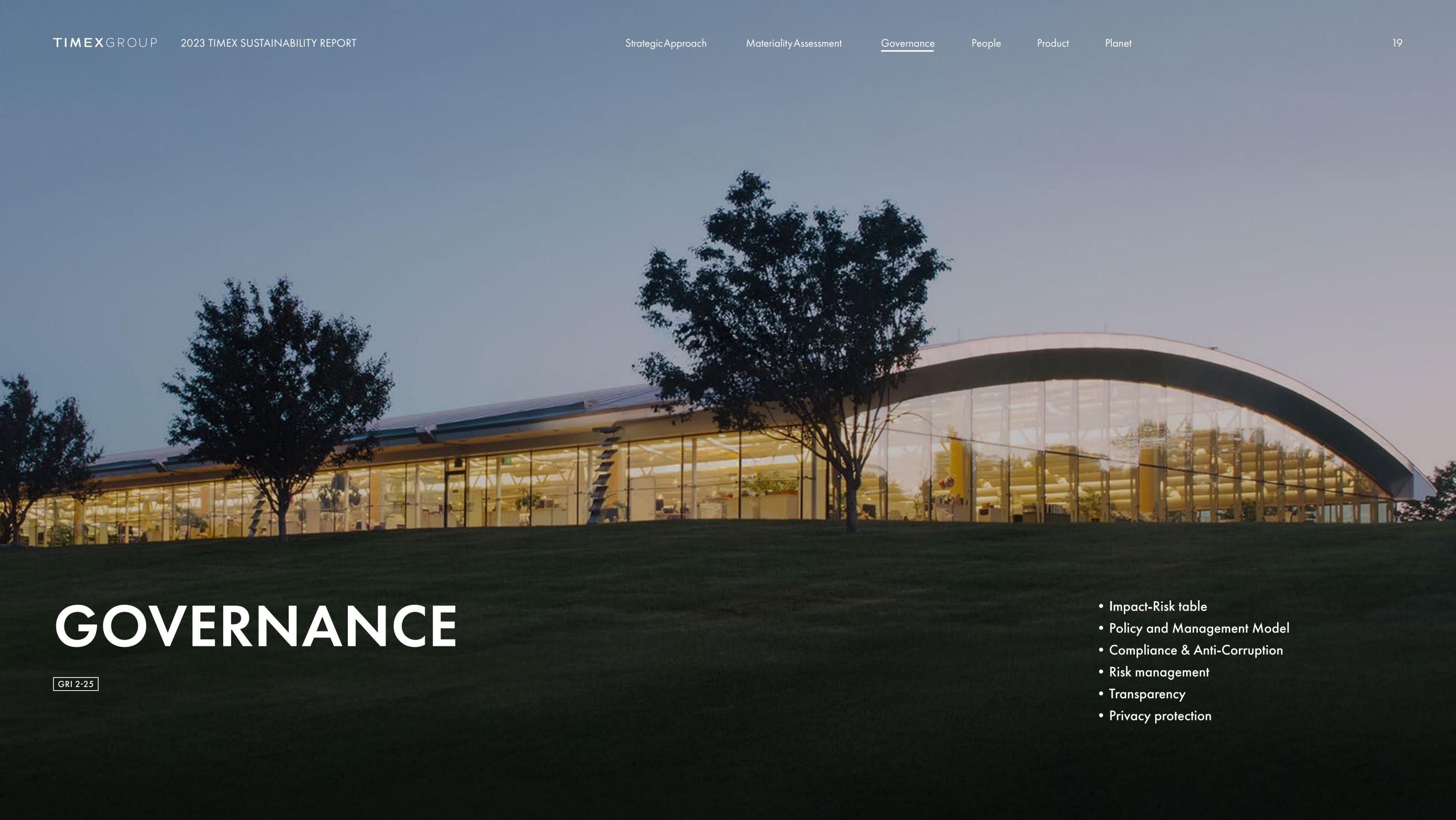


ALIGNMENT WITH THE CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

This year, we initiated our compliance journey with the Corporate Sustainability Reporting Directive (CSRD), collaborating closely with the Finance team to quantify the financial intensity of impacts and risks associated with material issues. This approach has allowed us to refine our corporate strategy by focusing on priority areas, mitigating adverse effects, and reducing risks—strengthening our commitment to stakeholders and the environment.

Looking ahead, we will continue this alignment through deeper analyses of business impacts, risks, and opportunities, engaging key stakeholders across the company. Additionally, we plan to enhance our Double Materiality approach by categorizing impacts into actual and potential, calculating the likelihood of occurrence for potential impacts. We will also adopt a time-framed perspective, evaluating impacts and risks over the short, medium, and long term to ensure a comprehensive understanding and response.





GOVERNANCE

GRI 2-25

- Impact-Risk table
- Policy and Management Model
- Compliance & Anti-Corruption
- Risk management
- Transparency
- Privacy protection

IMPACT-RISK TABLE

| Material topic | Budget | Budget Owner/s | Topic description | Type of impact | Impact description | Impact magnitude* | Risk |
|--|-----------------|---------------------------|---|----------------|---|--|---|
| Compliance SDGs:  | Medium ● ● ○ | Quality; Compliance | Compliance with applicable laws and regulations in the countries where the company operates. | POSITIVE | Contribution to ensuring compliance with sustainability regulations in countries where Timex Group operates, and promoting a sustainability culture even in countries where Timex Group operates with a nascent approach to sustainability. | 4 scale 4 scope 2 remediability materiality: SIGNIFICANT | Risk of non-compliance and associated sanctions; risk of damage compensation and loss of revenue; reputational risk, particularly due to legislative discrepancies in countries with weaker environmental and social protections. |
| | | | | NEGATIVE | Contribution through non-compliance to encourage institutions to establish stricter parameters and harsher sanctions to combat offenses. | | |
| Protection of Privacy SDGs:  | Low ● ○ ○ | Legal; Compliance | Respect and manage personal information responsibly and transparently, ensuring the protection of employees', customers', and other stakeholders' data through privacy management policies and practices. | POSITIVE | Supporting the protection of sensitive and personal data of employees and customers while enhancing online security. | 2 scale 1 scope 1 remediability materiality: MINIMAL | Risk of non-compliance (e.g., GDPR* for the European market) and related penalties for data breaches; reputational risk; risk of fraud and phishing due to vulnerabilities in online security; risk of damages. |
| | | | | NEGATIVE | Contribution to data loss and privacy breaches. | | |
| Transparency of Communication SDGs:  | High ● ● ● | Marketing | Accurate and clear disclosure of information related to the organization's sustainability activities and their impacts. | POSITIVE | Helping to implement timely, effective, and transparent communication with customers; raising consumer awareness of environmental and social challenges. | 3 scale 2 scope 2 remediability materiality: INFORMATIVE | Risk of non-compliance (e.g., EU Green Claims Directive*) and related sanctions; risk of damages; loss of customers due to lack of transparency; market loss; reputational risk; risk of fraud if environmental and social communications are not timely. |
| | | | | NEGATIVE | Misleading consumers through greenwashing, leading them to make purchases that are not genuinely sustainable. | | |
| Customer Satisfaction SDGs:  | High ● ● ● | Marketing | The extent to which a company's product meets or exceeds customer expectations, serving as a key indicator of perceived service quality and overall experience. | POSITIVE | Contributing to the provision of quality products that align with customer expectations and preferences; ensuring efficient services (e.g., repairs) that promote product durability. | 4 scale 3 scope 2 remediability materiality: IMPORTANT | Risk of losing competitiveness and market share; reputational risk; increased costs due to unsold or obsolete products. |
| | | | | NEGATIVE | Contributing to customer dissatisfaction by failing to meet their needs and expectations; generating unsold products or waste before natural product obsolescence, leading to environmental impacts. | | |
| Anti-Corruption SDGs:  | Low ● ○ ○ | Legal; Human Resources | Activities aimed at preventing and combating corruption within the company. | POSITIVE | Combating corruption and promoting a responsible and transparent business culture, despite geographical differences. Supporting the disclosure of illegal or opaque practices. | 5 scale 2 scope 2 remediability materiality: IMPORTANT | Risk of sanctions; reputational damage and inability to attract talent; financial losses resulting from inefficient investments linked to employees involved in corruption. |
| | | | | NEGATIVE | Supporting the disclosure of illegal, opaque conduct. | | |

* Remediability refers only to negative impacts

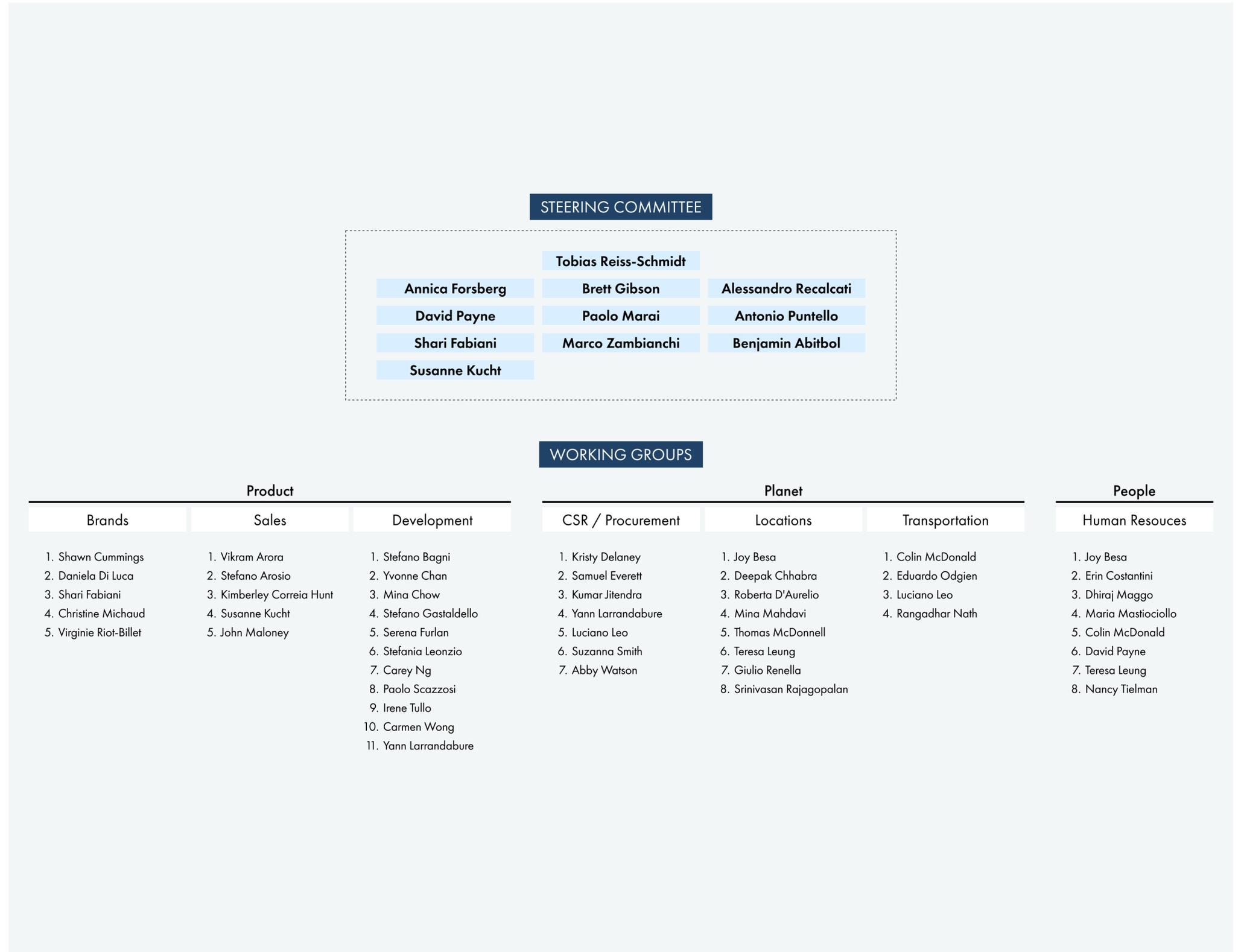
POLICY AND MANAGEMENT MODEL

- GRI 2-9
- GRI 2-11
- GRI 2-12
- GRI 2-13
- GRI 2-14
- GRI 2-17
- GRI 2-23
- GRI 2-24

Timex Group has established a comprehensive management and control framework to integrate environmental, social, and governance (ESG) principles across all aspects of its global operations. Our strategic vision is driven by the Sustainability Steering Committee, a leadership team responsible for overseeing and advancing initiatives aimed at continuous ESG performance improvement.

To support the committee, we have formed seven internal Working Groups composed of over 60 employees and managers, each focusing on specific corporate responsibility topics such as supply chain management, corporate social responsibility (CSR), and product development. These teams work collaboratively to implement innovative solutions, ensuring that every business area contributes to achieving our corporate responsibility objectives.

A cornerstone of our management approach is the Materiality Assessment, which enables us to identify and prioritize ESG issues that are most critical to the company and its stakeholders. In our most recent survey, 75% of the 42 questionnaires distributed to internal and external stakeholders were completed, providing valuable insights to align corporate strategies with community expectations. A detailed analysis of the outcomes from the Materiality Matrix, including the key issues identified, is provided in the Materiality chapter.





COMPLIANCE & ANTI-CORRUPTION

| | |
|----------|-----------|
| GRI 2-16 | GRI 3-3 |
| GRI 2-23 | GRI 205-1 |
| GRI 2-26 | GRI 205-3 |
| GRI 2-27 | |

Timex Group places regulatory compliance and anti-corruption at the core of its commitment to transparent and accountable operations, both globally and locally. We strive to uphold the highest ethical and legal standards in all business activities, frequently exceeding the minimum requirements set by applicable regulations.

CORPORATE POLICY MANUAL

The Corporate Policy Manual, approved by the Board of Directors, serves as the cornerstone for day-to-day operations. It underscores the importance of legal compliance and the respect for human and environmental rights. Beyond its role as a guide for employees, the manual is supported by supplementary documents, regularly updated by the Human Resources and Finance departments, ensuring compliance with corporate guidelines.

The manual addresses several key areas:

- **Social and environmental responsibility**
- **Ethics and legal compliance**
- **Human resource management**
- **Safeguarding intellectual property**
- **Vendor management**

This chapter focuses on policies related to ethics and legal compliance, while the remaining areas will be discussed in subsequent chapters, showcasing their contribution to Timex Group’s dedication to responsible business practices.

KEY POLICIES IN ETHICS AND LEGAL COMPLIANCE

1. **Legal Compliance:** Timex Group rigorously adheres to all applicable regulations and frequently surpasses the minimum legal requirements to maintain high ethical standards across all operations.
2. **Unauthorized Payments:** All forms of payments or benefits that could be interpreted as corrupt—such as gifts exceeding corporate limits or indirect benefits offered via intermediaries—are strictly prohibited.

3. **Conflicts of Interest:** Potential conflicts of interest must be transparently reported and managed to ensure alignment with corporate values and impartial decision-making.

4. **Anti-Money Laundering and Economic Sanctions:** The company’s compliance program strictly observes international economic sanctions, avoiding any relationships with restricted individuals, entities, or countries.

5. **Reporting and Monitoring Program:** A toll-free hotline is available to employees for reporting violations or suspicious activities, with an option for anonymity.

IMPLEMENTATION AND ACCOUNTABILITY

All employees are required to understand and comply with these policies. Supervisors are tasked with supporting their teams in applying these guidelines effectively. Annually, the HR Manager at each site distributes the Corporate Policy Manual, requiring employees to sign a certificate confirming they have read and understood the document.

Violations are addressed through disciplinary measures, which may include reprimands, suspensions, dismissals, or legal action. Timex Group enforces a zero-tolerance policy against retaliation toward individuals who report violations or misconduct in good faith.

2023 PERFORMANCE

In 2023, no violations of company policies or applicable regulations were reported. This reflects Timex Group’s strong commitment to ethical practices and robust compliance frameworks.

0
violations of company policies in 2023

COLLABORATION WITH LICENSEES: ENSURING COMPLIANCE

All Timex Group licensees are required to sign a Compliance Statement, affirming their commitment to adhere to the company’s regulations and standards regarding quality, human rights, and environmental responsibility. To ensure alignment, Timex Group conducts regular inspections at licensee facilities, verifying that their production processes meet established quality standards and contractual obligations.

