



WATCHES OF SWITZERLAND GROUP PLC

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# ANTI-MONEY LAUNDERING POLICY (THE "POLICY")



# ANTI-MONEY LAUNDERING POLICY (THE “POLICY”): WATCHES OF SWITZERLAND GROUP PLC

## PURPOSE

The Watches of Switzerland Group PLC and its subsidiary companies and associates, known collectively for the purposes of this Policy as WOSG, have created this Group policy to enable all WOSG colleagues to understand the applicable legislation and their duties in relation to it.

We take seriously all our legal obligations including those relating to money laundering and handling the proceeds of crime, and will comply with any relevant industry codes of practice. Our Responsible Person has responsibility for overseeing the Group’s procedures in this area and relevant training is provided to our colleagues.

The Policy aims to maintain the high standards of conduct which currently exist within WOSG by preventing criminal activity through money laundering.

This Policy sits alongside WOSG’s Whistleblowing Policy, Code of Ethics and other WOSG compliance policies and procedures, in relation to the retail sales of luxury watches and jewellery of the organisation.

### 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 Chief Financial Officer (CFO) will review arrangements relating to the Policy. The Audit & Risk Committee (ARC) 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 CFO 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.

## SCOPE

Legislation has been introduced to prevent money laundering and this includes;

- In the UK, the Proceeds of Crime Act 2002, the Terrorism Act 2000 and ‘The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 which place obligations on organisations to establish internal procedures to prevent the use of their services for money laundering;
- In the US, the Bank Secrecy Act (1970), the Money Laundering Control Act (1986) and subsequent legislation, including the USA PATRIOT Act which place obligations on organisations to establish internal procedures to prevent the use of their services for money laundering;
- In Europe, the Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system (or equivalent for non EU countries) for the purposes of money laundering or terrorism purposes, WOSG acknowledges and works within the legislative requirements relating to money laundering. Local regulations should also be considered and may override the Directive (EU).

All WOSG colleagues have a statutory duty to comply with the requirements of the relevant local legislation and regulations as stated in this Policy and as described by the local Policies and Procedures - Anti Money Laundering program which can be found on the Company's internal communication portal – One. Failure to comply with these requirements may lead to criminal or disciplinary action being taken.

Taking into consideration guidance from applicable legislation and to ensure the Company has in place a best practice procedure, the WOSG has:

- Appointed a Responsible Person in all relevant territories within which we operate to receive disclosures from colleagues of money laundering activity (their own or anyone else's) (known as 'the Responsible Person')
- Implemented procedures to determine whether suspicious activity exists, or has taken place, and following the determination to report, as appropriate to the relevant authorities
- Applied client due diligence measures in certain circumstances and where appropriate
- Established record keeping processes which will be made available to the ARC for review and analysis as and when required.

#### DEFINITION

Money laundering is a term used to describe the process of hiding the criminal origins of money or property which are the proceeds of crime within legitimate business activities. It also describes the use of money of a legitimate origin that supports terrorism. Money laundering could be a consequence of almost any profit-generating crime.

The following constitute the act of money laundering:

- Concealing, disguising, converting, transferring criminal property or removing it from the UK, Europe or the US; or
- Entering into or becoming complicit in an arrangement which that individual knows or suspects facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person; or
- Acquiring, using or possessing criminal property; or
- Failing to disclose any of the above three primary offences; or
- Tipping off, which is where an individual informs a person or people who are, or who are suspected of being, involved in money laundering, in such a way as to reduce the likelihood of their being investigated, or prejudicing an investigation.

Terrorist financing is the collection or the provision of funds for terrorist purposes. In the case of money laundering, the funds are always of illicit origin, whereas in the case of terrorist financing, funds can stem from both legal and illicit sources. The primary goal of individuals or entities involved in the financing of terrorism is therefore not necessarily to conceal the sources of the money but to conceal both the funding activity and the nature of the funded activity.

#### TRAINING IN ANTI-MONEY LAUNDERING

All colleagues must understand and will receive specific training so that they are aware of their responsibilities regarding the relevant legislation. Training is provided by the Human Resources Department via the E-learning portal on an annual basis.

#### PREVENTION OF MONEY LAUNDERING

Reporting on cash payments:

Payments to WOSG will be accepted in cash (including notes, coins or travellers' cheques in any currency) but at all times for the following must be adhered to.

- HMRC Regulations - UK
- The Bank Secrecy Act (BSA) - US

Cash or cash equivalent transactions can only be received in the UK and Europe up to the specified annual and / or aggregate limits

Cash or cash equivalent transactions can be received in the US. If the transaction is greater than the specified limit there are specific processes and procedures that must be followed

Details on the UK, Europe and US limits are detailed in the specific territory policies on the company information portal, ONE, Policies and Procedures - Anti Money Laundering Program.

The exercise of applicable WOSG processes and procedures in relation to client due diligence must be undertaken and followed as applicable according to the territory limits as set out in the specific country policies:

For the UK and Europe client identification and / or verification must be undertaken for any cash payment of over £1,000 or equivalent before the sale can proceed.

If, at any time, it is suspected that a client is currently carrying out or is planning to carry out money laundering or terrorist financing, including having lied about their identity, then this must be reported to the relevant appointed Responsible Person for receiving disclosures from colleagues of money laundering activity (their own or anyone else's).

#### DISCLOSURE TO THE RESPONSIBLE PERSON

- i) Suspicions regarding money laundering activity must be disclosed by any colleague with such suspicions as soon as practicable to the Responsible Person
- ii) Such suspicions would be about such activity by others or concern that the colleague themselves might be involved
- iii) Failure to make a disclosure may render the colleague liable to disciplinary action and / or prosecution
- iv) Disclosure should include as much information as possible, including the act of Tipping Off:

Further information on disclosure can be found in the company information portal, ONE, under Policies and Procedures - Anti Money Laundering Program

#### SUSPICIOUS ACTIVITY REPORTING (SARS)

A Suspicious Activity Report must be raised if it is suspected, known or reasonable grounds exist for having knowledge or suspicion that another person is engaged in money laundering, or that a terrorist finance offence may be committed.

The SARs must be emailed to [auditors@thewosgroup.com](mailto:auditors@thewosgroup.com) with the subject "Suspicious Activity Report".

#### ADDITIONAL RESPONSIBILITIES

The Policy is taken to apply to all areas of work undertaken by WOSG. Consequently, all colleagues, contractors and third parties are required to comply with the reporting procedure set up by WOSG. Potentially any WOSG colleague could be guilty under these legislative provisions if they suspect money laundering and become involved with it in some way and/or do nothing about it.

The Directors of WOSG will, periodically, assess the risk to WOSG of contravening the anti-money laundering legislation together with the adequacy and effectiveness of the Anti-Money Laundering Policy, and review and amend procedures in light of such assessments.

WOSG will ensure that all colleagues are made aware of the law relating to money laundering and will arrange targeted, ongoing training to all colleagues so that all colleagues are familiar with their legal responsibilities since serious criminal sanctions may be imposed for breaches of the legislation.

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](http://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.

The key requirement on colleagues is to report promptly any suspected money laundering activity to the Responsible Person.

Approved by the Board of the Watches of Switzerland Group PLC on 5 December 2023