

## INTRODUCTION

The following tax strategy outlines how the Watches of Switzerland Group adheres to the Finance Act 2016 requirements of preparing and publishing our tax strategy.

## OUR BUSINESS

The Watches of Switzerland Group are the UK's largest luxury watch retailer, operating in both the UK and US comprising four prestigious brands: Goldsmiths (UK), Mappin & Webb (UK), Watches of Switzerland (UK and US) and Mayors (US), with a complementary jewellery offering. The Group also operates mono-brand stores under various single luxury watch brands as well as five transactional websites.

The Watches of Switzerland Group employs approximately 2,000 people globally.

## TAX STRATEGY

As a global luxury retailer, we take our corporate, social, and environmental responsibilities very seriously. Our tax strategy allows the Group to fulfil our responsibilities in respect of all business taxes. The tax strategy applies to Watches of Switzerland Group plc and its worldwide subsidiaries. Our tax strategy comprises four key components:

### 1. The Watches of Switzerland Group's approach to governance arrangements and risk management in relation to taxation

The Watches of Switzerland Group maintains internal tax procedures to support its tax controls and has a dedicated in-house finance team, which includes dedicated tax resource. This team reports to the Chief Financial Officer.

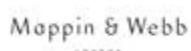
#### Governance Arrangements

The Chief Financial Officer is responsible for the Group's tax strategy as well as the transparency and effectiveness of the Group's corporate tax processes and disclosures. The tax strategy is implemented by the finance team, who apprise the Chief Financial Officer of any complex tax areas and any new areas of tax legislation relevant to the Group

#### Risk Management and Internal Controls

The Watches of Switzerland Group ensure strong Risk Management and Internal Controls are embedded throughout the business by applying reasonable care in relation to all processes which could materially affect our tax obligations.

The finance team reviews any relevant new tax legislation and considers possible tax risks which could affect the business and ensures that appropriate controls are in place to mitigate key risks. Any significant matters are communicated to the Chief Financial Officer.



**2. The Watches of Switzerland Group’s attitude towards tax planning**

The Watches of Switzerland Group are committed to acting with integrity and transparency in all tax matters and in complying fully with the letter and the spirit of all relevant tax laws.

Any transactions undertaken by The Watches of Switzerland Group have a commercial purpose and are not led by artificial tax planning considerations.

**3. The Watches of Switzerland Group’s view on the level of risk in relation to taxation that the Group are prepared to accept**

The Watches of Switzerland Group are committed to paying the right amount of tax, in the right place and at the right time.

The Group endeavour to ensure the integrity of all reported tax numbers and compliance with all tax obligations across all Group companies.

The Group monitor new tax legislative changes in all relevant territories and realigns internal tax processes to be compliant where necessary.

The Group aim to ensure the timely filing of all relevant tax returns and the timely payment of all tax liabilities.

Our approach to tax risk & governance, as highlighted above, ensures that tax risks are identified and managed in a timely, pro-active, and transparent manner.

**4. The Watches of Switzerland Group’s approach towards our dealings with Tax Authorities**

We engage with tax authorities constructively, honestly and in a timely and professional manner. We seek to resolve disputed matters through active and transparent engagement. In the UK, regular contact is made with our Customer Compliance Manager at HMRC to promote a professional and collaborative working relationship.

Note: The Watches of Switzerland Group regards this publication as complying with the duty under paragraph 16(2), Schedule 19 Finance Act 2016.

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