GRI 205-1 - Communication and training on anti-corruption policies and procedures*

Operations assessed for corruption-related risks

| | 2021 | 2022 | 2023 |
|--|------|------|---|
| Total number | 0 | 0 | all entities incl. transactions & partners reviewed |
| % of total operations evaluated | 0 | 0 | 100% |

GRI 205-3 - Established incidents of corruption and actions taken*

| | 2021 | 2022 | 2023 |
|--|----------|----------|----------|
| Incidents with dismissal | 0 | 0 | 0 |
| Incidents with measures against the employee | 0 | 0 | 0 |
| Episodes with business partners/suppliers | 0 | 0 | 0 |
| Public causes | 0 | 0 | 0 |
| Total verified incidents | 0 | 0 | 0 |

*We were able to track the last 3 years of information for corruption issues and their respective GRI indicators

RISK MANAGEMENT

We employ a rigorous and structured approach to ESG risk management, leveraging our extensive experience in the watch industry and our adaptability to ever-changing market dynamics. This combination allows us to stay competitive while effectively mitigating operational and financial risks.

RELEVANT RISKS TO THE COMPANY AND DOUBLE MATERIALITY

Timex Group manages corporate operational risks through a rigorous system of compliance with local and international occupational health and safety regulations, with the goal of ensuring safe and healthy work environments. Locations, such as Baddi's in India, are ISO 45001:2018 and SA8000 certified, reflecting the Group's commitment to injury prevention and protection of workers' rights. Annual audits are conducted at Baddi for both certifications, with no major Nonconformities found. In addition, the Lugano facility undergoes biannual audits conducted by Swiss Safety Center SA to continuously monitor and improve safety conditions.

An in-depth discussion of occupational health and safety management, including initiatives taken at the sites, will be provided in the chapter "Safety prevention, hygiene and health in the workplace" in this Annual Report.

In 2023, we also conducted an in-depth mapping of ESG risks from the identification of priorities that

emerged from the materiality analysis, covering environmental, social, and governance aspects. This mapping highlighted key risk areas for our industry, such as product safety, respect for human and labor rights, promotion of diversity, protection of privacy, and responsible supply chain management. For each material theme, associated financial risks were identified and, through targeted analysis, a priority level - low, medium or high - was assigned to direct resources toward ongoing monitoring and effective risk management.

RISK MANAGEMENT ALONG THE SUPPLY CHAIN

To complement our structured approach to ESG risk management, Timex Group also extends risk monitoring along the supply chain, optimizing measures to meet regulations and market expectations.

In 2023, Timex Group implemented an evaluation system based on the SRC System, used to monitor suppliers' compliance with safety, ethical, and environmental standards. During the onboarding process, each supplier signs a Master Vendor Agreement that

includes clauses for periodic audits; that same year, Timex Group conducted 60 audits on major suppliers, covering about 75% of the total volume. The scorecard requires a minimum score of 70, and improvement plans are in place for suppliers that do not meet this threshold.

In addition, beginning in 2024, Timex has designed a Vendor Sustainability Scorecard to complement the CSR System for better monitoring of ESG risks along the supply chain, strengthening control over critical areas and ensuring rapid adaptation to regulations and market expectations. This system allows continuous monitoring and enables timely interventions to manage emerging risks, consolidating alignment with regulatory standards and ESG priorities revealed by materiality analysis.



TRANSPARENCY

Transparency drives our approach to governance, and Timex Group works continuously to ensure that all communications are clear, accessible and up-to-date. The Sustainability Report, prepared according to the most authoritative reporting standards, reflects this commitment by offering timely and complete information to employees, customers, suppliers and investors.

To keep our stakeholders updated on progress in ESG, we hold two annual presentation events: an in-person one in January and a virtual one in July. During the January event, in particular, we share new collections and strategic developments, providing an overview of our initiatives and goals.

Internally, we foster ongoing communication with our employees through regular meetings at each location, where the most relevant business decisions are conveyed. In addition, twice a year, the CEO and top management conduct Town Hall,

strategic meetings where they share the company's achievements and future directions, fostering direct engagement and dialogue with staff.

These channels and initiatives, combined with ongoing mapping of impacts and risks, allow us to strengthen our transparency and commitment to ethical and proactive communication. Confirming this commitment, no instances of non-compliance with regulations on communication or marketing have been detected in the past year.

GRI 3-3

GRI 417-2





PRIVACY PROTECTION

GRI 2-23

GRI 3-3

GRI 418-1

Timex Group's Privacy Policy is designed to safeguard the personal data of employees, customers, suppliers, and stakeholders, ensuring the security and confidentiality of all collected information in accordance with key regulatory standards. By implementing transparent and responsible data management practices, we protect information at every stage of interaction with our services from product purchases to website usage.

We employ advanced security and tracking technologies to enhance the user experience while maintaining strict compliance with applicable data protection regulations.

This ensures a high level of protection while empowering users with full control over their personal information.

Our commitment to privacy and data security is reflected in the fact that no complaints or privacy violations were reported in 2023.

This proactive approach underscores Timex Group's dedication to upholding the trust and confidence of all stakeholders through rigorous data protection practices.

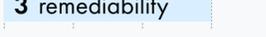
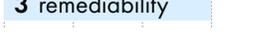
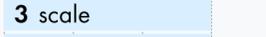
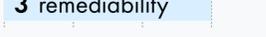


PEOPLE

GRI 2-25

- Impact-Risk Table
- Policy and Management Model
- Who We Are
- Workers' rights in our Company
- Supply chain
- Partners and non-profit support

IMPACT-RISK TABLE

| Material topic | Budget | Budget Owner/s | Topic description | Type of impact | Impact description | Impact magnitude* | Risk |
|--|-----------------|---|---|----------------|--|--|---|
| Workers' Health and Safety SDGs:   | Medium ● ● ○ | Human Resources; Corporate Social Responsibility | The company's ability to provide safe, healthy, and dignified working conditions for all employees, ensuring a work environment that safeguards workers' health and well-being. | POSITIVE | Contribution to worker safety and accident reduction by raising awareness about the proper use of machinery and equipment in the workplace. |    materiality: SIGNIFICANT | Risk of lack of competitiveness due to curbed productivity because of accident-related absenteeism; Risk of possible accident-related lawsuits; Risk of deterring top talent from joining the company because of safety issues. |
| | | | | NEGATIVE | Increase in workplace accidents due to inadequate management of occupational safety measures. | | |
| Labor and Human Rights SDGs:    | Medium ● ● ○ | Human Resources; Corporate Social Responsibility; Procurement | The company's ability to uphold the fundamental rights of every individual, regardless of origin, status, or condition, including civil, political, economic, social, and cultural rights, which must be respected in its activities, operations, and business relationships. | POSITIVE | Contribution to improving the quality of life for employees (and supplier employees) through responsible and fair business practices; efforts to combat forced labor, child labor, and modern slavery. |    materiality: INFORMATIVE | Reputational risk and related risk of boycott by consumers; risk of potential sanctions; positioning risk given that some competitors may fall under the CSDDD and national due diligence obligations of certain countries (France; Germany) and thus extend this approach across the company globally. |
| | | | | NEGATIVE | Exploitation of workers (and supply chain workers) through practices such as excessive working hours, unfair wages, poor working conditions, violations of freedom of association, and the use of forced or child labor. | | |
| Diversity SDGs:   | Low ● ○ ○ | Human Resources | A management approach focused on valuing and promoting the diversity of each individual within the company. | POSITIVE | Creation of diverse and inclusive working environments that enhance human capital and value individual diversity. |    materiality: INFORMATIVE | Risk of not attracting talent; risk of turnover and financial investment for new hires and training activation; risk of loss of innovation and competitiveness and reputational risk. |
| | | | | NEGATIVE | Contribution to a suboptimal corporate climate that fails to appreciate the uniqueness of individuals. | | |
| Supply Chain Management SDGs:   | Low ● ○ ○ | Procurement | Consideration of the social, environmental, and economic impacts across the entire supply chain of an organization. | POSITIVE | Promotion of environmental protection and respect for human rights through continuous dialogue with suppliers, partners, and across the supply chain. |    materiality: IMPORTANT | Reputational risk and related risk of consumer boycott; risk of potential sanctions. |
| | | | | NEGATIVE | Violation of workers' rights due to insufficient or incomplete monitoring. | | |
| Social Assessment of Suppliers SDGs:   | Low ● ○ ○ | Procurement | Evaluation of the impact of procurement practices on supplier companies. | POSITIVE | Encouraging suppliers to improve their social performance in order to qualify as partners. |    materiality: IMPORTANT | Non-compliance risk and related sanctions; reputational risk. |
| | | | | NEGATIVE | Violations of rights due to inaccurate or incomplete supplier selection processes. | | |

* Remediability refers only to negative impacts

POLICY AND MANAGEMENT MODEL

Timex Group values its people and is dedicated to fostering a safe, inclusive, and respectful work environment that adheres to major international labor rights standards. Our management approach is rooted in policies designed to ensure compliance with local regulations and global frameworks, particularly those established by the International Labor Organization (ILO).

The People Policy reflects Timex Group’s commitment to building an inclusive corporate culture that celebrates talent and diversity. This commitment is demonstrated through policies aimed at safeguarding health and safety, recognizing performance, encouraging dialogue, and nurturing the potential of every individual. By prioritizing care and respect, Timex Group creates an environment that supports growth, well-being, and a sense of belonging for all employees.

THE KEY PRINCIPLES OF OUR POLICY

Labor Standards: Timex Group is committed to meeting and often exceeding occupational health and safety regulations, ensuring a safe environment and encouraging ongoing dialogue between employees and supervisors for continuous improvement.

Equal Opportunity: The company provides equal employment opportunities regardless of ethnicity, religion, gender, age or disability. Any form of discrimination or favoritism based on sexual advances are strictly prohibited.

Harassment Prevention: Timex Group maintains a harassment-free work environment by ensuring respect and condemning unwanted behavior or acts that create a hostile environment.

Codes of Conduct: Our Codes of Conduct set high standards of social responsibility at all operating locations and for our suppliers. These codes are reviewed periodically by the Social Responsibility Committee to ensure that all employees are aware of and apply these principles.



GRI 2-23

GRI 2-24

THE SPECIFIC STANDARDS FOR GLOBAL LOCATIONS

In India, Timex Group India Limited’s office in Baddi holds SA8000, a leading certification in social responsibility and workers’ rights, which guarantees safe working conditions that respect human dignity.

In the United States, Timex Group USA, Inc. is a Participating Company of the Fair Labor Association (FLA), an initiative that brings together companies committed to promoting fair labor practices and continuously improving working conditions throughout their supply chain. FLA Participating Companies voluntarily commit to rigorous labor standards, including ensuring fair labor practices and safe and decent working conditions.

WHO WE ARE

GRI 2-7

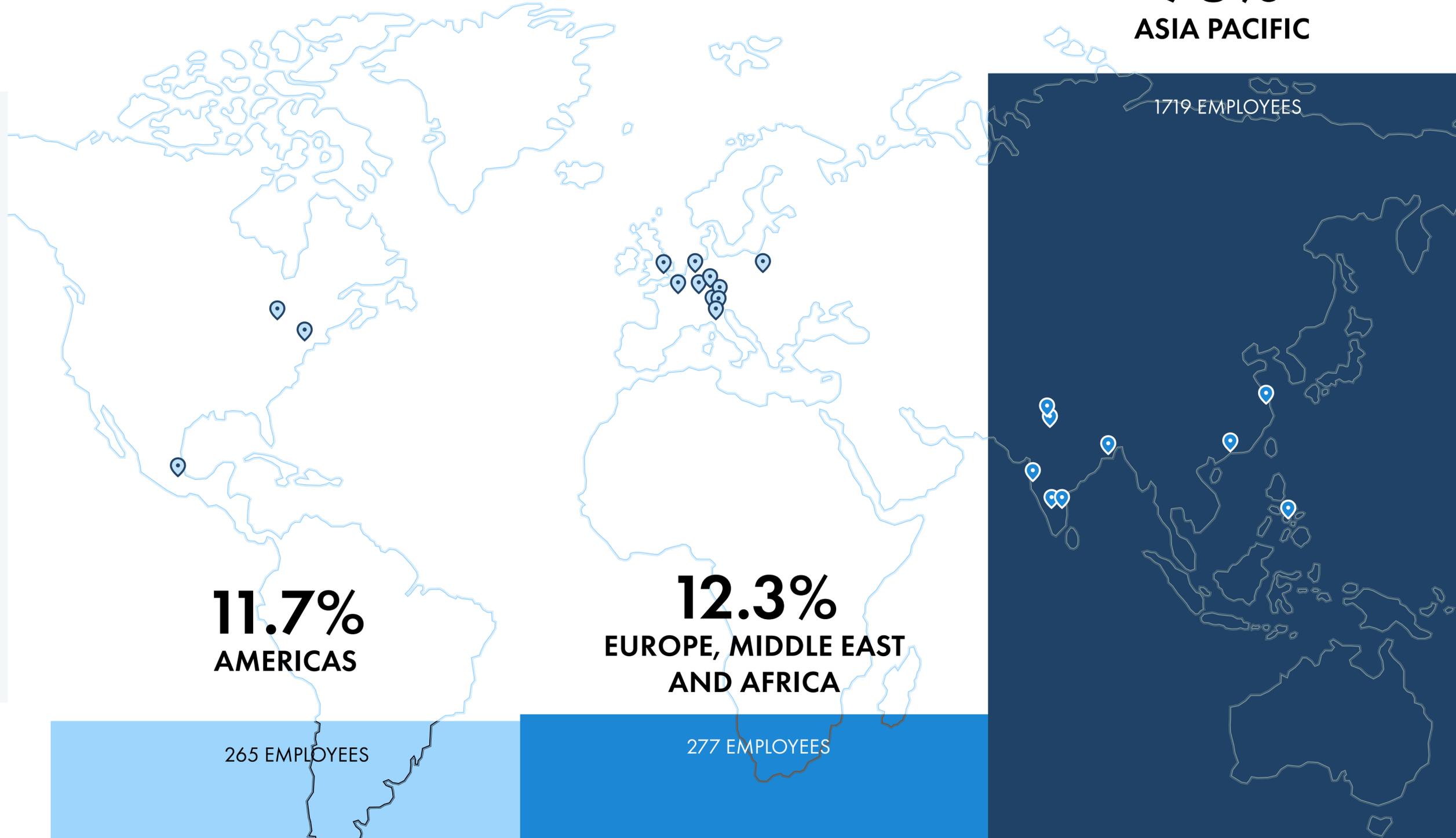
At Timex Group, people are the real engine of our growth and innovation. With a global workforce that is diverse in gender, age and geographic origin, we are committed to creating an inclusive environment and fostering the continuous development of our employees' skills. The international distribution of our team reflects the Group's global nature and ability to adapt to different cultural contexts.

The Group is active in three main geographical areas:

Americas: 11.7% of our employees, or 265 people, work between Canada, Mexico and the United States.

Asia Pacific: with the largest concentration of staff, this region accounts for 76% of our workforce, with 1,719 people.

Europe, Middle East and Africa: 12.3% of employees, or 277 people, are distributed in these areas.

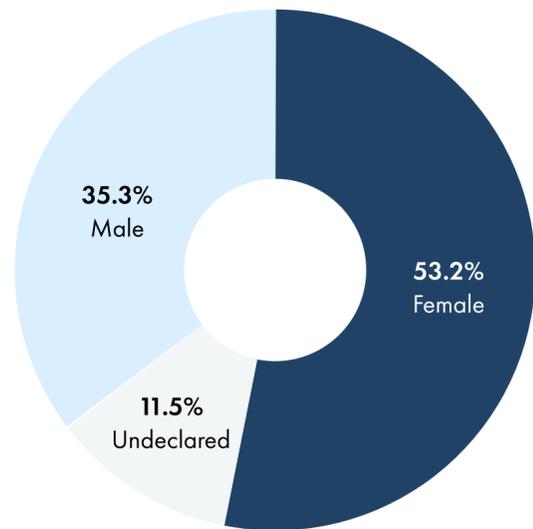


COMPOSITION OF THE LABOR FORCE

GRI 405-1

Our workforce is 53.2% female and 35.3% male, while 11.5% prefer not to declare their gender. Although the presence of women is particularly significant in production roles, the representation of women in management positions stands at 36%, a figure we aim to work on to improve gender parity in leadership roles as well.

