

Selfridges Retail Limited

Charitable Giving Policy

16 November 2020

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1. Purpose

Selfridges Retail Limited ('Selfridges') is committed to supporting charitable causes that are in line with its business, sustainability and ethical principles.

Selfridges' support extends beyond cash donations and includes the sharing of its resources and assets such as premises (including training and meeting rooms), management and administrative time (time other than volunteering), contacts, relationships, infrastructure and other property such as stock, samples, IT systems, stationery, office equipment, visual merchandising equipment and props.

The purpose of this policy is to assist team members in supporting and contributing to charitable causes within a guided framework to ensure that Selfridges charitable support:

- is administered fairly and proportionally;
- is in line with Selfridges principles and governance; and
- protects the Selfridges' brand and reputation.

2. Definitions:

Charitable Purpose means a specific charitable purpose as defined under Section 3(1) of the Charities Act 2011 (including but not limited to: (i) the advancement of arts, culture, heritage or science; (ii) the advancement of environmental protection; (iii) the advancement of animal welfare; or (iv) the relief of those in need because of disadvantage) that is for the public benefit.

Charitable Giving means any charitable activity undertaken by Selfridges and team members in their capacity as a Selfridges employee including but not limited to Corporate Cash Donation, Corporate Cash Sponsorship, Fundraising and In-Kind Donations.

Corporate Cash Donation means a cash amount given to a charitable partner by Selfridges with no expectations in return.

Corporate Cash Sponsorship means Selfridges partnership with or endorsement of a product, brand, charity, event or other arrangement to benefit a charitable cause that does not involve any donation of cash or goods/services. Such arrangement shall include any mutually beneficial commercial and/or revenue generating partnerships.

Fundraising means any fundraising activities undertaken by team members utilising Selfridges resource for a charitable cause. e.g. A sample sale.

In-Kind Donation means Selfridges provision of goods and/or services (e.g. use of a meeting room, samples) free of charge to a charitable partner with no expectations of any financial benefit to Selfridges. e.g. Use of a meeting room for a day.

3. Scope

This policy applies to all team members who are employed by Selfridges.

Breach of this policy may result in disciplinary action, up to and including dismissal.

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This policy does not form part of any team members contract of employment and may be amended or updated by Selfridges annually and as required. The most up to date version of the policy can be found on My Workday.

This policy applies to all Charitable Giving activities including Corporate Cash Donations, Corporate Sponsorship, Fundraising activities and In-Kind Donations including those that depend or rely on any Selfridges resource.

The following areas are excluded from the scope of this policy:

- volunteering (see separate volunteering policy which can be found on My Workday);
- commercial sponsorships, i.e. those which are designed primarily to promote the Selfridges brand and business goals and do not have a primary Charitable Purpose; and
- team member donations and fundraising activities in their personal capacity not related to Selfridges in any way.

4. Responsibility

Any team member that wishes to engage in Charitable Giving activities which rely on Selfridges resources must comply with this policy.

Line managers are responsible for:

- the operation of this policy within their respective functions;
- educating their team on details of this policy;
- ensuring any charitable giving activities within their team are compliant with this policy;
- establishing controls and processes, to manage the effective operation of this policy such as awareness of the policy and the process detailed in the appendix;
- supervising their team members to comply with the terms of this policy; and
- reviewing and (where applicable) approving any team member request for charitable giving activities.

Team members are responsible for:

- reviewing and understanding their obligations under this policy;
- preparing and submitting any charitable request to their senior manager (Level 5 or above);
- providing the sustainability, legal, finance and other relevant functions the relevant information to review your request – see Appendix 1 for further detail; and
- (subject to the relevant approvals) planning and executing any charitable giving activity, including the direct donation to the charity (where applicable).

5. Principles

Selfridges approach to Charitable Giving is built on Selfridges:

- Vision – “To be the destination for the most extraordinary customer experience.”
- Purpose – “We are here to surprise, amaze and amuse our customers and everyone is welcome.”
- Values:
 - We Own Customer Experience

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- We Lead and Inspire
- We Take Responsibility and Deliver
- We Show Respect
- We Share Our Knowledge

Charitable Giving shall be in line with Selfridges existing business principles and policies, such as, but not limited to, the:

- Selfridges contract authorisation policy;
- Anti-money laundering policy;
- Anti-bribery and corruption policy;
- Ethical trade requirements; and
- Tax rules and compliance.

