

Modern Slavery Statement 2021

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Introduction from Andrew Keith, Managing Director



This year has been extraordinary. The COVID-19 pandemic has sadly resulted in a terrible loss of life and impacted us all. The safety and wellbeing of our team members and customers has remained of the utmost importance to us. We have taken measures to continue to ensure they are protected, including taking additional COVID-19 measures, but also importantly continuing our work to tackle modern slavery which also covers people in our supply chains.

This is our fifth Modern Slavery Statement, which sets out the steps we are taking to prevent modern slavery in our business and supply chains. We continue to be supportive of and uphold the aims of the UK Modern Slavery Act, and welcome the proposed amendments following the transparency in supply chains consultation by the government.

Sustainability is central to our new Selfridges Group vision, purpose and values which reinforce our commitment to respect people and planet. As a values-led business these are critical in helping guide our actions, and are reflected and brought to life in our new Selfridges Group Code of Ethics. In the last year, we also launched Project Earth, our transformational sustainability initiative and commitment to change the way we shop – to drive purchasing practices, explore new retail models and challenge our partners', team members' and customers' mindsets.

Specifically, on our activity to tackle modern slavery, we have advanced our risk-based thinking and revised our brand partner and supplier due diligence approach. We have developed new online training, established a clear escalation process for issues of concern and continued to seek ways to align across the businesses which make up the Selfridges Group family. Our existing governance mechanisms, policies, other due diligence and engagement activities have all continued.

Whilst we have made progress this year, the backdrop of COVID-19 has meant we had to prioritise our activity. We are committed to continuing our work to address modern slavery collaboratively, advancing our risk-based approach, but being flexible and agile in our thinking to respond to changing circumstances.

A handwritten signature in black ink, appearing to read 'Andrew Keith'.

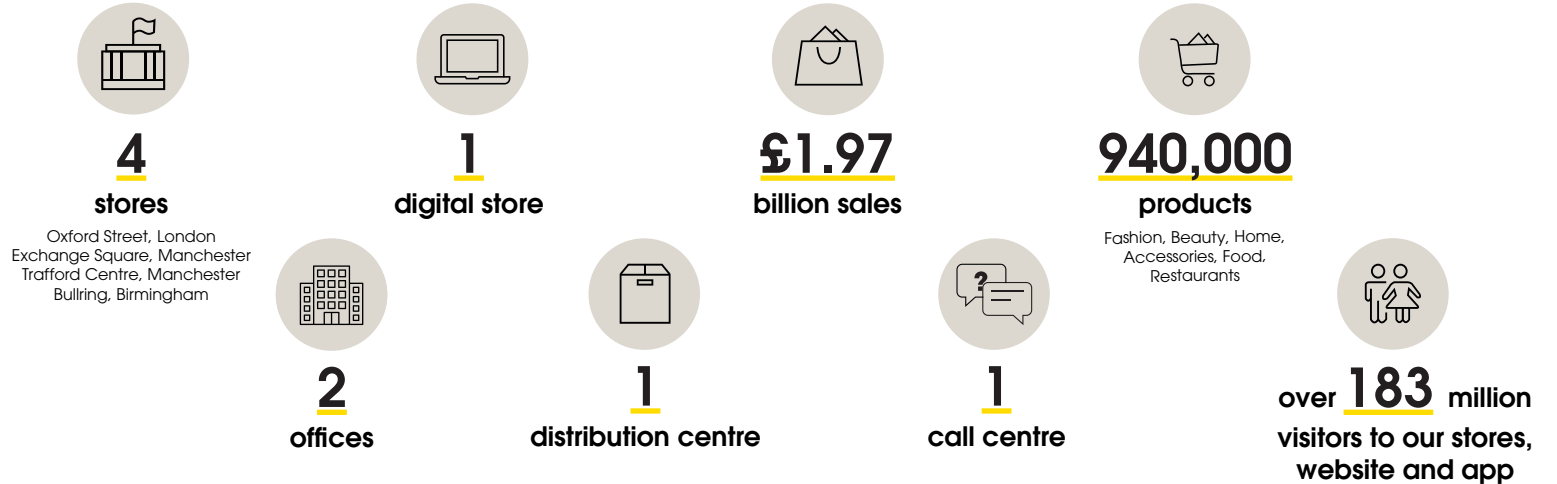
20th April 2021
Selfridges Managing Director
Signed for and on behalf of the Selfridges Executive Committee

Who we are

Selfridges is more than a shop – it is a social centre powered by imagination, curiosity and creativity. We are part of a family of five brands including Selfridges in the UK, Brown Thomas and Arnotts in Ireland, Holt Renfrew in Canada, and de Bijenkorf in the Netherlands.