The breakdown of our staff by origin, ethnicity, gender, generation, and contractual classification follows:



| | | % | Total Headcount | | | | |
|---------------------------|---|--------------|-----------------|-------------|------------|------------|------------|
| Our Workforce 2023 | | | | | | | |
| 2,261 | | | | | | | |
| WHERE WE ARE | Asia Pacific | 76.0% | 1719 | | | | |
| | Europe, Middle East and Africa | 12.3% | 277 | | | | |
| | Americas (Canada, Mexico, US) | 11.7% | 265 | | | | |
| BY ETHNICITY | Asian | 76.5% | 1729 | | | | |
| | White | 20.3% | 459 | | | | |
| | Hispanic or Latino | 2.5% | 56 | | | | |
| | Black or African American | 0.4% | 8 | | | | |
| | Two or More Races | 0.3% | 7 | | | | |
| | American Indian or Alaskan Native | 0.0% | 1 | | | | |
| | Native Hawaiian or Other Pacific Islander | 0.0% | 1 | | | | |
| | Not Disclosed | 0.0% | 0 | | | | |
| BY GENERATION | Generation Z (1997-2012) | 8.5% | 192 | | | | |
| | Millennials (1981-1996) | 36.3% | 821 | | | | |
| | Generation X (1965 - 1980) | 45.4% | 1027 | | | | |
| | Baby Boomers (1946 - 1964) | 4.2% | 95 | | | | |
| | Undisclosed | 5.6% | 126 | | | | |
| BY ROLE | | Female | Male | Undeclared | Female | Male | Undeclared |
| | Executives | 0.2% | 0.4% | 0.0% | 5 | 8 | 1 |
| | Finance, HR, IT Legal Tax | 2.9% | 4.3% | 1.1% | 65 | 98 | 25 |
| | Sales, Marketing | 7.2% | 7.3% | 2.7% | 164 | 164 | 62 |
| | R&D, Supply Chain | 14.3% | 16.6% | 3.6% | 323 | 375 | 81 |
| | Manufacturing/Direct Labor | 28.6% | 6.7% | 4.1% | 646 | 152 | 92 |
| Total | 53.2% | 35.3% | 11.5% | 1203 | 797 | 261 | |

GRI 2-7 Information on employees

Total number of permanent/temporary employees, with a breakdown by gender and region

| N. employees by employment contract | 2023 | | | |
|-------------------------------------|------------|--------------|------------|--------------|
| | M | F | Undeclared | Total |
| Permanent | 797 | 1,203 | 261 | 2,261 |
| Fixed Term | 0 | 0 | 0 | 0 |
| Total | 797 | 1,203 | 261 | 2,261 |

| N. employees by employment contract | 2023 | | | | | | | | | |
|-------------------------------------|-----------|-----------|----------|--------------------------|-----------|-----------|--------------|--------------|------------|--------------|
| | Italy | | | Europe (excluding Italy) | | | Extra-Europe | | | Total |
| | M | F | Und. | M | F | Und. | M | F | Und. | |
| Permanent | 14 | 12 | 5 | 89 | 44 | 11 | 694 | 1,147 | 245 | 2,261 |
| Fixed Term | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 14 | 12 | 5 | 89 | 44 | 11 | 694 | 1,147 | 245 | 2,261 |

Total number of employees by employment category

| N. employees by employment category | 2023 | | | |
|-------------------------------------|------------|--------------|------------|--------------|
| | M | F | Undeclared | Total |
| Executives | 8 | 5 | 1 | 14 |
| Finance, HR, IT Legal Tax | 98 | 65 | 25 | 188 |
| Sales, Marketing | 164 | 164 | 62 | 390 |
| R&D, Supply Chain | 375 | 323 | 81 | 779 |
| Manufacturing/Direct Labor | 152 | 646 | 92 | 890 |
| Total | 797 | 1,203 | 261 | 2,261 |

Total number of full-time/part-time employees, with a breakdown by gender and region

| N. employees by type of employment | 2023 | | | |
|------------------------------------|------------|--------------|------------|--------------|
| | M | F | Undeclared | Total |
| Permanent | 797 | 1,194 | 261 | 2,252 |
| Fixed Term | 0 | 9 | 0 | 9 |
| Total | 797 | 1,203 | 261 | 2,261 |

GRI Information 2-8 Information on non-employee workers

Total number of employees by employment category

| N. other workers by employment category | 2023 | | |
|---|----------|----------|-----------|
| | M | F | Total |
| Interns | 0 | 0 | 0 |
| Collaborators | 0 | 0 | 0 |
| Others - Contractors | 7 | 6 | 13 |
| Total | 7 | 6 | 13 |

GRI 401-1 New hires and turnover

(a) Total number and rate of new hires in the reporting period, by age group, gender and geographical area

| N. New hires | 2023 | | | Total |
|--------------|-----------|-----------|--|------------|
| | M | F | | |
| <30 | 42 | 29 | | 71 |
| 30-50 | 42 | 25 | | 67 |
| >50 | 6 | 7 | | 13 |
| Unspecified | 3 | 3 | | 6 |
| Total | 93 | 64 | | 157 |

(b) Total number and turnover rate in the reporting period, with breakdown of employees by age group, gender, and geographical area

| N. employees who left | 2023 | | | Total |
|-----------------------|------------|------------|-------------|------------|
| | M | F | Unspecified | |
| <30 | 28 | 43 | 37 | 108 |
| 30-50 | 69 | 137 | 17 | 223 |
| >50 | 20 | 142 | 1 | 163 |
| Unspecified | 1 | 4 | 8 | 13 |
| Total | 118 | 326 | 63 | 507 |

| N. reasons for leaving | 2023 | | | Total |
|--|------------|------------|-------------|------------|
| | M | F | Unspecified | |
| Resignations | 1 | 3 | 1 | 5 |
| Retirements | 3 | 41 | 0 | 44 |
| Layoffs | 42 | 198 | 2 | 242 |
| Other reasons (end of contract, consensual termination...) | 72 | 84 | 60 | 216 |
| Total | 118 | 326 | 63 | 507 |

| | 2023 | | | Total |
|--------------|------------|-------------|-------------|-------------|
| | M | F | Unspecified | |
| <30 | 122 | 125 | 135 | 382 |
| 30-50 | 463 | 704 | 105 | 1272 |
| >50 | 148 | 328 | 5 | 481 |
| Unspecified | 64 | 46 | 16 | 126 |
| Total | 797 | 1203 | 261 | 2261 |

| % Turnover | 2023 | | | Total |
|-------------|--------|--------|-------------|--------|
| | M | F | Unspecified | |
| <30 | 22.95% | 34.40% | 27.41% | 84.76% |
| 30-50 | 14.87% | 19.46% | 16.35% | 50.68% |
| >50 | 13.51% | 43.29% | 20.00% | 76.81% |
| Unspecified | 1.56% | 8.70% | 50.00% | 60.26% |

| Country | 2023 | | | Total |
|----------------|------------|------------|-------------|------------|
| | M | F | Unspecified | |
| Philippines | 75 | 285 | 22 | 382 |
| India | 15 | 5 | 25 | 45 |
| United States | 14 | 12 | | 26 |
| Mexico | 3 | 7 | 2 | 12 |
| Netherlands | | 5 | 5 | 10 |
| Hong Kong | 4 | 4 | | 8 |
| Canada | 1 | 2 | 2 | 5 |
| Switzerland | 1 | 2 | 2 | 5 |
| France | | 1 | 3 | 4 |
| Poland | 2 | 1 | | 3 |
| United Kingdom | 2 | 1 | | 3 |
| Italy | 1 | | 2 | 3 |
| Germany | | 1 | | 1 |
| Total | 118 | 326 | 63 | 507 |

N. new hires

2023

| | Italy | | | Europe (excluding Italy) | | | Extra-Europe | | | Total |
|--------------|----------|----------|-------------|--------------------------|----------|-------------|--------------|-----------|-------------|------------|
| | M | F | Unspecified | M | F | Unspecified | M | F | Unspecified | |
| <30 | 2 | 2 | | 2 | 3 | | 38 | 24 | | 71 |
| 30-50 | | 1 | | 5 | 1 | | 37 | 23 | | 67 |
| >50 | | | | | 1 | | 6 | 6 | | 13 |
| Unspecified | | | | 3 | 3 | | | | | 6 |
| Total | 2 | 3 | 0 | 10 | 8 | 0 | 81 | 53 | 0 | 157 |

N. employees who left

2023

| | Italy | | | Europe (excluding Italy) | | | Extra-Europe | | | Total |
|--------------|----------|----------|-------------|--------------------------|----------|-------------|--------------|------------|-------------|------------|
| | M | F | Unspecified | M | F | Unspecified | M | F | Unspecified | |
| <30 | 1 | | 1 | | | 2 | 27 | 43 | 34 | 108 |
| 30-50 | | | 1 | | 6 | 3 | 69 | 131 | 13 | 223 |
| >50 | | | | | 1 | 3 | 20 | 142 | 1 | 167 |
| Unspecified | | | | | | | 1 | 3 | 5 | 9 |
| Total | 1 | 0 | 2 | 0 | 7 | 8 | 117 | 319 | 53 | 507 |

GRI 401-3 Parental Leave

(a) Total number of employees who were eligible for parental leave, broken down by gender

| | 2023 | | |
|--|------|-----|------------|
| | M | F | Total |
| Employees who are entitled to parental leave | 222 | 237 | 459 |

(b) Total number of employees who took parental leave, broken down by gender

| | 2023 | | |
|---|------|----|------------|
| | M | F | Total |
| Employees who have taken parental leave | 24 | 85 | 109 |

(c) Total number of employees who returned to work in the reporting period at the end of parental leave, broken down by gender

| | 2023 | | |
|---|------|----|------------|
| | M | F | Total |
| Employees who returned to work during the reporting period at the end of parental leave | 24 | 76 | 100 |

(d) Total number of employees who returned to work at the end of parental leave and were still employed by the organization 12 months after returning to work, broken down by gender

| | 2023 | | |
|--|------|----|-----------|
| | M | F | Total |
| Employees who returned to work at the end of parental leave and were still employed by the organization 12 months after returning to work, broken down by gender | 21 | 65 | 86 |

(e) Return-to-work and retention rates of employees who have taken parental leave, broken down by gender

| | 2023 | | |
|---|------|----|------------|
| | M | F | Total |
| Total number of employees who actually returned to work after parental leave | 24 | 77 | 101 |
| Total number of employees who remained 12 months after returning to work after parental leave | 21 | 65 | 86 |

| | 2023 | | |
|--|------|----|-----------|
| | M | F | Total |
| Total number of employees who left 12 months after returning to work from parental leave | 4 | 13 | 17 |
| Total number of employees returned from parental leave in previous reporting periods | 4 | 11 | 15 |

GRI 404-1 Average hours of annual training per employee

(a) Hours of training provided to employees during the reporting period, by gender and category

| Total training hours by gender and category | 2023 | | |
|---|--------------|--------------|--------------|
| | M | F | Total |
| Executives | 49 | 96 | 145 |
| Middle managers | 321 | 260 | 581 |
| Clerks | 743 | 525 | 1,268 |
| Workers | 740 | 3,161 | 3,901 |
| To all employees | 667 | 976 | 1,643 |
| Total | 2,520 | 5,018 | 7,538 |

| Average hours of training by gender and category* | 2023 | | |
|---|-------------|-------------|-------------|
| | M | F | Total |
| Executives | | | |
| Middle managers | | | |
| Clerks | | | |
| Workers | | | |
| To all employees | | | |
| Total | 3.16 | 4.17 | 3.33 |

* Only total average available

GRI 404-3 Percentage of employees who receive periodic performance and professional development evaluation

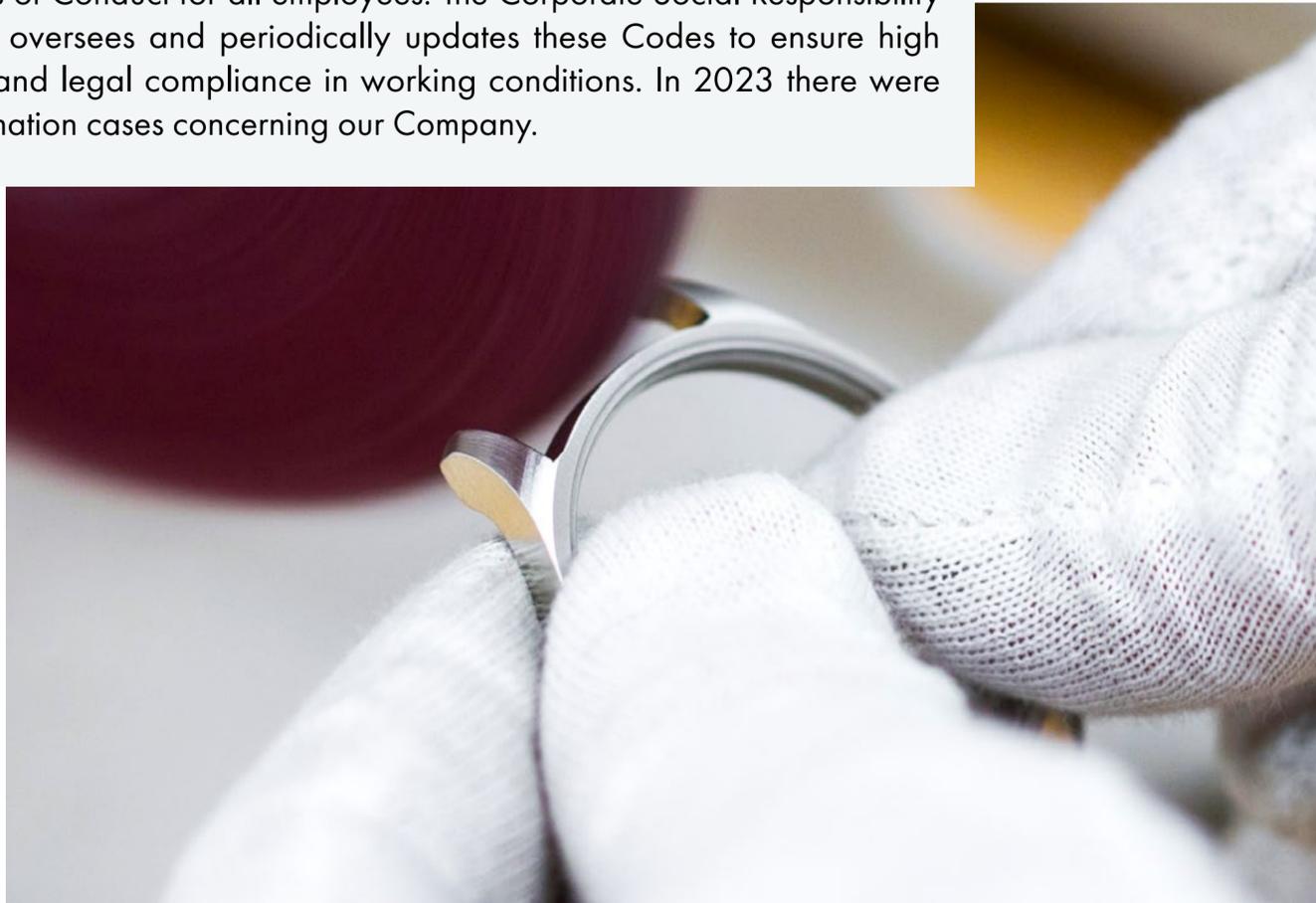
(a) Percentage of employees, by gender and job category, who receive periodic performance and professional development appraisal

| Number of employees who received periodic performance and professional development appraisal | 2023 | | | |
|--|------------|------------|-------------|--------------|
| | M | F | Unspecified | Total |
| Executives | 9 | 5 | 0 | 14 |
| Finance, HR, IT Legal Tax | 96 | 63 | 25 | 184 |
| Sales, Marketing | 156 | 158 | 58 | 372 |
| R&D, Supply Chain | 166 | 114 | 47 | 327 |
| Manufacturing/Direct Labor | 12 | 45 | 57 | 114 |
| Total | 439 | 385 | 187 | 1,011 |

WORKERS' RIGHTS IN OUR COMPANY

We are committed to respecting and promoting the human rights of our workers, ensuring a fair, inclusive and safe working environment, also in line with the provisions of national collective agreements of the countries in which we operate.

