



WATCHES OF SWITZERLAND GROUP PLC

TERMS OF REFERENCE FOR THE
ENVIRONMENTAL, SOCIAL &
GOVERNANCE (ESG) COMMITTEE

MAY 2023

WATCHES OF SWITZERLAND GROUP

TERMS OF REFERENCE FOR THE

ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

The ESG Committee (the “Committee”) is a committee of the board of directors (the “Board”) of Watches of Switzerland Group PLC (the “Company”) from which it derives its authority and to which it regularly reports.

1 MEMBERSHIP

- 1.1 The Committee shall comprise a chair and a minimum of two members.
- 1.2 The Board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee Chair.
- 1.3 The Board shall appoint the Committee Chair from among the independent non-executive directors. In the absence of the Committee Chair and/or an appointed deputy, the remaining members present at a meeting shall elect one of their number present to chair the meeting.
- 1.4 The Committee Chair shall review the membership of the Committee annually, as part of the annual performance evaluation of the Company.

2 SECRETARY

The Company Secretary, or his or her nominee, shall act as the secretary of the Committee and provide all necessary support to the Committee, including the recording of Committee minutes and ensuring the Committee receives information and papers in a timely manner to enable full and proper consideration of the relevant issues.

3 QUORUM

The quorum necessary for the transaction of business at a Committee meeting shall be two members, present in person or by audio or video conference.

4 MEETINGS

- 4.1 The Committee shall meet at least three times a year and otherwise as required.
- 4.2 Only members of the Committee have the right to attend Committee meetings. However, other individuals such as the Chief Financial Officer, Head of Sustainability Environment, Social, Governance and other members of the Company’s management team and external advisers may be invited to attend for all or part of any meeting.

5 NOTICE OF MEETINGS

- 5.1 Meetings of the Committee shall be called by the Secretary of the Committee at the request of the Committee Chair or any member of the Committee.
- 5.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee no later than three working days before the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate, at the same time, but Committee papers may be forwarded at shorter notice with the approval of the Committee Chair.
- 5.3 A duly convened Committee meeting at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

6 MINUTES OF MEETING

- 6.1 The Secretary shall minute the proceedings and resolutions of all Committee meetings, including the names of those present and in attendance.
- 6.2 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee. Once approved, minutes should be circulated to all other members of the Board unless in the opinion of the Committee Chair it would be inappropriate to do so.
- 6.3 A resolution in writing and signed by all Committee members will be as effective as a resolution passed at a Committee meeting. Any written resolution shall be tabled and noted at the next meeting of the Committee

7 ANNUAL GENERAL MEETING

The Committee Chair should attend the annual general meeting to answer any shareholder questions on the Committee's activities.

8 DUTIES

- 8.1 The Committee shall carry out the following duties for the Company and its subsidiaries (the "Group") as appropriate:
 - 8.1.1 Providing oversight on behalf of the Board in relation to the Company's ESG strategy and activities;
 - 8.1.2 Overseeing any ESG strategic goals, targets and key performance indicators;
 - 8.1.3 Ensuring the Company monitors current and emerging ESG trends, relevant international standards and legal/regulatory/governance requirements and identifies how these are likely to impact on the strategy, operations and reputation of the Company;
 - 8.1.4 Receiving reports and recommendations from key management stakeholders/sponsors and steering groups
 - 8.1.5 Overseeing communication of ESG strategy and progress made on any objectives internally and externally.
 - 8.1.6 In conjunction with the Audit & Risk Committee, overseeing the management of ESG risks, as well as opportunity identification.¹
 - 8.1.7 Making recommendations to the Board in relation to the required resourcing and funding of ESG related activity.

¹ Note that overall oversight for risks is a matter reserved for the Audit & Risk Committee.

9 REPORTING RESPONSIBILITIES

- 9.1 The Committee Chair shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 9.2 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.
- 9.3 The Committee shall make a statement in the Company's Annual Report & Accounts about its activities.
- 9.4 The Committee Chair, or an alternate member of the Committee will attend the Annual General Meeting prepared to respond to any shareholder questions on the Committee's activities.
- 9.5 The Committee shall ensure that provisions regarding disclosure of information, as set out in the UK Listing Rules relating to Task Force on Climate-Related Financial Disclosures and the Corporate Governance Code, are fulfilled and produce a report to be included in the Company's Annual Report and Accounts each year.

10 OTHER MATTERS

- 10.1 The Committee shall:
 - 10.1.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
 - 10.1.2 be provided with appropriate and timely training as appropriate.
 - 10.1.3 give due consideration to laws and regulations, the provisions of the Corporate Governance Code and guidance issued, as appropriate.

11 AUTHORITY

The Committee is authorised by the Board to:

- 11.1 obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.
- 11.2 investigate any activity or state of affairs within its terms of reference.
- 11.3 delegate any of its powers to one or more of its members or the Secretary.

These terms of reference shall be made available on the Group's website <https://www.thewosgroupplc.com>

Approved by the Watches of Switzerland Group PLC Board on 4 May 2023