



WATCHES OF SWITZERLAND GROUP PLC

ANTI-BRIBERY, CORRUPTION AND FRAUD
POLICY AND GIFTS & HOSPITALITY
PROTOCOLS (THE "POLICY")

ANTI-BRIBERY, CORRUPTION AND FRAUD POLICY AND GIFTS & HOSPITALITY PROTOCOLS (THE “POLICY”)

Purpose and scope of the Policy

The Watches of Switzerland Group is committed to conducting its business in a fair and ethical manner with the highest levels of integrity. Consequently, we maintain a zero-tolerance approach to all forms of corruption, including, but not limited to, bribery, money laundering, tax evasion and fraud.

We recognise the importance of adopting and maintaining a culture which prohibits corruption and embeds the highest levels of integrity, to ensure that legal and regulatory obligations are observed and so that the reputation of the Group, its clients and the sector in which it operates, is not adversely affected.

This Policy sets out what we must all do to help prevent bribery, corruption and fraud in all its forms.

We do not tolerate bribery, corruption or fraud in any form and are fully committed to complying with our obligations under all applicable legislation, including the UK Bribery Act 2010 (the “UK Act”). The Group complies with all laws relating to the prevention of bribery, corruption and fraud in all of the countries in which it operates.

The Group recognises that there are different laws across the world and market practice varies across the territories in which we operate, therefore, what is normal and accepted in one place may not be acceptable/permitted in another. Whilst businesses must comply with local laws, the UK Act also applies to actions outside the UK. Therefore, the Group can be liable under UK law for the actions of colleagues and service providers, wherever they are located, if such persons engage in bribery.

The Group aims to ensure that:

- no bribes or corrupt payments are made, offered, sought or obtained by anyone acting on their behalf, to anyone, anywhere in the world; and
- no colleague abuses their position to make a personal gain or cause loss at the Group or anyone else’s expense.

Who does this Policy apply to?

This Policy is mandatory and is applicable to all full and part time colleagues, officers, consultants, temporary contractors, agents of the Group, casual workers, individuals on work experience or interning at the Group, and agency workers and certain partners such as joint venture partners. Any third parties working on behalf of the Group are also expected to comply with the Policy.

Who is responsible for the Policy?

The Board has overall responsibility for this Policy. The Chair of the Audit & Risk Committee (ARC) will review arrangements relating to the Policy. The Committee will monitor the Policy regularly to make sure it is being adhered to. The Chair of the ARC will report to the Board on compliance with the Policy. The Group’s Company Secretary & General Counsel has day to day responsibility for the Policy and will report both to the Chair of the ARC and to the Board as required.

Failure to comply

We take compliance with this Policy very seriously. Any failure to comply would put both you and the business at risk. Any colleague who breaches this Policy may face disciplinary action, which could result in dismissal for gross misconduct. The Group reserves the right to terminate its contractual relationship with non-employee workers (e.g. contractors) if they breach the Policy.

You may commit a criminal offence if you fail to comply with this Policy. The Serious Fraud Office have powers of investigation relating to bribery, corruption or fraud and the power to impose unlimited fines and 10 years imprisonment.

What is bribery?

Bribery, as defined by the UK Act, is: ‘giving or receiving a financial or other advantage in connection with the improper performance of a position of trust, or a function that is expected to be performed impartially or in good faith.’

A bribe is an inducement or reward offered, promised, or provided in order to improperly gain any commercial, contractual, regulatory or personal advantage, which may constitute a criminal offence under the UK Act, namely:

- making unofficial payments to officials in order to obtain any permission, permit or stamp particularly in connection with importing or exporting goods
- appointing any third party or supplier to act on behalf of the Group who you know or have good reason to believe to have engaged in any corrupt or unlawful conduct including any offences under the UK Act or
- paying any third party for the purposes of being a 'fixer' to open doors and make connections for the Group overseas

It is important to note that the above examples are non-exhaustive. Any other similarly corrupt behaviour is also prohibited.

Bribery does not have to involve cash, or an actual payment exchanging hands and can take the form of anything with a value such as a gift, lavish treatment during a business trip or tickets to an event, political and charitable donations.

Facilitation payments

Facilitation payments ('facilitating', 'speed' 'back-hander' or 'grease' payments) are any payments, usually small cash payments, made to low-level officials as a bribe to secure or expedite the performance of a routine or necessary action or level of service.

Our colleagues, contractors or related third parties must never offer, pay, solicit or accept bribes in any form, including facilitation payments.

Suppliers and brand partners due diligence

Where there is a significant bribery risk, all areas of the business must consult with the Company Secretary & General Counsel in relation to appropriate anti bribery compliance measures before:

- appointing a new supplier;
- entering into a partnership;
- appointing an agent to work on the Company's behalf; and
- entering into a new contract or amending the terms of an existing contract.