To promote ethical behavior and a culture of social responsibility, we adopt strict Codes of Conduct for all employees. The Corporate Social Responsibility Committee oversees and periodically updates these Codes to ensure high standards and legal compliance in working conditions. In 2023 there were no discrimination cases concerning our Company.



GRI 2-30
GRI 406-1
GRI 403-1

SAFETY PREVENTION, HYGIENE AND HEALTH IN THE WORKPLACE

Timex Group is committed to ensuring that all of our locations meet, and often exceed, local occupational health and safety regulations, creating safe and healthy environments in line with the best international standards.

The Baddi office in India is ISO 45001:2018 certified, a global standard that attests Timex Group's commitment to injury prevention and improving employee well-being. Two annual audits for ISO 45001:2018 are conducted at Baddi, with no major Nonconformities (NCs) found in the audits to date.

The Baddi office is also SA8000 certified, which ensures compliance with workers' rights enshrined by the United Nations and the International Labor Organization (ILO), covering such key aspects as health and safety, right of association and collective bargaining, disciplinary practices, and non-discrimination. Two audits per year are also conducted for SA8000 certification, with no major Nonconformities recorded to date.

At the Lugano site, biannual safety audits conducted by Swiss Safety Center AG continuously monitor and improve working conditions, helping to maintain high safety standards.

Locations also adopt specific measures for employee well-being. At Baddi, for example, there are air-conditioned environments to deal with high temperatures, periodic health check-ups, balanced meals in company cafeterias, and yoga sessions designed to promote workers' mental and physical balance.

CEBU: PROCESSES AND INITIATIVES FOR WORKER SAFETY

A number of strategic initiatives are in place at the Cebu headquarters (Philippines) to ensure worker safety, divided into three main areas: risk prevention, monitoring and control, and ongoing training.

1. Risk Prevention: Prevention is at the core of safety management. The site adopts the Timex-Cebu-Plant Process Over and Environmental Management System, which includes strict protocols for hazardous waste management, such as waste classification, separation, storage, and treatment. There is also a specific safety system for machinery hazards, which includes preventive measures aimed at reducing mechanical hazards, along with specific training for the safe use of machinery.

2. Monitoring and Control: To ensure safety in the workplace, strict monitoring and control systems are in place. The site uses an advanced Security Compliance system, including access control and CCTV surveillance, ensuring the protection of facilities and the safety of people. In addition, regular checks are conducted to verify compliance with environmental and occupational health and safety regulations, with a special focus on protection against chemical, electrical, mechanical and ergonomic hazards.

3. Continuing Education: Training is a key element in ensuring that all employees are properly prepared. Annual Safety Week offers training and hands-on sessions on Chemical Safety and risk management, including chemical, electrical and mechanical hazards. Employees are also made aware of the importance of the use of personal protective equipment (PPE) and the proper safety procedures to take in case of an emergency. Every worker also has the right to refuse work activities that involve situations of imminent risk to his or her safety.

The Cebu office is constantly striving to improve safety conditions, ensuring that all its facilities and procedures are in line with the highest occupational health and safety standards.



DIVERSITY AND EQUAL OPPORTUNITIES

We are committed to equal opportunity, regardless of gender, age, ethnicity, nationality, sexual orientation, disability, or religion. We believe that an inclusive work environment, which values the unique characteristics of each person, is the foundation of a collaborative, healthy and challenging corporate culture.

With a daily commitment to fairness, respect and diversity, we ensure that every employee feels protected and valued. We do not tolerate any form of harassment - verbal, physical or psychological - based on legally protected characteristics such

as race, ethnicity, gender or disability. Ensuring a harassment-free environment is a priority for Timex Group. This commitment is supported by clear policies and a safe and accessible reporting system for all employees.

By 2025, we are committed to increasing the representation of women and people from ethnic minorities (BIPOC) in leadership roles. We will continue to invest in talent development, knowing that diverse leadership is critical to sustaining our growth and stimulating innovation.

PROMOTING INTERNAL GROWTH

The professional development of employees is a core priority for us, and we actively invest in training programs to enhance both the technical and soft skills of our workforce. A notable example is the Watch School in the Philippines, which opened in 2022 to provide specialized training in technical skills related to watch production. This initiative underscores our commitment to nurturing industry-critical expertise and fostering the continuous improvement of our staff's capabilities.

The Watch School, established under the Timex Academy, was officially inaugurated on October 19, 2022. The event featured a blessing ceremony,

a ribbon-cutting, and the unveiling of an iconic marker, led by Tobias Reiss Schmidt, President & CEO of Timex Group. The Watch School is poised to cultivate an innovative learning environment, offering a curriculum designed to train operators, technicians, and engineers in watchmaking and assembly.

To further support professional growth, Timex Group has implemented a global performance management system structured around five key stages, ensuring a consistent and meritocratic approach to employee development. This system, administered by the corporate HR team, applies to approximately 850 performance-eligible employees worldwide,

GRI 405-2 Ratio of basic wage and salary between women and men

(a) The ratio of basic wage and salary of women to men for each category of employees, by significant business location

| Basic wage* | 2023 | |
|-----------------|------------|------------|
| | F | M |
| Executives | 270.7 | 383.2 |
| Middle Managers | 152.6 | 168.0 |
| Workers | 84.7 | 94.0 |
| Clerks | 41.9 | 40.0 |
| Total | 550 | 685 |

| Remuneration** | 2023 | |
|-----------------|------------|------------|
| | F | M |
| Executives*** | 387.1 | 595.0 |
| Middle Managers | 185.2 | 203.7 |
| Workers | 91.2 | 101.1 |
| Clerks | 43.2 | 41.3 |
| Total | 707 | 941 |

*Basic wage = Minimum, fixed amount paid to an employee for performing his or her duties. Base salary excludes any additional pay, such as overtime payments or bonuses

**Remuneration = Base salary plus additional amounts paid to an employee

*** The ratio between the remuneration of the executives and the remuneration of the rest of the company is 1.2. In the following reports, the Group will implement disclosure on this matter

with no region excluded. Evaluations are role-based and include goal-setting discussions between employees and their managers. During the evaluation period, employees conduct self-assessments, which are then reviewed by their managers. Each evaluation is thoroughly vetted by the HR team and the respective business leader before finalization.

This comprehensive approach reinforces our dedication to cultivating talent and driving professional excellence across all levels of our organization.

- 1. Goal planning:** At the beginning of each year, managers and employees jointly define performance expectations, specifying key competencies and goals to be achieved. Customized growth plans are also developed, aimed at enhancing individual competencies.
- 2. Mid-year review:** Mid-year, or at regular times (quarterly or monthly), status updates are made, with any adjustments to goals and development plans based on new priorities or changes in context.
- 3. Annual Performance Review:** At the end of the year, the manager collects feedback and evaluations from employees, multi-rater evaluators, and other management personnel, conducting a formal performance review with the employee. During this meeting, a performance score, ranging from “Does Not Meet Expectations” to “Outstanding,” is assigned based on the level of performance.

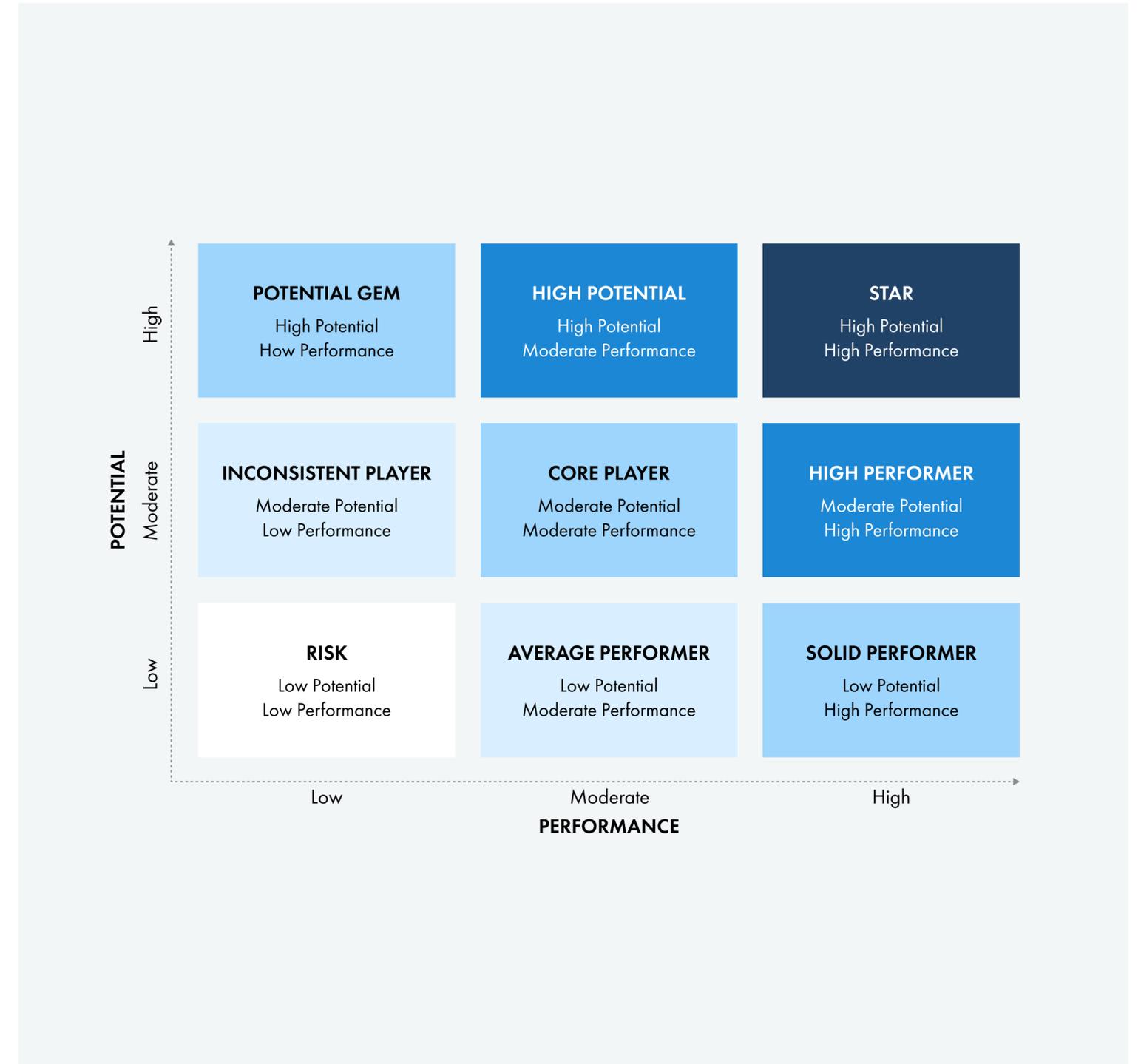
4. Review of evaluation results: After the annual evaluation, the results are reviewed to ensure that they are fair and accurate. Any identified performance gaps are addressed with additional development plans, ensuring that each employee receives the support needed to improve his or her skills.

5. Performance management process evaluation: Timex Group analyzes overall results to identify trends and areas for improvement in the performance management process. Any adjustments are then proposed, with the goal of refining the system and strengthening support for employee growth.

In parallel, regular 9-box sessions are held within the various groups to identify talent with the greatest potential and plan customized development paths to promote internal growth. Based on annual evaluations, consistent decisions are made across the group for salary increases or promotions, rewarding merit and ensuring career opportunities.

Through the 9-box scheme, as shown in the chart below, managers and directors list their reps by ranking them within the nine boxes. Sharing with one’s manager thus allows for alignment on the employees with the greatest potential for growth.

This structured approach enables Timex Group to foster a culture of talent growth and enhancement, ensuring that every employee has the support and resources they need to advance their careers.



SUPPLY CHAIN

GRI 2-6

GRI 308-1

Timex Group is committed to ensuring that its supply chain operates with transparency, social responsibility and respect for the environment. A strategic aspect of this commitment is that 95.3 % of watches are assembled in-house in our factories in Cebu, India and Switzerland, allowing direct and constant control over product quality and process sustainability. This choice not only reduces supply chain risks, but also allows us to maintain high quality standards.

Through 2023, Timex Group has adopted a structured system that includes onboarding processes, periodic assessments

and continuous monitoring of supplier sustainability, ensuring compliance throughout the supply chain. To further improve risk management and strengthen our commitment to responsible practices, a new Vendor Sustainability Scorecard was introduced in 2024 alongside the CSR System with more stringent evaluation criteria. This system not only evaluates suppliers, but also actively supports them in improving their social and environmental practices, promoting positive impact throughout the entire supply chain.



95.3%
of watches
are assembled in-house

SOCIAL AND ENVIRONMENTAL MECHANISM FOR SUPPLIERS AND PARTNERS

To ensure that we maintain high standards of compliance along the supply chain, we have for years adopted a structured system for evaluating our production partners, which allows us to monitor suppliers' performance on ethical and environmental criteria.

This systematic approach, consisting of 4 main steps, enables Timex Group to ensure a responsible and sustainable supply chain by promoting continuous improvement.

VENDOR ONBOARDING

Each new partner is subject to an onboarding process that involves signing a Master Vendor Agreement. This agreement includes a clause authorizing Timex Group to conduct periodic audits, along with a statement of regulatory compliance for the products supplied. At this stage, vendors also share a list of products manufactured, ensuring that each item meets Timex Group's sustainability requirements.

60
audits completed

95%
suppliers compliant

REGULAR AUDITS AND CHECKS

Timex Group conducts regular audits of all suppliers, based on a specific frequency by product and service category.

Suppliers who achieve a score of 90% or higher are eligible for a 50% reduction in audit frequency, from 1 year to 2 years, and for suppliers already on a non-annual schedule, such as direct material suppliers, from 2 years to 4 years. After two consecutive audits with scores above 90%, audits will be performed only if there are significant changes in the supplier's organization, inactivity of more than two years, or relocation of the production facility.

During 2023, Timex Group completed 60 audits, ensuring that company standards were met along the supply chain.

CSR SYSTEM AND CORRECTIVE ACTIONS

Timex Group has implemented a supplier evaluation system that takes into account the results of the audit and allows for the assignment of a scorecard. To be considered compliant, a supplier must achieve a minimum score of 70%.

In 2023, out of 60 completed audits, 95% of suppliers achieved the minimum required score of 70%, triggering specific corrective action plans (CAPs) with Timex Group's support to address critical issues. Each CAP is tailored to the severity level of the nonconformity found.

For new suppliers, the audit procedure and qualification process also include corrective actions based on the severity of nonconformities, ranging from immediate action (Zero Tolerance) to six to nine months (Minor). All CoC Committee findings are reported to the Supplier Development Team and the Purchasing Department, with monitoring and closing actions only after corrections are verified through follow-up audits.

GRI 308-1
GRI 414-1
GRI 414-2

| Supplier Category | Audit Frequency |
|---|---------------------------|
| Complete watch suppliers | Annual audit |
| Direct material suppliers (straps, modules) | Every 2 years |
| Operating materials (paints, packaging) | Every 3 years |
| Off-the-Shelf items (e.g., electronics) | Exempt from audit program |

| Score | Description | Action Required |
|------------------------|--|---------------------------------|
| Acceptable | Above 70%, no major problems | No action required |
| Acceptable with issues | Above 70%, with minor or Zero Tolerance violations | Immediate correction |
| Needs Improvement | Above 70%, but with major violations | Corrective actions (3-9 months) |
| Pending termination | Below 70%, with or without major violations | Immediate review required |

LOOKING AHEAD: VENDOR SUSTAINABILITY SCORECARD

For 2024, we decided to supplement our auditing system with a Vendor Sustainability Scorecard.