Our business¹

Everything we do is for our customers. We are trusted to understand their needs and desires through the products and experiences we offer across our four stores and digital platforms. We work closely with our third-party partners who run our distribution and call centres to ensure a seamless customer experience.



Our supply chain²

We don't own any production facilities so working closely with our brand partners and suppliers is crucial to ensuring our customers' needs are met and our ethical standards are upheld. We have three key supply chain areas.



Our people²

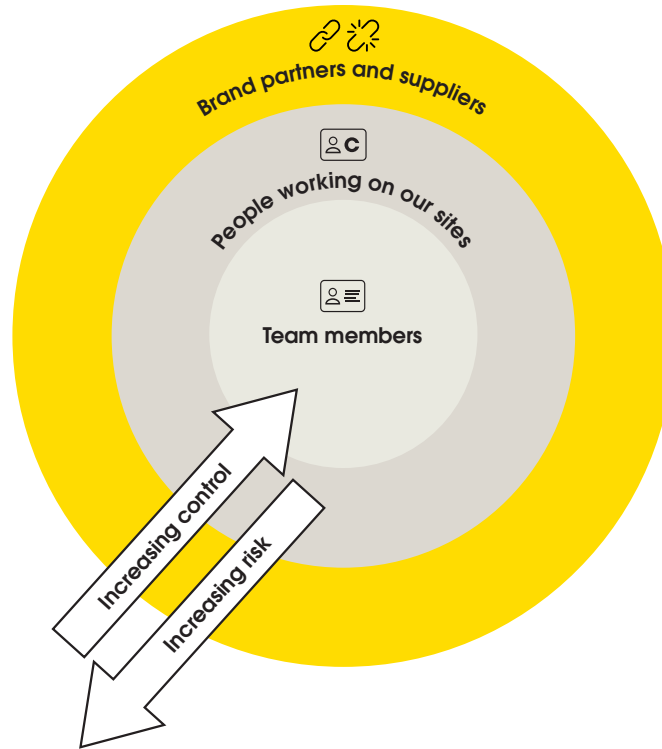
Our people are central to our success. We consider them in three groups:



¹ Our business figures relate to the FY20-21 with the exception of sales and visitors which relate to FY19-20
² Our supply chain and people figures are as of 31 January 2021

Our approach: Risk assessment

To ensure we focus our efforts where they are most needed and where we can have the greatest impact, we take a risk-based approach which we further developed this year. We first consider our three groups of people in relation to the risk associated with their location, the industry they work in, the existing measures we have in place, and our level of control and influence.



Selfridges team members:

- **Our risk assessment:** The modern slavery risks within our team member population are relatively low. We directly recruit and manage our team members; all of our team members are in the UK where, although modern slavery exists, it is less prevalent than some other countries; the roles are office-based or retail which are lower risk industries; and we have formalised people policies, processes and controls in place. This year, with most head office roles working remotely, we put extra provisions in place to ensure the safety and wellbeing of our teams off site. These included training, a focus on wellbeing and provision of desktop equipment.
- **Our action:** For this group our priority is raising the awareness of modern slavery issues, indicators and where to seek support; and ensuring the measures we have in place are appropriate and effective.

People working on our sites:

- **Our risk assessment:** The risk within the population of other people working on our sites is higher, but still comparatively low. We do not directly recruit or manage these people - our concession or supplier partners do. As well as retail workers, they include workers in industries of higher risk such as construction, cleaning, security and other areas where temporary work is high. During peak periods there may be need to increase the number of temporary workers in our business to meet the increased demands in our sites. However, these people are all based on our sites and we have visibility of their practices as we work alongside them; and our partners are required to ensure that the right-to-work are checked
- **Our action:** For this group our priority is ensuring that the suppliers who manage these people have appropriate measures in place to tackle modern slavery risk and are actively promoting available support.

