



WATCHES OF SWITZERLAND GROUP PLC

TAX STRATEGY – FINANCIAL YEAR
TO 28 APRIL 2024

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INTRODUCTION

The Watches of Switzerland Group is the UK's largest luxury watch retailer, operating in the UK, US and Europe comprising five prestigious brands; Watches of Switzerland (UK and US), Mappin & Webb (UK), Goldsmiths (UK), Mayors (US) and Betteridge (US), with a complementary jewellery offering.

As at 28 January 2024, the Watches of Switzerland Group had 222 showrooms across the UK, US and Europe including 98 dedicated mono-brand boutiques in partnership with Rolex, OMEGA, TAG Heuer, Breitling, TUDOR, Audemars Piguet, Longines, Grand Seiko, BVLGARI and FOPE and has a leading presence in Heathrow Airport with representation in Terminals 2, 3, 4 and 5 as well as seven retail websites.

The Watches of Switzerland Group is proud to be the UK's largest retailer for Rolex, OMEGA, Cartier, TAG Heuer and Breitling watches.

TAX STRATEGY

As a global luxury retailer, the Watches of Switzerland Group (the 'Group') takes its corporate, social, and environmental responsibilities very seriously and is committed to acting with honesty and integrity in all business dealings. With respect to taxation, the Group's aims are to ensure that all taxes are correctly accounted for, all tax returns are submitted accurately and on time and that all tax liabilities are paid as they fall due.

The tax strategy applies to Watches of Switzerland Group PLC and its worldwide subsidiaries and comprises four key components:

I. Approach to governance, risk management and compliance

The Group complies with all applicable laws, regulations and disclosure requirements in relation to tax; exercising professional care and judgement in relation to the decisions reached. External tax advice is taken when required.

The tax strategy is reviewed and approved annually by the Board of the Watches of Switzerland Group PLC (the 'Board'). The Chief Financial Officer, Anders Romberg is responsible for ensuring that the Group complies with the documented tax strategy. The ongoing implementation and management of the strategy is managed by the Group's Head of Tax who reports any significant tax matters arising to the Chief Financial Officer. The Board is apprised of these significant tax matters through regular reporting at the Watches of Switzerland Group PLC's Audit & Risk Committee meetings.

The Group has established internal tax processes and controls to ensure that tax returns are accurately prepared with all taxes accounted for and paid. The processes in place are reviewed at least annually, and form part of the Senior Accounting Officer documentation. If process issues arise, they are dealt with as soon as they become apparent.

The Group does not accept the facilitation of tax evasion and has a separate policy related to the Criminal Finance Act 2017.

All relevant new tax legislation and any tax risks which could affect the business are reviewed and significant matters are communicated to the Chief Financial Officer.

2. Approach to tax planning

The Group is 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 Group have a commercial purpose and are not led by artificial tax planning considerations. The Group does not obtain any tax benefits from residing in territories that are not considered fully tax compliant by the OECD/IMF and the Group does not utilise tax havens for the purposes of tax avoidance or financial secrecy.

The Group endeavours to ensure that all entities in all jurisdictions pay their fair share for costs incurred centrally and that entities in territories owning trademarks are appropriately remunerated for their use. The Group's transfer pricing arrangements are consistent with OECD Transfer Pricing Guidelines. The arrangements follow the arm's length principle and do not allow for tax avoidance. The Group declares profits in the place where the economic substance arises.

3. Approach to tax risk

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

The Group's processes, policies and governance are designed to identify and mitigate material tax risks. Any risks identified are managed in a timely, pro-active and transparent manner.

The Group involves the tax function in any new projects to ensure that tax costs and risks are considered as part of the decision-making process. External advice is sought if needed during this process.

To achieve a high level of confidence on the tax treatment of material transactions, matters are discussed with the relevant tax authority, either in advance of the transaction or as part of regular meetings and discussions. In overseas locations, local advisors are often used to confirm that the tax treatment applied is appropriate and in accordance with local laws.

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

The Group does not use tax avoidance schemes and does not move value from trading jurisdictions to low tax jurisdictions.

4. Approach to dealings with Tax Authorities

The Group pro-actively engages with Tax Authorities in a constructive, honest, timely and professional manner. In the UK, regular contact is made with the Customer Compliance Manager at HMRC to promote a professional and collaborative working relationship.

Material tax matters are discussed with HMRC, where possible in advance, or as part of the annual review process.

Any disputed matters are resolved through active and transparent engagement to resolve the matter.

The publication of this tax strategy is in compliance with the Group's duty under paragraph 16(2), Schedule 19 Finance Act 2016 and relates to the period ending 30 April 2024.

It was approved by the Board of Watches of Switzerland Group PLC on 28 February 2024.