Exceptional circumstances

In some circumstances a facilitation payment is justifiable:

- If one of our colleagues is faced with a threat to their personal safety or that of another person if a payment is not made, they should pay it without fear of recrimination. In such cases the Group's Company Secretary & General Counsel must be contacted as soon as possible, and the payment and the circumstances in which it was made must be fully documented and reported. The Group's Company Secretary & General Counsel will consider carefully whether to involve the police.
- Such cases will be rare. All our colleagues visiting regions where these cases are more common should familiarise themselves, prior to travel, with current guidance relating to those countries. For general information on travelling to a particular country, please consult the latest information from the UK Government.

Political and charitable donations

The Group does not make contributions or donations to political organisations or independent candidates, nor does it incur any political expenditure. The Group respects the right of individual colleagues to make personal contributions, provided they are not made in any way to obtain advantage in a business transaction.

Group charitable contributions may only be given to recognised non-profit charitable organisations.

All donations must be:

- transparent and properly recorded in the Group's books and records;
- receipted or have a letter of acknowledgement from the charity to ensure that the donations receive the proper tax treatment; and
- compliant with local law, regulations or local or internal policies.

What you must do

If you are ever in doubt about a situation with which you are presented, always seek advice from the Group's Company Secretary & General Counsel and/or Executive Director, Human Resources.

How to report suspicions

- a) Line Manager: in the first instance, you should consider raising your concerns with your Line Manager. There is a responsibility to listen and respond to any matter that is of concern to you. Concerns can be raised verbally or in writing. Your Line Manager will determine whether they are able to investigate the concern directly, keeping the Group's Company Secretary & General Counsel updated, if appropriate, as to progress and its conclusion.

- b) Senior manager: if your Line Manager is unable to resolve the issue locally, they will escalate the concern to the Group's Company Secretary & General Counsel, who will manage your concern in accordance with applicable principles and processes.
- c) Internal audit: in appropriate cases, particularly any situation that is particularly serious, or that may have very significant ramifications for the Group, the Group's Company Secretary & General Counsel will escalate the matter further, to the ARC. The ARC will review the issue in detail and ensure that all and any necessary actions are taken.
- d) Whistleblower hotline: if you have particular concerns around confidentiality then the Group's independent and confidential whistleblower line can be used. This facility is managed by Safecall and reporting can be done by phone (if you are a colleague) or online in multiple languages via Safecall's secure web reporting facility: <https://www.safecall.co.uk/report>.

It may be appropriate for the Group's Company Secretary & General Counsel to make external notifications such as to the Serious Fraud Office.

Potential issues which call for further vigilance and/or investigation include:

- the prevalence of bribery in a country that has a nexus with the particular transaction or relationship (third party is located in such country or the transaction involves such country);
- payments of unusually high fees or commissions;
- requests for cash payments or requests for unexpected payments related to government approvals;
- requests for payments to different companies or through different countries;
- undefined or unreported payments to third parties made on the Group's behalf;
- transactions with no written agreements;
- unusually close relationships with government officials; or
- a refusal to certify compliance with this Policy.

Record keeping

We keep appropriate financial records and has appropriate internal controls in place which evidence the business reason for gifts, hospitality and payments made and received.

GIFT AND HOSPITALITY PROTOCOLS

The Policy does not prohibit normal and appropriate gifts and hospitality (given and received) to or from third parties unless otherwise specifically stated.

Any gift or hospitality given:

- must comply with local law in all relevant countries;
- must not be made with the intention of improperly influencing a third party or worker to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits including preferential placement on product waiting lists;
- must be given in the name of the organisation, not in an individual's name;
- must not include cash or a cash equivalent;
- must be appropriate in the circumstances;
- must be of an appropriate type and value and given at an appropriate time taking into account the reason for the gift;
- must be given openly, not secretly; and
- in the case of gifts, they must not be offered to, or accepted from, government officials or representatives, politicians or political parties, without the prior approval of the Group's Company Secretary & General Counsel.

We appreciate that the practice of giving business gifts varies between countries and regions and what may be normal and acceptable in one region may not be in another. The intention behind the gift should always be considered.

Approval and Registration

The gifts and hospitality register (the 'Register') is maintained by the Executive Assistant to the CEO.

All such gifts and hospitality must be approved in advance.

