



WATCHES OF SWITZERLAND GROUP PLC

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

MAY 2024

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.

I MEMBERSHIP

- I.1 The Committee shall comprise a chair and a minimum of two members, the majority of whom shall be independent non-executive directors. The Designated Non-Executive Director responsible for workforce engagement shall be a member.
- I.2 The Board shall appoint members of the Committee, on the recommendation of the Nomination Committee, in consultation with the Committee Chair. The appointment shall be for a period of up to three years which may be extended for up to two additional three-year periods, provided members (other than the chair of the board, if they are a member of the committee) continue to qualify for membership under these terms of reference.
- I.3 Members should have the appropriate knowledge, skills and expertise to understand ESG-related strategy, targets and implementation, and shall undertake appropriate development of their skills as necessary.
- I.4 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. The Chair of the Board shall not be Chair of the Committee.
- I.5 The Chair of the Committee shall review the membership of the Committee annually, as part of the annual performance evaluation of the Company.

2 SECRETARY

The Company Secretary, or their 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. The Committee shall have access to the services of the Company Secretary on all committee matters, including assisting the Chair of the Committee, in planning the Committee's work, drawing up meeting agendas, maintenance of minutes, and provision of any necessary practical support.

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, Executive Director HR 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 Chair of the Committee 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 Chair of the Committee.

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, exceptionally, in the opinion of the Chair of the Committee 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 ENGAGEMENT WITH SHAREHOLDERS AND STAKEHOLDERS

The Chair of the Committee shall attend the Annual General Meeting to answer any shareholder questions on the Committee's activities and responsibilities. In addition, the Chair of the Committee should seek engagement with shareholders, and other stakeholders where relevant, on significant matters related to the Committee's areas of responsibility.

8 DUTIES

The Committee shall carry out the following duties for the Company and its subsidiaries (the "Group") as appropriate:

8.1 Providing oversight on behalf of the Board in relation to the Company's ESG strategy and activities ensuring the strategy is effective and aligned with the Company's purpose and values, in order to support the Company's long-term sustainable success;

8.2 Advising on and recommend for approval by the Board, appropriate ESG strategic goals, short- and long-term targets, key performance targets and key ESG metrics;

8.3 Reviewing the effectiveness of the Company's governance and processes in place to ensure the outcomes of the ESG strategy are delivered;

8.4 Monitoring current and emerging ESG-related issues, trends, relevant international standards and legal/regulatory/governance requirements and identifying how these are likely to impact on the strategy, operations and reputation of the Company. This includes undertaking relevant training and development as appropriate;

8.5 Receiving reports and recommendations from key management stakeholders/sponsors and steering groups

8.6 Overseeing communication of ESG strategy and progress made on any objectives internally and externally.

8.7 In conjunction with the Audit & Risk Committee, overseeing the management and identification of ESG-related risks, ensuring that they are captured in the Company's risk register and risk management framework as appropriate.¹

8.8 Making recommendations to the Board in relation to the required resourcing and funding of ESG-related activity.

- 8.9 Overseeing the Company's interactions with and responsibilities towards its stakeholders in relation to ESG-issues, most notably its colleagues, clients, brands and other suppliers, and the communities in which it operates.

Support the Board in monitoring the culture of the Company, the safety and wellbeing of its workforce, and the adequacy of its supply chain controls in relation to modern slavery and human rights risk.²

- 8.10 Work in conjunction with the Remuneration Committee regarding appropriate ESG-related performance objectives and incentives to ensure ESG-related matters are appropriately considered when setting the overall remuneration policy.³

9 REPORTING RESPONSIBILITIES

- 9.1 Report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities;
- 9.2 Make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed;
- 9.3 Review the content, integrity and completeness of external statements and disclosures about ESG activity, targets and progress, ensuring 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 for Board approval.

10 OTHER MATTERS

The Committee shall:

- 10.1 have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.
- 10.2 be provided with appropriate and timely training as appropriate both in the form of an induction programme for new members and on an ongoing basis for all members.
- 10.3 ensure that a periodic evaluation of the Committee's own performance is carried out.
- 10.4 give due consideration to laws and regulations, the provisions of the Corporate Governance Code and guidance issued, as appropriate.
- 10.5 at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

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 15 May 2024

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

² Note that Matters Reserved for the Board include the Board monitoring culture and how the desired culture has been embedded into the Company, satisfying itself that the culture is aligned with the Group's purpose and values and strategy.

³ Note that ultimate responsibility for ESG-related performance objectives sits with the Remuneration Committee and details on this can be found in that Committee Terms of Reference.