Brand partners and suppliers:

- **Our risk assessment:** We recognise that this is where our greatest modern slavery risk exists. We do not control our indirect supply chains which span the globe and include countries and industries with a higher prevalence of modern slavery. Whilst we do have formal measures in place, including contractual requirements with our suppliers, we recognise that seeking meaningful assurance that issues do not exist and that measures are effective across all suppliers is challenging.
- **Our action:** For this group, our priority is ensuring we set out clear expectations and that we engage and collaborate with our suppliers regularly, based on the risk in their supply chain. Our due diligence process which we have further developed this year specifically targets this population.

Our approach: Risk assessment (continued)

Our risk assessment process is not static, it continues to evolve and be supplemented as the risk landscape changes. In addition to the risk assessment already detailed this year we also considered COVID-19, Brexit and potential issues that were brought to our attention through media reports, as discussed later in this report.

COVID-19

COVID-19 has presented an unprecedented challenge for the world, the business community and us all as individuals. We know that the pandemic has made those who are at the highest risk of facing human rights, labour rights and modern slavery issues more vulnerable. These are people who have lost jobs with no safety net, or are pressured to work in unfair, unsafe or unreasonable circumstances. In addition, changes to contracts; an increased likelihood of process short-cuts; the removal of face-to face interaction and checks; and challenges in conducting due diligence remotely have heightened the risk further.

At every step of the pandemic, we have tried hard to make the right decisions for our people, our business and the communities in which we live, work and serve. Some of the challenges we have faced and had to respond to include:

- **People and resourcing impacts:** Our stores were closed for a number of months which impacted on sales. We had to furlough a number of team members and reorganise our business in line with changing customer behaviours. Priorities changed and we did not complete our organisational performance assessment planned with Stronger Together, nor did we hold any supplier conferences or inhouse sessions on modern slavery which were planned to enhance our approach to tackle modern slavery. 2021 will see us revisiting our approach to engagement and the use of independent third parties to support the development of our programme.
- **Changes to our purchasing requirements:** As our stores were closed, some of our orders were cancelled, delayed or amended. Our Buying teams worked with our brand partners to discuss individual orders to reach agreements on amends. Our Procurement team focused on business recovery, COVID-19 safety equipment and supporting workplaces to be COVID-secure, as well as ensuring our ability to work remotely with associated equipment, whilst pausing material capital projects.

- **Changes to our purchasing practices and terms:** Our supplier payment terms were temporarily extended and all suppliers and brand partners were notified of this. Our other standard buying and procurement practices and procedures continued throughout.
- **Changes to COVID-19 safety measures:** We implemented measures throughout our stores, back of house areas and offices to help ensure the safety and wellbeing of our team members, customers and those working on our sites. We also expected and ensured that our suppliers have taken measures to be COVID-secure.

Brexit

As freedom of movement between mainland Europe and the UK ends, this may lead to more vulnerable, lower paid, lower skilled workers being exploited, smuggled or trafficked to fill the demand for work in the UK where any potential new immigration systems are more restrictive. Workers may be coerced or forced into exploitative circumstances indirectly due to new restrictions put in place. The lack of access to European mechanisms and support may mean collaboration is also more difficult with respect to intelligence sharing. We are mindful of these risks and as the UK's new approaches become clear will be considering risk as part of our overall process.

Our approach: Policies

Our team member policies and processes: Our People policies and processes set out our expectations of, and our responsibilities towards, our team members. These include specifying recruitment fees should never be incurred by an individual and salary payments must not go into bank accounts in someone else's name more than once and without written authorisation from the team member. Our policies are provided to new starters, are referenced in inductions and are available on both our intranet and Workday, our remotely accessible HR system.

Procurement Policy: Our internal Procurement Policy, updated this year, provides formal sustainability and ethical trade guidance and requirements for selecting and managing our suppliers of goods and services not for resale.