Charitable Giving must comply with applicable law and regulations, including but not limited to the Corporation Tax Act 2010, Charities Act 1992, the Charities (Protection and Social Investment) Act 2016, the Money Laundering Regulations 2017, the Terrorism Act 2000 and the Proceeds of Crime Act 2002.

Charitable Giving must not be made or offered in conjunction with, as part of or in relation to any bid, tender, contract renewal or prospective business relationship.

Charitable Giving must always be carried out with the primary aim of benefitting the charity and must not provide disproportionate financial or personal gain for any individual team member or Selfridges.

Charitable Giving shall not give rise or create any conflict of interest. A conflict of interest is a situation where your interests or the charitable beneficiary and Selfridges' interests might be at odds with each other.

Charitable Giving may result in additional tax payable and / or restrict our ability to recover tax on costs incurred. Tax rules are complex; see Appendix 2 for further detail on tax consequences, and you are encouraged to speak with the Tax Team prior to making a Charitable Giving commitment in order that any tax consequence can be considered and recorded.

6. Discretion

All Charitable Giving is at Selfridges' sole and exclusive discretion and can be recalled or withdrawn if it is felt it is not being honoured in the manner or spirit it was intended for.

7. Approval

No Charitable Giving may be offered or made by team members on behalf of Selfridges without the prior approval from sustainability, finance and legal in accordance with the approval process detailed in Appendix 1.

8. Eligible Beneficiaries

Selfridges only permits Charitable Giving for beneficiaries that are focussed on initiatives, projects and areas that are aligned with Selfridges, values, sustainability and ethical objectives. Accordingly, Selfridges has several strategic charity partnerships with:

- Zoological Society London - Marine Conservation / #Oneless campaign;
- WWF-UK;

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- Woodland Trust; and
- Centrepont, (together the “Partner Charities”).

Charitable Giving of any kind to any charitable organisation is subject to the prior approval from sustainability, finance and legal in accordance with the approval process detailed in Appendix 1. To obtain approval for your Charitable Giving activity, submit a Charitable Giving Request Form. For further details of the request process please see Section 13 below.

Selfridges’ recognises Charitable Giving is not limited to registered charities only. Selfridges will consider support requests from:

- community groups;
- state schools;
- not-for-profit organisations including Community Interest Companies and Charitable Incorporated Organisations; and
- social Enterprises.

If you wish to put forward a charity partner for consideration, please send any suggestions to the Sustainability Manager – see My Workday for contact details.

Please note team members are free to conduct their own charitable activities in their personal capacity without reliance on Selfridges resource, brand name, premises or otherwise in any way affiliated with Selfridges. However, any charitable activity that relates or is affiliated in any way to Selfridges, Selfridges partners (including brand partners or suppliers), its stock or customers must be approved in accordance with this policy.

9. Breach

You will be in breach of this policy if you:

- submit to the cash office for processing any charitable donation that has not been pre-approved in accordance with this policy.

Note any donations delivered to the cash office without the relevant approval will be rejected, will not be processed by Selfridges and it will remain the sole responsibility of the team member to organise the donation to the charity directly.

and/or

- undertake any Charitable Giving to an organisation that is not a Partner Charity without prior approval from sustainability, finance and legal teams in accordance with the approval process detailed in Appendix 1.

10. Restrictions

Selfridges shall not support any initiatives which do not align with the company’s values and shall not support causes which discriminate on the grounds of race, religion, gender or disability.

In particular, Selfridges will not provide support to organisations or projects that are, or are primarily focussed on benefitting or advancing:

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- **Religious beliefs**, where the donation is used to support a particular faith or belief. Donations could be acceptable if the organisation is undertaking charitable or community work, such as disaster relief or youth groups, where receipt of aid is not conditional upon religious affiliation. in the allocation of their support according to race, sexual orientation, gender, religion, or disability;
- **Public sector bodies** for general running costs. Specific projects may be considered for support such as fundraising for specific equipment;
- **Fee-paying care homes** and other residential centres;
- **Military operations** excluding organisations that support service men and women such as Help for Heroes or the Royal British Legion; or
- **Independent fee-paying schools** with the exception of special educational needs schools.

Selfridges will not make charitable donations through an individual or a third party (with the exception of approved donation processors, such as payroll giving donations, Gift Aid and StreetSmart).

11. Team Member Fundraising

To ensure that Selfridges resources are distributed fairly, proportionally and that activities are conducted in a safe and secure manner Team Members are strictly prohibited from conducting any Fundraising activities without first obtaining prior approval from sustainability, finance and legal in accordance with the approval process detailed in Appendix 1.