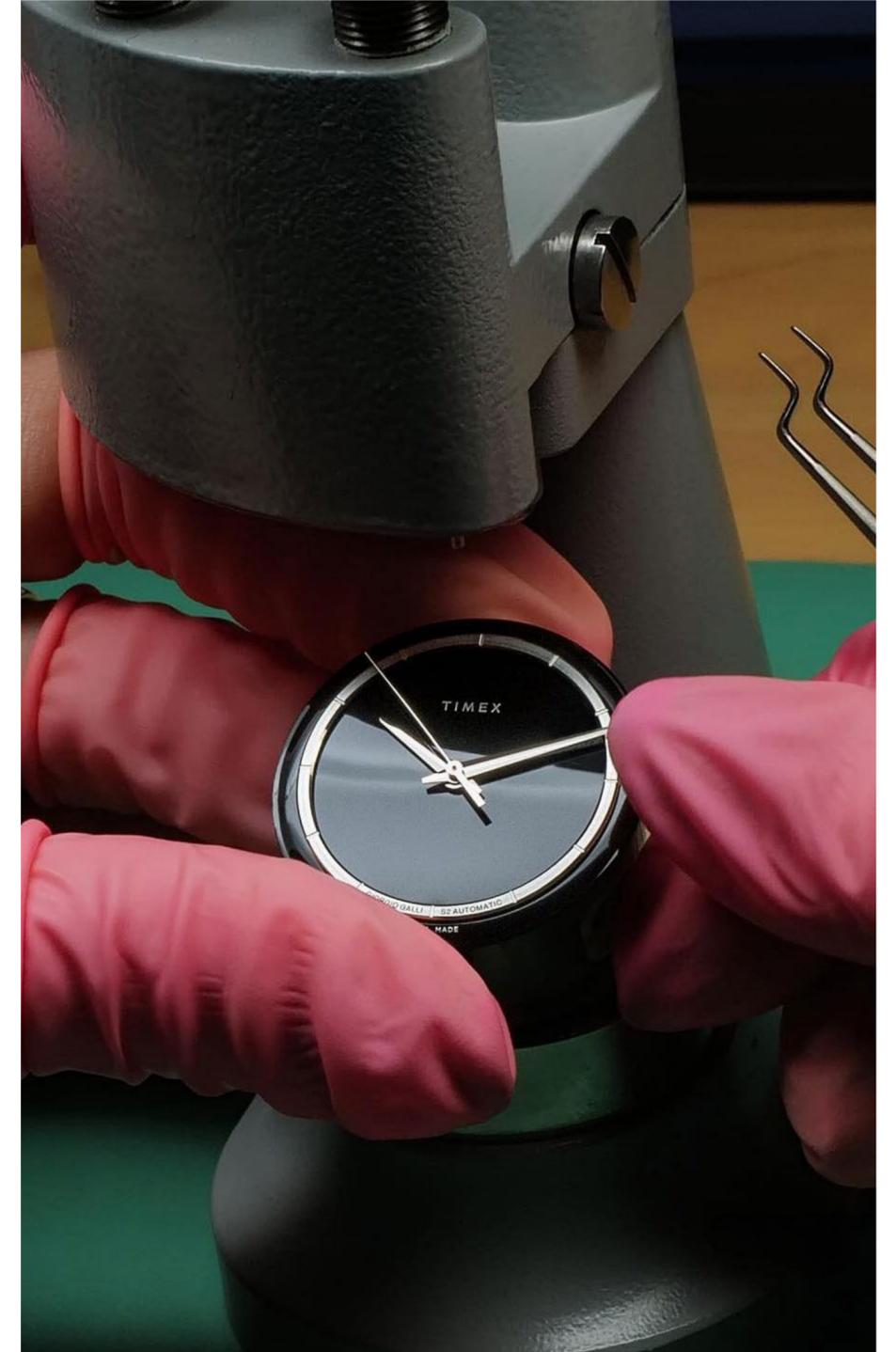
The system introduces a structured ESG questionnaire for suppliers, designed to assess their commitment to sustainability, enabling us to analyze, rank and understand our suppliers' strengths and areas for improvement and thus guide them toward more responsible and low-emission business. With respect to audits, conducted on an annual, biennial or triennial basis depending on the nature of the supplier, questionnaires are conducted annually (excluding suppliers audited that same year).

The system also introduces strengthened environmental and governance checks during audits, with an additional 21 topics to be checked for the environmental part and 15 for the governance part.

With the implementation of the Vendor Sustainability Scorecard, Timex Group aspires to consolidate a system of ongoing vendor evaluation and support, with short- and medium-term goals:

| | |
|------------------|---|
| 2024 | Expand the questionnaire with respect to environmental issues and launch the rating platform to be able to collect and organize data systematically. |
| 2025 | Establish a baseline that represents the starting point against which progress and targets can be measured. |
| 2026-2027 | Accompany suppliers on their improvement journey, supporting them with the resources and tools they need to achieve ever higher standards of sustainability and accountability. |

This plan will enable us to build stronger relationships with our partners, strengthening the quality and transparency of our supply chain.



PARTNERS AND NON-PROFIT SUPPORT

GRI 2-28

Timex Group is active philanthropically in areas such as arts, culture, education, environmental protection and public health, with initiatives that address the essential needs of communities and support socially beneficial projects.

Each Group office manages its own giving budget under the supervision of a local senior executive, who coordinates allocations through an annual budget review process. Contribution requests are carefully reviewed to ensure that they meet Timex Group's internal criteria, which restrict donations to nonprofit and tax-exempt organizations. Transparent and rigorous management of donations ensures that funds are used effectively and in keeping with our corporate values.

A key element of our approach to social responsibility is our collaboration with international associations that support important social and health causes.

These alliances reinforce our commitment to high ethical standards and help create a lasting positive impact in global communities.

STRATEGIC PARTNERSHIPS AND MEMBERSHIP IN GLOBAL INITIATIVES



Fair Labor Association (FLA)

A global organization working to promote safe and decent working conditions throughout the supply chain. Through collaboration with the FLA, we are committed to ensuring respect for workers' rights and promoting ethical practices.



Federation of the Swiss Watch Industry (FH)

The leading association of the Swiss watch industry, representing and protecting the interests of the sector worldwide. Our membership in the FH reinforces our commitment to excellence and innovation, aligning us with the highest industry standards.



Leather Working Group (LWG)

A leading leather community that promotes practices with reduced environmental impact in manufacturing. The LWG sets strict standards for the environmental management of production processes, and our membership ensures that we use hides from suppliers who meet sustainability criteria.



Ticino Watch Industry Association (ATIO)

A local association dedicated to supporting and promoting the watch industry in the Ticino region, Switzerland. ATIO fosters cooperation between companies in the area, contributing to the development and competitiveness of the Ticino watch industry.



Circular Action Alliance

From 2024, beginning the process of joining the Alliance whose purpose is to support the implementation of Extended Producer Responsibility (EPR) laws in the paper and packaging industry.



PRODUCT

GRI 2-25

- Impact-Risk Table
- Policy and Management Model
- Product safety
- Raw materials and circularity
- Leather Working Group (LWG)

IMPACT-RISK TABLE

| Material topic | Budget | Budget Owner/s | Topic description | Type of impact | Impact description | Impact magnitude* | Risk | | | |
|--|--|---|--|----------------|--|---|---------|---------|-----------------|--|
| Product Safety SDGs:  | Medium ● ● ○ | Quality; Compliance | The ability of a product to avoid causing harm to human health throughout its life cycle by ensuring it is designed, manufactured, and distributed in compliance with applicable safety standards and regulations. | POSITIVE | Improved product quality and safety, resulting in better preservation of consumer health. | <table border="1"> <tr><td>4 scale</td></tr> <tr><td>4 scope</td></tr> <tr><td>3 remediability</td></tr> </table> materiality: SIGNIFICANT | 4 scale | 4 scope | 3 remediability | Risk of non-compliance with national safety laws and related sanctions; reputational risk and consumer boycott of the product. |
| | | | | 4 scale | | | | | | |
| 4 scope | | | | | | | | | | |
| 3 remediability | | | | | | | | | | |
| NEGATIVE | Decline in product safety and quality due to insufficient oversight, leading to an increase in accidents. | | | | | | | | | |
| Raw Materials and Materials SDGs:   | Low ● ○ ○ | New Product Development; Procurement | The company's ability to integrate natural resources (including minerals and precious metals) and materials with low environmental and social impact into its production processes. | POSITIVE | Reduction of pollution and environmental protection through the use of low-impact, recycled, and/or renewable raw materials; avoidance of raw materials classified as 'conflict minerals' or valuable minerals from conflict zones; support for a sustainable economy in mining countries, contributing to geopolitical stability. | <table border="1"> <tr><td>4 scale</td></tr> <tr><td>4 scope</td></tr> <tr><td>2 remediability</td></tr> </table> materiality: SIGNIFICANT | 4 scale | 4 scope | 2 remediability | Risk of loss of competitiveness; compliance risk with related sanctions and market disqualification. |
| | | | | 4 scale | | | | | | |
| 4 scope | | | | | | | | | | |
| 2 remediability | | | | | | | | | | |
| NEGATIVE | Increased pollution and environmental damage due to the use of unsustainable materials; support for the economic systems that rely on 'conflict minerals' or valuable minerals from conflict zones, indirectly contributing to human rights violations and geopolitical instability in mining regions. | | | | | | | | | |
| Product Profitability SDGs:  | High ● ● ● | Brand Leader; Marketing | The company's ability to generate economic value for itself and key stakeholders. | POSITIVE | Job creation and retention, generation of economic value for investors, and provision of fair wages; contribution to GDP growth in countries where the company operates. | <table border="1"> <tr><td>4 scale</td></tr> <tr><td>4 scope</td></tr> <tr><td>3 remediability</td></tr> </table> materiality: SIGNIFICANT | 4 scale | 4 scope | 3 remediability | Competitiveness risk and market risk; risk of not attracting capital and investment. |
| | | | | 4 scale | | | | | | |
| 4 scope | | | | | | | | | | |
| 3 remediability | | | | | | | | | | |
| NEGATIVE | Job losses and a decrease in economic value for key stakeholders. | | | | | | | | | |

* Remediability refers only to negative impacts

POLICY AND MANAGEMENT MODEL

GRI 2-23
GRI 2-24
GRI 3-3

With more than 170 years of experience, Timex Group excels at creating high-quality watches that combine innovation with a focus on safety and sustainability.

Every stage of our business, from design to production, is driven by a commitment to meeting customer needs and reducing our environmental impact.

Regulatory management is overseen by the Compliance Department in the United States, supported by key reference figures at the various production sites (Lugano, Baddi, and Cebu), which consistently monitors international rules and requirements. This ensures that our products always meet the most stringent standards.

WATCHES STANDARDS

CE, including all applicable standards in the European Union, such as **RoHS** (Restriction of Hazardous Substances Directive),

REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation),

UKCA (United Kingdom Conformity Assessed),

FCC (Federal Communications Commission),

ISED Canada (Innovation, Science, and Economic Development Canada) where applicable,

CPSIA (Consumer Product Safety Improvement Act) for products intended for children.

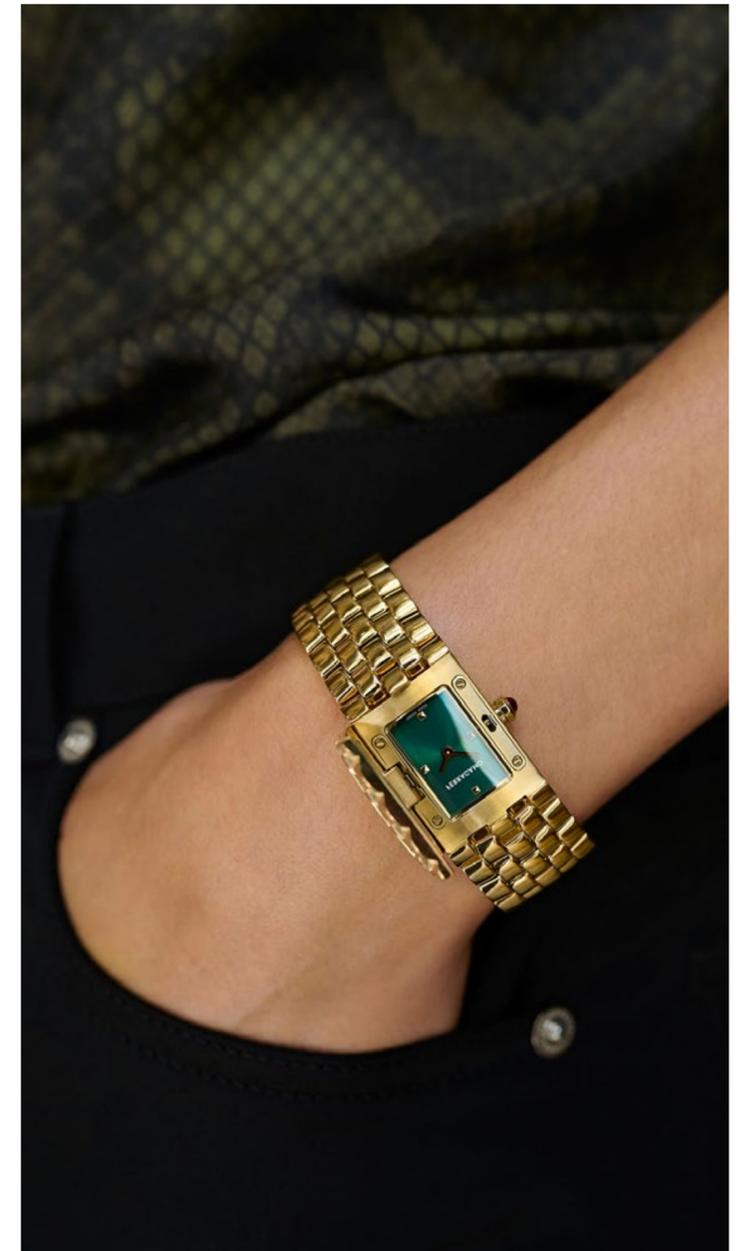
JEWELRY STANDARDS

ASTM F-2999 (American Society for Testing and Materials Standard Specification for Consumer Product Safety for Adult Jewelry).

We are also working to integrate preferred materials into our collections. As early as 2023, many of our watches contained recycled steel, reducing the extraction of virgin resources. To enhance traceability, we are now developing systems focused on rigorous documentation and certification processes to verify the materials' origin.

In addition to recycled steel, we incorporate rPET—recycled polyester made from melted plastic bottles, including those recovered from the oceans, for certain components. We also use bio-based materials like wheat fiber for the straps.

Our commitment to sustainability includes other initiatives aimed at minimizing environmental impact. Among them is our waste reduction strategy, a cornerstone of our efforts to decrease waste and advance circularity. Central to this approach (explored further in the "Planet" chapter of this Report) is the ReWound program, which enables the refurbishment, resale, and, when necessary, the recycling and repurposing of watches that are no longer functional or marketable, which making a significant contribution to the transition toward a circular economy.



PRODUCT SAFETY

GRI 416-2

Safety is one of the most important material issues for Timex Group. Every product undergoes rigorous testing to ensure compliance with the latest regulations and suitability for safe use.

In the United States, the Compliance Department performs regular audits to ensure adherence to current legislation. For example, at the end of 2023 we started upgrading models with button batteries to meet the requirements of Reese's Law to prevent accidents related to children swallowing batteries. All our production sites are audited by COSTCO once a year, and some audits are also extended to our component/packaging suppliers. In 2023,

there were no instances of non-compliance regarding health and safety impacts of products.

These proactive measures underscore Timex Group's unwavering commitment to consumer protection and compliance with international standards. Each improvement is driven by the goal of delivering safe, market-ready products.



RAW MATERIALS AND CIRCULARITY

The selection of materials for our products is guided by criteria designed to minimize CO₂ emissions and reduce reliance on virgin resources, favoring the introduction of recycled and bio-based materials. This approach is a key factor in lowering the environmental impact of our products and advancing the principles of a circular economy.

In 2023, Timex Group reinforced the adoption of preferred materials, which offer better performance than traditional materials in both environmental and social terms. This path has allowed us to integrate innovative materials into our collections, despite facing challenges related to traceability, such as lack of standardised documentation from upstream suppliers, that we are working on through new systems focused on rigorous documentation and certification processes. that we are working on through new systems focused on rigorous documentation and certification processes.

GRI 301-1

MATERIALS

Recycled stainless steel

Sourced from industrial waste and repurposed materials, this material helps reduce the extraction of iron and other natural resources. While traceability within existing systems was still limited in 2023, several products in our 2023 collections already incorporate recycled steel. To enhance our efforts, we are developing procedures to accurately track and document the recycled steel content in future collections. Timex Group aims to achieve 100% recycled steel components by 2030. However, this is not feasible for certain types of components due to specific production techniques, such as those used for Milanese mesh bracelets or folded-link bracelets.

