



GENDER PAY GAP REPORT 2023

WATCHES OF SWITZERLAND GROUP PLC
WATCHES OF SWITZERLAND OPERATIONS LIMITED
WATCHES OF SWITZERLAND COMPANY LIMITED

INTRODUCTION



PHILIPPA JACKSON
EXECUTIVE DIRECTOR HUMAN RESOURCES

We take great pride in the expertise and dedication of our hard-working colleagues, who share in our Purpose and Values. We have built some good talent and development foundations and are pleased that our gender pay gap continues to narrow. This underpins our commitment to a culture of meritocracy.

WE ARE A MERITOCRACY DEMONSTRATED BY OUR GOALS



INCLUSION

77% inclusion score



GENDER BALANCE

All leadership teams are gender balanced



REPRESENTATION

Teams represent the national identity and the race/ethnic mix of the markets in which they operate

STRATEGIC PILLARS ENABLING OUR MERITOCRACY



CARE

Leaders visibly champion inclusion & diversity



RESPECT

Strengthen our inclusive culture



HARNESS

The power of our brands and communities



EQUIP

End to end policy and process alignment

This year, we have seen many endorsements of our approach to diversity and inclusion. I am proud to share some of these in our gender pay gap report this year. Firstly, we were pleased to see that 77% of our colleagues agreed in our annual engagement survey that they 'work in an environment where everyone can feel included, respected and accepted for who they are'. This is consistent across both regions and supports our company values of respect, trust and transparency.

In addition, our combined % of females on our Executive Committee and direct reports to our Executive Committee* is 48% which has improved from 46 % in 2023 and gives us gender balance at the senior levels of the organisation. We define gender balance as at least 40% male or female at leadership team level.

In 2023, we were ranked #15 in the FTSE women leaders review out of 163 qualifying companies. We have also achieved the target for ethnic diversity at Board level as set out in the Parker Review.

As part of our focus on leadership and management development this year, we are proud of our results in terms of access to development. In particular, we are over representing female and ethnic colleagues with 73% females and 30% ethnic minority participation on our internal leadership programme. Interestingly, this trend continues when we look at promotions across the Group with 26% ethnic talent, and 55% females being promoted internally. This data fuels our focus on increasing female and ethnic representation in our succession and talent pipelines, linked to our goals above.

During the last year, we conducted our first UK Inclusion Survey and we were pleased to see that we have a higher % of female, ethnic representation, disability and LGBT colleagues when compared to the 2021 UK census. In addition, 26% of our colleagues come from lower income families versus the current national average of 23% which relates to our focus on social mobility.

We are proud to be an inclusive employer and that our progress continues to be based on data and tapping into great talent pools across our organisation.

In terms of what we offer as an employer, we continue to support hybrid and flexible working practices for our support colleagues and 20% of our colleagues work part-time hours.

Finally, we are delighted to be certified by the Living Wage Foundation as an accredited real Living Wage Employer this year. For us, fair pay for those on the lowest salaries is the essence of being a responsible employer and we will continue to be one of the few luxury retailers who commit to the real Living Wage next year. We are proud that our minimum hourly wages are significantly higher than the government national living wage. As we look ahead, we will be implementing a new pay framework in 2024 which will give us even more transparency going forwards.

* As the Watches of Switzerland does not operate with a stand alone Executive Committee we are reporting in line with the FTSE Women Leaders recommendations of the Chief Executive Officer and their direct reports.

PHILIPPA JACKSON
EXECUTIVE DIRECTOR
HUMAN RESOURCES

GENDER PAY GAP REPORT 2023



MEAN GENDER PAY GAP REDUCTION

21%  20%

in 2022

in 2023

The Watches of Switzerland Group is the UK's largest luxury watch retailer, also operating in the US and Europe. A globally recognised specialist retailer of Swiss luxury watches with a complimentary luxury jewellery offer. In the UK, our showroom portfolio comprises of Watches of Switzerland, Mappin & Webb, Goldsmiths and mono-brands boutiques. In the US, our portfolio includes Watches of Switzerland, Mayors, Betteridge, Analog Shift, and mono-brands boutiques. We also have 7 transactional websites across the Group. In Europe, our showroom portfolio comprises of mono-brand boutiques and Watches of Switzerland showrooms.

Our success depends upon our people and we are extraordinarily proud of our culture which promotes fairness, diversity and equal opportunity for everyone. Our goal is a team of highly engaged colleagues who are committed to learning and intend to develop long term careers with the Watches of Switzerland Group. We value the contributions of all of our colleagues equally and women and men receive equal pay for doing the same or similar jobs.

The gender pay gap shows the difference in the average rate of pay of men and women across the organisation regardless of roles; the methodology for the calculation is set out by the government and compared to the previous year. Data is captured as at 5th April 2023.

Like many organisations, the Watches of Switzerland Group's overall gender pay gap is driven by our Support Services Centre based Senior Executive team.