Brand partner and supplier Ethical Trade Requirements: Our Ethical Trade Requirements apply to our brand partners and suppliers, including contractors and concession partners and are part of our standard Selfridges' Terms and Conditions. These Ethical Trade Requirements include clauses on modern slavery, require compliance with any applicable modern slavery legislation, are aligned with the ETI Base Code and ILO Conventions and apply across all tiers of our supply chain. These are discussed and referenced by

our Buying teams in brand partner and supplier conversations. We work collaboratively to explain our requirements and understand how brand partners and suppliers are able to meet them. This year we worked with the other four businesses within Selfridges Group to further align our Ethical Trade Requirements to help ensure consistent, common standards. This will aid brand partners and suppliers who work with more than one business within the group. We plan to issue these aligned Ethical Trade Requirements in 2021.

Sedex minimum standards for labour providers: We asked our labour providers to confirm their adherence to the Sedex minimum standards focused specifically on labour risks. This is an on-going process which we have integrated as part of our supplier due diligence processes.

Selfridges Group Code of Ethics: This year a Selfridges Group Code of Ethics was developed to bring to life the new group values. This is relevant for everyone who works for or with Selfridges Group and reinforces our commitment to respect people. It covers a range of issues including those relating to people, suppliers and sustainability. This will be further communicated and rolled out across the businesses within Selfridges Group over the coming year.

Our approach: Due diligence processes

Onboarding

Team member right-to-work: We review our new team members' right-to-work as part of our onboarding process. Our systems are automated to prompt checks on a person's right-to-work in the UK and any visas.

Contractor, concession, agency and supplier checks: We rely on our contractors, concessions, agencies and suppliers to ensure people working for them are eligible to work and also comply with our policies and procedures. This is set out in Selfridges' standard contract terms and our Ethical Trade Requirements.

Concession team member approvals: Both Selfridges and concessions approve concession team members before they can work in store. We seek written confirmation that the person's right-to-work has been checked for each concession team member. We also hold a store approval interview to ensure these individuals are aware of and will work in line with our values. All concession team members are registered on our People system.

Goods and services not for resale supplier request for proposal: Our Procurement team has integrated standard sustainability questions including building our Ethical Trade Requirements into their tender process. This will help us ensure suppliers can meet our sustainability and ethical trade standards and have appropriate measures in place.

Brand partner set up form: Our supplier set up forms have been standardised to ensure we consistently collect relevant supplier information and obtain their assurances they comply with our requirements, such as our Ethical Trade Requirements.

Monitoring

Team member grievance process: We have a grievance process for team members to address any concerns or issues that they have.

Team member proactive monitoring: We monitor key team member details via our HR system to identify any unusual patterns. For example, checking for multiple team members with the same address, emergency contact or bank account details.

Responsible managers: Managers in our business are responsible for the safety and wellbeing of those who work in their areas, whether they are Selfridges team members, contractors or concession team members.

Brand partner and supplier due diligence: As our risk assessment identified, our brand partners and suppliers are our area of greatest

modern slavery risk. We further developed and rolled out our due diligence process for our supply chains this year as planned. We piloted and refined a detailed Sustainability Self-Assessment Questionnaire (SAQ) which works for us as a multi-brand retailer and directly relates to our Ethical Trade Requirements and our commitments to sourcing more sustainable materials by 2025. This is designed to help us gain further visibility on our supply chains in and beyond our first tier, to understand how our suppliers meet our current and future requirements, and to understand more about their policies, processes and practices. This includes questions on the measures they have in place to ensure alignment with our human rights, modern slavery and working conditions standards, amongst other areas.

We have begun rolling this out across our supply chains including our Selfridges-branded product suppliers, brand partners, and suppliers of goods and services not for resale. We are initially targeting our brand partners and suppliers in the categories of highest risk, those of strategic importance to us, and where we have greatest control. This is an on-going process where we are working collaboratively with our brand partners and suppliers. Due to COVID-19 we have not made as much progress as we had intended to in relation to our suppliers of goods and services not for resale but we are continuing our efforts.

Our Buying and Procurement teams along with our Sustainability team are using the outputs of the SAQ to direct follow up actions where necessary. These include further follow up discussions, questions, corrective actions, and reviewing reports from third-party audits such as SMETA.