Recycled polyester (rPET)

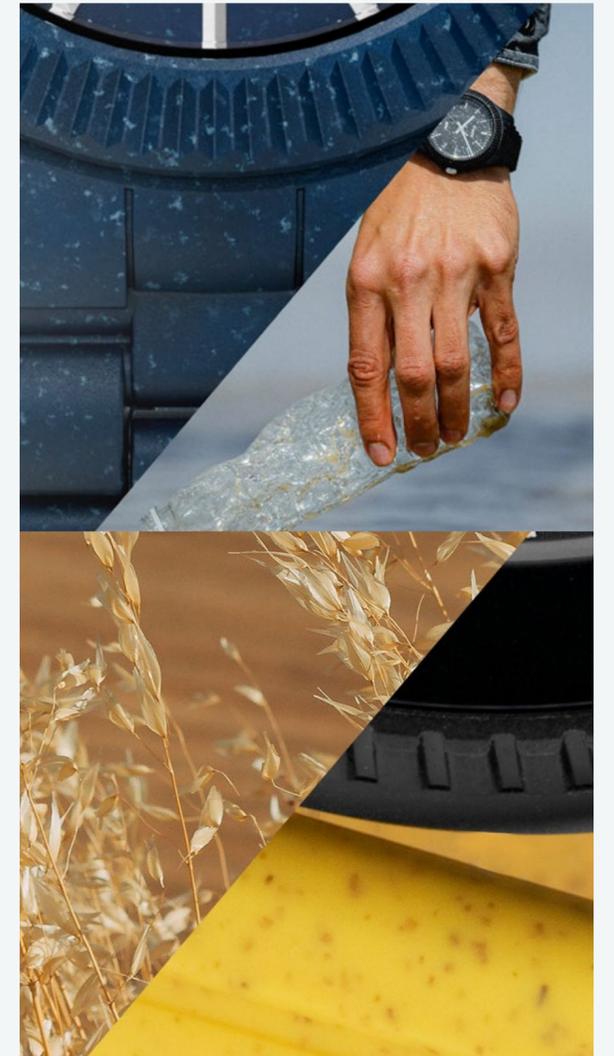
We use recycled polyester from marine and landfill waste to produce watch components. In 2023, most of the polyester in our products was derived from certified recycled plastic through our partnership with #TideOceanMaterial. This initiative enabled us to incorporate approximately one ton of rPET into our collections.

Bio-based ceramic

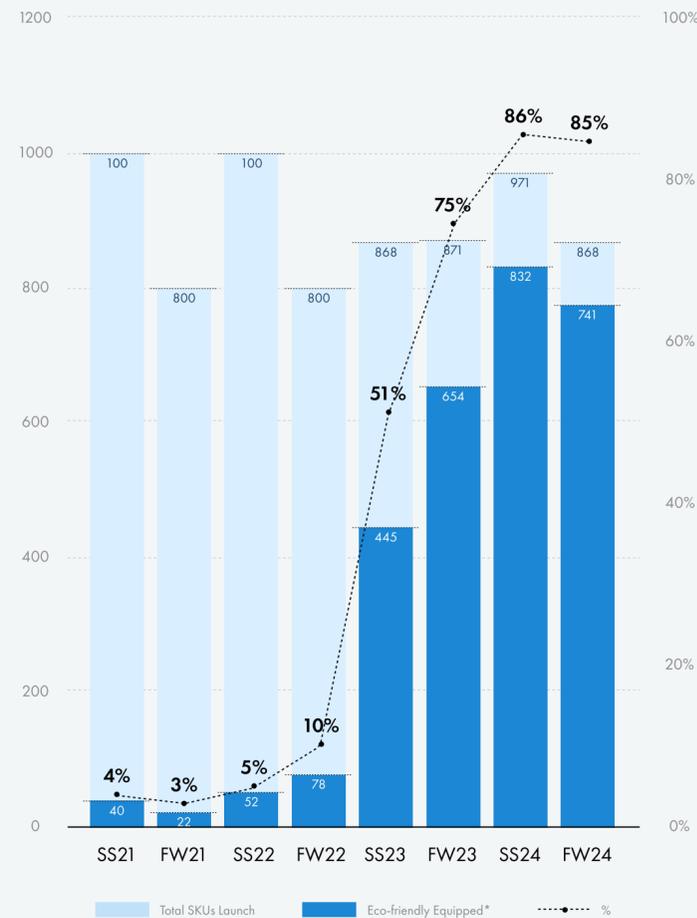
This material combines ceramics and bio-based materials derived from castor oil. Specifically, the composition includes bio-based polyamide 1010 and Polyamide 610 as alternatives to fossil-based polyamide, alongside zirconium oxide. It is used for watch cases, offering a sustainable option without compromising durability and aesthetics.

Wheat fiber

This material incorporates bio-based wheat husk fibers, specifically designed for straps, offering the comfort and durability of traditional resin while utilizing renewable plant-based components.



At Timex Group, we track sustainability information based on documents collected from suppliers and then verified internally. By 2030, Timex Group commits to ensuring that 100% of its watches are primarily crafted from environmentally preferred materials while maintaining the highest standards of quality and durability. This implies that at least one key component—whether the case, attachment, or movement—is crafted using environmentally sustainable materials or technologies.



* Our definition of eco-friendly refers to materials with a positive environmental impact, measured through carbon footprint reduction using methodologies like LCA (Life Cycle Assessment) and PCF (Product Carbon Footprint). This impact can result from using recycled or bio-based materials, as well as improving production processes, ensuring traceability and proper documentation on suppliers, composition, and environmental benefits.

TIMEX GROUP AND LAB-GROWN DIAMONDS

In 2023, Timex Group introduced lab-grown diamonds to the collections of its brands GC and Guess. Produced through advanced methods such as Chemical Vapor Deposition (CVD) and High-Pressure High Temperature (HPHT), these diamonds replicate the natural conditions that form diamonds over billions of years, achieving the same hardness and brilliance in a controlled, shorter process.

however, greatly mitigates these emissions, making lab-grown diamonds a more environmentally sound option when paired with renewable energy sources.

ENVIRONMENTAL AND SOCIAL IMPACT

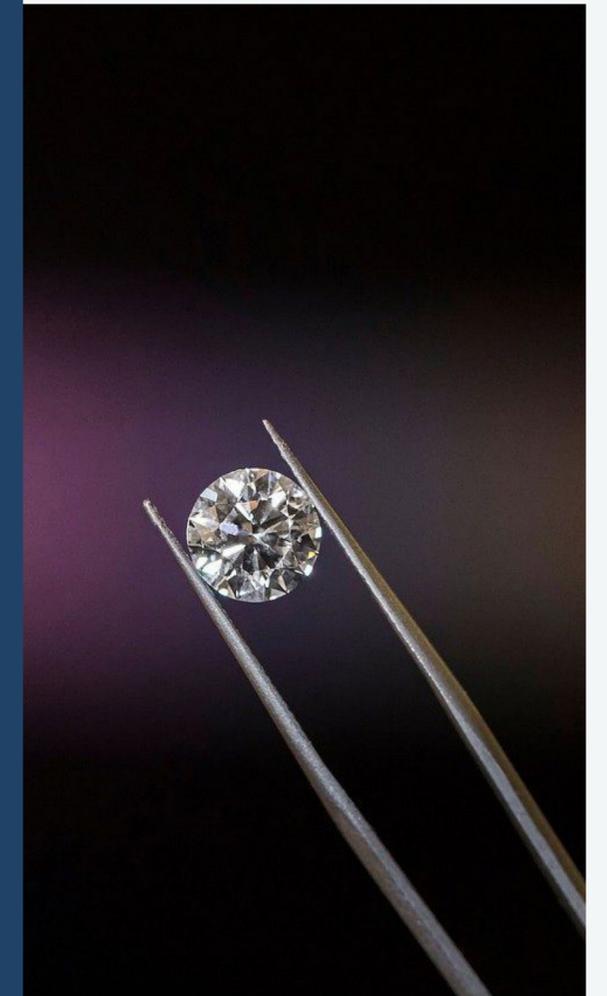
Lab-grown diamonds significantly reduce many of the environmental and social issues tied to traditional mining. Mining requires the removal of around 250 tons of earth per carat and can severely disrupt ecosystems. It also consumes substantial amounts of energy, resulting in approximately 160 kg of CO₂e emissions per carat. By avoiding excavation, lab-grown diamonds eliminate this impact on land and wildlife while addressing concerns around labor conditions often associated with mining.

TRANSPARENCY

One of the key advantages of lab-grown diamonds is their traceability. Unlike mined diamonds, which can involve complex and opaque supply chains, lab-grown diamonds are produced in controlled settings, ensuring a clear and verifiable origin. Timex Group backs this transparency with quality certifications from leading organizations such as the International Gemological Institute in Hong Kong.

BALANCING INNOVATION AND RESPONSIBILITY

Timex Group’s adoption of lab-grown diamonds highlights their potential to address critical environmental and ethical challenges. While energy usage remains a factor, the transition to renewable energy in production methods can unlock the full environmental benefits of lab-grown diamonds. Combined with their ethical advantages, they offer a compelling alternative to mined diamonds, underscoring Timex Group’s commitment to thoughtful innovation in its products.



← SOURCES:

<https://www.gemsociety.org/article/sustainable-alternative-to-diamond-mining/>

<https://www.nationalgeographic.com/premium/article/diamonds-synthetic-mined-gems-social-environment>

TECHNOLOGIES

In 2023, Timex Group consolidated innovative technologies to reduce the environmental impact of its products:

Automatic movements

Watches with automatic movements eliminate the need for batteries, reducing electronic waste and emissions associated with their production. Using a greenhouse gases simulation tool, Timex Group has identified additional opportunities to reduce emissions by switching from quartz to mechanical movements.

Solar movements

This technology converts light into electricity, eliminating battery replacement and reducing waste.

Ecco™ DriTan™

A leather tanning technology that utilizes the moisture naturally present in hides, nearly eliminating the need for water in the process. With DriTan™, ECCO's laboratory in the Netherlands saves about 20 liters of water for every leather processed, which equates to more than 25 million liters per year - enough to hydrate around 9,000 people according to the World Health Organization. The environmental benefits go beyond water savings: the technology reduces chemical consumption and significantly reduces waste, such as wastewater and solid waste sent to landfills².

² <https://au.ecco.com/inspiration-pages/Inspiration-dritan-article.html>



PACKAGING

Since 2021, Timex Group has embarked on a packaging overhaul to reduce its environmental impact, prioritizing recycled materials and low-impact solutions. This process has yielded significant results:

Reduction of plastic packaging

Replacing polystyrene with recycled plastic and FSC-certified paper has resulted in a 45% reduction in the use of plastic in our packaging.

Recycling facilitation

Packaging is designed to include disposal instructions compliant with Italian and French regulations, simplifying the recycling process for consumers.

By 2030, Timex Group aims to ensure that 100% of its packaging used in transportation across the supply chain is recyclable and/or reusable.

100%
recyclable packaging
by 2030

LCA ANALYSIS

The Timex Group’s carbon footprint, assessed in 2023 and detailed in the “Planet” chapter of this report, revealed that products are the primary source of emissions.

Building on this analysis, a Life Cycle Assessment (LCA) was conducted in 2024 on five key products representative of our collections. The goal was to identify ecodesign strategies for reducing the environmental impact of materials, manufacturing processes, and packaging, which could then be extended to other products.

The LCA results revealed three critical areas for reducing emissions, in addition to the obvious area of using preferred materials:

Packaging variability

The environmental impact of packaging was found to vary significantly across products, depending on factors such as material composition, weight, and the use of virgin versus recycled materials. Products with heavier, more material-intensive packaging or those relying heavily on virgin plastics exhibited higher emissions.

Energy consumption

The energy used during production is a major

contributor to emissions, with significant differences depending on the energy mix of the production site. Facilities operating in regions with high-emission energy grids generate larger carbon footprints, underscoring the need for renewable energy sourcing and efficiency improvements.

The results of the analysis will guide concrete actions, such as increasing the amount of recycled materials in products and introducing lower-impact packaging, to significantly reduce emissions over the next few years.

By 2030, Timex Group aims to complete Life Cycle Assessments for its product categories, including third-party certification or validation where applicable, to evaluate sustainability benefits such as recycled content, preferred materials, recyclability, and degradability.

Component transportation

The impact of transporting components to assembly sites also varies depending on distance and mode of transport. Air freight over long distances was identified as particularly impactful, whereas sourcing components locally or using sea freight significantly reduces emissions.



CIRCULAR ECONOMY AND MATERIAL RECOVERY

Timex Group has launched ReWound, the world’s first circular program dedicated to giving watches a second life. This initiative enables customers to send in their pre-loved watches—regardless of brand or condition—to either be refurbished for resale or, if no longer functional, have their components upcycled into materials for new products. As part of this effort, Timex Group has partnered with ReCircled, a company specializing in takeback and recovery, to ensure that watches are carefully processed and their components either re-used or recycled when necessary.

The program prioritizes resale, aiming to extend the life cycle of watches and reduce waste. Once a watch is received, Timex Group provides a prepaid shipping label to make the return process easy for customers. After receiving the watch, ReCircled, in collaboration with Timex Group, inspects, cleans, and refurbishes it, replacing the battery to ensure functionality. These renewed timepieces are then offered for resale on the dedicated Timex ReWound platform, ready to find new owners.

Timex Group only recycles or upcycles a watch if it cannot be refurbished for resale. In such cases, the watch is taken apart, and its components are sent to specialized recovery processes.

Metals and glasses: Recycled at local, specialized facilities.

Leather: Repurposed and transformed through the expertise of partner Sustainable Composites.

Synthetic fabrics: Tested for chemical and mechanical recycling in collaboration with specialized partners.

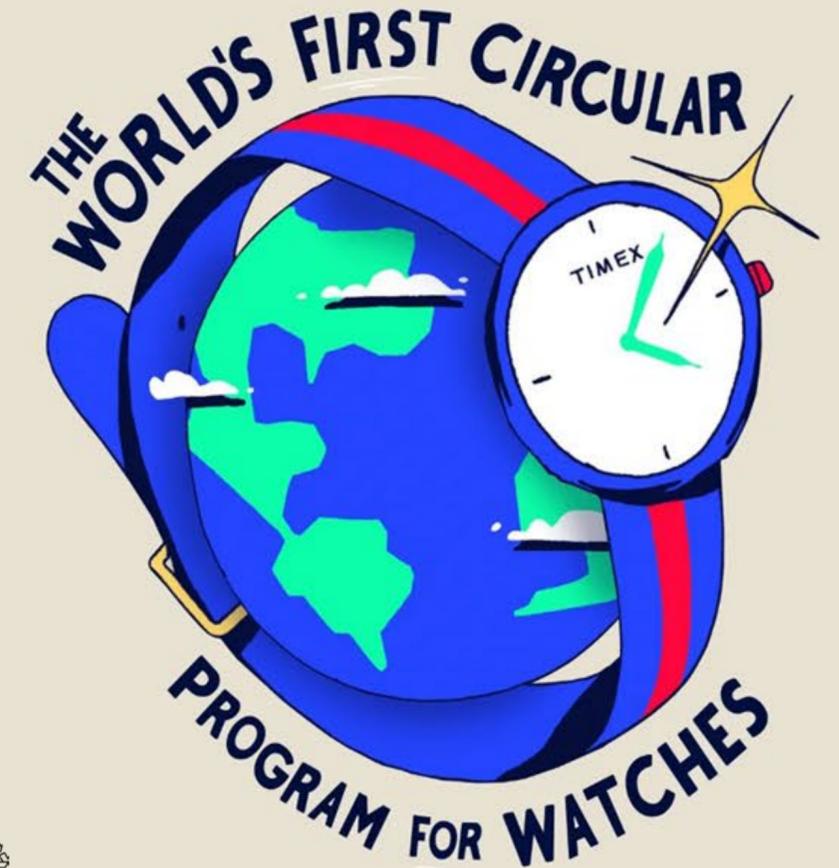
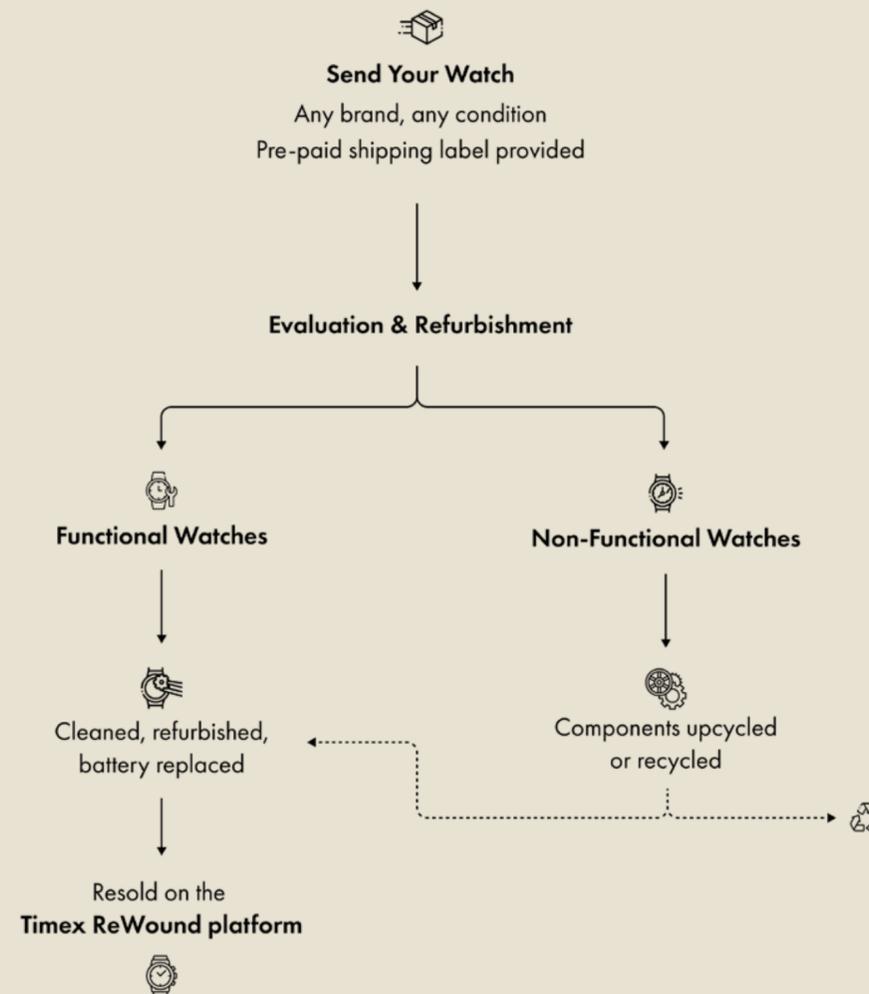
Resin and plastic: Milled internally to create composite materials.