Team Members must not approach any suppliers directly or indirectly for sponsorship or donations in their capacity as a representative of Selfridges without first obtaining prior approval from sustainability, finance and legal in accordance with the approval process detailed in Appendix 1.

Fundraising includes the use of Selfridges' resources such as stock and samples, and administrative support. Accordingly, use of Selfridges resource such as stock and samples is only permitted where the proceeds will be used to support Partner Charities .

Selfridges appreciates that team members have charitable causes that are personal to them and their community. A request to support a charity other than our Partner Charities which does not use Selfridges' resources such as stock and samples can be submitted following the approval process detailed in Appendix 1.

Fundraising activities should be respectful of other team members' views and opinions and team members should not feel pressured to contribute or donate. Any activities that are deemed not to be respectful of the Selfridges values shall be rejected.

12. Sale of Merchandise

We often receive requests from our brand partners on sale of products related to a charity, we consider these requests carefully and make strategic decisions about any brand or product related charitable activity.

Team members must submit a Charitable Giving Request Form and Charitable Giving Supplier Checklist if they wish to sell any merchandise that supports a charitable organisation or intends to make any connection or affiliation between the purchase of

goods/services and a charitable organisation. For further details of the request process please see Section 13 below.

13. Charitable Giving Request

Any team member that wishes to engage in any Charitable Giving activity including any local Fundraising activity on Selfridges property or utilising Selfridges' resource, must first submit a Charitable Giving Request Form 1 month prior to the proposed activity.

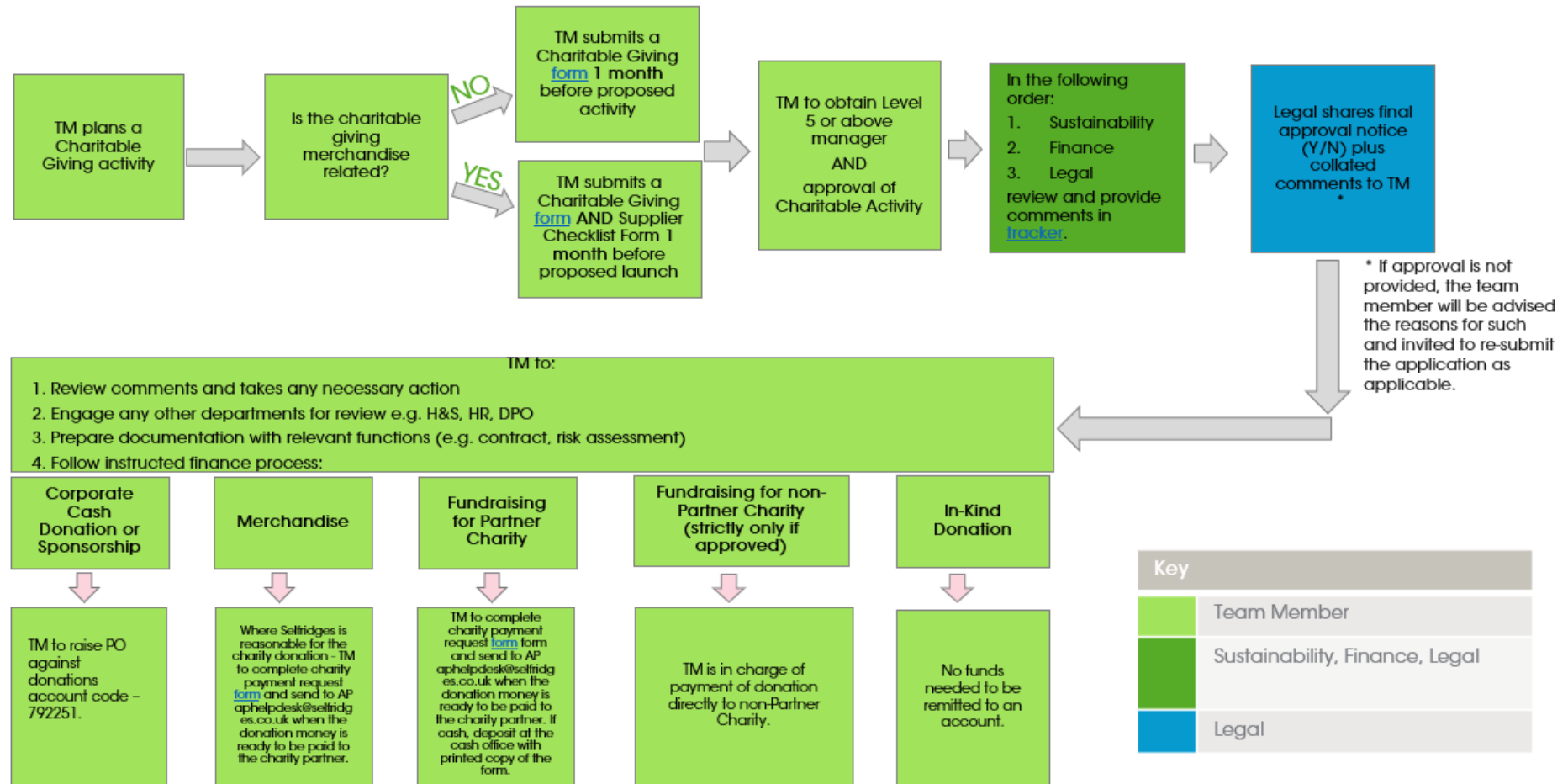
In addition to the above where there is a sale of merchandise related charitable giving a team member must also submit a Charitable Giving Supplier Checklist 1 month prior to the proposed launch.

