

Selfridges & Co Ethical Trade Requirements

1. INTRODUCTION

1.1 Principles and standards:

Our Ethical Trade Requirements set out the core principles that all suppliers which work in partnership with Selfridges must comply with; they are a compulsory part of the terms and conditions of trading with Selfridges. We want to ensure that products sold by Selfridges are produced in an ethical manner, under humane working conditions, with respect for workers and their human rights, that animals are treated and transported humanely and that suppliers minimise their impact on environment.

These Ethical Trade Requirements are based on internationally recognised standards including the Ethical Trading Initiative (ETI) Base Code, International Labour Organisation (ILO) conventions and the United Nations Guiding Principles on Business and Human Rights.

The provisions of these requirements constitute minimum and not maximum standards, and these requirements should not be used to prevent companies from exceeding these standards. Suppliers are expected to comply with national and other applicable law and, where the provisions of law and these requirements address the same subject, to apply that provision which affords the greater protection.

Compliance with the law and these Ethical Trade Requirements is mandatory and we will view any failure to adhere to these requirements and the law as a potential material breach of contract.

1.2 Our expectations of suppliers:

It is the supplier's responsibility to ensure that the manufacture of all products is carried out in compliance with these Ethical Trade Requirements which apply throughout the whole supply chain including sub-suppliers and subcontractors.

We expect suppliers to ensure they have appropriate governance & management, risk assessment, policy, due diligence, escalation & remediation, and awareness raising measures in place to ensure adherence with these Ethical Trade Requirements; and that these requirements are passed on and upheld across the supply chain.

Suppliers should notify Selfridges in writing of any actual or suspected material breaches of these Ethical Trade Requirements within a maximum of 14 business days of becoming aware. This notification should include details of the instance, and actions proposed or taken to resolve.

1.3 Our due diligence:

We aim to work with suppliers in a collaborative and transparent way, to help improve the conditions across our supply chain. To aid this and gain further transparency of our supply chains we conduct our own due diligence including:

- Requesting all suppliers which work in partnership with Selfridges join Sedex for a nominal fee and provide us with access to their Self-Assessment Questionnaire and audit information stored on the Sedex database:
<http://www.sedexglobal.com/join-sedex/>
- In addition, we may conduct further due diligence and request evidence to demonstrate compliance with these Ethical Trade Requirements and local legislation. This may include requesting details and documentation of the measures in place and/or requesting existing audits or commissioning new audits.

2. EMPLOYMENT AND WORKING CONDITIONS

2.1 Employment is freely chosen:

2.1.1 There is no forced, bonded or involuntary prison labour.

2.1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

- 2.1.3 There is no use of modern slavery including human trafficking, and suppliers are compliant with local modern slavery legislation, including but not limited to, the UK Modern Slavery Act 2015.

2.2 Freedom of association and the right to collective bargaining are respected:

- 2.2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.2.3 Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

2.3 Working conditions are safe and hygienic:

- 2.3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by assessing and minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 2.3.2 Workers must not be locked into their places of work and adequate means of fire escape must be provided.
- 2.3.3 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 2.3.4 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided free of charge.
- 2.3.5 In geographically isolated areas of the developing world, where labour is brought in from surrounding areas to semi-permanent/permanent dwelling, the employer shall provide at least a minimum standard of support services, where possible including schooling, medical and health facilities and recreational facilities.
- 2.3.6 Where management provides dedicated transport for the movement of the workforce within the workplace, these shall conform to the minimum standards set down in the appropriate national transport legislation. In the absence of such legislation, the management shall make every reasonable effort to minimise risk to the workforce whilst transporting them.
- 2.3.7 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 2.3.8 Suppliers and their manufacturers should assign responsibility for health and safety to a senior management representative.

2.4 Child labour shall not be used:

- 2.4.1 There shall be no new recruitment of child labour.
- 2.4.2 Suppliers shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. The ILO and the ETI Base Code state that a child is any person younger than 15 years of age, unless local minimum age law stipulates a higher age for work or mandatory schooling, in which case the higher age shall apply.
- 2.4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 2.4.4 Supplier's policies and procedures shall conform to the provisions of the relevant ILO standards.