We already share the outputs of our SAQ between the different business in the group, where we are permitted to do so, to reduce the burden on shared brand partners and suppliers. But to build this further we are collaborating to develop a risk assessment and due diligence approach which is as consistent as possible across all group businesses as we are doing with our Ethical Trade Requirements.

Escalating

Whistleblowing: Our Speak Up Helpline is a dedicated whistleblowing and support line. This is accessible 24 hours a day, all year, by anyone who works for or with us, including everyone working in our supply chains, and is promoted through team member guides, on payslips, on our HR system Workday and in team member communications. 16 calls were made in total to the helpline this year (none relating to modern slavery).

Escalation process: Our escalation process for ethical trade and modern slavery issues was formalised this year and integrated into our incident management process to provide clarity on what to do should material issues arise.

Our approach: Due diligence processes (continued)

Our approach to understanding and investigating issues within our supply chains considers both individual issues which are brought to our attention alongside industry-wide systemic issues.

Investigating individual issues

When we become aware of individual potential issues within a partner's supply chain, we immediately contact the relevant brand partner or supplier. This is to understand whether or not the issue has arisen in the supply of any of our own goods and services and what steps they are taking to investigate the potential issues, to support any victims, and to remedy individual instances. Secondly, to understand the processes and controls in place to prevent reoccurrence, and understand whether there is any wider risk. We also consider whether there is a risk the issue could appear elsewhere in our supply chains and take necessary steps to investigate. Lastly, we consider how any issues may impact the focus of our risk assessment and due diligence processes. This more formalised approach to escalating issues of concern is aligned with Selfridges' incident and crisis management process.

Issues in 2020-21: During the year, serious potential issues in our brand partners' supply chains have been brought to our attention. These included potential child labour in an agricultural supply chain, reports of exploitative conditions at a factory, and serious allegations surrounding the death of a factory worker in the wider supply chain of one of our brand partners. All of these issues represent critical breaches of our Ethical Trade Requirements which we treat very seriously. As soon as we became aware of these potential issues we followed our process set out above to liaise with the individual brand partners in question to urgently understand these situations. We continue to be in dialogue with them as investigations continue, and request updates at key points.

Update on issue from 2019-20:

Reported labour abuses at a factory used by a brand partner: Last year we reported: *During the year we became aware of concerning reports of labour abuses in a factory associated with one of our brand partners. We immediately requested a detailed account of the investigation and its outcomes, including remediation which has been on-going with an ethical trade consultancy on the ground since the discovery. We have been assured that no current orders are in place with this facility and that future business will be evaluated when the actions are successfully completed. We will continue dialogue with the brand in relation to its due diligence of this site and all other production sites.*

During 2020, we continued dialogue with our brand partner following third party recommendations. The brand partner confirmed this was an infrequently used supplier and they had already decided to no longer source from this factory. The brand partner has also revised their supplier onboarding process, increased the frequency of key supplier audits,

and are in the process of becoming Fair Labor Association certified. This accreditation is designed to provide assurance that the brand partner has systems and procedures required for successfully upholding fair labour standards throughout its supply chains. We have been in dialogue with several other brands sourcing from the same site to gain an overview of the management processes they have in place and to understand progress on the on-going remedial measures, aided by a third-party expert.

Considering risks associated with systemic issues

In addition to investigating individual issues which arise, we also take action to understand and mitigate the presence of industry-wide systemic issues in our supply chains. The two areas that came into focus in 2020 are below.

UK garment industry: Reports of issues within the UK garment industry continued and were brought to the fore during the COVID-19 pandemic. Issues included dangerous working conditions, low wages, and limited enforcement of labour regulations and standards. In particular, these continued to surround Leicester-based factories in fast-fashion supply chains. Whilst we are not a fast-fashion retailer we sought reassurances from our brands sourcing from sites within the UK that their factory assessment processes are rigorous.