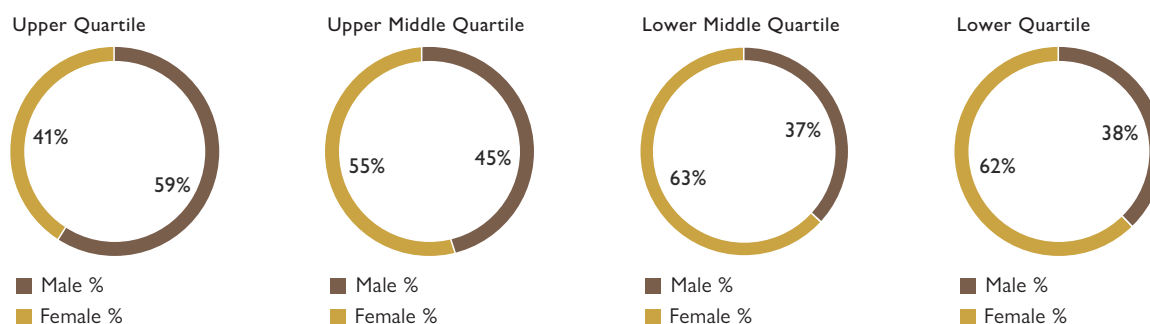
This year we have seen our mean gender pay gap reduce from 21% in 2022 to 20% in 2023. Whilst there is still a way to go, we are encouraged by this progress and expect it to continue as the Group continues to grow.

It's important to note that at company level, the upper quartile is the only quartile where we see a more significant gender pay gap. Across the remaining 75% of our total population, the median and mean pay gap narrows and becomes -2% in the lowest quartile. When we look in closer detail across our Retail divisions, we continue to report overall progress in closing the gender pay gap in our UK Retail businesses.

TOTAL COMPANY

	Mean	Median	
Pay	20% 21% previous year	9% 11% previous year	The gender pay gap is based on hourly rates of pay at the snapshot date of 5th April 2023 and the bonus gap is based on bonuses paid in the 12 month reference period prior to this. Bonus pay includes commission and incentives as well as showroom and company bonus schemes.
Bonus	44% 91% previous year	42% 40% previous year	In the reporting year ending 5th April 2023 which is used to calculate the gender pay gap, the Company bonus scheme relating to the prior year was paid out to colleagues. 89% of women and 88% of men received bonus payments.

QUARTILES



GENDER PAY GAP BY QUARTILE

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Mean Pay	14% 12% previous year	1% 0% previous year	0% 0% previous year	-1% 0% previous year
Median Pay	12% 8% previous year	3% 0% previous year	0% 0% previous year	-2% 0% previous year

It isn't a requirement to report the gender pay gap by quartile but, as we did last year, we think it's helpful to do so as it shows that our gender pay gap is mostly driven by our top quartile of jobs.

In the Watches of Switzerland Group there are 524 colleagues in each quartile and the range of jobs in the upper quartile goes from Brian Duffy, CEO to a luxury showroom Deputy Manager in a regional shopping centre. This is a much broader range of jobs than would probably be the case if we were a much larger organisation and whilst not disguising the fact that more of our most senior roles are currently filled by men than women, we hope it begins to explain the gap.

GENDER PAY BY RETAIL DIVISION

As seen opposite, the company's overall gender pay gap is driven largely by Executives in our Support Services Centre. However, when we look at our organisation by individual Retail divisions, we are pleased to report that on the whole, we continue to make progress in closing these gaps. This reflects the ongoing progression of women into supervisory and management roles in our core business.

Mean Pay by Retail Fascia

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Goldsmiths	1% 1% previous year	3% 0% previous year	1% 1% previous year	-1% 1% previous year
Mappin & Webb	-5% -12% previous year	6% 4% previous year	-2% -2% previous year	1% 3% previous year
Watches of Switzerland	13% 13% previous year	0% -2% previous year	0% -1% previous year	-3% -17% previous year

Median Pay by Retail Fascia

	Upper Quartile	Upper Middle Quartile	Lower Middle Quartile	Lower Quartile
Goldsmiths	8% 7% previous year	6% 2% previous year	0% 0% previous year	-1% 0% previous year
Mappin & Webb	12% -7% previous year	14% 8% previous year	-4% -4% previous year	0% -7% previous year
Watches of Switzerland	4% 4% previous year	2% -2% previous year	0% 0% previous year	0% -7% previous year

TOTAL REWARDS IN RETAIL



OUR COMMITMENT TO A FAIR AND INCLUSIVE CULTURE



BRIAN DUFFY
CHIEF EXECUTIVE OFFICER

Our colleagues are at the heart of our business and are critical to our success so I am pleased to see that our continued focus on our people is driving the results and progress highlighted in this report. A highlight this year has been implementing the real Living Wage which recognises the value of our colleagues across the business and demonstrates our core value of always doing the right thing. We are committed to maintain this next year and will be one of the few luxury retailers to do so.

I am also pleased to see the outcome of the Inclusion Survey and that our business continues to give equal opportunity to all of our colleagues. Providing great development and promotion opportunities to tap into future potential is important to us and we remain fully committed to doing that.

We confirm that the information in this report is accurate.

BRIAN DUFFY
CEO