2.5 Living wages are paid:

- 2.5.1 Wages and benefits outside the European Union paid for a standard working week meet, at a minimum, applicable legal standards or industry benchmark standards, whichever is higher. Wages and benefits within

Europe should meet minimum wage standards. In any event wages should always be enough to meet basic needs and to provide some discretionary income.

- 2.5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 2.5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by applicable law be permitted without the express permission of the worker concerned. All disciplinary measures should be recorded.

2.6 Working hours are not excessive:

- 2.6.1 Working hours must comply with applicable laws, collective agreements, and the provisions of 2.6.2 to 2.6.6 below, whichever affords the greater protection for workers. Sub-clauses 2.6.2 to 2.6.6 are based on international labour standards.
- 2.6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week. International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.
- 2.6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 2.6.4 The total hours worked in any 7 day period shall not exceed 60 hours, except where covered by clause 2.6.5 below.
- 2.6.5 Working hours may exceed 60 hours in any 7 day period only in exceptional circumstances where all of the following are met:
 - This is allowed by applicable law;
 - This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce (if there is a collective agreement in place);
 - Appropriate safeguards are taken to protect the workers' health and safety; and
 - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- 2.6.6 Workers shall be provided with at least one day off in every 7 day period or, where allowed by applicable law, 2 days off in every 14 day period.

2.7 No discrimination is practiced:

- 2.7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

2.8 Regular employment is provided:

- 2.8.1 To every extent possible work performed must be on the basis of a recognised employment relationship established through applicable law and practice.
- 2.8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

2.9 No harsh or inhumane treatment is allowed:

- 2.9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation are prohibited.

3. BUSINESS ETHICS

3.1 No bribery or corruption will be tolerated:

- 3.1.1 The offering, paying, soliciting or accepting of bribes including facilitation payments is strictly prohibited.

- 3.1.2 A bribe may involve giving or offering ANY form of gift, consideration, reward or advantage to someone in business or government in order to obtain or retain a commercial advantage or to induce or reward the recipient for acting improperly or where it would be improper for the recipient to accept the benefit.
- 3.1.3 Bribery can also take place where the offer or giving of a bribe is made by or through a third party, e.g. an agent, representative or intermediary.
- 3.1.4 Some examples of bribes are as follows. This is not an exhaustive list:
- Gifts with a value above a reasonable level, or travel expenses.
 - The uncompensated use of company services, facilities or property.
 - Cash payments, loans, loan guarantees or other credit.
 - The provision of a benefit, such as an educational scholarship or healthcare, to a member of the family of a potential customer/public or government official.
 - Providing a sub-contract to a person connected to someone involved in awarding the main contract.
 - Engaging a local company owned by a member of the family of a potential customer/public or government official.
- 3.1.5 Facilitation payments are small payments or fees requested by government officials to speed up or facilitate the performance of routine government action (such as the provision of a visa or customs clearance). Such payments are strictly prohibited.
- 3.1.6 Suppliers and their employees must comply with all applicable anti-bribery and corruption laws. If no such anti-bribery or corruption laws apply, or are of a lesser standard to that prescribed in the UK Bribery Act 2010, suppliers, representatives and their employees must adhere to the UK Bribery Act 2010.
- 3.1.7 Suppliers must have in place anti-corruption and bribery procedures to prevent employees or persons associated with its business from committing offences of bribery or corruption.
- 3.1.8 Suppliers and representatives will properly implement these procedures into their business and review them regularly to ensure that they are operating effectively.

4. ANIMAL WELFARE AND TRANSPORTATION

4.1 Animal welfare:

- 4.1.1 As a minimum, suppliers shall adhere to five fundamental freedoms as recommended by the World Society for the Protection of Animals (WSPA) which set standards for basic animal welfare. Animals must have:
- Freedom from hunger and thirst by ready access to fresh water and an appropriate diet to maintain full health and vigour.
 - Freedom from discomfort by providing an appropriate environment including shelter and a comfortable resting area.
 - Freedom from pain, injury or disease by prevention or rapid diagnosis and treatment.
 - Freedom to express normal behavior by providing sufficient space, proper facilities and company of the animal's own kind.
 - Freedom from fear and distress by ensuring conditions and treatment which avoid physical or mental suffering.
- 4.1.2 Suppliers must ensure that staff are skilled and competent in animal husbandry and welfare, and have a good working knowledge of the animals in their care.
- 4.1.3 Suppliers must comply with EU and legislation applicable to animal welfare, transportation and slaughter.