Forced labour in the cotton industry and the Xinjiang region: There are sadly allegations of systemic human rights abuses associated with cotton production throughout the world. These persist in a number of countries and include forced labour in, but not limited to, Uzbekistan, Turkmenistan and Tajikistan. A recent report on alleged forced labour in the Xinjiang region described how ethnic minorities are exploited and forced to pick cotton. This highlighted the potential scale of the issue in China, where significant quantities of cotton are grown and produced. This is not an issue that we as a business alone can deal with but we take it seriously. We are working with our brand partners and suppliers, along with other businesses across Selfridges Group, to gain greater visibility of the origin of materials, and to understand the traceability measures they have in place including those relating to cotton as part of our wider due diligence process. This is aligned with our 2025 materials commitment statements which set out our future mandatory sustainable sourcing standards for key materials used in the products which we sell, which include cotton. This year in particular we began asking for additional information from brands sourcing cotton products from China of the steps they are taking to ensure the cotton they source is not from the Xinjiang region. We also acknowledge that this is not an issue isolated to cotton alone, and which extends into other supply chains and locations. Due to the prevalence of cotton across the products we sell it is a particular focus for our business.

Our approach: Training and communications

Team member and concession team members inductions: Every new team member and concession team member attends our induction, "The Big Yellow Welcome". New managers across our business also attend a Management Induction. These both feature an introduction to sustainability. This year, we also developed learning sheets for team members on key sustainability topics including ethical trade and modern slavery.

Contractor induction: Those who work on our sites complete a site induction, which includes an information of the risks of modern slavery.

Team member and concession team member guides: Our team members and concession team members are made aware of our policies and our Speak Up Helpline in our handbooks which also signpost information on sustainability.

Targeted briefings: Our Product Working Group ensured key groups received relevant briefings on key sustainability targets and initiatives, including our Buying teams on our revised ethical due diligence process.

Brand partner and supplier briefings: We provide various communications to our brand partners and suppliers on sustainability. Our Buying and Procurement teams continue to discuss our approach to sustainability and ethical trade during commercial conversations and have specific

sustainability discussions with our key brand partners and suppliers. These have been built on this year through the launch of Project Earth and through specific initiatives such as the roll out of our new due diligence process. Our Procurement team have engaged some of our key goods and services not for resale suppliers including our security and retail fit out suppliers in discussions on how to collaborate.

Team member e-learning: This year we developed an e-learning module for our team members specifically on modern slavery. This highlights what modern slavery is, what the indicators of it are, how it is relevant to our business and in our everyday lives, providing some scenarios relevant to our team members. This will be launched in 2021 and will be mandatory for all management and the leadership teams in our stores. We will share details of this with other businesses across Selfridges Group.

Team member and supplier training: We actively encouraged our team members and suppliers in categories of higher risk to attend workshops delivered by Stronger Together. These are aimed to raise the awareness of the issue, detail signs to be aware of and set out steps to take.

Staying on track

Our shared Selfridges and Selfridges Group vision, purpose

and values: Our vision is to reinvent retail and our purpose is to imagine and create a sustainable future for our customers. We do this in a way that respects our world, builds trust and values creativity and innovation in everything we do. This was launched this year and continues to guide our actions.

Sustainable Future: Our sustainability commitments underpin our ambitions to change the way we shop for the future and to change the way we do business. By placing our customer at the heart of our business and through the driving forces of our destination, product, people and experience, and with our community of team members, brand partners and customers, together we can imagine and create a sustainable future for retail alongside profitable business that respects people and planet. We have begun to explore this through Project Earth, where we are seeking to radically change our business. Through it, we are exploring the most exciting design innovations, retail concepts and ground-breaking ideas in sustainability.

Stairway to a Sustainable Future: With the launch of our new vision, purpose and values, sustainability is at the heart of what we do and how we strive to create a sustainable future. With commitments to people and planet in our common group sustainability framework, a Stairway to a Sustainable Future, this provides us with the grounding to target key issues such as human rights including modern slavery.

Collaboration: We work closely with the other Selfridges Group businesses to share resources and ideas and to align our approaches where appropriate. This is done formally through monthly calls in addition to collaboration on specific activities and issues. We also seek to work collectively with external experts, other organisations and collaborative forums to enhance our approach and knowledge on the issue of modern slavery. Our key partner is Stronger Together, a business-led, multi-stakeholder, collaborative initiative. Over the year we have benefitted further from their practical knowledge, training and resources to tackle modern slavery in businesses and supply chains.