Gifts For UK and European Colleagues

- For gifts up to £50 in value, or €50, the approval of relevant Line Manager is required.
- For gifts that exceed £50 or €50, the approval of the relevant Head of Department or National Sales Manager, Director or relevant Store Director is required.
- For gifts that exceed £100 or €100 the approval of the relevant UK Trading Board Director is required.
- Gifts that are less than £100 or €100 made to a UK Trading Board member may be accepted with discretion.
- For gifts that exceed £100 or €100 made to a UK Trading Board must be approved by an Executive Director. Executive Directors in this situation must obtain the approval of a Board Director

Gifts for US Colleagues

- For gifts up to \$60, the approval of relevant Line Manager is required.
- For gifts that exceed \$60, the approval of the relevant Head of Department or National Sales Manager, Director or relevant Store Director and the Director's next level Manager is required.
- For gifts that exceed \$200, in addition to the approval of the Line Manager and next level manager, the approval of the VP Human Resources is also required. Where the recipient is not a US Trading Board member.
- Gifts that exceed \$200, made to a US Trading Board member, must be approved by the US President.
- Gifts that are less than \$200, made to the US President, may be accepted with discretion.
- Gifts that exceed \$200, made to the US President must be approved by an Executive Director.

Under no circumstances can a gift valued at more than £400, €400 or \$500 be received by any colleague. Gifts valued at this amount and not returned to the provider must be reported / transferred to the Human Resources Department and will be donated to an approved charity.

These limits apply to the situation where a colleague receives a number of gifts over a rolling twelve-month period from a single individual, family or organisation, which each have a value that is below £50, €50 or \$60 but whose cumulative value exceeds that threshold.

Hospitality

If a colleague is offered any hospitality, to whatever value, the approval of the relevant Director must be obtained and recorded in advance in the Register before the hospitality is accepted. All approved hospitality must be entered on the Register.

For the avoidance of doubt, this does not include lunches with suppliers, brand partners or other contacts in the normal course of business. However, it does include supplier visits abroad.

Any gifts or hospitality to the value of £50 or more for the benefit of the Chief Executive Officer or Chief Financial Officer must be logged on the Register. These entries will be reviewed annually by the Group's Remuneration Committee.

Additional Responsibilities

The Board of Watches of Switzerland Group PLC is committed to ensuring that all of the Company's activities are conducted in accordance with all applicable legal and regulatory requirements and the highest standards of ethical business conduct.

All colleagues are required to comply with this Policy.

If any colleague believes that the terms of this Policy are not being correctly adhered to, then they should seek to raise any concerns with their Head of Department or National Sales Manager or Line Manager, or in accordance with the terms of the Group's Whistleblowing Policy. Under the terms of the Whistleblowing Policy, colleagues are encouraged, without fear of victimisation, to raise any concerns they may have regarding the conduct of the Group's business in order that such concerns may be properly investigated. This facility is managed by Safecall and reporting can be done by phone – toll free numbers are detailed below or online in multiple languages via Safecall's secure web reporting facility, www.safecall.co.uk/report.

The Company will not tolerate retaliation of any kind by or on behalf of the Company or any colleague against any individual for making good faith reports of violations or suspected violations of this policy.

Colleagues must co-operate fully and openly with any investigation by the Company into alleged or suspected breaches of this policy. Failure to co-operate or to provide truthful information during any investigation may lead to employees being subject to disciplinary action, which may lead to dismissal.

Training

All colleagues will receive training on anti-bribery, corruption and fraud annually. New joiners will receive training as part of the induction process. Further training will be provided at least every two years or whenever there is a substantial change in the law or our policy and procedure.

The Company is committed to training its colleagues in relation to anti-bribery, corruption and fraud and the procedures and controls implemented in accordance with the requirements of this Policy. Colleagues are required to undertake diligently and expeditiously such training as the Company may provide or otherwise specify from time to time.

Failure to comply with this Policy or the Company's training requirements may result in disciplinary action, which may in serious cases lead to dismissal

The Company will take steps to monitor compliance with this Policy.

Approved by the Watches of Switzerland Group PLC Board 01 March 2023.

Useful Contact details

WATCHES OF SWITZERLAND

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Robert Moorhead, Chair of the Audit & Risk Committee	c/o Watches of Switzerland Group PLC, Aurum House, 2 Elland Road, Leicester LE3 1TT	

External

Safecall (UK)	0800 915 1571	www.safecall.co.uk/report
Safecall (US)	00 (1) 866 901 3295	www.safecall.co.uk/report
Safecall (Sweden)	0850 252 122	www.safecall.co.uk/report
Safecall (Denmark)	00 800 7233 2255	www.safecall.co.uk/report
Safecall (Ireland)	1 800 812 740	www.safecall.co.uk/report
Safecall (Germany)	00 800 7233 2255	www.safecall.co.uk/report
Safecall (Netherlands)	00 800 7233 2255	www.safecall.co.uk/report