For further details of the process to undertake a Charitable Giving activity please see Appendix 1.

14. Useful Links

Summary and process flow chart [here](#).
Charitable giving request form [here](#).
Charitable giving supplier checklist [here](#).
Charity payment request form [here](#).

Appendix 1 – Charitable Giving Process



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Appendix 2 – Tax Considerations

Type	Definition	Corporation Tax Implications	VAT Implications
Corporate Cash Donation	Cash given to a charitable partner by Selfridges with no expectation of receiving anything in return	Value to be reported and recorded in a separate TB code as donations will be; eligible for tax relief under the; 'qualifying charitable donation' rules.	No VAT due or recoverable where nothing is expected or received in return
Corporate Cash Sponsorship	Selfridges partnership with or endorsement of a product, brand, charity, event or other arrangement to benefit a charitable cause that does not involve any donation of cash or goods/services. E.g. mutually beneficial commercial and/or revenue generating partnerships.	Where a charity partner publicly supports Selfridges or our activities, including providing links to our website, any reciprocal benefit provided to that charity will likely be treated as sponsorship payment, rather than a donation, qualifying for tax deduction.	Any exchange of benefits between Selfridges and its charitable partner will be subject to VAT, and invoices should be exchanged using a fair market value. 'Benefit' is broadly defined and includes advertising or promotions, entry to events, reduced price tickets or access to hospitality, or allowing Selfridges to use the charity's name or branding etc.
Fundraising	Activities undertaken by team members utilising Selfridge resource for a charitable cause. E.g. A sample sale.	The value of stock donations are not subject to tax as sale value is treated as nil. Therefore, tax relief is given as we are allowed to claim the cost of purchasing such stock and therefore, the stock that is donated needs to be separately tracked and recorded.	Sale of stock or samples by team members, with proceeds donated to a charity are not subject to VAT. Stock donated to a charity for resale by the charity –no VAT due and business gift rules do not apply Stock donated for use / consumption by the charity, including auction prizes – business gift rules apply with VAT payable based on the cost or written down value; for donations of food, close to the sell-by or expiry date, the written down value will likely be low or negligible Exception: Goods that have come to the end of their economic life, e.g. end of promo displays are not subject to the business gift rules, and there will be no VAT due. Speak to the tax team for further support
In-Kind Donation	Provision of goods and/or services (e.g. use of a meeting room, samples) free of charge to a charitable partner with no expectations of any financial benefit to Selfridges. E.g. Use of a meeting room for a day.	As above, goods provided should follow the same treatment as stock donations (see "Fundraising" above). Cost of providing services should be calculated as accurately as possible and recorded in respect of such "in-kind" donations.	No VAT due, unless there is a reciprocal benefit between the parties (see Corporate Cash Sponsorship, above), or goods are used by the charity (see Fundraising, above) Any VAT incurred on additional costs incurred as a result of an in-kind donation may not be recoverable.
General comment	Cash & stock donations	Any benefit received from a charity in return for charitable giving by Selfridges (or its employees acting in Selfridges name), e.g. tickets to events, will need to be recognised at market value. See employee policy on receiving gifts.	

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