Staying on track

Our governance: Our sustainability approach is governed and managed by a small number of groups in the business. These are committees made up of our senior leaders, who set strategic direction and help integrate sustainability across the business; working groups, who develop and implement plans; and our people, who provide technical expertise and champion sustainability across our business.

Executive Committee: Chaired by our Managing Director our Executive Committee is ultimately accountable for ensuring we are a sustainable and responsible business. The Committee meets at least twice a month.

Sustainability Steering Committee: Our Sustainability Steering Committee, chaired by our Communications Director, agrees our strategic direction and monitors progress against our plans, in its monthly meetings.

Ethical Trade and Modern Slavery Working Group: Our Ethical Trade and Modern Slavery Working Group oversees our activity across all ethical trade issues, ensuring plans are developed and realised effectively. The Working Group meets weekly and has a key focus on tackling modern slavery. It is chaired by our General Counsel and consults with stakeholders from key areas of the business which help to drive activity.

Product Working Group: This year our new Product Working Group was established as a cross-functional group to lead the delivery of our product-related sustainability goals, targets and initiatives including our ethical due diligence processes.

Risk Management Committee: The Risk Management Committee is formed of the Selfridges Executive Committee and supported by the Senior Internal Audit Manager and General Counsel. The Committee monitors our activity in relation to addressing modern slavery, with sustainability a principal risk on the risk register. The Risk Management Committee works with respective areas to ensure the business risk management framework is effective.

Sustainability team: Our sustainability team provides subject matter expertise and support across the business. In addition to providing technical support, it helps set direction, works to develop and embed sustainable practices, collaborates and engages, and monitors progress against the Stairway to a Sustainable Future.

Monitoring the effectiveness of our approach

Monitoring key measures helps us identify and tackle risks and issues, evaluate whether our approach is effective, direct our future activity, and highlight potential areas of improvement. Each year we review the measures we use to help us continue to do this. We intend these measures to grow and evolve as our approach does.

We report our headline sustainability performance as part of our monthly dashboard reporting, to Selfridges' Sustainability Steering Committee and to Selfridges Group. These sustainability dashboards include measures on team member awareness and engagement, supply chain visibility, non-compliances and brand and supplier engagement. These are discussed in our Sustainability Steering Committee. In addition to this, sustainability risk is considered in monthly business risk reviews. Our Internal Audit team monitors the effectiveness of our due diligence system and the Risk Management Committee provides oversight of recommended actions.

Our Ethical Trade and Modern Slavery Working Group also reviews more detailed information to assess progress in key areas. This includes:

Due diligence:

- 535 suppliers defined as higher risk according to our criteria which includes consideration of the risk associated with the types of goods or services being supplied; and our level of control and influence.
- 58% of these suppliers have completed Sustainability Self-Assessment Questionnaires to date

We will continue to work with our brand partners and suppliers to ensure they provide us with the information we request, which we use to evaluate the measures they have in place. We will see the completion rate continue to increase this year as the due diligence process becomes established.

Issues raised:

- 16 calls to the Speak Up Helpline, none related to modern slavery

We will continue to provide a variety of channels for concerns to be raised, and to use our investigation and escalation processes to ensure concerns or potential breaches of our requirements are appropriately responded to.

Training:

- 7 suppliers trained through Stronger Together Workshops
- 2 team members trained through Stronger Together Workshops

We will continue to highlight the issue of modern slavery and encourage our team members and suppliers to access training and guidance, including through virtual means.

In accordance with section 54 of the Modern Slavery Act 2015, this document sets out Selfridges Retail Limited's ("Selfridges") Modern Slavery Statement for the year ended 31 January 2021.

For all comments or queries in relation to this document, please contact us at buyingbetter@selfridges.co.uk

Selfridges Speak Up Helpline: 0808 234 7287 / www.selfridges.ethicspoint.com
UK Modern Slavery Helpline: 0800 012 1700 / www.modernslaveryhelpline.org/report

In addition to this statement our activities are also summarised in the Selfridges Group Modern Slavery Statement. This sets out the activities SHEL Holdings Europe Limited and each of its key operating businesses, of which we are one, have in place. Brown Thomas Arnotts, one of our sister businesses, has also published its own Modern Slavery Statement which provides further detail on its specific measures.