4.2 Transportation:

- 4.2.1 In addition, animals must not be transported for longer than 8 hours and should be sourced locally wherever possible, to avoid long journeys to abattoirs.
- 4.2.2 Animals must go directly from farm to slaughter, and not via livestock markets.
- 4.2.3 Animals must have adequate bedding, space and ventilation during the transportation.

5. ENVIRONMENT

Suppliers shall seek to:

- 5.1 Make continuous improvements in their environmental performance and will identify, monitor and minimise the environmental impacts of their operations ideally by using an externally accredited management process.
- 5.2 As a minimum, comply with the requirements of local and international laws and regulations.
- 5.3 Demonstrate improved environmental performance over time, including but not limited to the areas of:
 - Energy use and greenhouse gas emissions.
 - Water consumption.
 - Effluent generation and water pollution.
 - Chemical and hazardous substance use.
 - Air pollution.
 - Resource use and waste generation.
 - Biodiversity.
- 5.4 Minimise their use of raw materials, continually looking for more efficient processes and maximise their use of recycled materials.
- 5.5 Continually strive to recycle as much of their waste as possible. Waste shall be disposed of in an efficient, safe and environmentally responsible way and in full compliance with applicable laws.
- 5.6 Avoid contamination of the local environment and ensure that air, noise and odour pollution is within nationally defined limits.
- 5.7 Innovate to find sustainable alternatives to using fossil fuel-based and non-renewable resources.
- 5.8 Minimise chemical use and abide by international, national and sector specific laws and Codes of Practice for the use of pesticides.

6. MATERIALS AND INGREDIENTS

6.1 Prohibited products, materials and ingredients for sale or use in our operations:

- 6.1.1 **Fur:** Products including product trim, made from fur. Fur means any animal skin or part thereof with hair or fur fibres attached thereto, either in its raw or processed state or the pelt of any animal killed for the animal's fur.
 - 6.1.1.1 Where animals have not been killed solely for their fur, and where the animals have been treated in line with our animal welfare and transportation requirements, we will accept:
 - Materials clipped, shorn or combed from animals with the exception of rabbit (Including angora rabbit) which is not permitted
 - Animal skin or part thereof with hair or fur fibres attached of cow/calf, goat, sheep/lamb with the exception of karakul lamb which is not permitted
- 6.1.2 **Exotic skins:** Any skin/leather not derived from cow/calf, sheep/lamb, pig, goat and water buffalo.
- 6.1.3 **Endangered species:** Plants or animal products listed on CITES Appendix I or the EU Wildlife Trade Regulations Annex A. For any plants or animals on CITES Appendices II or III, suppliers must ensure that all certification is in place and kept with the product (where necessary) and that these products are sustainably and responsibly sourced.
- 6.1.4 **Project Ocean commitments:**
 - Coral
 - Fish red-rated by the Marine Conservation Society
 - Shark (a.k.a Galuchat, Squalene) including shark oil within beauty products
 - Stingray (a.k.a Galuchat, Shagreen)
 - Cosmetic wet wipes including biodegradable or compostable alternatives
 - Plastic straws
 - Products containing microbeads
 - Single-use plastic water bottles or carbonated drinks bottles
 - Single-use plastic cups
 - Plastic carrier bags
 - Balloons (incl. biodegradable balloons) for events & visual merchandising

6.1.5 **Timber and paper:** Products that do not meet relevant laws including EU Timber Regulations. Suppliers should also:

- Align with the aims of Selfridges' Forest Fibres Position Statement and the Selfridges' Wood and Paper Position Statement: <https://images.selfridges.com/is/content/selfridges/content/site/2019/01-2019/Positionstatement.pdf>
- Strive to use recycled, FSC or PEFC wood stocks where possible.
- Not supply Selfridges Selection goods containing palm oil or palm oil derivatives.

6.1.6 **Other:**

- Foie gras.