



WATCHES OF SWITZERLAND GROUP PLC
WATCHES OF SWITZERLAND OPERATIONS LIMITED
WATCHES OF SWITZERLAND COMPANY LIMITED

GENDER PAY GAP REPORT 2019

INTRODUCTION

The Watches of Switzerland Group listed on the London Stock Exchange in 2019 and is the leading luxury watch specialist in the UK. Our success depends on our people and we are extraordinarily proud of our culture which promotes fairness, diversity and equal opportunity for everyone.

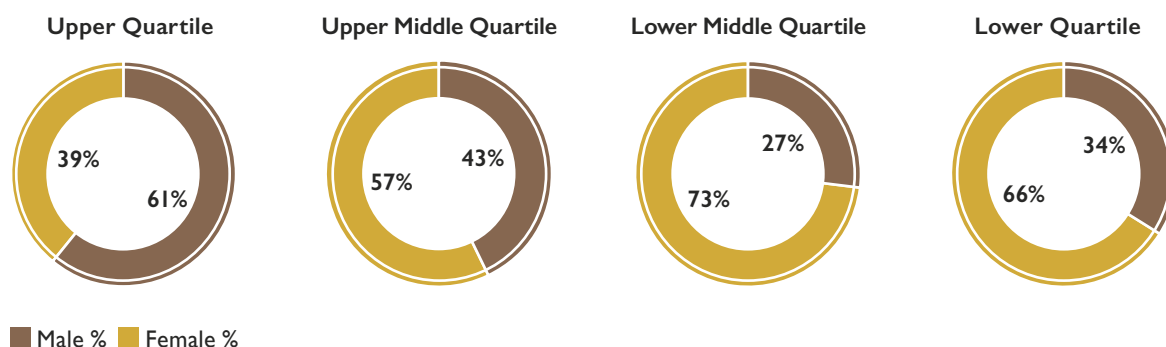
Our teams develop deep category and product knowledge and are passionate advocates of the brands we represent. We value the contributions of our female and male colleagues equally and our women and men receive equal pay for doing the same or similar jobs.

For the year reported to April 5th, 2019 our organisational structure remained stable and as a result, our overall gender pay gap is largely unchanged.

Like many companies, our gender pay gap is driven by the gender mix in the upper quartile of the business and we are pleased to report that for 75% of our population, the median pay gap is between -2% and 2%. As with many retail businesses, a majority of our colleagues are women many of whom are attracted by the wide range of part time and flexible working options that we offer.



QUARTILES



GENDER PAY AND BONUS GAP 2019

Total Company

	MEAN	MEDIAN	
Pay	29% 28% previous year	21% Same as previous year	The gender pay gap is based on hourly rates of pay at the snapshot date of 5th April 2019 and the bonus gap is based on bonuses paid in the 12 month reference period prior to this. The legislation defines bonus pay to include commission and incentives as well as store and company bonus schemes.
Bonus	46% 58% previous year	51% 59% previous year	In the year reported, 75% of women and 70% of men received bonus payments (as defined above) but there was no payment earned from the company bonus scheme.

Gender Pay Gap by Quartile

	UPPER QUARTILE	UPPER MIDDLE QUARTILE	LOWER MIDDLE QUARTILE	LOWER QUARTILE
Mean Pay	20%	1%	0%	-1%
Median Pay	14%	2%	1%	-2%

As the gender pay gap is driven largely by our Support Centres, it's interesting to see that the picture is very different in our retail businesses. The comparisons for median pay are shown below:

Median Pay by Retail Fascia

	UPPER QUARTILE	UPPER MIDDLE QUARTILE	LOWER MIDDLE QUARTILE	LOWER QUARTILE
Goldsmiths	8%	5%	0%	0%
Mappin & Web	-3%	8%	4%	-1%
Watches of Switzerland	15%	-4%	1%	5%

Our Watches of Switzerland stores only sell watches, a category which has traditionally attracted more men into management positions reflecting the gender bias in this category.

The senior management team in Watches of Switzerland is very experienced and long serving but we continue to recruit, promote and develop women into the team. The newly recruited General Manager of our Flagship Showroom, 155 Regent Street is a woman as is the recently hired General Manager of our Mappin & Webb Flagship, also on Regent Street.

OUR FUTURE PLANS

On admission as a newly listed public company, the Remuneration Committee adopted a reward policy that reflects traditional plc market norms for the Executive Committee and Senior Managers, some of whom had made personal investments in the privately owned vehicle. As a consequence, the gender pay gap is set to increase next year to reflect these changes.

However, our new plc status has also afforded us the opportunity to expand the Senior Executive team and bring a range of new skillsets into the company. Whilst we recruit entirely on merit, we're delighted that many of the recent new senior hires in both the Support Centre and in our Regional Management teams are high potential women.

We intend to support these new additions to our senior team by setting up a women's network to ensure that our new recruits reach their potential and provide inspiration and mentoring opportunities for the many talented women we have in our pipeline and in our succession plans. This network will be championed by Nikki Zamblera, Executive Director, HR and Ruth Benford, Executive Director, Marketing and will have the full support of the Board. The gender mix at the top of our organisation is changing although, as reporting is 12 months in arrears, we will not see the effects of these hires on our gender pay gap until 2021/22.

For much of our organisation, our pay gap is minimal. We remain committed to providing development opportunities for all and to using the evolution of The Watches of Switzerland Group structure to bring new senior talent into the business and to promote our rising stars. Over time, we are confident that our gender pay gap at the top of the organisation will reduce and, in the meantime, we look forward to the continued contribution of all of our colleagues to our success.

I confirm that the information in this report is accurate.

Brian Duffy
Chief Executive Officer