Batteries: Safely sent to certified electronic recycling facilities.

This two-step approach—prioritizing resale while considering material recovery when necessary—ensures that every watch and its components are utilized to their fullest potential, keeping them out of landfills whenever possible.

ReWound: Giving Watches a Second Life

The world’s first circular program for watches by Timex Group.



LEATHER WORKING GROUP (LWG)

In 2023, Timex Group produced millions of watches, including a significant portion with leather straps. Of these, 37% of the units came from Leather Working Group (LWG) certified tanneries, a figure that increases to 50% when measured by weight. Concerning Fall/Winter 2023, 68% of new releases include LWG-certified leather.

This achievement puts Timex Group ahead of the targets set by LWG members to source at least 25% of leather from certified tanneries by 2026 and 50% by 2029.

The Leather Working Group is a non-profit organization that, since 2005, has promoted rigorous standards to minimize the environmental impact of the leather industry and ensure transparency along the supply chain. Timex Group supports these principles and invests in certified materials to improve traceability and promote more responsible practices throughout the manufacturing process.

37%

leather straps came from
Leather Working Group
(LWG)



PLANET

GRI 2-25

- Impact-Risk Table
- Policy and Management Model
- Energy efficiency and reducing emissions
- Chemical substances management
- Water footprint
- Waste management

IMPACT-RISK TABLE

GRI 308-2

| Material topic | Budget | Budget Owner/s | Topic description | Type of impact | Impact description | Impact magnitude* | Risk | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|-----------------|------------------------|--|----------------|--|--|---|--|--------------|------------------------|---|----------|--|--|---|----------|--|--|--------------|-------------|---|----------|--|--|---|----------|--|--|--------------|-------------|---|----------|--|--|---|----------|--|--|--------------|-------------|--|
| Chemical Substances SDGs:  | Medium ● ● ○ | Quality; Compliance | The process of identifying, controlling, reducing, and responsibly disposing of substances that may negatively impact human health or the environment if not properly managed. | POSITIVE | Reduction of environmental impact through the reduction or elimination of specific chemicals in production processes. | 4 scale 2 scope 3 remediability materiality: IMPORTANT | Health risk for workers with related absence from the workplace and slowdown of activities; risk of withdrawal of goods and consequent loss of turnover; risk of clean-up costs; and risk of sanctions for non-compliance and related cause of accidents or injuries to workers; reputational risk. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | NEGATIVE | Environmental pollution and harm to human health due to improper management and disposal of chemicals. | | | Waste Management SDGs:  | Low ● ○ ○ | Planning; Locations | The process of identifying, controlling, reducing, and responsibly disposing of waste generated by an organization. | POSITIVE | Reduced environmental impact through process optimization and the use of recycled or preferred materials. | 3 scale 3 scope 2 remediability materiality: INFORMATIVE | Risk of non-compliance with individual national waste management legislation and related sanctions; criminal risk; risk of lack of access to funding due to sanctions; reputational risk. | NEGATIVE | Environmental pollution caused by improper disposal of waste and scrap, including WEEE (Waste Electrical and Electronic Equipment). | Water Management SDGs:  | Low ● ○ ○ | Locations | The total volume of water withdrawn for use in agricultural operations. | POSITIVE | Monitoring and maintaining a low impact on water resources, even in water-stressed countries where Timex Group operates. | 2 scale 2 scope 2 remediability materiality: INFORMATIVE | Risk of increased costs for water tariffs; reputational risk for environmental waste; risk of disruption of supplier relations. | NEGATIVE | Contribution to water resource wastage. | Energy Consumption and Emissions SDGs:   | Low ● ○ ○ | Locations | The amount of resources consumed and environmental releases from a company's operations, including energy use, water consumption, and greenhouse gas emissions. | POSITIVE | Contribution to combating climate change by implementing actions to reduce emissions and energy consumption; lowering emissions through energy efficiency and the use of renewable energy sources. | 4 scale 3 scope 3 remediability materiality: SIGNIFICANT | Risk of rising consumption costs and investments in offsetting emissions; risk of rising raw material procurement costs due to increasing scarcity; risk of rising taxation in relation to CO ₂ emissions produced; risk of rising energy costs and related increase in product costs; risk of insurance costs to protect against the consequences of the climate crisis; reputational risk. | NEGATIVE | Contribution to climate change. | Environmental Assessment of Suppliers SDGs:   | Low ● ○ ○ | Procurement | Evaluation of the impact of procurement practices on supplier companies. |
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* Remediability refers only to negative impacts

POLICY AND MANAGEMENT MODEL

GRI 2-23

GRI 2-24

GRI 3-3

Timex Group recognizes that global environmental challenges, such as climate change and the depletion of natural resources, require concrete and responsible action. Indeed, we believe that business can play a key role in protecting the planet.

Our Environmental Policy, outlined in the Policy Manual, reflects this commitment. It is based on clear goals: surpassing environmental regulations, cutting greenhouse gas emissions, enhancing energy efficiency, and fostering recycling and material reuse. In addition, we are dedicated to developing products with less environmental impact by improving production processes to prevent pollution and reduce waste.

ISO 14001

A concrete example is the adoption of the ISO 14001 standard, which represents our systematic approach to managing environmental impacts. Already implemented at our Lugano site, the group will consider extending this certification to other locations, further solidifying our dedication to energy efficiency and reducing emissions.





ENERGY EFFICIENCY AND REDUCING EMISSIONS

| | |
|-----------|-----------|
| GRI 3-3 | GRI 305-2 |
| GRI 302-1 | GRI 305-3 |
| GRI 305-1 | GRI 305-4 |

Timex Group is implementing a structured program to measure and reduce greenhouse gas emissions, with a particular focus on energy efficiency in its production facilities.

In 2023, Timex Group initiated the calculation of Scope 1 (direct), Scope 2 (indirect from purchased energy) and Scope 3 (indirect along the value chain) emissions. This process enabled the identification of major emission sources and the development of targeted interventions to improve the environmental performance of production sites, including the Cebu plant in the Philippines, which is one of the most energy-intensive areas.

KEY TAKEAWAYS FROM OUR CARBON FOOTPRINT ANALYSIS

The carbon footprint analysis provided important insights into the emissions profile of Timex Group’s production facilities, helping to identify areas of focus for reduction efforts.

While the analysis covered all production sites, Cebu in the Philippines emerged as a critical area due to its significant contribution to Timex Group’s overall emissions. The Cebu facility accounts for 88% of Scope 2 emissions, primarily due to its high electricity consumption (given that Cebu is three times larger than the Besançon and Baddi plants, its overall energy consumption is naturally higher), compounded by the region’s relatively high emission factor. Regions that rely heavily on fossil fuels, such as Cebu, have higher emission factors, which directly influence emissions from electricity and fuel use. This underscores the importance of implementing tailored strategies to address emissions at each production site based on its unique energy profile.

The insights gained from this carbon footprint analysis are critical for driving focused actions that will reduce emissions and improve energy efficiency across Timex Group’s operations. This data-driven approach will enable us to tackle the most pressing environmental challenges and move forward with effective, site-specific solutions.

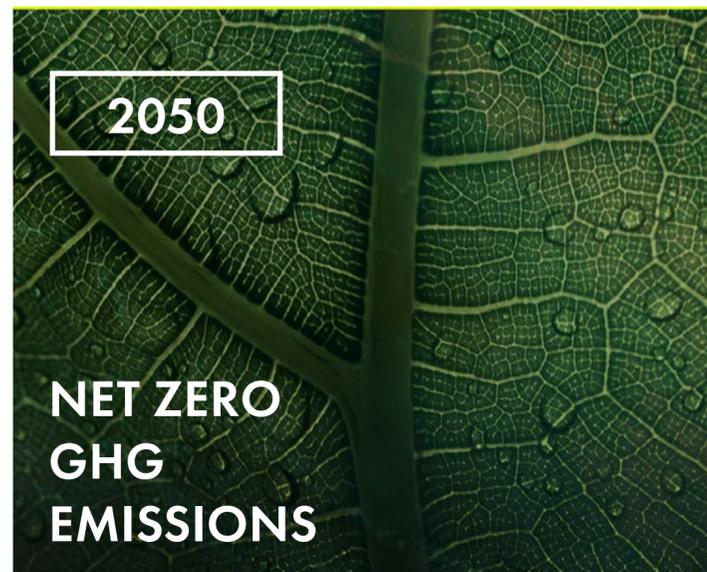
REDUCTION PLAN

Timex Group has set goals to address climate change and reduce its greenhouse gas emissions.

The Reduction Plan includes a series of energy efficiency initiatives, as well as broader reducing emissions actions, to achieve the Group’s climate goals. The plan is structured around two key objectives:

50% reduction by 2030: The intermediate goal is to halve emissions through targeted interventions in internal and external operations, including energy-saving technologies and processes.

Net Zero by 2050: Timex Group is committed to achieving climate neutrality through zero net emissions throughout the value chain.



KEY ACTIONS IN THE REDUCTION PLAN

The first year of the Reduction Plan focuses on establishing an emissions baseline, which will guide future actions and allow for accurate tracking of progress. Key actions in this phase include:

1. **Emissions measurement:** Timex Group is continuing to collect Scope 1, 2, and 3 data to identify major sources of emissions and to track progress over time.
2. **Energy efficiency initiatives:** In response to the carbon footprint analysis, Timex Group has introduced several energy-saving technologies and process improvements across its production facilities, including:
 - **Energy monitoring:** The installation of energy monitoring systems at major impact sites (such as Cebu and Baddi) to identify opportunities for energy optimization.
 - **Energy-saving technologies:** Implementation of more efficient cooling and air conditioning systems to reduce overall energy consumption.
 - **Renewable energy self-production:** Installation of solar panels at the Cebu and Baddi facilities to decrease reliance on fossil fuels and increase renewable

energy usage.

3. **Projects under analysis:** Timex Group is further evaluating initiatives aimed at reducing its carbon footprint, such as improving supply chain logistics, increasing the use of preferred materials, and transitioning from quartz to automatic movements to reduce energy consumption.

4. **Leadership engagement:** Timex Group is conducting training and engagement sessions for leadership to ensure that top management is fully aligned with the Group’s sustainability goals and involved in the ongoing implementation of the reducing emissions strategies.

This first phase of the **Reduction Plan** is focused on establishing the foundation for a broader decarbonization strategy. Timex Group recognizes that achieving climate neutrality requires continuous commitment and focused actions. The company is committed to a step-by-step approach, addressing reducing emissions challenges progressively to ensure measurable progress over time.

GRI 302-1 Energy consumed within the organization

| | | Fuel consumption (renewable and non-renewable) | | 2023 | |
|---|------------------------------|--|-------------------|-------------|--|
| | | Units | Amount | | |
| STATIONARY | CH4 | kg | 1,853 | | |
| | Diesel | l | 155,144 | | |
| | Gas oil | l | 15,320 | | |
| | Natural gas | l | 144,720,062 | | |
| MOBILE | Diesel | l | 3,273 | | |
| | Essence | l | 503 | | |
| | Gasoil | l | 7,696 | | |
| | Gasoline | l | 6,297 | | |
| | Hybrid (super fuel leadfree) | l | 532 | | |
| Total energy consumption | | | | 2023 | |
| | | Units | Amount | | |
| Total energy consumption | | kWh | 15,547,283 | | |
| Energy consumption | | | | 2023 | |
| | | Units | Amount | | |
| Electricity consumption (kWh) | | kWh | 15,547,283 | | |
| <i>Of which from certified renewable energy sources</i> | | kWh | 127,781 | | |
| <i>Of which from certified renewable energy sources (but partially completed)</i> | | kWh | 55,784 | | |

| Scope | Activity Type | Description | 2023 | |
|---|---|--|--------------------------|---------------|
| | | | tnCO _{2e} /year | % |
| GRI 305-1 DIRECT (SCOPE 1) GHG EMISSIONS | Mobile combustion | Direct emissions from sources owned by the organization. | 51 | 0.2% |
| | Stationary combustion | Direct emissions from sources owned by the organization. | 778 | 2.8% |
| | Fugitive Emissions | Direct emissions from sources owned by the organization. | 641 | 2.3% |
| | Total Scope 1 | | 1,470 | 5.3% |
| GRI 305-2 ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS | Purchased electricity - location based | Indirect emissions generated from the purchase and consumption of energy (location-based). | 8,669 | 31.4% |
| | Total Scope 2 | | 8,669 | 31.4% |
| GRI 305-3 OTHER INDIRECT (SCOPE 3) GHG EMISSIONS | 1 - Purchased goods and services | All purchased goods necessary for assembling watches, as well as the packaging materials. | 9,110 | 33.0% |
| | 3 - Fuel and energy related activities not included in scope 1 or 2 | Combustion of fuel and consumption of purchased electricity. | 3,095 | 11.2% |
| | 4 - Upstream transportation and distribution | Purchased products transported from suppliers, by different means of transport. | 1,766 | 6.4% |
| | 5 - Waste generated in operations | Generation of waste and water waste from various production facilities and corporate offices. | 92 | 0.3% |
| | 6 - Business travel | Accommodation, meals and dining, travel and transportation by Plane, Public Transportation, and Taxi for employees of the company worldwide. | 1,081 | 3.91% |
| | 7 - Employee commuting | Employee transportation between home and work, and homeoffice days. | 888 | 3.21% |
| | 9 - Downstream transportation and distribution | Transportation and distribution of products sold, by different means of transport. | 1,442 | 5.2% |
| | 13 - Downstream leased assets | Operation of assets owned by the reporting company (lessor) and leased. | 25 | 0.09% |
| | Total Scope 3 | | 17,499 | 63.3% |
| Total Emissions | | | 27,638 | 100.0% |

GRI 305-4 GHG emissions intensity

a) GHG emissions intensity ratio for the organization

| | 2023 | |
|---|----------------------|--------|
| | Units | Amount |
| Direct (Scope 1) + Location-based energy indirect (Scope 2) GHG emissions | (tCO _{2e}) | 10,139 |

CHEMICAL SUBSTANCES MANAGEMENT

GRI 3-3

GRI 301-1

Chemicals management is a crucial aspect of ensuring worker safety, regulatory compliance and environmental protection. Timex Group takes a structured approach to monitoring the entire chemical use cycle, operating in accordance with international regulations such as **REACH** (Registration, Evaluation, Authorization and Restriction of Chemicals) and **GHS** (Globally Harmonized System) as well as standards issued by **OSHA** (Occupational Safety and Health Administration).

- **Continuous monitoring:** Timex Group performs periodic audits of required certifications from suppliers, ensuring that they are always current and valid.
- **Corrective actions:** In case of non-compliance, Timex Group applies specific measures, up to and including the possible termination of collaboration with non-compliant suppliers. In 2023, three collaborations were terminated due to a lack of adequate evidence regarding the corrective actions taken.

COMPLIANCE

To ensure regulatory compliance, Timex Group adopts a structured process that includes:

- **Supplier Declaration of Conformity:** 100% of Timex Group’s suppliers sign an annual Declaration of Conformity, certifying compliance with local, national and international regulations. The validity of these declarations is regularly verified through audits and external checks. In 2023, three non-compliant suppliers were excluded from collaboration due to a lack of adequate evidence regarding required corrective actions.
- **Risk assessment:** Chemical-related risks are identified through regular audits and analysis. Specific control measures are then implemented to reduce the potential impact on the environment and worker safety.

BEYOND COMPLIANCE: CHEMICAL MANAGEMENT AT TIMEX GROUP

Timex Group is committed to the progressive replacement of the most impactful chemicals with better alternatives. This process is supported by ranking substances according to their environmental impact, to reduce the use of high-impact materials.

Data on the improvement of substances used are monitored and compared annually to assess changes from previous years. Between 2022 and 2023, for example, the use of solvents decreased from 31,823 kilograms to 9,673 kilograms, registering a significant reduction of 69.60%. The use of lacquers and thinners also showed considerable improvement, from 12,009 kg to 6,772 kg, a reduction of 43.61%.

CONTINUOUS LEARNING

Training is a pillar of the chemical management strategy. Personnel involved receive regular updates, enabling them to accurately interpret regulations and implement required measures. In 2023, 140 employees were involved in 10 topic-related training sessions. This proactive approach ensures that chemical management consistently aligns with the latest standards.

| Training title | N. of participants |
|--|--------------------|
| Environmental health and safety | 105 |
| Solid waste management orientation | 19 |
| PEZA EHSD compliance & 7th suppliers expo | 4 |
| Rethinking plastics: epr paving the way towards circularity | 3 |
| Green initiatives towards eco-friendly science for laboratory equipments | 2 |
| Green initiatives towards eco-friendly science for laboratory equipments | 2 |
| Work environment measurement training | 2 |
| Seminar on the updates on chemical rules & regulations under RA 6969 | 1 |
| 2023 DENR multistakeholder forum | 1 |
| Seminar on the updated on chemical rules & regulations under RA 6969 | 1 |
| Total | 140 |

WATER FOOTPRINT

GRI 3-3

GRI 303-5

Responsible management of water resources is a priority for Timex Group, especially considering the Timex Group’s operating environment. Some sites, such as those in India and Hong Kong, are located in areas of severe water scarcity. Although water consumption in Hong Kong is limited, the high scarcity index requires special attention and the adoption of optimization and recovery technologies to improve efficiency.

In the Philippines, targeted interventions at the Cebu site allowed Timex Group to save 1.5 million gallons of water in 2023. This was achieved through initiatives such as leakage identification, where thorough analysis uncovered inefficiencies in the water network that were promptly corrected. Additionally, the installation of water meters enhanced consumption monitoring and enabled more precise management of water use.

1.5
million gallons
Water saved
at Cebu site

WATER FOOTPRINT ASSESSMENT

Timex Group uses the international standard ISO 14046:2014 to measure and manage its overall water footprint. This approach takes into account both direct consumption and consumption along the supply chain, providing a holistic view of water use.

In 2023, the water footprint calculation was divided into five steps:

1. **Definition of objectives and scope.**
2. **Map of corporate water use - Collection of information:** Detailed analysis of water use in all plants.
3. **Inventory creation:** Quantification of water resources consumed.
4. **Impact assessment:** Analysis of water scarcity context in operating regions using the AWARE indicator³.
5. **Deployment of solutions:** Adoption of recommendations to optimize consumption.

Following this structured approach, the results of the 2023 water footprint analysis showed that Timex Group recorded a total water consumption of 73,174 m³, while the total water footprint, which also considers the scarcity index of operating areas, was calculated to be 488,373 m³.

³ AWARE is used as a water use midpoint indicator representing the relative Available WAter REmaining per area in a watershed, after the demand of humans and aquatic ecosystems has been met. It assesses the potential of water deprivation, to either humans or ecosystems, building on the assumption that the less water remaining available per area, the more likely another user will be deprived.



The sites where Timex Group has its offices and warehouses do not present critical risks of water scarcity. Water consumption at these sites is linked to sanitary consumption. Even considering the targeted interventions cited above, the Cebu site in the Philippines still emerged as the facility with the highest water footprint across the organization.

Timex Group will therefore continue to develop solutions to improve water efficiency, focusing on water-intensive sites like Cebu. The combination of innovative technologies, constant monitoring, and a holistic approach to water resource management testifies to its respect for the communities in which it operates.

A key goal for 2028 is to engage 100% of our direct suppliers to comply with the responsible water management policy established by Timex Group. This will include adopting similar practices in supplier operations and monitoring consumption throughout the supply chain to ensure that all partners meet the same standards that characterize our internal water management.

GRI 303-5 Water Consumption

Water consumption

2023

| | Units | Amount | Total water consumption from areas with water stress |
|---|-------------------|----------------|--|
| Total water consumption from all areas | Megaliters | 73.174 | |
| Including underground water | Megaliters | 30.937 | 20.377 |
| Including tap water | Megaliters | 38.812 | 33.855 |
| Including underground water and Surface water | Megaliters | 3.425 | 3.425 |
| Total | Megaliters | 73.1740 | 57.6570 |

WASTE MANAGEMENT

GRI 3-3

GRI 306-3

Timex Group has partnered with qualified suppliers at all of its locations to limit the amount of waste sent to landfills. Timex Group also encourages the reuse and recycling of materials.

A SYSTEMATIC APPROACH TO WASTE MANAGEMENT

Timex Group applies a structured approach to waste management based on two fundamental principles:

- **Source reduction:** Timex Group is constantly working to identify solutions that minimize waste generation, focusing on processes and materials with lower environmental impact.
- **Responsible management:** Timex Group ensures that all waste generated is managed following local regulations, using qualified suppliers for recovery and disposal.

The next steps include expanding recycling practices and introducing awareness programs for employees and partners, to strengthen the approach in all locations.

WASTE REDUCTION IN 2023

In 2023, Timex Group reported a reduction of 55 tons of waste, thanks to a pilot project initiated at its production site in Cebu, Philippines. The intervention involved replacing the polystyrene packaging used for importing components with a reusable plastic alternative that can also be recycled if reuse is not possible. This change not only decreased the use of non-reusable materials, but also optimized the waste management process by promoting the recovery and recycling of the new material.

55 tons
waste reduced
with a pilot project
at Cebu site

GRI 306-3 Waste Generated

Waste by composition

2023

| | Treatment | Total (tons) |
|--|---|--------------|
| Acid Waste (e.g. sulfuric, nitric, hydrochloric) | In-housed Wastewater treatment (Neutralization process) | 4.03 |
| | Treatment | 1.4 |
| Adhesive Waste | Treatment | 0.22 |
| Alkali wastes (e.g. Alkaline Cleaners, Sodium hydroxide) | In-housed Wastewater treatment (Neutralization process) | 11.46 |
| | Treatment | 0.62 |
| Attachment | Landfill | 0.80697 |
| Au & Ag Recovery | Recovery | 0.003 |
| Bezel | Landfill | 0.10907 |
| Brass | Recycling | 0.412 |
| Busted LED Lamps | Treatment | 0.012 |
| Cartons | Recycling | 64.801 |
| | | 0.84 |
| Case Back | Landfill | 0.04082 |
| Clinical Waste (e.g from clinic) | Treatment | 0.081 |
| Complete Watch | Landfill | 2.42793 |
| Conference Room ChPlanes | Landfill | 0.06 |
| Copper | Recycling | 0.07 |
| Electronics | Landfill | 0.00706 |
| Fab Parts | Landfill | 5.2977 |
| Garbages | Landfill | 3.747 |
| Grease Trap | Waste to Energy | 6.6 |

Waste by composition

2023

| | Treatment | Total (tons) |
|--|----------------------|--------------|
| Haz waste-E-waste | Recovery & Treatment | 9.197 |
| Light metals for grinding | Recycling | 2.34 |
| Metal Scraps (non-production & production) | Recycling | 12.495 |
| Mix Trolly | Recycling | 0.963 |
| Mixed Low Value Residuals (including wood pallets) | Waste to Energy | 56.37 |
| Mixed metal | Recycling | 0.18 |
| Mixed Residuals | Landfill | 59.501 |
| Module/Movement | Landfill | 0.13202 |
| Other Scraps (Paper, etc) | Recycling | 14.07 |
| Others | Landfill | 0.74142 |
| Packaging | Landfill | 1.53797 |
| Packing wood | Recycling | 1.32 |
| Paint Waste | Treatment | 7.32 |
| Paper | Recycling | 0.39 |
| Plastic | Recycling | 0.351 |
| Plastic Scrap | Recycling | 1.046 |
| Plastic sraps (non-production & production) | Recycling | 31.429 |
| Recycled household packaging | Recycling | 0.39 |
| Residual from Cafeteria | Landfill | 10.662 |
| Residual waste after sorting source(DIB) | Landfill | 7.68 |
| Slops | Livestock feed | 16.899 |
| Steel | Recycling | 1.559 |

Waste by composition

2023

| | Treatment | Total (tons) |
|---------------------------------------|----------------------|------------------|
| various - Packaging, POS & Components | Incineration | 0.08 |
| various- Packaging & PO | Landfill | 0.17 |
| Waste Oils | External Recovery | 3.04 |
| Waste Orgnaic Solvents | Treatment | 1.5 |
| Waste Resins | Treatment | 0.4 |
| Waste with Cyanide | Treatment | 3.02 |
| Waste with Cyanide (with Ag & Au) | Recovery & Treatment | 0.16 |
| Wastewater Sludge | Recovery & Treatment | 1.3 |
| Watch Head | Landfill | 0.08318 |
| Total | | 349.37214 |

TECHNICAL NOTE

In Timex Group, we have chosen to deepen our ethical, social and environmental commitment through the preparation of our first Sustainability Report (also referred to as the “Report” in this document), with the aim of reporting on the most relevant social and environmental impacts and initiatives related to our activities along the value chain.

The reporting scope coincides with the 2023 Financial Report and includes all companies directly controlled by Timex Group. Any exceptions to reporting are indicated in the individual sections or in this methodological note. This boundary complies with the Guidelines of the Global Reporting Initiative (GRI Standards).

This Report has been prepared with reference to the GRI Sustainability Reporting Standards, considering the updates introduced by the GRI Universal Standards 2021. To ensure uniformity in reporting, each thematic macro-chapter opens with a table showing relevant sustainability issues, their impacts and risks.

Each chapter also includes:

- Policies and management models.
- Description of sustainability actions, initiatives and projects implemented during the year.
- GRI tables with quantitative KPIs (all data provided refers to 2023. In the following years the Group will implement its data disclosure progressively reporting new data in comparison with the previous year).

This Report will not be audited by an independent third party; however, the contents have undergone a validation and approval process that involved:

- The validation of the structure and content by the Sustainability Director.
- Final approval of the contents by the Steering Committee by the end of 2024.

Starting in 2023, Timex will report on an annual basis.

GRI 2-2

GRI 2-3

GRI CONTENT INDEX

| | |
|-------------------------|--|
| Statement of use | Timex Group has reported the information cited in this GRI content index for the period January-December 2023 with reference to the GRI Standards. |
| GRI 1 used | GRI 1: Foundation 2021 |

| GRI Standard | Disclosure | Pag |
|---------------------------------|--|--------------------------|
| GRI 2: General Disclosures 2021 | 2-1 Organizational details | 9 |
| | 2-2 Entities included in the organization’s sustainability reporting | 66 |
| | 2-3 Reporting period, frequency and contact point | 66; 67 |
| | 2-4 Restatements of information | N/A |
| | 2-5 External assurance | N/A |
| | 2-6 Activities, value chain and other business relationships | 9; 41 |
| | 2-7 Employees | 30 |
| | 2-8 Workers who are not employees | 32 |
| | 2-9 Governance structure and composition | 21 |
| | 2-10 Nomination and selection of the highest governance body | Confidential information |
| | 2-11 Chair of the highest governance body | 21 |
| | 2-12 Role of the highest governance body in overseeing the management of impacts | 21 |
| | 2-13 Delegation of responsibility for managing impacts | 21 |
| | 2-14 Role of the highest governance body in sustainability reporting | 21; 66 |
| | 2-15 Conflicts of interest | 22 |
| | 2-16 Communication of critical concerns | 22 |
| | 2-17 Collective knowledge of the highest governance body | 21 |
| | 2-18 Evaluation of the performance of the highest governance body | Confidential information |
| | 2-19 Remuneration policies | Confidential information |
| | 2-20 Process to determine remuneration | Confidential information |
| | 2-21 Annual total compensation ratio | 39 |
| | 2-22 Statement on sustainable development strategy | 4; 10; 12 |

| GRI Standard | Disclosure | Pag | |
|------------------------------------|---|--|----|
| | 2-23 Policy commitments | 21; 22; 26; 27; 47; 57 | |
| | 2-24 Embedding policy commitments | 21; 29; 47; 57 | |
| | 2-25 Processes to remediate negative impacts | 19; 27; 45; 55 | |
| | 2-26 Mechanisms for seeking advice and raising concerns | 22 | |
| | 2-27 Compliance with laws and regulations | 22 | |
| | 2-28 Membership associations | 44 | |
| | 2-29 Approach to stakeholder engagement | 16 | |
| | 2-30 Collective bargaining agreements | 37 | |
| | GRI 3: Material Topics 2021 | 3-1 Process to determine material topics | 16 |
| | | 3-2 List of material topics | 16 |
| 3-3 Management of material topics | | 22; 25; 26; 47; 57; 58; 61; 62; 64 | |
| GRI 201: Economic Performance 2016 | 201-1 Direct economic value generated and distributed | Confidential Information | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 22 | |
| | 205-3 Confirmed incidents of corruption and actions taken | 22 | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 49; 61 | |
| GRI 302: Energy 2016 | 302-1 Energy consumption within the organization | 58 | |
| GRI 303: Water and Effluents 2018 | 303-5 Water consumption | 63 | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 58 | |
| | 305-2 Energy indirect (Scope 2) GHG emissions | 58 | |
| | 305-3 Other indirect (Scope 3) GHG emissions | 58 | |
| | 305-4 GHG emissions intensity | 58 | |
| GRI 306: Effluents and Waste 2016 | 306-3 Waste generated | 64 | |

| GRI Standard | Disclosure | Pag |
|---|--|----------------|
| GRI 308: Supplier Environmental Assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 24; 41; 42; 43 |
| | 308-2 Negative environmental impacts in the supply chain and actions taken | 56 |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 33; 36 |
| | 401-3 Parental Leave | 35 |
| GRI 403: Occupational Health and Safety 2018 | 403-1 Occupational health and safety management system | 37 |
| GRI 404: Training and Education 2016 | 404-1 Average hours of annual training per employee | 36 |
| | 404-3 Percentage of employees who receive periodic performance and professional development evaluation | 36 |
| GRI 405: Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees | 31 |
| | 405-2 Ratio of basic salary and remuneration of women to men | 39 |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 37 |
| GRI 414: Supplier Social Assessment 2016 | 414-1 New suppliers that were screened using social criteria | 42 |
| | 414-2 Negative social impacts in the supply chain and actions taken | 42 |
| GRI 416: Customer Health and Safety 2016 | 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 48 |
| GRI 417 Marketing Labeling 2016 | 417-2 Incidents of non-compliance concerning product and service information and labeling | 25 |
| GRI 418: Customer Privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 26 |

